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Introduction: Passing the baton

For many, the United States Supreme Court decision in 2015 to legalise same-sex marriage nationwide was a recent high-water mark for lesbian, gay, bisexual and transgender (LGBT) rights, an inspiring moment that served as the culmination of decades of struggle. Although the past few years of turbulent political shifts, trade wars and a major pandemic have seen the global spotlight shift away from LGBT rights, they have not been without significant victories, especially in Asia. Taiwan's recent adoption of same-sex marriage is the most prominent, but other, more incremental advancements—including significant court rulings in China and India^{1,2}—have also pushed the envelope forward.

With this context in mind, our most recent study under the Pride and Prejudice banner—the fifth in an annual series of surveys and research reports exploring LGBT rights—focuses on Asia. Although the West still contains pockets of discrimination, it is far closer to full equality than it was even a few years ago. Asia, on the other hand, still has a long journey ahead, making the region the true next chapter of progress in this ongoing global

fight. With attitudes among young, urban-dwelling Asians changing rapidly, the continent will hopefully pick up the baton.

In keeping with the Pride and Prejudice approach of years past, our research, sponsored by Manulife, Barclays and Nomura, focuses roughly equally on the business community and society at large. In particular, this year it compares corporate attitudes to those of rank-and-file staff with regard to LGBT rights; just as the wider social compass may lag behind—or diverge entirely—from the attitudes and opinions of individuals, so too do companies often default to a conservative “groupthink” mentality that obscures potentially rapid change in attitudes among individual workers. These attitudes are captured via a survey, fielded in August and September 2020, of 359 full-time employees at companies across seven economies: China, Hong Kong, India, Indonesia, Japan, Singapore and Taiwan. Our sample is 44% director-level and above, including 16% C-suite executives. It is 77% male and 8% members of the LGBT community. See the report appendix for full survey results, including demographic data.

¹ “A Chinese trans woman wins a surprising legal victory”, The Economist, August 1st 2020.

² “India court legalises gay sex in landmark ruling”, BBC, September 6th 2018.

Trapped in the grey zone

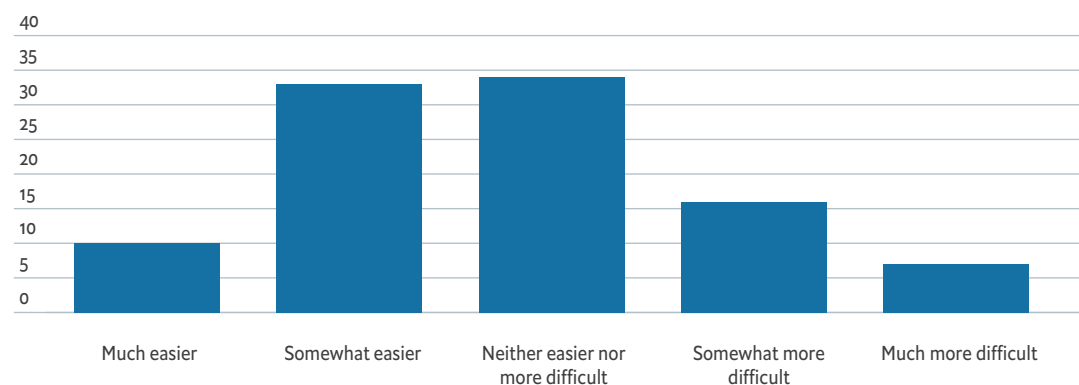
Companies in the West have played a vocal role in advancing LGBT rights and publicly trumpeted their credentials as LGBT-friendly employers over the past several years. Asian firms, by contrast, are much more reticent to do either; instead, they often disengage from social issues entirely, especially ones that may be controversial in their home countries. This disengagement affects relationships between staff, creating a stark line between the social and the professional in many contexts. The idea that workplaces should be venues for personal development or “safe spaces” where staff can express themselves is largely alien to many Asian companies.

This is captured in our survey via the fact that a full 40% of respondents believe that

being openly LGBT would be a hindrance to one’s career prospects, compared with only 11% who say it would be an advantage. Amid seemingly rapid social change, the road ahead for companies is hardly clear-cut; while 43% say that in three years it will get easier for LGBT staff to disclose their sexual orientation or gender identity to others in their organisation, this is dwarfed by the 57% who believe it will get more difficult or show no change from today. This ambivalence is reflected by the 60% of respondents who want their firm’s level of investment in LGBT diversity and inclusion to stay the same or be scaled back.

Figure 1: Breaking through

Looking ahead three years, do you believe it will be easier or more difficult for an LGBT employee to disclose their sexual orientation/gender identity to other staff in your organisation? (% of respondents)



Source: The Economist Intelligence Unit

This hesitation contrasts with the fairly strong pro-LGBT stance reflected in the more socially-oriented questions in our survey. Nearly four in five respondents say their

social circle outside of work and their broader community are at least somewhat diverse with respect to sexual orientation or gender identity. Two-thirds believe that companies

need to do more to protect LGBT employees in countries that have anti-LGBT legislation in place and over half say they would prefer to work for a company that is an advocate for LGBT diversity and inclusion.

View from the top

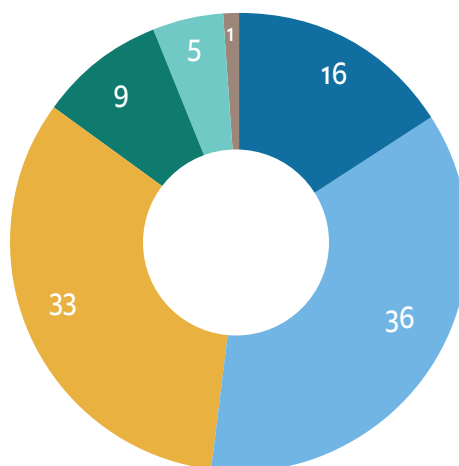
How to reconcile these conflicting stances? One factor clearly missing from Asian firms is the presence of prominent LGBT top leaders, in the mould of Apple's Tim Cook, who are not afraid to disclose their sexual orientation both to their staff and society at large. It is hard to imagine that over half of respondents at Western firms would say that it is easier for LGBT people to advance professionally if they keep their sexual orientation or gender identity private, as the Asian respondents in our survey did. Unfortunately the leadership vacuum in Asian companies is a glaring factor impeding broader LGBT advancement.



Figure 2: Onward and upward?

In Asia it is easier for LGBT people to advance professionally if they keep their sexual orientation/gender identity private (% of respondents)

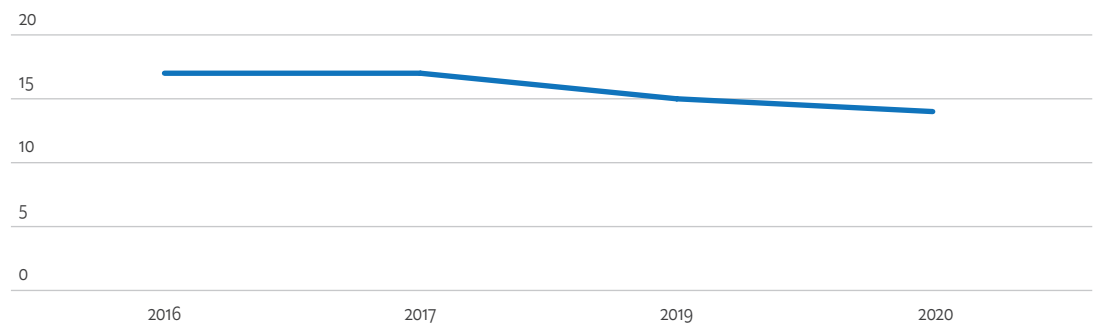
- Agree strongly
- Agree somewhat
- Neither agree nor disagree
- Disagree somewhat
- Disagree strongly
- Don't know



Source: The Economist Intelligence Unit

Figure 3: A far climb

% of respondents in Asia saying that financial performance could be most positively affected by effective LGBT diversity and inclusion in the workplace



Source: The Economist Intelligence Unit

Money talks

One thing a strong leader could do is argue for the business benefits of LGBT diversity and inclusion. If our survey is any guide, Asian firms could use more convincing in this regard: while 46% of respondents say that there is a business opportunity in enacting LGBT-friendly policies and practices—compared with 17% who say there is a business risk and 36% who say neither—they rank “financial performance” second to last as a potential business benefit of such policies, with only 14% support. This is in contrast to

the 42% who cite attracting and retaining the best talent and 38% who say employee productivity.

We have asked the “financial performance” question in every Pride and Prejudice survey (first fielded in 2015) bar one, and always find a similar result: executives rank it at or near the bottom of various potential benefits. While research has shown that companies with LGBT-friendly policies outperform their peers in the stock market,³ the link between the bottom line and LGBT diversity and inclusion remains blurry for most.

³ Robin Wigglesworth, “Pro-LGBT stocks tend to outperform – Credit Suisse”, Financial Times, April 15th 2020.

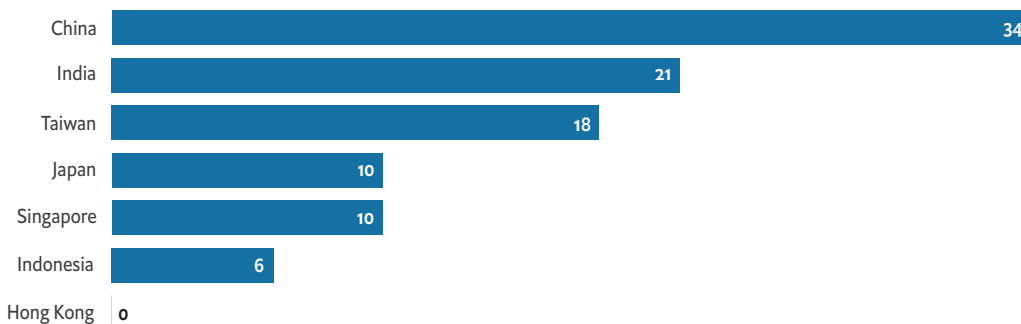
The bigger they come

China and India will dominate the geopolitical shifts of the 21st century, which makes it all the more heartening that these two uneasy

neighbours report significant progress on corporate LGBT rights in our survey, well beyond the smaller economies.

Figure 4: In good company

% of respondents saying their company has made "substantial progress" in LGBT diversity and inclusion over the last three years



Source: The Economist Intelligence Unit

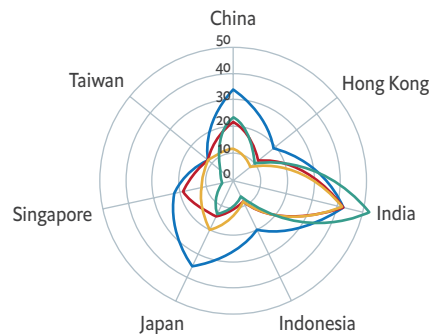
Respondents from both countries are by far most likely to say they have observed open debate about how to make the company more LGBT-inclusive (62% and 60% for China and India, respectively, compared with a survey average of 41%) and to say that enacting LGBT-friendly workplace policies and practices presents a business opportunity (62% and 69%, compared with an average of 46%). They are also more likely to agree that the business world has a fundamental imperative to drive change around LGBT diversity and inclusion (64% and 85%, compared with an average of 59%).

Indian respondents in particular show high levels of individual support for LGBT rights, with high margins declaring themselves "very comfortable" working with an LGBT colleague, joining an LGBT support or allies' network at work or wearing a rainbow flag pin or other visibly pro-LGBT symbol at work.

Figure 5: Pride strides

% of respondents saying they would be "very comfortable" with the following

- Working with an openly LGBT manager, colleague or subordinate
- Joining an LGBT support or allies' network at work
- Wearing a rainbow flag pin or other visibly pro-LGBT symbol at work
- Joining a pro-LGBT rally or march outside work



Source: The Economist Intelligence Unit

Firm beliefs

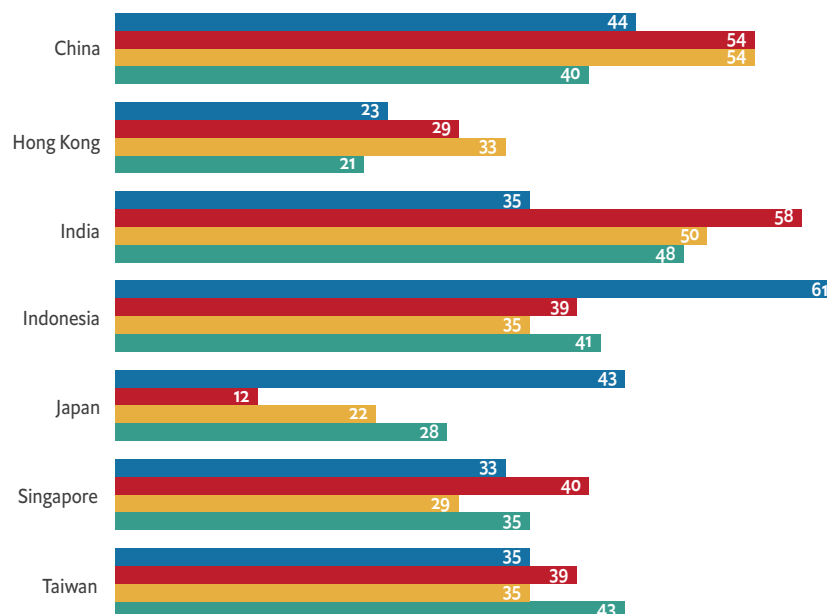
These buoyant attitudes could be due to the fact that Chinese and Indian respondents are more likely than those elsewhere to say their firm reflects the values of its staff in areas of broad social concern, including LGBT rights. Respondents from both countries cite various measures that reflect this cohesion between the corporate and the personal: encouraging staff to discuss aspects of their

personal/social life at work related to aspects of broad social concern, organising internal events/awareness campaigns and promoting internal groups/networks focused on areas of broad social concern, among others. Both countries show higher engagement in these initiatives than other economies in the study (Indonesia also shows high engagement, but its Muslim culture is likely to preclude similarly magnanimous views towards LGBT people).

Figure 6: Mirror, mirror

In which of the following ways does your organisation reflect the values of its staff in areas of broad social concern? (% of respondents)

- Enacting workplace policies promoting a culture of free speech and debate
- Encouraging staff to discuss aspects of their personal/social life at work related to aspects of broad social concern
- Organising internal events/awareness campaigns
- Promoting internal groups/networks focused on areas of broad social concern



Source: The Economist Intelligence Unit

Familiarity breeds approval

One of the most important determinants of LGBT acceptance—both in business and broader society—is knowing someone who is LGBT. In our survey, people who have friends, family or colleagues in the LGBT community are vastly more likely than others to hold positive views on a range of topics. Specifically, compared with people who don't know any LGBT people, they are:

- More than **three times** more likely to want their firm to invest more in advancing progress for LGBT people
- **Three times** more likely to say there is a business opportunity in enacting LGBT-friendly workplace policies and practices
- **Fourteen times** more likely to say they

are very comfortable joining an LGBT support or allies' network at work

- Nearly **three times** more likely to say they would like to work for a company that is an advocate for LGBT diversity and inclusion

This highlights the “fear of the unknown” driving much of the animosity or lukewarm attitudes toward LGBT people in Asia, a region where conformity and adherence to social norms is often stronger than in the West. As a greater understanding of LGBT people's indelible place in society spreads—abetted by technology and amplified by positive developments outside the region—these fears are likely to diminish, to the benefit of both LGBT people and their broader communities.



Conclusion: Companies and change

The march of LGBT rights in a region as vast and diverse as Asia is not a straightforward process; it will inevitably encounter further setbacks. From religious conservatism around LGBT lifestyles in Indonesia and India to heavy government control over all aspects of civil society in China, LGBT people on the continent face formidable challenges. But as their counterparts in the West can attest, once the wheels of progress have been set in motion, they are extremely difficult to reverse.

While Asian companies have yet to attain nearly the same level of prominence in the debate around LGBT issues as their peers in the West, there is movement here as well. Chinese e-commerce giant Alibaba has coyly expressed its support for LGBT rights in recent years.⁴ Advantageous court rulings in Hong Kong are being accompanied by the emergence of LGBT-friendly policies among the region's firms (albeit mostly multinationals).⁵ India too is showing more signs of broad, public acceptance of LGBT people by its companies.⁶

This suggests that Asian firms are in a good position to drive progress going forward, moving in lockstep with their employees—especially the younger ones, for whom promoting LGBT rights is far more a priority than for their elders. Although Asia remains a continent of contrasts—political, social, technological and otherwise—the rest of the world looks forward to the next chapter of its progress on LGBT issues, spoken with a single, forceful voice of acceptance.

⁴ Josh Horwitz, "Alibaba praised by China's gay community for ad recognizing same-sex couples", Reuters, January 8th 2020; Matt Sheehan, "California Dreaming: Alibaba Helps LGBT Chinese Couples Get Married In Los Angeles", Huffington Post, December 6th 2017.

⁵ "2021 Hong Kong LGBT+ Inclusion Index & Awards", Community Business.

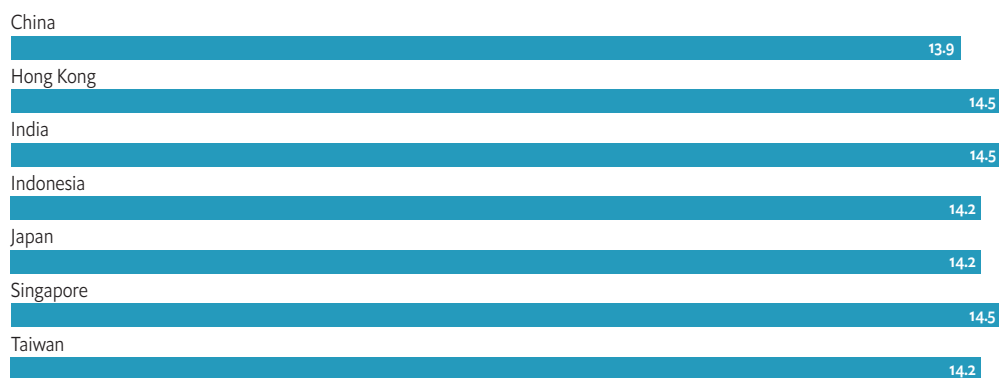
⁶ Suvashree Ghosh and Bruce Einhorn, "Indian firms becoming sensitive to LGBT workers, year after homosexuality was decriminalised", ThePrint, October 15th 2019.

Appendix: Survey results

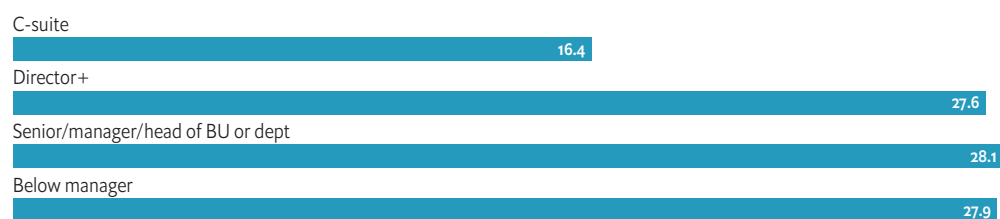
All figures represent % of survey respondents

Not all questions add up to 100 due to rounding and ability of respondents to pick more than one option in some instances

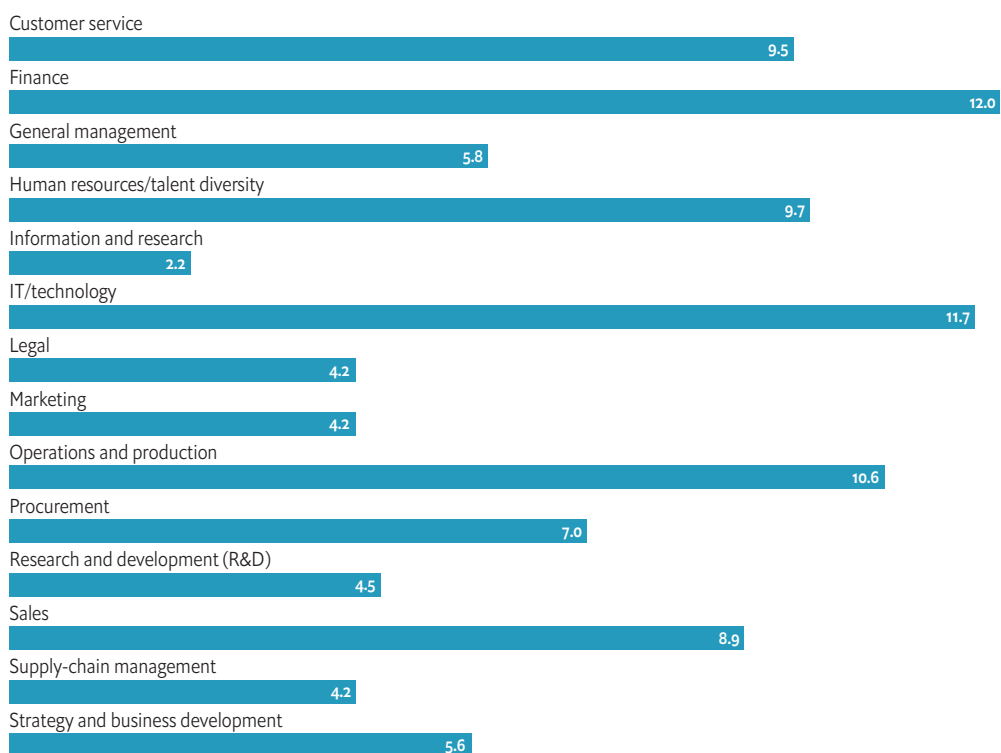
D1. Where are you personally located?



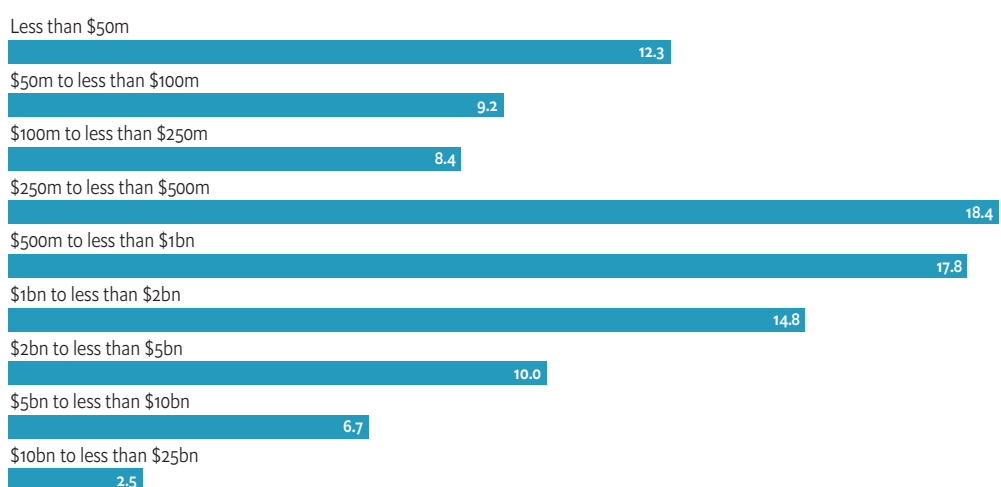
D2. Which of the following best describes your title?



D3. What is your main functional role?



D4. What is your organisation's annual global revenue in US dollars (or budget oversight if governmental)?



D5. What is your organisation's primary industry?

Aerospace and defence

1.9

Agriculture and agribusiness

3.1

Automotive

5.3

Chemicals

3.1

Construction and real estate

6.4

Consumer goods

4.5

Education

4.5

Energy, utilities and natural resources

4.5

Entertainment, media and publishing

2.2

Financial services (incl banking, insurance and investments)

7.5

Government/public sector

3.9

Healthcare

4.5

Life sciences/pharmaceuticals/biotechnology

3.3

Manufacturing

8.9

Not-for-profit

1.1

Professional services

5.3

Retail

8.1

Technology/IT

8.9

Telecommunications

4.5

Transportation, logistics and distribution

5.6

Travel and tourism

3.1

D6. In what year were you born?

Gen Z/millennials (1981 to 2002)

55.4

Gen X (1965 to 1980)

39.3

Baby boomers (1946 to 1964)

5.3

D7. Which best represents your gender?

Male

76.9

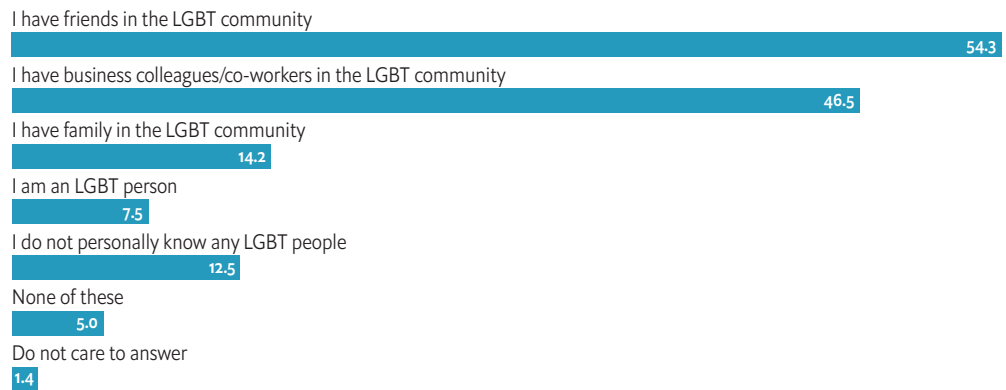
Female

22.8

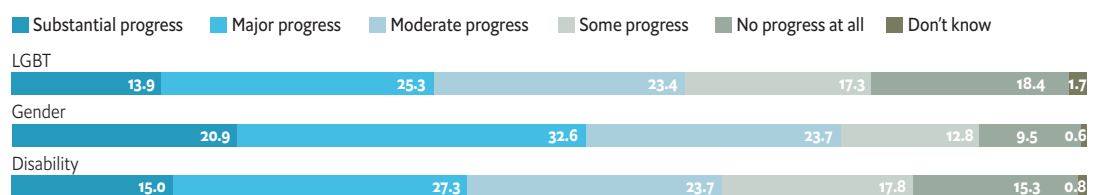
Do not care to answer

0.3

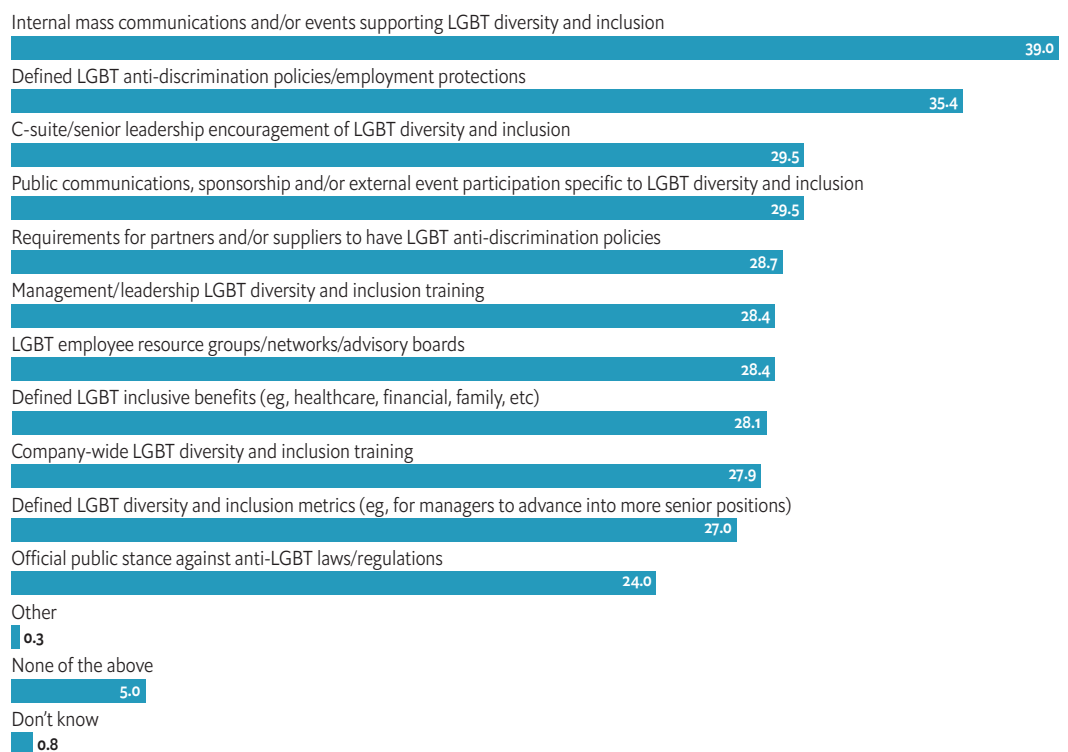
D8. Which, if any, of the following applies to you?



Q1. To what extent do you believe your company has made progress in the following areas of diversity and inclusion over the last three years?



Q2. In which of the following ways does your company support LGBT diversity and inclusion in the workplace?



Q3. Which of the following have you observed at your organisation?

Covert LGBT discrimination (also known as unconscious bias, where discrimination occurs without visible or expressive evidence)



Open debate about how to make the organisation more LGBT-inclusive



Overt LGBT discrimination (vocal or physical)



None of the above



Q4. In your opinion, how would being openly LGBT impact the career prospects of employees at your organisation?

It would be a major hindrance



It would be a minor hindrance



It would be neither a hindrance nor an advantage



It would be a minor advantage



It would be a major advantage



Q5. Looking ahead three years, do you believe the following will get easier or more difficult compared with today?

■ Much easier ■ Somewhat easier ■ Neither easier nor more difficult ■ Somewhat more difficult ■ Much more difficult ■ Don't know

An LGBT employee disclosing their sexual orientation/gender identity to other staff in my organisation



My organisation engaging in public advocacy in support of LGBT rights



An openly LGBT person attaining a senior management position in my organisation



Q6. To what extent would you consider the following groups to be diverse with respect to sexual orientation and gender identity?

■ Extremely diverse ■ Very diverse ■ Somewhat diverse ■ Not very diverse ■ Not at all diverse ■ Don't know

My primary cohort of work colleagues



My social circle outside of work



My broader community



Q7. To what extent would you like to see your company investing more or less in advancing progress in each of the following areas of diversity and inclusion in the workplace?

■ Much more investment ■ Somewhat more investment ■ Neither more nor less investment ■ Somewhat less investment ■ Much less investment ■ Don't know

LGBT



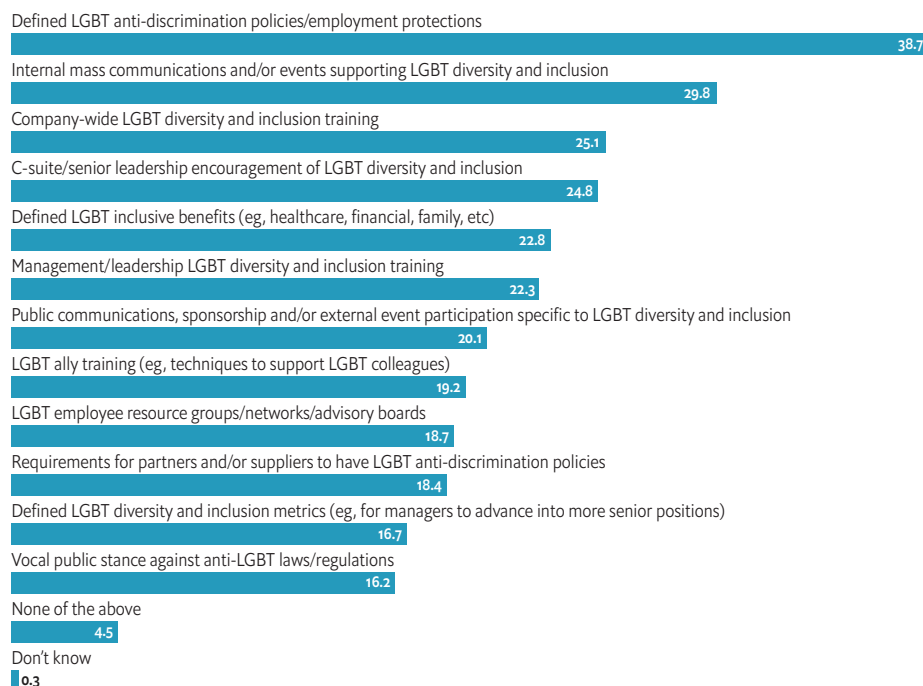
Gender



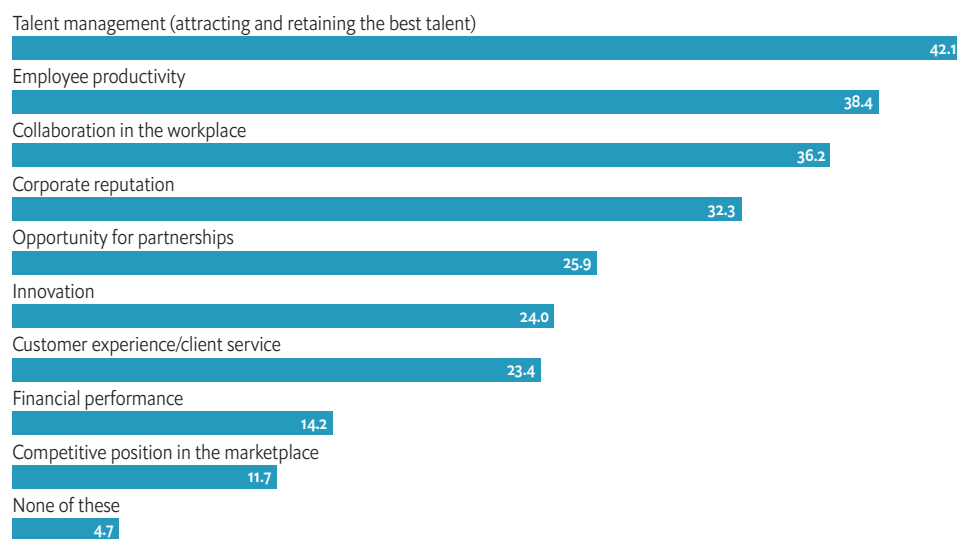
Disability



Q8. In which of the following ways would you like your organisation to support LGBT diversity and inclusion in the workplace?



Q9. Which of the following business aspects would be most positively impacted by effective LGBT diversity and inclusion in the workplace?

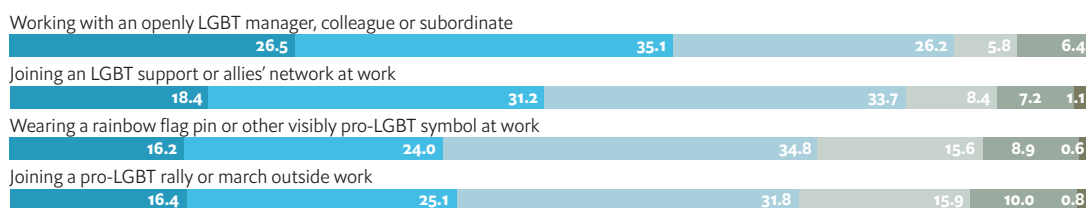


Q10. Considering your country's current business climate, do you think enacting LGBT-friendly workplace policies and practices presents more of a business opportunity or a business risk?

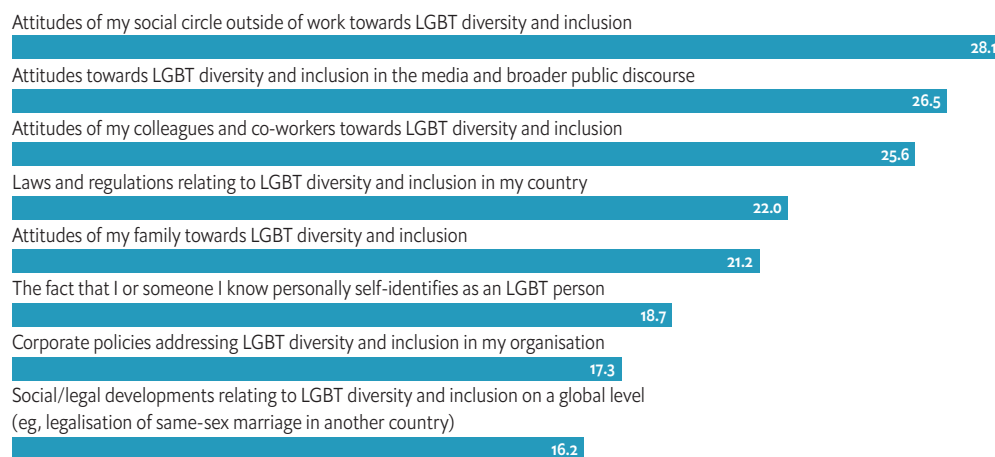


Q11. To what extent would you be comfortable or uncomfortable with the following?

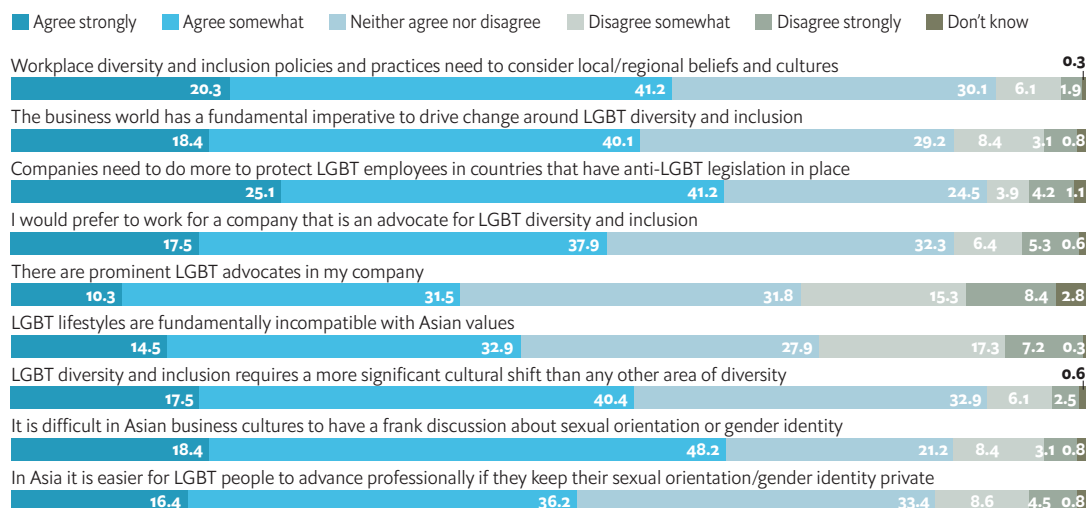
Very comfortable Somewhat comfortable Neither comfortable nor uncomfortable Somewhat uncomfortable Very uncomfortable Don't know



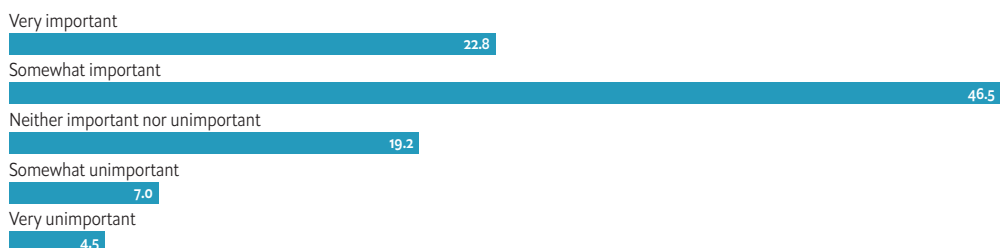
Q12. Which of the following most affects your personal attitude towards LGBT diversity and inclusion in the workplace?



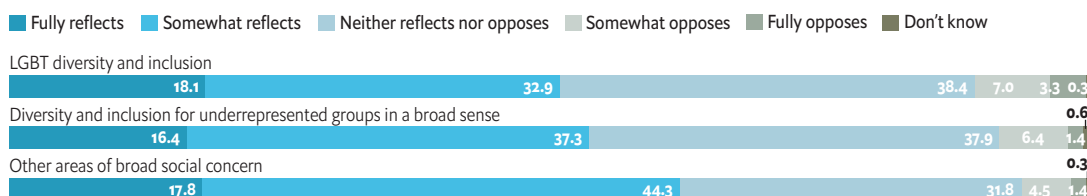
Q13. To what extent do you agree or disagree with the following statements?



Q14. How important is it to you that the organisation you work for reflects the values of its staff in areas of broad social concern, such as LGBT diversity and inclusion?

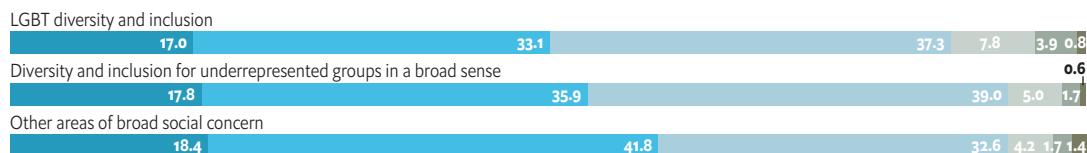
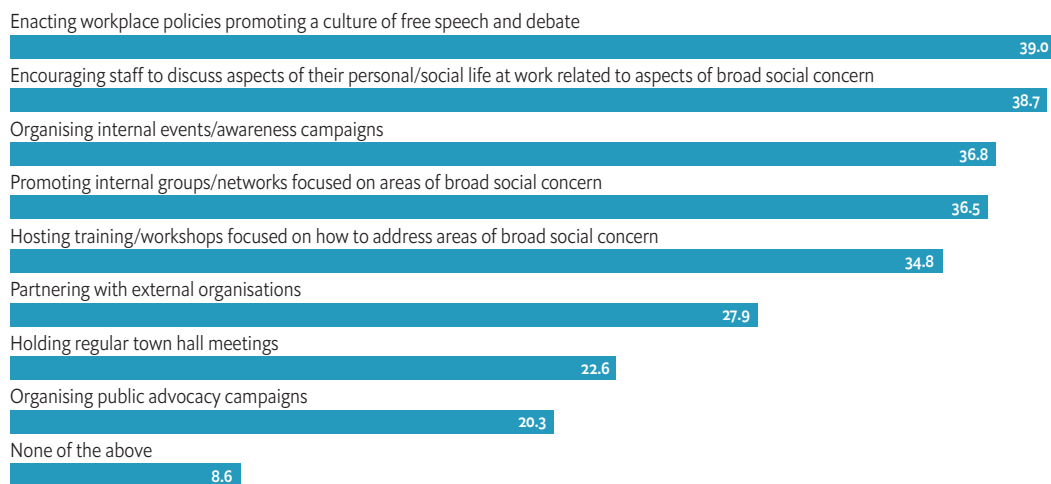


Q15. To what extent does your organisation reflect your personal values in the following areas?



Q16. To what extent does your organisation reflect the values of its staff as a whole in the following areas?

■ Fully reflects
 ■ Somewhat reflects
 ■ Neither reflects nor opposes
 ■ Somewhat opposes
 ■ Fully opposes
 ■ Don't know

**Q17. In which of the following ways does your organisation reflect the values of its staff in areas of broad social concern?**

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