

Bryant University

HONORS THESIS



The Impact of Female Leadership on LGBTQ-Supportive Policies

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ABSTRACT

In the past two decades, gender inequality in c-suites has received a large amount of attention. Thus, the number of women in top management roles has increased substantially. However, the corporate sector has also neglected other marginalized groups, specifically, members of the LGBTQ community. These individuals are important employees and previous literature has established the benefits, both financial and otherwise, that the presence of LGBTQ-supportive policies have on American corporations. In this paper, I examine if the presence of women CEOs influences the LGBTQ policies that are implemented in that firm. This will be analyzed using an OLS regression model. This paper finds that there is a positive and significant relationship between female leadership and LGBTQ-supportive policies. I further find that when a firm with a female CEO is headquartered in a state which voted democratic in the 2016 or 2020 presidential elections, the positive impact on LGBTQ-supportive policies increases. This shows that the political environment also impacts the decision making of firms.

INTRODUCTION

The goal of this thesis is to understand how gender diversity and women leadership in a company impacts the LGBTQ-supportive policies which a company implements. In recent years there has been a substantial push for companies to be more gender inclusive and to encourage gender diversity. This has resulted in an increased number of women-identified individuals on board of directors or in the CEO role. This thesis aims to address if this push for women in CEO positions improves LGBTQ equality and acceptance within companies as well.

Equal rights for all marginalized groups have been sought after for centuries. Human rights activists suggest that all individuals are equal, irrespective of their gender identity or sexual orientation. Recent literature shows that firms with higher percentage of women in top management positions are more profitable, more socially responsible and provide better quality products. As a result, the corporate world is witnessing an increased trend in the number of women occupying CEO positions. Though the concept of gender equality is becoming more widely accepted, LGBTQ equality still remains fairly controversial. It is estimated that over 9 million adults in the United States identify as lesbian, gay, bisexual, or transgender. Thus, the presence of LGBTQ supportive policies is an issue that impacts roughly 3.8% of the country (Gary, 2011). With an increase in firms headed by women, there is a large gap in the current research which addresses how these two groups intersect. In this thesis, I will expand on previous studies which link LGBTQ-supportive policies in firms to financial benefits.

In doing so, I found that both gender diversity and LGBTQ-supportive policies in firms have trended generally upwards over the past six years. Additionally, firms run by female CEOs tend to have more LGBTQ-supportive policies than those run by male CEOs. Finally, firms with female CEOs which are headquartered in states that vote democratic, tend to have an even higher number of supportive policies.

This topic is important for multiple reasons. First of all, as discussed in the previous section, there are a multitude of studies which illustrate the financial benefits of LGBTQ-supportive policies for companies. Thus, there is value in diversity. Because of their financial benefit, it

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is important to understand how these policies are coming to be implemented. Therefore, it is important to consider if the presence of policies enforcing gender equality in management is improving LGBTQ equality in those same companies. Secondly, there is still a lack of research on LGBTQ employees. This is largely due to the lack of legal protection for the LGBTQ community in the workplace. Thus, it is important to continuously expand the research on how to better protect and empower LGBTQ employees and aid them in their future job searches. Currently, there is also a lack of literature on the relationship between gender equality and LGBTQ equality in the workplace. The literature that does exist focuses on the financial impact of LGBTQ policies, but very few studies analyze if gender diversity at top executive positions promotes LGBTQ policies. This paper will expand on these previous studies and fill in necessary gaps.

Please note that different papers use different terms to describe the LGBTQ community. These could include LGBT, LGBTQIA, LGBTQ+, and GLBT. In these acronyms, the L stands for lesbian, the G stands for gay, the B stands for bisexual, the T stands for transgender, the Q stands for queer or questioning, the I stands for intersex, and the A stands for asexual. In this paper, these terms will be used interchangeably to identify anyone who is not cisgender and heterosexual. Individuals who are cisgender identify with the sex they were assigned when they were born and individuals who are heterosexual are attracted to the opposite sex.

LITERATURE REVIEW

Policies Towards Diversity in the Workforce

It is important to first examine the existing research on the composition of American firms and how they have changed overtime, specifically, how their diversity has increased. In 2012, 54 Fortune 500 companies had more than 40% diversity in their board of directors. Six years later, in 2018, 145 of the Fortune 500 companies reached that benchmark. The Alliance for Board Diversity predicts that, at current rates of growth, by 2024, 40% of board seats will be filled by women and/or minorities (Wilson et al., 2019). It is also important to understand how LGBTQ diversity has changed in recent years. The Human Rights Campaign's Corporate Equality Index (CEI) report describes some of the changes towards increased equality for LGBTQ employees. For example, in 2002, only 3% of Fortune 500 companies had non-discrimination policies that protected gender identity; though this increased to 94% in 2021 (Bailey et al., 2021, p.5). Furthermore, zero Fortune 500 companies offered health insurance that was transgender-inclusive in 2002 and, in 2021, 71% of these Fortune 500 companies did (Bailey et al., 2021, p.6). Currently, 96% of all Fortune 500 companies have nondiscrimination policies regarding sexual orientation (Bailey et al., 2021, p.7).

These increases in diversity extend into international discussions on equality as well. In 2016, 95% of all companies rated by the CEI who operated globally upheld the same LGBTQ-supportive policies outside the United States that they did inside the country. In 2021, this percentage had increased to 99% (Bailey et al., 2021, p.8).

However, there also exists a large portion of literature which explains how American firms still need to make improvements to achieve an inclusive environment. When analyzing LGBTQ-supportive policies, only 57% of Fortune 500 companies offer domestic partner benefits and only 70% have made a public commitment to the LGBTQ community (Bailey et al., 2021, p.7). Furthermore, 15% of businesses who are rated by the CEI do not prohibit corporate donations to organizations which explicitly discriminate against individuals in the LGBTQ community (Bailey et al., 2021, p.24). Reports like these make it evident that there is still a lot of progress to be made to achieve equality in corporate America and the rest of the world.

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Financial Benefits of LGBTQ Policies

In the past 10 years, there have been a multitude of studies conducted on the financial benefits of LGBTQ-supportive policies for companies, specifically on enhanced firm value. The link between firm value and LGBTQ-supportive policies was first made in a study by Pichler et al. (2018). This study stood out from many others in the field by using the MSCI ESG STATS database's "Gay & Lesbian Policies" ratings rather than the Corporate Equality Index, to rank how inclusive a company was. This allowed them to view older data than many other studies and begin the analysis in 1996. This study confirmed that LGBTQ-supportive policies and firm value, measured as Tobin's Q, had a positive relationship. Furthermore, it discovered that this relationship was stronger for firms which invested largely in research and development.

Other studies also support a positive relation between LGBTQ-supportive policies and both ROA and Tobin's Q. For example, Jiraporn et al. (2019) used the Kinder, Lydenberg, and Domini's (KLD) database to obtain data on how supportive companies were in their LGBTQ policies. After controlling for firm size, use of leverage, total investment levels, intangible assets, profitability, and residual cash flow, the study concluded that the presence of LGBTQ-supportive policies and firm performance measured as ROA, Tobin's Q, and operating cash flow were positively related. Similarly, Fatmy et al. (2021), used the Corporate Equality Index to define how highly the companies value LGBTQ equality and used Tobin's Q and ROA to determine the market value and profitability of the firms, respectively. The study once again found a positive relationship between the variables.

Business research also finds positive impacts of LGBTQ-supportive policies on stock price. Of the three prevalent studies in this area, all three utilized some form of Human Right's Campaign data, whether that was the Corporate Equality Index or additional data that the HRC gathered on companies. Johnston and Malina (2008) looked at the change in the stock price of companies after the CEI scores were announced in 2002. It concluded that the presence of LGBTQ-supportive policies would only not actively hurt an American firm's stock price. However, Wang & Schwarz (2010) concluded that an increase in a firm's CEI score, and thus an increase in their LGBTQ-supportive policies, was positively related with an increase in the stock price of that same firm. Furthermore, the stock price of firms with higher CEI scores were generally higher than the stock price for firms with lower CEI scores, after

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controlling for the industry. The time frame of this study was from 2002 to 2005. The difference in the conclusions of these two studies can likely be attributed to their time frames. Over time, both corporations and the general public have grown more accepting of the LGBTQ community. This increase in how positively the community is viewed could contribute to the different results, due to the fact that the second study gathered data in later years. Finally, Feng & Nagar (2013) found a positive relationship between same-sex domestic partnership benefits and stock price. This reinforced the findings of the previous study.

The final relevant study, Hossain et al. (2020), which addresses the financial benefits of LGBTQ-supportive policies centers around the innovation which is emphasized in firms that value supporting their LGBTQ employees. Once again, this study used the Corporate Equality Index for data on the LGBTQ-friendliness of firms. It was found that increased LGBTQ-supportive policies led to increased innovation in the form of patents, trademarks, and copyrights, thus increasing firm performance.

Non-Financial Benefits of LGBTQ Policies

LGBTQ-supportive policies have also been linked to non-financial external improvements for companies. A recent study by Patel & Feng (2021) looks at how customer satisfaction may be impacted by LGBTQ-supportive policies. Data was collected on 123 firms from 2002 to 2016, using the KLD and CEI databases to track LGBTQ-supportive policies. This study concludes that an increase in these policies is positively related to both customer satisfaction and marketing capabilities. However, both of these relations may be weakened by demand instability.

Additional non-financial benefits of LGBTQ-supportive policies can be seen in firms' corporate culture. Based on analysis of existing literature, Pichler et al. (2017) drew the conclusion that the presence of LGBTQ-supportive policies will lead to members of the LGBTQ community, women, and other minorities feeling like the company values them and that they belong. Furthermore, literature suggests that these individuals will feel a greater level of acceptance when there is upper management support for these policies. A systematic review of 36 different studies on the impact of LGBTQ-supportive policies by Bedgett et al. (2013) concluded that their presence could be related to decreased discrimination and more openness. This, in turn, leads to increased job satisfaction, increased employee commitment,

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better recruitment of LGBTQ individuals, improved employee relationships, and other benefits. When these two studies are looked at in tandem, one can draw the conclusion that increased upper management support for LGBTQ-supportive policies would increase the benefits listed by Badgett et al. Thus, it is important to consider which members of upper management would be most supportive of these policies.

Female Executives and LGBTQ Policies

It is important to consider the existing literature on if female executives promote LGBTQ-supportive policies. A few researchers analyzed the relationship between the gender of the CEO, the gender composition of the board of directors, and LGBTQ-supportive policies. Cook & Glass (2016) concluded that there was a significant positive relationship between the gender composition of the board of directors and LGBTQ-supportive policies. Everly & Schwarz (2015) analyzed the factors which drive the presence of LGBTQ-supportive policies in firms. The study concluded that the state in which a company is headquartered, the policies of other companies in the industry, and the number of women on the board of directors all impact how supportive a company is of the LGBTQ community.

This Thesis

This thesis will be different than the literature listed above because this thesis will examine women in boards and female CEOs, whereas the most similar papers listed above primarily examine the board of directors. This will provide additional research into the relationship between these two separate pushes for diversity. Furthermore, this paper will serve as a robustness check for the two major studies previously done on this topic since this particular relationship has not been studied extensively yet. Additionally, this paper will look at the political affiliation of the state in which the firm is headquartered, to analyze if external factors like politics impact the relationship between female leaders and LGBTQ-supportive policies. Finally, the major studies in this area were all published in the mid-2010s. Thus, the majority of the data in these studies is taken from the 2000s. This study will look to see if the recent rising awareness towards LGBTQ equality is reflected in corporate policies.

RESEARCH QUESTIONS

Based on the literature above, I find it important to understand the way in which marginalized groups interact and support each other in the corporate world. Thus, I pose the question: Does the presence of female CEOs increase LGBTQ-supportive policies? I hypothesize that there will be a positive relation between an increased number of women in leadership roles and the presence of LGBTQ-supportive policies. (1)

It is also important to understand the external factors which may influence the impact that female CEOs can have on the LGBTQ community. Therefore, does the political environment impact the implementation of LGBTQ-supportive policies by female CEOs? I also hypothesize that firms headquartered in states which voted democratic in the 2020 and 2016 presidential elections will see increased implementation of LGBTQ-supportive policies. (2)

The focus of this project will be on analyzing a select group of Fortune 1000 companies and, therefore, the scope will be US companies. However, one major limitation of this scope is that there may be multiple companies in the Fortune 1000 list which must be excluded from the research. This is because the main source of data on LGTBQ-supportive policies for a company is from the Corporate Equality Index. However, participation in this index is mostly voluntary. Companies which do not value LGBTQ equality will likely choose not to participate. Thus, the scope of this research will be a little under 500 of the Fortune 1000 companies. Furthermore, this project will only look at the changes in a company's policies over the past six years. This is because LGBTQ-supportive policies were not as prevalent 10 years ago. Thus, the drastic increases in LGBTQ-supportive policies because of female leaders would likely occur in the past 5-10 years.

METHODOLOGY

Data Sources

In this thesis, the research methodology will be empirical research through the collection of secondary data. Since corporate data is required for this thesis, it is not something that I will be gathering myself. Furthermore, as the data already exists, it would be redundant to gather it again. Thus, this study will be using two major data sources. To collect information on how supportive companies are of the LGBTQ community, the Corporate Equality Index, which is published by the Human Rights Campaign Foundation each year and accessed through the Corporate Equality Index Archives, will be used. According to the company's website, this index is, "the national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer practices" ("Corporate Equality Index 2021", 2021). This is the measure of LGBTQ acceptance that many of the studies named in the previous sections used and is widely accepted. To collect information on the gender make-up of companies' boards and executives and on the control variables, this thesis will use the Wharton Research Data Services' Compustat and Execucomp databases. The full list of data sources can be found in Appendix A.

This raw data was edited into a usable format by removing all data points outside the timeframe of 2015-2020. Additionally, all data points that lacked CEI data were removed, as were all companies that did not appear in both the CEI and WRDS databases. An example of the processed data can be found in Appendix B.

Methods and Models

To analyze this data, descriptive statistics, univariate analysis, and regression analysis will be utilized. An industry analysis will be conducted in order to confirm that the sample gathered contains a large range of industries. The univariate analysis is then used to determine if there is a statistically significant difference in the LGBTQ index in companies with female CEOs and male CEOs.

For the main component of this analysis, this thesis will compare the presence of LGBTQ-supportive policies with the number of women-identified individuals on the board. To do this, a regression model with the following variables will be used:

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- Dependent variable: Corporate Equality Index (LGBTQ)
- Independent variable: female CEO (firms with female CEOs will be identified with a 1 and male CEOs with a 0)
- Control variables: firm size, firm performance, and firm leverage

The control variables are defined in the following:

- Firm size: calculated as $\log(\text{total assets})$
- Firm performance: measured using ROA (return on assets)
- Firm leverage: calculated as $(\text{total debt})/(\text{total assets})$

This will result in the use of the following empirical model:

$$\text{Corporate Equality Index}_{i,t} = \beta_{0,it} + \beta_{1,it} \text{ CEO Female} + \beta_{2,it} \text{ Firm Size} + \beta_{3,it} \text{ Firm Performance} + \beta_{4,it} \text{ Firm Leverage} + \varepsilon_{it}. \quad (1a)$$

A second regression analysis will then be conducted with the following variables:

- Dependent variable: Corporate Equality Index (LGBTQ)
- Independent variable: female CEO
- Control variables: firm size, firm performance, firm leverage, and % of female directors

This will result in the equation:

$$\text{Corporate Equality Index}_{i,t} = \beta_{0,it} + \beta_{1,it} \text{ CEO Female} + \beta_{2,it} \text{ Firm Size} + \beta_{3,it} \text{ Firm Performance} + \beta_{4,it} \text{ Firm Leverage} + \beta_{5,it} \% \text{ of Female Directors} + \varepsilon_{it}. \quad (1b)$$

A third regression analysis will then use the following variables:

- Dependent variable: Corporate Equality Index (LGBTQ)
- Independent variable: % of female directors
- Control variables: firm size, firm performance, and firm leverage

This will yield the following equation:

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$$\text{Corporate Equality Index}_{i,t} = \beta_{0,it} + \beta_{1,it} \% \text{ of Female Directors} + \beta_{2,it} \text{ Firm Size} + \beta_{3,it} \text{ Firm Performance} + \beta_{4,it} \text{ Firm Leverage} + \varepsilon_{it}. \quad (1c)$$

Finally, in order to differentiate this thesis from past papers, another regression will be run, which will determine if the political affiliation of the state in which the company is headquartered *and* the gender of the CEO impacts the LGBTQ-supportive policies present. This regression will contain the following variables:

- Dependent variable: Corporate Equality Index (LGBTQ)
- Independent variable: female CEO * democratic state (states which cast the majority of their electoral votes with the democratic candidate in a past presidential election will be identified with a 1 and states that voted republican will be identified with a 0)
- Control variables: firm size, firm performance, and firm leverage

This will result in the following two empirical models:

$$\text{Corporate Equality Index}_{i,t} = \beta_{0,it} + \beta_{1,it} [\text{CEO Female} * \text{democratic state}_{2020}] + \beta_{2,it} \text{ Firm Size} + \beta_{3,it} \text{ Firm Performance} + \beta_{4,it} \text{ Firm Leverage} + \varepsilon_{it}. \quad (2a)$$

$$\text{Corporate Equality Index}_{i,t} = \beta_{0,it} + \beta_{1,it} [\text{CEO Female} * \text{democratic state}_{2016}] + \beta_{2,it} \text{ Firm Size} + \beta_{3,it} \text{ Firm Performance} + \beta_{4,it} \text{ Firm Leverage} + \varepsilon_{it}. \quad (2b)$$

RESULTS

Industry Analysis

In this thesis, 2339 firm year observations were studied, coming from 446 different companies between the years of 2015 and 2020. These companies come from 16 different industries based on the North American Industry Classification System. The most prominent industry present in this study was manufacturing, making up 33.86% of all data points analyzed. Finance and insurance, at 14.71%, and retail trade, at 11.20%, were a close second and third. However, there are a total of 16 different industries represented, none having more than approximately one third of the total data points. Thus, this is a diverse set of companies from which the following analyses are conducted and conclusions are drawn. Table A further describes the industry breakdown.

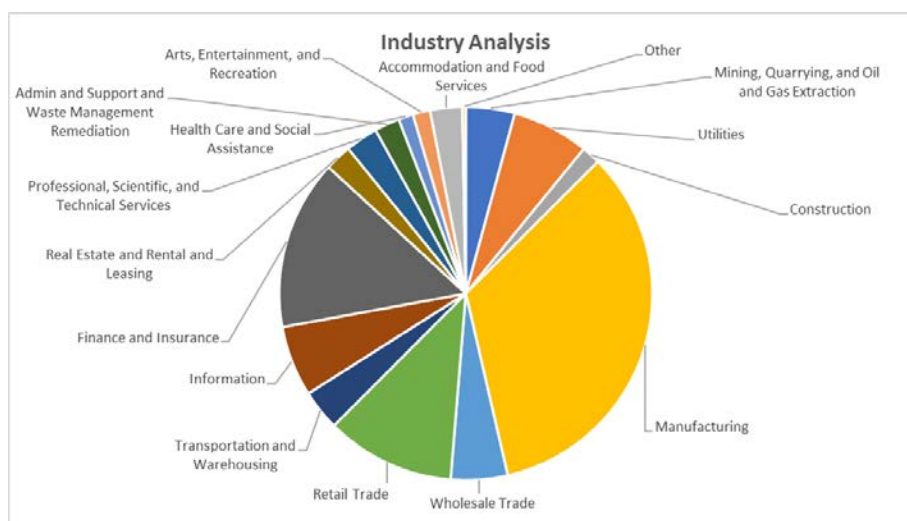


Figure 1 – Industry Analysis

Descriptive Statistics

In analyzing all of the firms in the sample, we can see how some of the descriptive statistics have changed from 2015 to 2020. A complete table of these descriptive statistics can be found in Table B. For each year, there is an average of 390 firms analyzed. The average Corporate Equality Index score of these firms has generally trended upwards over the six years, with one spike in 2017. This was expected, as national acceptance of the LGBTQ community tends to increase each year as well. For example, in 2002, only 51% of people in the United States thought homosexuality should be excepted. However, by 2019, that number had increased to

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72% (“Rising Acceptance,” 2020). Thus, with increased LGBTQ acceptance, comes increased protections for the community, and an increasing CEI score. The average CEI score over this six-year period was 75.49. This was an increase from the 71.3 in 2016 (Cook & Glass, 2016), which is also in line with the increased LGBTQ acceptance.

The trend of increasing diversity over the past six years can also be seen for women in leadership roles. The percentage of female CEOs has had a generally upward trend, with another spike in 2017. From 2015 to 2020, an average of 6.78% of firms in the sample had female CEOs. This is an increase from the 2% in 2016 (Cook & Glass, 2016). This is to be expected as well, as pushes for gender equality continue each year. There has also been an increase in the percentage of female directors from 2015 to 2020. An average of 13.21% of directors from 2015 to 2020 were female. However, in Cook and Glass’ 2016 sample, this was 15%, indicating that this particular category has more volatility than the previous two have.

Univariate Analysis

In order to better understand the dataset, I conduct a univariate analysis. Out of the 2339 firm year observations, 93.20% of those are firms were run by a male CEO and 6.80% are run by female CEOs. The mean CEI score for firms with a male CEO was 74.85, with a standard deviation of 33.84, and the mean CEI score for firms with a female CEO was 86.29, with a standard deviation of 24.46. A complete table of these results can be found in Table C. Thus, firms run by female CEOs have a higher CEI rating than firms run by male CEOs. A t-test concluded that this difference was statistically significant with a t-stat of -4.1231 and a p-value of 0.0000.

Regression Analysis

To better understand the relationship between female-led firms and LGBTQ-supportive policies, a regression analysis was conducted using standard OLS regression. A summary of the results of this analysis can be found in Table D.

From equation 1a, it can be seen that the regression coefficient for female CEOs is 12.06. Thus, there is a positive and significant relationship between if the firm has a female CEO and the CEI score of a firm, which is in line with hypothesis 1. Equation 1b has a regression

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coefficient of 5.85 for female CEOs. Thus, this positive and significant relation remains even when the percentage of female directors is introduced as a control variable.

Finally, equation 1c yields a regression coefficient of 33.37 for % of female directors.

Therefore, there is a positive and significant relation between the % of female directors in a firm and the CEI score of that same firm.

Political Analysis

As firms do not exist in a vacuum and make their policies with external influence, it is important to understand the impact those environmental factors have on the firms. One of the most important of these factors is politics. Since the data gathered in this thesis spans six years, it is important to look at political opinions over a range of time. Thus, two regression analyses will be conducted on equation 2: equation 2a, which uses data from the 2020 presidential election, and equation 2b, which uses data from the 2016 presidential election.

Equation 2 can best be understood in relation to equation 1. The coefficients for the interaction term [CEO female * democratic state] in equation 2a, 15.90, and equation 2b, 20.81, are larger than the coefficient for CEO female in the regression represented in equation 1a, 12.06. This indicates that there is a stronger positive relationship between a female CEO and the presence of LGBTQ-supportive policies in a firm when the firm is located in a democratically voting state. These findings are consistent for both the 2016 and 2020 election, despite candidates from different parties winning the election those two years. This indicates that external factors like a state's political values, can influence the policies of a firm, thus supporting hypothesis 2.

ETHICAL CONSIDERATIONS AND LIMITATIONS

Since all of the data gathered for this thesis is secondary data, there are no ethical considerations for this project. Thus, there was no need to obtain University Institutional Review Board approval.

There are, however, a few limitations to this project. First of all, there was a smaller sample size than desired. One reason for this was that there were many data points missing from WRDS database. To make this a more complete data set, an additional database should likely be introduced. Additionally, that participation in the Corporate Equality Index is largely voluntary. For the most part, companies must agree to be part of the index to receive a score, with a few exceptions. This decreases the number of data points that can be gathered. This also brings about the second limitation. It could be assumed that the companies available from the CEI reports would likely have higher ratings, because it would make sense for companies to choose to participate in the report if it would show them in a favorable light. Thus, this sample is missing many the companies who would likely have very low CEI scores. A third limitation is that there could be a third variable, not studied here, which is driving the increase in both female leaders and LGBTQ-supportiveness in firms. The final limitation to recognize is the causality issue. This thesis demonstrates relationship, not causality. This means that it is unclear if firms with female leaders create more LGBTQ-supportive policies or if firms with more LGBTQ-supportive policies promotes more women. However, despite these limitations, I am confident in the conclusions drawn.

CONCLUSION

There are a few major findings of this study. First of all, the average CEI score trended upwards for the past 6 years, indicating that LGBTQ-supportive policies in companies have increased in general. This is in line with the increased acceptance of the LGBTQ community as a whole seen in the United States. There has also been a trend of increasing gender diversity in firms over the past six years, as both the percentage of female CEOs and the percentage of female directors has generally increased.

This study has also found that firms run by female CEOs have, on average, a significantly higher CEI score than firms run by male CEOs. Thus, firms run by women are more likely to have LGBTQ-supportive policies. This finding was confirmed with a regression model which found a positive relationship between the CEI score and if a firm was run by a female CEO. An additional regression model found that there was also a positive relationship between the percentage of women on a firm's board and the CEI score. Thus, not only does the presence of female CEOs indicate an increased presence of LGBTQ-supportive policies, but so does women in leadership in general. These findings are all in line with hypothesis 1, that the presence of women in leadership roles increases the presence of LGBTQ-supportive policies.

Finally, it was determined that the impact of women in leadership on LGBTQ-supportive policies is magnified if the firm is headquartered in a state with voted democratic in the 2020 or 2016 presidential election. Thus, external factors, like politics, can help female leaders to have the power to support the LGBTQ community. This is in line with the previously stated hypothesis 2.

These findings are important for a wide variety of reasons. First of all, there is financial value in diversity. Understanding exactly what drives LGBTQ-supportive policies can help firms to capitalize on the financial benefits of these policies. Additionally, LGBTQ employees who are looking for safe workplaces can apply this knowledge to their job hunt. They can look for companies which actively promote women and assume that, generally, those firms will have more protections for them in place.

In a broader sense, this thesis indicates that marginalized groups are actively helping each other. As women climb the corporate ladder, they are turning around to help the LGBTQ

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community up, rather than abandoning them. The corporate world, despite all its flaws, has created an environment where marginalized groups help each other and where women and queer individuals are partners in the goal of increasing diversity, not competitors.

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TABLES

Table A – Industry Analysis

Industry	Count	%
Mining, Quarrying, and Oil and Gas Extraction	99	4.23%
Utilities	156	6.67%
Construction	38	1.62%
Manufacturing	792	33.86%
Wholesale Trade	115	4.92%
Retail Trade	262	11.20%
Transportation and Warehousing	82	3.51%
Information	143	6.11%
Finance and Insurance	344	14.71%
Real Estate and Rental and Leasing	54	2.31%
Professional, Scientific, and Technical Services	66	2.82%
Admin and Support and Waste Management Remediation	51	2.18%
Health Care and Social Assistance	30	1.28%
Arts, Entertainment, and Recreation	35	1.50%
Accommodation and Food Services	65	2.78%
Other	7	0.30%
Total	2339	100%

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Table B – Descriptive Statistics

Year	No of Firms	Average Corporate Equality Index	% of Female CEOs	Total Directors	% of Female Directors
2015	361	68.92	6.09%	5.63	11.21%
2016	374	72.87	6.42%	5.57	11.54%
2017	370	79.27	7.03%	5.57	12.42%
2018	399	74.92	6.52%	5.57	13.73%
2019	419	77.35	7.40%	5.66	14.66%
2020	416	79.62	7.21%	5.47	15.69%
Average	390	75.49	6.78%	5.58	13.21%

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Table C – Univariate Analysis

Corporate Equality Index for firms with...

	Mean	Standard Deviation	Count
Male CEOs	74.85	33.84	2180
Female CEOs	86.29	24.46	159

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Table D – Regression Analysis

Dependent Variable	1a CEI score	1b CEI score	1c CEI score
Intercept	75.27*** (57.62)	71.72*** (50.42)	71.70*** (50.38)
CEO female	12.06*** (4.46)	5.85** (2.03)	
% of female directors		29.81*** (6.06)	33.37*** (7.26)
Firm size	0.00*** (7.01)	0.00*** (6.86)	0.00*** (6.86)
Firm performance (ROA)	5.63 (0.67)	4.07 (0.49)	3.78 (0.45)
Firm leverage	-7.55*** (-2.71)	-6.87** (-2.48)	-6.90** (-2.49)

	1a	1b	1c
R ²	0.03099	0.04603	0.04434
Number of observations	2339	2339	2339

Note: ***, ** and * indicate statistical significance at 1%, 5% and 10% respectively.

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Table E – Political Regression Analysis

Dependent Variable	2a: 2020 CEI score	2b: 2016 CEI score
Intercept	75.77*** (58.55)	75.78*** (58.57)
CEO Female * democratic state	15.91*** (4.03)	20.81*** (4.05)
Firm size	0.00*** (6.90)	0.00*** (6.88)
Firm performance (ROA)	4.24 (0.51)	3.87 (0.46)
Firm leverage	-7.54*** (-2.70)	-7.07** (-2.53)

	2a	2b
R ²	0.0295	0.0296
Number of observations	2339	2339

Note: ***, ** and * indicate statistical significance at 1%, 5% and 10% respectively.

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APPENDICES

Appendix A – Description of Data Sources

Variables	Data Source	Formula	Symbols
LGBTQ index	Human Rights Campaign	Score of 0-100 on LGBTQ-friendliness	
CEO gender	Execucomp	If CEO is a woman	Gender
Total number of directors	Execucomp	If directors are female	
No of female directors	Execucomp		Gender
Firm Size	Compustat	Total assets	at
Return on Assets	Compustat	$\frac{\text{Operating Income}}{\text{Total Assets}}$	$\frac{oibdp}{at}$
Firm leverage	Compustat	$\frac{\text{Total Debt}}{\text{Total Capital}}$	$\frac{dlcc + dltd}{dlcc + dltd + cshr * prcc_f}$
CEO age	Execucomp		AGE

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Appendix B – Example of Data Collection

Lookup Value	fyear	company_name	STATE	CEO_ female	CFO_ female	CEO_ age	no_of_ directors	no_female_ directors	firm_ size	ROA	firm_ leverage	CEI data	Democratic state	Fortune 1000 (2019)
ABBOTT LABORATORIES2015	2015	ABBOTT LABORATORIES	IL	0	0	60	6	0	41247	0.1174388	0.2182219	75	0	103
ABBOTT LABORATORIES2016	2016	ABBOTT LABORATORIES	IL	0	0	61	5	0	52666	0.0944632	0.4178407	75	0	103
ABBOTT LABORATORIES2017	2017	ABBOTT LABORATORIES	IL	0	0	62	7	0	76250	0.0920262	0.3662164	95	0	103
ABBOTT LABORATORIES2018	2018	ABBOTT LABORATORIES	IL	0	0	63	5	0	67173	0.112575	0.2912777	90	0	103
ABBOTT LABORATORIES2019	2019	ABBOTT LABORATORIES	IL	0	0	64	6	1	67887	0.1186531	0.2813351	90	0	103
ABBOTT LABORATORIES2020	2020	ABBOTT LABORATORIES	IL	0	0	46	7	0	72548	0.1255996	0.2741633	95	0	103
ABBVIE INC2015	2015	ABBVIE INC	IL	0	0	61	5	1	53050	0.1819604	0.5970028	100	0	96
ABBVIE INC2016	2016	ABBVIE INC	IL	0	0	62	6	1	66099	0.1692915	0.5573761	100	0	96
ABBVIE INC2017	2017	ABBVIE INC	IL	0	0	63	5	1	70786	0.1725624	0.527901	100	0	96
ABBVIE INC2018	2018	ABBVIE INC	IL	0	0	64	6	1	59352	0.2416936	0.6791683	100	0	96
ABBVIE INC2019	2019	ABBVIE INC	IL	0	0	65	5	1	89115	0.1781069	0.752825	100	0	96
ABBVIE INC2020	2020	ABBVIE INC	IL	0	0	66	5	1	150565	0.1485671	0.5782419	100	0	96
ABERCROMBIE & FITCH -CL A2015	2015	ABERCROMBIE & FITCH -CL A	OH	0	1	50	6	3	2433.039	0.1226084	0.1371433	100	0	675
ABERCROMBIE & FITCH -CL A2016	2016	ABERCROMBIE & FITCH -CL A	OH	1	1	52	7	5	2295.757	0.0777042	0.1347656	100	0	675
ABERCROMBIE & FITCH -CL A2017	2017	ABERCROMBIE & FITCH -CL A	OH	1	1	53	6	4	2325.692	0.1138289	0.1291396	100	0	675
ABERCROMBIE & FITCH -CL A2018	2018	ABERCROMBIE & FITCH -CL A	OH	1	0	54	7	4	2385.593	0.1266251	0.1244034	100	0	675
ABERCROMBIE & FITCH -CL A2019	2019	ABERCROMBIE & FITCH -CL A	OH	1	0	55	6	3	3549.665	0.068258	0.4979135	100	0	675
ABERCROMBIE & FITCH -CL A2020	2020	ABERCROMBIE & FITCH -CL A	OH	1	0	56	5	2				100	0	675
ABM INDUSTRIES INC2018	2018	ABM INDUSTRIES INC	NY	0	0	56	5	1	3627.5	0.0836113	0.258856	10	0	463
ABM INDUSTRIES INC2019	2019	ABM INDUSTRIES INC	NY	0	0	57	5	1	3692.6	0.0902616	0.2170286	20	0	463
ABM INDUSTRIES INC2020	2020	ABM INDUSTRIES INC	NY	0	0	58	6	0	3776.9	0.1023856	0.2359607	20	0	463
ACTIVISION BLIZZARD INC2018	2018	ACTIVISION BLIZZARD INC	CA	0	0	55	8	0	17835	0.1686571	0.1497617	100	1	504
ACTIVISION BLIZZARD INC2019	2019	ACTIVISION BLIZZARD INC	CA	0	0	56	5	1	19845	0.1165533	0.1485513	100	1	504
ACTIVISION BLIZZARD INC2020	2020	ACTIVISION BLIZZARD INC	CA	0	0	57	5	1	23109	0.1422822	0.168549	100	1	504
ADOBE INC2015	2015	ADOBE INC	CA	0	0	51	5	0	11726.47	0.1036504	0.1626432	100	1	339
ADOBE INC2016	2016	ADOBE INC	CA	0	0	52	5	0	12707.11	0.1418177	0.1496853	100	1	339
ADOBE INC2017	2017	ADOBE INC	CA	0	0	53	5	0	14535.56	0.1705195	0.1294358	100	1	339
ADOBE INC2018	2018	ADOBE INC	CA	0	0	54	6	0	18768.68	0.1694349	0.2197704	100	1	339
ADOBE INC2019	2019	ADOBE INC	CA	0	0	55	5	0	20762.4	0.1851193	0.1993154	100	1	339
ADOBE INC2020	2020	ADOBE INC	CA	0	0	56	5	0	24284	0.1974963	0.1938725	100	1	339
ADVANCE AUTO PARTS INC2015	2015	ADVANCE AUTO PARTS INC	NC	0	0	50	5	1	8134.565	0.1511603	0.1492101	20	0	326
ADVANCE AUTO PARTS INC2016	2016	ADVANCE AUTO PARTS INC	NC	0	0	58	9	2	8315.033	0.1352282	0.1254661	20	0	326
ADVANCE AUTO PARTS INC2017	2017	ADVANCE AUTO PARTS INC	NC	0	0	59	5	1	8482.301	0.1071695	0.1231596	20	0	326
ADVANCE AUTO PARTS INC2018	2018	ADVANCE AUTO PARTS INC	NC	0	0	60	6	0	9040.648	0.1055723	0.1156919	90	0	326
ADVANCE AUTO PARTS INC2019	2019	ADVANCE AUTO PARTS INC	NC	0	0	61	5	0	11248.53	0.0894219	0.2882566	90	0	326
ADVANCE AUTO PARTS INC2020	2020	ADVANCE AUTO PARTS INC	NC	0	0	62	5	0	11839.64	0.0937525	0.2964678	90	0	326

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THANK YOU

This project had a very personal meaning to me. As a queer woman who is about to enter the workforce, there are numerous factors that I, and other members of the LGBTQ community, need to consider before choosing a job that other individuals may not have to. Factors like healthcare options which cover same-sex partners, transgender-inclusive healthcare, the level of inclusivity in the corporate environment, and the presence of other supportive policies all become very important to us. Therefore, it is important to understand if the number of women on the board of directors is a good indicator of LGBTQ-supportive policies within a company. This could aid myself and many others in my community in their job search.

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