



## Clarity: the foundation of trust

### Remarks by Sharon Allen

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## What really matters

Good morning. Thank you all for your warm welcome. And, Christie, I appreciate your gracious and very heartfelt introduction. Your comments have beautifully reinforced what I'd like to talk about today—that what really matters are the connections that can exist between people. Because in today's world, I'd like to think that what really matters is not who we are in terms of identity, but who we are in terms of fellow human beings.

Christie's story about our fathers brought back a lot of memories. Both of our fathers took great interest in what we did and great pride in what we accomplished. They believed that we could be whatever we wanted to be—and if there were something we wanted to do, they encouraged us to do it and just do it well. Looking back, I think that what we learned from our fathers are the things that bring people together rather than set them apart.

As I began to prepare my remarks for today, I realized that when it comes to the LGBT community, there are things that I know and there are things that I understand ... but there were also things that I'd need to learn. What I know is that the LGBT community is an important component

of the workforce. The skills, perspective, and commitment of this group can bring tremendous value to any organization that embraces them and recognizes their potential to contribute.

What I understand is that this group faces challenges unlike any other population. And those challenges are based on vision. No, not the vision that leaders are expected to have—to see over the horizon or around the corner to guide our organizations. I'm talking about vision in the sense of perception. While I was

a minority in my profession and business for many years, my "minority" status stood out as soon as I walked into a room full of men.

Orientation, however, is invisible. You don't wear it on your sleeve. You don't wear one of those pre-printed stickers that say across the top, "Hi, I'm (fill in the blank)" and then write in the words "lesbian, gay, bisexual, or transgender" where you're supposed to put your name. And even if you're "out," you may still be invisible to those who choose to see you as a stereotype instead of seeing you as the person you are.

While I may understand the challenges you face conceptually, I can't really know them. This brings me to the acknowledgment that I (and the business community) have more to learn. And that's why I took a "journey" to get to this podium today. No, I'm not referring to the flight I took from my home in Pasadena. Instead, with Christie's help, my journey included meeting some of our clients who also happen to be part of the LGBT community—to understand their achievements, challenges, and frustrations; in short, to get to know them. They helped validate my thinking and offered perspectives I had not completely considered. So here I am, fresh from my journey. And, I'd like to share with you what I now see.

## A mixed bag

Today, when I consider the intersection between the business community and the LGBT community, what I see overall is pretty much a mixed bag. There is ignorance and inertia in some quarters, changing attitudes in others. I see a society and a workplace where being "different" can be greeted with a wide range of emotions—everything from immediate ridicule and exclusion to belated understanding, acceptance, and the warmth that comes with complete inclusion. It's clear that there's still much work to be done before everyone can leave judgments and self-editing behind and move on to the work at hand.

Companies need to answer an important question—one that asks what happens when "who" I am enters the workplace. It's a question that every company needs to answer positively and emphatically. I'm encouraged by the fact that many companies are stepping up. In fact, the Human Rights Campaign Foundation reports that 260 companies received perfect scores on its Corporate Equality Index in 2009, a 33 percent increase from the year before. And I'm pleased to report that this is Deloitte's third consecutive year receiving a perfect score.

At Deloitte, we know how important it is to provide a safe and equitable workplace. But, unfortunately, it wasn't always that way. Because while my organization has always made the physical safety of its employees a top priority, we haven't always been as diligent in providing a work environment that was equitable.

I know. It happened to me and many other women. And while I don't know what it's like to be an invisible minority, I do know what it's like to swim against the tide and work as a minority. Hopefully, this will serve as a starting point of connection with you today as I continue my own journey to better understand your experiences.

In the story that I'm about to tell you, Deloitte many years ago had to learn a most valuable lesson the hard way, from incredibly talented women who said quite simply, "I can do better elsewhere."

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## Lost opportunities, wasted potential

When I joined the accounting profession in the early 1970s, exclusion based upon gender was a widely accepted norm. Perhaps that was natural given that only about five percent of graduating accountants were women back then. Fast forward 20 years to the early 1990s and many things had changed. Like demographics.

Accounting firms were hiring equal numbers of men and women. That was a good change. Which led to an assumption at Deloitte—where almost half of our new hires were women, and had been for some years—that eventually the admission rate of women to the partnership would increase. But it didn't—it remained

at less than 10 percent. Something wasn't adding up. Something was broken. And many talented women were leaving our firm.

Fortunately, we didn't assume why this continued to happen.

We did the research and found that, contrary to what many thought, women were not leaving us to go home and raise families, which by the way is a perfectly

acceptable alternative. Instead, they were leaving Deloitte because they were not getting the best assignments (which we were afraid to give them for fear that they'd leave!). So they went to other industries where they could work hard and advance in positions that offered them more responsibility—as well as far greater flexibility to fit their work into their life and their life into their work.

So, in 1993, our leadership created "The Initiative for the Advancement and Retention of Women," what we refer to as our Women's Initiative, or "WIN" for short. And it's working.

Since that time, we've essentially eliminated the gender turnover gap. Our admission rate of women to partner and director has increased from single digits to almost 35 percent. Women comprise one-third of our board. Today, Deloitte has more than 1,000 women partners, principals, and directors. And, yes, we are the only one of the large professional services firms in the U.S. with a woman serving as chairman.

Let me share some of the lessons we learned from WIN. First, be fact-based; do the research to truly understand the root cause of an issue. Second, get the support of senior leadership. Visible, ongoing support by the leaders

of an organization drives real change. And, finally, find support outside of the "minority" group. The irony of our WIN success is that it was not just women who created the program. It was also men, in this case the leader of our firm at the time who conceived, nurtured, and vocally supported it.

So what does that have to do with an employee who is lesbian, gay, bisexual, or transgender? Actually, quite a bit. Recognizing that orientation is invisible and gender is not, I believe that the LGBT community has an opportunity to leverage the lessons learned from its fellow minorities.

I'm on the board of Catalyst, a nonprofit research and advisory organization focused primarily on the advancement of women. Just recently, Catalyst released the findings of a study it conducted in Canada on building LGBT-inclusive workplaces. Catalyst found that, despite Canada's legislation designed to protect LGBT individuals, workplace barriers still persist, such as a lack of awareness about the needs of LGBT employees; discriminatory behaviors, conscious and otherwise; and exclusion from important networks that pave the way toward advancement.

These barriers suggest that regardless of existing legislation, it's up to individual companies to breathe life into the letter of the law, so that the spirit of the law can accomplish what was originally intended. That would be a great strategy for businesses everywhere. And not just because it's what's legal, politically correct, or socially just. Today, there's a strong business case for supporting the LGBT community.

## The business case for LGBT inclusion

Like any business case, it begins with value. From the macro perspective, there's the burgeoning LGBT market. In the U.S., its purchasing power is estimated at more than three-quarters of a trillion dollars. Equally important, this community continues to develop strong brand loyalties to those companies that are particularly meaningful to them—that is, companies that are committed to diversity and equal treatment of employees, and companies that market directly to the LGBT community.

These are connections that matter. In fact, some of the strongest loyalties are reserved for those companies who were pioneers in advertising directly to the LGBT community, such as American Airlines, Apple, and Subaru in the 1990s. And, today, such companies as Absolut, IKEA, and MTV Networks with its LOGO channel.

That's a macro view, and it's impressive. But what I also see is value from the micro view—the value made possible by employees whose workplace enables them to focus freely on their work.

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In the Catalyst study that I mentioned earlier, the one quote that resonated most with me was given by a lesbian. I appreciate her economy of words. In voicing the close link between diversity and business value, she said, “Engagement happens when a person feels appreciated and accepted for who they are. Profits are not far behind.”

Tom Johnson phrases it another way. Controller of Clorox and an Out and Equal board member, he calls it “not being able to do your best work in the closet!”

That makes a lot of sense. Why would a business organization handicap any portion of its workforce, asking them to contribute and add value, while at the same time fostering an environment that diverts their focus and energy by having them worry about image or perception?

Business is hard enough. To have a portion of the population engaged in “self-editing” in order to maintain appearances is not only unfair, it’s unwise. It’s a waste of corporate assets, and in this case the most valuable of assets—intellectual capital. Clearly, there’s business value in accepting and enabling everyone in the workforce to contribute to their fullest. Which brings me to the second component of the business case—demographics.

Today, we’re in the midst of one of the most profound demographic shifts in our nation’s history. Consider these facts. Currently, age 62 is the median age for retirement in the U.S. This year, an estimated 10,000 Baby Boomers will turn

62—each day. And in the next 10 years, 43 percent of the working population will become eligible to retire. Furthermore, research conducted by Deloitte indicates that there will be fewer young people to replace retiring workers every year for the next 30 years. With such staggering labor shortages projected well into the future, businesses simply cannot afford to neglect the individuals of any demographic group as employees or as candidates for future leadership.

Talent is the fuel of growth. And every drop is precious. Which leads me to a third aspect of the business case—and that’s diversity of thought.

Deloitte is a “people business.” Clients share with us their most difficult business issues. We help them by providing the intellectual capital that we bring together from a diverse group of talented partners and colleagues. It’s a concept that we call “One Deloitte,” which capitalizes on our nature as a multidisciplinary team of professionals whose expertise spans consulting, tax, audit, and

financial advisory services. What makes the concept of “One Deloitte” work is diversity of thought. In fact, our value proposition in the marketplace is built upon our ability to examine difficult problems from many different perspectives. It’s these different perspectives that add richness to the dialogue, foster innovation, and create value in multiple ways.

### My journey to greater understanding

As I mentioned at the outset, I sought different perspectives as I began preparing my remarks for today. I was fortunate to spend time with a number of Deloitte clients who volunteered through Christie to share with me what it’s like to be gay in the workplace. My experience was enlightening, and fascinating. The people I spoke with were incredibly open. Their passion was evident and their stories were compelling.

I learned about the decision-making involved in coming out in the work environment. They told me that if the “fit” between coming out and the work environment isn’t right, you essentially have two choices. You can either choose to remain hidden. Or, you can choose to actively seek another work environment where you can “bring your whole self to work”—a phrase that I heard repeatedly during my conversations.

Environment is important. How often have we seen a work environment that is toxic push valuable people—gay or straight—right out the door? It can be an environment without ethics, in which glowing words are always betrayed by deceitful actions. It can be a business without a soul, in which talented employees are viewed solely as a means of production. Or it can be a workplace without knowledge and sensitivity, in which those who are “different” can feel demoralized and detached. One of our clients told me her story, and it actually brought tears to my eyes.

Lisa Sherman, executive vice president and general manager of MTV’s LOGO channel, worked 18 years at another company before finally moving on to a safer and more equitable work environment. Her decision to move on eventually landed her at the LOGO network, and it’s a decision that you can read about as a Harvard Business School case study in authentic leadership.

On her last day before moving on to a new company, Lisa stopped by to visit the CEO. He thought she was coming in to say goodbye. However, what was originally scheduled as a 15-minute meeting became a two-hour farewell. One in which Lisa came out to her very surprised boss and told him that she hadn’t had the courage to come out before, for fear that being open would hurt her career. But her honesty that day has had a lasting impact on other members of the LGBT community in that company. They benefitted from the proactive changes the CEO undertook as a result of her conversation with him.

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## Clearly, there’s business value in accepting and enabling everyone in the workforce to contribute to their fullest.

The other clients I spoke with told me that the decision to come out at work is an ongoing inner debate, particularly as you advance in your career. They told me that you continually ask yourself—is this where I add a new barrier to further advancement, or even bring my career to an abrupt halt? Or, do I remain hidden so I can progress and, ultimately, contribute more as an agent of change when I reach a position of greater influence?

These are very real questions whose answers represent very serious decisions. To me, the right answer is that companies need to show leadership so that anyone can bring “their entire self to work”—and, in doing so, act freely in advancing their companies and their careers.

That brings me to another message our clients shared with me—that it’s important for groups like Out and Equal and the entire LGBT community to be supported not only by LGBT employees, but by straight employees, too!

What do I mean? Look around, and you just might see a country divided, and I’m not just talking about red states or blue states. We might see other boundary lines that separate people by economics or ethnicity, gender or generation, race, religion, or ... orientation. Our society faces many different challenges of how to transform “us” and “them” into “we.”

Our clients told me that coming out, with information and openness, was the best way for them to “demystify” others. They said it’s the best way to let people know that orientation poses no threat.

After all, despite differences, and we’re all different in some way, people are essentially the same. When I was first elected Deloitte’s chairman in 2003, I was asked if I wanted to be

addressed as chairperson or chairwoman. The answer was neither—and I certainly didn’t want to be called a chair, either. I didn’t consider myself a piece of furniture! I just wanted to be the best chairman that I could be.

Because I’m not a woman chairman. I’m a chairman—who happens to be a woman. Just as Tom Johnson isn’t a gay financial executive. He’s a financial executive—who happens to be gay. Just as Lisa Sherman is a leader—who happens to be a lesbian.

There’s a world of difference when you view the world that way, and it’s a difference worth fighting for. Our society has to move beyond so-called “descriptive” labels. Because, all too often these days, labels don’t really describe. Instead, they have become instant code that

limit, and serve as just one more barrier to keep “us” at a safe distance from “them.”

It’s as if I told you that, last week, I spoke in Dallas about corporate governance to a heterosexual audience. How ridiculous does that sound? I spoke to an audience. Period. Just like this one.

And maybe that’s the point. Because the more I listened to our clients, the more I realized that while sexual orientation may vary, people share the same basic needs. They want to belong. They want to be accepted. They want to contribute and be recognized for the value of their work.

I know that business is far from perfect, and that successful companies want and need to improve. And I also know that it’s up to individuals to make their voices heard.

For example, last year at this conference, our chief diversity officer, Allen Thomas, met with members of Deloitte’s LGBT community, just as I will later this morning. During the session, he was asked about our firm’s health care benefits regarding in vitro fertilization. Allen was made aware that for a woman to qualify for coverage, she had to document her attempts to get pregnant by “conventional” means.

Now, in the general population, that may come across as a reasonable requirement—for a woman who is straight. But, of course, when you think about it, it’s unacceptable (if that’s the best word choice) for a woman who is gay.

Needless to say, Allen thought about it and, as a result, he and others took action. Shortly thereafter, Deloitte changed its policy, making in vitro fertilization benefits available without this specific caveat.

### You are important

For companies that want to be great, diversity and inclusion represent far more than a human resources program. Together, they comprise a crucial process that’s essential to building a safe and equitable workplace. And when I say “process,” I mean words spoken and actions taken over time that are consistent, mutually supportive, and send an important message to LGBT employees that you are important to our organization—and the more of yourself you bring to work, the more valuable you are.

Minority communities have always needed a champion for their needs, whether it’s through the efforts of an organization like Out and Equal or through the visible leadership of senior executives. It’s especially important for senior executives to lead by example—by initiating dialogue, listening carefully, and demonstrating transparently that they serve as allies, just as I referred to in my lessons learned from our Women’s Initiative.

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In closing, I recognize that work remains to be done. However, in making my journey to be with you today, I've seen many things that have given me hope that the business community will step up and do what's needed to improve the workplace for everyone.

Through the clients I've met, I've seen that the talent to lead and excel is held by those of every orientation. Through your participation at this summit, I've seen the clarity that eliminates all doubt and enables everyone to move forward. And through the people that I've spoken to here in Orlando, I've seen once again what I've known all along—that who you are is what really matters.

After all, the business case is far too compelling to ignore. And no business can afford for the talent, character, and value that you represent to remain invisible anymore.

Thank you for inviting me to be with you today. And best wishes for your success tomorrow.