Worker outcomes of LGBT-supportive policies: a cross-level model

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Abstract

Purpose – The purpose of this paper is to develop a cross-level conceptual model of organizational- and individual-level outcomes of lesbian, gay, bisexual, and transgender (LGBT)-supportive policies for all workers regardless of their sexual orientation.

Design/methodology/approach – This is a conceptual paper based on an integration of propositions from perceived organizational support and organizational justice theories.

Findings – The model suggests that LGBT-supportive policies should be related to perceptions of organizational support directly and indirectly through diversity climate and perceptions of distributive, procedural, and interactional justice.

Practical implications – The model implies that employees should feel more supported and more fairly treated among firms with LGBT-supportive policies and practices, and that these feelings will be reciprocated.

Originality/value – This is the first paper to develop propositions about the outcomes of LGBT-supportive policies for all workers, and advances the literature by developing a multi-level model of outcomes of these policies.

Keywords Diversity management, LGBT-supportive policies, Organizational justice theory, Perceived organization support theory, Sexual diversity climate

Paper type Conceptual paper

Lesbian, gay, bisexual, and transgender (LGBT) workers[1] lack federal protections against employment discrimination in the USA, face pervasive discrimination in countries with federal anti-discrimination policies (e.g. Cossman, 2002), and “LGBT people of all ages and in all regions of the world (are exposed) to egregious violations of their human rights” (United Nations, 2016). Employer organizations are increasingly adopting LGBT-supportive[2] policies, which include sexual orientation and gender identity non-discrimination policies, domestic partner and transgender-inclusive benefits, inclusive diversity training, employee resource groups, and public commitment to the LGBT community (e.g. Human Rights Campaign, 2016; Ragins and Cornwell, 2001). There is limited research on why organizations choose to adopt these policies (e.g. Chuang et al., 2011), or the consequences of policy adoption (e.g. Pichler et al., forthcoming). In fact, policy adoption may sometimes have negative consequences for firms (Chuang et al., forthcoming; Creed et al., 2002; Kaplan, 2006), such as boycotting of firm’s products and services. That said, even companies with arguably negative reputations in terms of employee treatment, such as Walmart, have begun adopting LGBT-supportive policies (e.g. Wahba, 2015).

Given the increase in policy adoption (Pichler et al., forthcoming), the controversial nature and the relative lack of research on LGBT-supportive policies as compared to, for
instance, research on race and gender, we intend to shed light on the likely outcomes of policy adoption for all workers – workers in the sexual and gender identity minority and majority. Previous research has focused on how LGBT policies affect sexual and gender identity minority employees, mostly gay and lesbian employees, without considering sexual majority employees, including reviews of this literature (e.g. Anteby and Anderson, 2014; MacLean et al., 2006; McFadden, 2015; Pichler, 2007; Pichler and Ruggs, 2015; Ragins, 2004).

The primary purpose of our paper is to develop a conceptual model with testable propositions about organization- and individual-level consequences of organization-level adoption of LGBT-supportive policies for all workers. Based on perceived organizational support (POS) theory, we propose that most workers, with some exceptions based on individual differences, will have higher perceptions of organizational support directly as related to LGBT-supportive policies, and indirectly due to a more positive sexual diversity climate and perceptions of organizational justice. This has important practical implications as perceptions of organizational support are reciprocated in terms of positive attitudes and behaviors (Eisenberger et al., 2001; Kurtessis et al., forthcoming).

In order to substantiate our propositions, we develop a cross-level model that connects LGBT-supportive policies and practices to sexual diversity climate, organizational justice, and perceptions of organizational support (see Figure 1). Our paper offers several important contributions to theory and research. First, we develop a conceptual model of outcomes of LGBT-supportive policies for all workers regardless of their sexual orientation and gender identity by integrating propositions from the diversity climate literature and organizational justice theory with POS theory. Second, we develop a more robust understanding of POS theory by addressing the lack of focus on diversity-related issues in the POS literature (Kurtessis et al., forthcoming); using organizational justice theory to explain why policies at the firm level are related to perceptions of support at the individual level; clarifying the importance of top management support at the firm level in connection to perceptions of organizational support at the individual level; and addressing individual-level boundary conditions of the relationship between LGBT-supportive policies and perceptions of organizational support. Third, we address the lack of research on antecedents of diversity climate (Mckay and Avery, 2015), by exploring the influence of LGBT-supportive policies as an antecedent of a specific form of diversity climate, namely, sexual diversity climate.

![Figure 1. A cross-level model of worker outcomes of LGBT-supportive policies](image)
LGBT-supportive policies and the workplace

Although expressions of anti-gay and transphobic attitudes have decreased over the past decade, these negative attitudes are not uncommon in industrialized societies (King and Cortina, 2010; Laythe et al., 2002). Employment protections for LGBT workers vary regionally and are reflective of local attitudes toward gays and lesbians (Tilscik, 2011). Among Fortune 500 companies, 93 percent of firms have non-discrimination policies based on sexual orientation, and 75 percent have non-discrimination policies based on gender identity (Human Rights Campaign, 2016). In a recent analysis of a more generalizable set of firms, Pichler et al. (forthcoming) estimate that 4.26 percent of firms had non-discrimination policies and domestic partner benefits in 1996, whereas 20.58 percent did in 2009; again, policy adoption varied across states and regions.

Reports of discrimination among LGBT employees confirm the limits of institutional protections available to this population (King and Cortina, 2010; Ragins, 2004). National estimates from the USA suggest that approximately 37 percent of lesbian and gay and 90 percent of transgender employees report experiencing discrimination at work (Pizer et al., 2012). Much of the research in the management literature has primarily focused on the business case for adoption of LGBT-supportive policies and relationships between these policies and individual-level outcomes among LGBT employees.

Research supporting the business case suggests that LGBT-supportive policies are related to job attitudes (Law et al., 2013; Ragins and Cornwell, 2001; Trau, 2015) and perceived discrimination (Ruggs et al., 2015) among LGBT workers. A growing body of research also suggests that supportive policies may lead to competitive advantage (Day and Greene, 2008; King and Cortina, 2010) including firm performance (Pichler et al., forthcoming) and positive stock market reactions (Li and Nagar, 2013; Wang and Schwarz, 2010). Supportive policies offer a number benefits as related to LGBT workers, such as improved employee recruitment (Metcalf and Rolfe, 2011), lower employee turnover (Metcalf and Rolfe, 2011), and a less stressful work environment (Ragins and Cornwell, 2001).

In this paper, we argue that the benefits of LGBT-supportive policies should extend to all employees regardless of sexual orientation and gender identity. LGBT-supportive policies signal to all employees that their employer is concerned with equality and inclusion of all members of the organization, which may lead to increased perceptions of fairness and overall feelings of positivity at work (Kaplan et al., 2011; Trau, 2015). Creating inclusive work environments through the adoption of LGBT-supportive policies helps establish companies as “employers of choice” for all employees, not just sexual and gender identity minority employees (Cordes, 2012). These benefits are dependent on key individual differences and the extent to which supportive policies are supported by top management such that policies are visible and perceived as meaningful.

Theoretical development

POS theory

POS theory proposes that individuals personify their employer organizations and form judgments about the extent to which their employer genuinely cares for them (Eisenberger et al., 1986). POS (Eisenberger et al., 1986) is defined as an employee’s “global beliefs concerning the extent to which the organization values their contribution and cares about their well-being” (p. 501). Employees reciprocate feelings of support in a variety of ways including more favorable job attitudes and behaviors (higher job performance, lower absenteeism, for reviews, see Kurtessis et al., forthcoming; Rhoades and Eisenberger, 2002). Research has shown that supervisory behaviors are related to POS because supervisors act as agents of organizations (e.g. Kossek et al., 2011), and organizational policies and practices are perceived to reflect concern for employee well-being (Eisenberger et al., 1986).
Based on key tenets of POS theory, our first proposition is that LGBT-supportive policies should be positively related to perceptions of organizational support for all workers regardless of their sexual orientation or gender identity. An important way for employers to demonstrate genuine concern is the voluntary adoption of policies and practices that are supportive of workers (Eisenberger et al., 1986). Most LGBT-supportive policies, such as domestic partner benefits, are adopted and supported voluntarily, although certain policies, such as non-discrimination policies, are mandated by certain states or municipalities. Moreover, LGBT-supportive policies are not common across employers in the private sector. In a sample of nationally representative firms across more than 26,000 observations, approximately 20 percent of firms adopted LGBT-supportive policies in 2009 (Pichler et al., forthcoming). Organization policies are more likely to be perceived as reflective of genuine support not only when they are not mandated, but also when they are relatively uncommon (e.g. Eisenberger et al., 1986).

This is in contrast to other more general diversity-related policies based on equal employment opportunity policies, such as non-discrimination policies based on race, gender, religion, national origin stemming from Title VII of the Civil Rights Act of 1964, or accommodation policies, such as those stemming from the Americans with Disabilities Act, in that these are federally mandated (Kossek and Pichler, 2007). Many private employers’ diversity policies are based on existing laws and regulations, which do not cover sexual orientation or gender identity. Many private employers support affirmative action (e.g. Barrett, 2012; Ciochetti, 2010), yet those that are not federal contractors or subcontractors are free to choose the whether or not to include sexual orientation. More strategic approaches to diversity management include, for instance, tying diversity metrics to business strategy, and holding executives responsible for diversity-related metrics, but these approaches have traditionally focused on women and persons of color and not LGBT workers (e.g. Thomas, 2004).

LGBT-supportive policies are, in general, not state-mandated; they are relatively uncommon across employers; sexual orientation and gender identity may or may not be included in private employers’ affirmative action policies; and LGBT-supportive policies have not traditionally been the focus of private employers’ approaches to diversity as strategy. Moreover, LGBT-supportive policies have begun to pick-up traction much more recently as compared to policies related to gender or race, for instance. One could argue therefore that employees should be especially likely to perceive LGBT-supportive policies as genuinely supportive. This is especially the case when one considers that LGBT-supportive policies are often adopted in the face of consumer backlash, negative media attention, and a national backdrop of pervasive anti-LGBT legislation in the USA (e.g. Myers, 2015).

LGBT-supportive policies should send the message that employers truly value diversity and truly care about employees (Eisenberger et al., 1986):

### P1. LGBT-supportive policies and practices will be positively related to POS.

We suggest that employees, including those who are not sexual and gender identity minorities, should perceive these policies as generally supportive of employee well-being; employees in the sexual and gender identity majority are aware of LGBT-supportive policies and attracted to employers that adopt them (Cordes, 2012). This is consistent with work-family research, which has shown that workers develop perceptions of organizational support even when they are not immediate or direct beneficiaries of supportive policies (Kurtessis et al., forthcoming), as well as research that has shown that supportive HR practices, such as participatory decision making, are related to POS even when many workers are not themselves involved in such practices (Allen et al., 2003).

That said, we also offer two different perspectives as to individual-level boundary conditions of the relationship between LGBT-supportive policies and perceptions of
organizational support: first, an intersectionality perspective (Crenshaw, 1991) and second an individual-difference perspective based on attitudes toward gay men and lesbians (ATGL) (Herek, 1988).

As to the former, there is an increased interest in the diversity literature on intersections between different forms of diversity (Shore et al., 2009), largely race and gender. Research has shown that women and minorities react differently to diversity-supportive policies, such as affirmative action policies, than do men and non-minorities (e.g. Kravitz and Platania, 1993), place a greater emphasis on employer support for diversity (Kossek and Zonia, 1993), and view diversity management as important when accepting job offers (Ng and Burke, 2010). This perspective would suggest that women, racial and ethnic minorities, and other minority group members should be more likely to be aware of various forms of diversity management policies, including LGBT-supportive policies, and more likely to perceive them as supportive than men and non-minorities. Women and minorities have a shared experience that should make them feel supported by diversity policies, i.e., discrimination (Kessler et al., 1999):

P2. The relationship between LGBT-supportive policies and POS will be stronger (weaker) for women and minorities (for men and non-minorities).

As to the latter, research has shown that ATGL (Herek, 1988) are related attitudes about policies, including employment policies, supportive of sexual orientation and gender identity diversity, as well as beliefs about the employability of sexual minorities (Pichler et al., 2010). As an example, some employees have backlashed against certain LGBT-supportive policies, although these cases (see Kaplan, 2006) involve individuals with severe anti-gay attitudes, as exemplified by an employee using the name “Joseph Faggot” as a pseudonym in a mock employment exercise, or employees with beliefs that correlate strongly with anti-gay attitudes such as religious fundamentalism (Altemeyer and Hunsberger, 2004; Brandt and Reyna, 2010; Laythe et al., 2002). It is important to note here that gay men, lesbians, and transgender individuals can hold anti-gay or transphobic attitudes (Szymanski et al., 2008), and many in the sexual majority hold favorable attitudes (Poynter and Tubbs, 2008). We suggest anti-gay attitudes are important as a boundary condition of the relationship between LGBT-supportive policies and POS, not necessarily sexual orientation or gender identity:

P3. The relationship between LGBT-supportive policies and POS will be weaker (stronger) among individuals with strongly negative (positive) attitudes toward LGBT employees.

Sexual diversity climate
Schneider et al. (1994) highlight that organizations have multiple goals and priorities, and, accordingly, multiple climates. One such climate is diversity climate, which refers to employees’ shared perceptions of the supportiveness of diversity-related policies and practices (Gelfand et al., 2005). Research suggests that diversity policies and practices are related to positive diversity climates, which in turn fosters positive work-related attitudes for all employees (Mckay and Avery, 2015). We are interested in LGBT-supportive policies and practices and thus a specific type of diversity climate, sexual diversity climate, i.e., perceptions of “formal and informal aspects of an institutional environment” regarding support for sexual orientation and gender identity diversity that shapes employee perceptions (Liddle et al., 2004, p. 33). This specific type of diversity climate is more closely tied to LGBT-supportive policies, and should therefore be more strongly related to LGBT-supportive policies (see Kossek et al., 2011). Although previous research (Liddle et al., 2004; Szalacha, 2003) has measured sexual diversity climate at the individual level, we suggest that sexual diversity climate should be measured as shared perceptions at the organizational level.
According to signaling theory (Spence, 1973), employees rely on organizational cues, such as policies and practices, to interpret their employer’s commitments and goals. Similarly, stigma theory proposes that stigmatized individuals monitor their environment, and their interpretations of environmental cues influence their perceptions of the climate (Crocker and Major, 1989). Hence, the presence of LGBT-supportive policies and practices communicate meaning and intent of acceptance and tolerance, which should create a positive climate of diversity toward persons of various sexual and gender identities. LGBT employees share their experiences and perspectives on LGBT issues to others, particularly among friends at work (Rumens, 2012), which should lead to shared perceptions about sexual diversity climate (Schulte et al., 2006). Consistent with this reasoning, Szalacha (2003) found that in a “safe schools program” that policies designed to protect gay and lesbian students from harassment had positive effects on perceptions of sexual diversity climate – among respondents in the sexual and gender identity minority and majority:

Pl. LGBT-supportive policies are positively related to sexual diversity climate.

The diversity literature is relatively silent on how sexual diversity climate is related to job attitudes among employees, including perceptions of support (Mckay and Avery, 2015). Research thus far has shown that perceptions of supportive policies toward work-life balance and ethnic diversity climate are predictors of POS for all employees (Leveson et al., 2009). We posit that LGBT-supportive policies should be related to perceptions of organizational support indirectly through sexual diversity climate.

Existing research has provided some preliminary evidence for this proposition. Trau (2015) found that psycho-social support in social networks including sexual and gender identity minorities was higher when perceptions of sexual and gender identity diversity climate were high. This suggests that LGBT-supportive policies may be related to perceptions of organizational support due to a more positive sexual diversity climate, particularly since research has highlighted that supervisors and coworkers are an important source of POS (Rhoades and Eisenberger, 2002; Shanock and Eisenberger, 2006). The broader diversity climate literature highlights the notion that supportive climates signal organizational goodwill toward their employees and serve employees’ best interests (Mckay and Avery, 2015). Hence, employees trust that management-based decisions concerning their career will be made fairly (Kaplan et al., 2011). Perceptions of employers’ goodwill and trust in management are related to perceptions of organizational support (Kurtessis et al., forthcoming), and perceptions of employers’ goodwill should be influenced by LGBT-supportive policies:

P5. Sexual diversity climate will partially mediate the relationship between LGBT-supportive policies and POS.

Organizational justice

Our model suggests that supportive policies are related to employee perceptions of support in large part because they signal genuine concern for employee well-being. We propose an additional reason supportive policies are related to perceptions of organizational support indirectly through relationships with perceptions of organizational justice. Individual studies have documented relationships between organizational justice perceptions and POS (e.g. Loi et al., 2006). Our model extends work showing the relation between perceptions of organizational justice and POS to propose that LGBT-supportive policies and practices will be related to POS, and that this relationship will be mediated through perceptions of distributive, procedural justice, and interactional justice.

Distributive justice. The two leading theories of distributive justice are Adam’s (1963) equity theory and Leventhal’s (1980) justice judgment model. Equity theory (Adams, 1963) posits that employees will compare their inputs (e.g. effort, performance), to their outputs (e.g. rewards), to similar others within an organization. When an employee feels that his or
her inputs are comparable to that of a referent other, yet has lower outputs to the same referent, internal inequity develops. Leventhal’s (1980) justice judgment model suggests social harmony and optimal work performance are maintained through fair distribution of rewards. Both theories suggest that when employees feel resources are distributed fairly, they will feel more supported (Greenberg, 1990). We propose that perceptions of distributive justice should be higher in organizations that distribute benefits fairly for workers in both the sexual and gender identity majority and minority, e.g., by offering benefits for domestic partners, by promoting an equity standard. This should not affect sexual and gender majority workers negatively necessarily: their work outputs will be determined based on their work inputs same as workers in the sexual and gender identity minority. Workers should feel that their employer promotes a sense of fairness through an impartial allocation of resources (Leventhal, 1980), which should in turn be related to perceptions of organizational support. We further propose that perceptions of support should be higher because workers feel all resources and outcomes will be distributed more fairly:

\[ P6a. \text{LGBT-supportive policies and practices are positively related to distributive justice perceptions.} \]

\[ P6b. \text{Perceptions of distributive justice will partially mediate the relationship between LGBT-supportive policies and practices and perceptions of organizational support.} \]

**Procedural justice.** Perceptions about procedural justice are important and distinct from perceptions of distributive justice in that they are about processes and procedures as opposed to outcomes (e.g. Greenberg, 1990). Procedural justice theory, as originally introduced by Thibaut and Walker (1975), proposes that individuals desire control over processes that affect them. Leventhal (1980) proposed that certain procedural rules were important for ensuring fairness in organizational decisions, such as policies being consistently applied and free from bias. LGBT-supportive policies and programs that specifically denounce biased decision making should be expected to increase perceptions of procedural justice (Bell et al., 2011). Non-discrimination policies, for example, explicitly require consistency in treatment, which should be related to perceptions of process fairness (Leventhal, 1980). Perceptions of procedural justice are related to perceptions of organizational support. We propose that part of the reason as to why employees will feel more supported by organizations with LGBT-supportive policies and practices is because employees’ processes are more consistently applied, and thus should feel that their employer is more supportive of them and more likely to treat employees fairly:

\[ P7a. \text{LGBT-supportive policies and practices are positively related to procedural justice perceptions.} \]

\[ P7b. \text{Perceptions of procedural justice partially mediate the relationship between LGBT-supportive policies and practices and perceptions of organizational support.} \]

**Interactional justice.** Interactional justice refers to the fairness of treatment workers receive from supervisors in terms of interpersonal justice (being treated with dignity and respect) and informational justice (being given adequate information about decisions; Cropanzano et al., 2001). Various supportive policies and practices should be related to worker perceptions of interactional justice, especially LGBT-inclusive diversity training. Although empirical research on diversity training evaluation is scarce (Roberson et al., 2003), scholars suggest that training programs can influence employee values and attitudes (Scott and Meyer, 1991), and can lead to more positive attitudes about gay men and lesbians (Madera et al., 2013). We therefore propose that LGBT-inclusive diversity training should be related to fairer interpersonal treatment from supervisors. Research shows that when supervisors are more supportive interpersonally, perceptions of organizational support are higher
(Kossek et al., 2011), and perceptions of interactional justice are related to perceptions of organizational support (Rhoades and Eisenberger, 2002). We therefore propose that LGBT-inclusive diversity training can have real effects on supervisor attitudes and behavior, leading workers to feel that they are treated better interpersonally by their supervisors and thus feeling more supported by their organization:

P8a. LGBT-supportive policies and practices are positively related to interactional justice perceptions.

P8b. Perceptions of interactional justice partially mediate the relationship between LGBT-supportive policies and practices and perceptions of organizational support.

Management support as a boundary condition
In order for LGBT-supportive policies and practices to be effective, top-level management must support and adhere to them (see Ng, 2008; Ng and Wyrick, 2011. Top-level management refers to multiple constituents in executive positions making the commitment to support LGBT policies and other diversity-related initiatives (Morrison, 1992). Executives and key organizational decision makers must be willing to commit to the development and administration of such policies, and actively engage in modeling behavior in order to set an example for the rest of employees within the organization. That is, it is not enough to adopt LGBT-supportive policies; top-level management must ensure that these policies are enacted which starts by their demonstration of adherence to the policies. Their support is also demonstrated through the development of transparent measures that ensure that policies are being enacted in the correct ways according to the policy development.

Research has shown that when employees perceived that top-level management played an active role in supporting policies, the employees reported greater intentions to comply with the policies (Hu et al., 2012), and that minority representation in organizations increases (e.g. Trau and Hartel, 2004; Wentling, 2004). Top-level management support of LGBT policies should also increase the extent to which these policies are related to perceptions of organizational support – employees who feel greater recognition from top management also report higher level of POS (Wayne et al., 2002). Top management support for LGBT-supportive policies should trigger perceptions of organizational support because it signals management’s commitment to diversity, inclusion, and fairness of employees – perceptions of fairness are a key predictor of individual’s POS regardless of sexual orientation and gender identity (Kurtessis et al., forthcoming; Rhoades and Eisenberger, 2002):

P9. The relationships between LGBT-supportive policies and POS will be moderated by top management support such that each relationship will be stronger (weaker) when top management support is high (low).

Discussion
Public opinion has become more favorable toward LGBT workers. Business organizations too have become more supportive of LGBT workers in various ways, including the adoption and enactment of supportive policies and practices. The business case for adopting LGBT-supportive policies and practices has received increased attention in recent years (Chuang et al., 2011). Research has shown that supportive policies are related to improved attitudes and performance among LGBT workers (e.g. Ragins and Cornwell, 2001), as well as to stock market reactions (Wang and Schwarz, 2010) and, more recently, to firm financial performance (Pichler et al., forthcoming). That said, a major limitation of the existing literature on LGBT-supportive policies and practices is that it lacks a consideration of how these policies likely affect workers in both the sexual and gender identity minority and majority.
Contributions to theory and research

The importance of a multi-level approach to examining the implications of diversity-related policies and practices should not be overlooked (Chuang et al., 2011; Joshi et al., 2011). The proposed model provides avenues for future research to explore the effects of implementing LGBT-supportive and other diversity-related policies. We recommend that scholars examine the ways in which the implementation of organizational-level policies influences workers in general, regardless of sexual orientation or gender identity. We see this research as a key way to advance scholarship on LGBT workers.

Sexual diversity climate. Many studies in the diversity climate literature measure climate at the individual level of analysis (i.e. psychological climate; King et al., 2010; Mckay et al., 2007). Although there is no theoretical issue with measuring psychological climate at the individual level, there is a misspecification problem (Rousseau, 1985) in making generalizations about organizational climate based on interpretations about individual-level data (Glick, 1985). We recommend future research that includes workers from the sexual and gender identity minority and majority – to determine if they develop shared perceptions and if these shared perceptions differ between organizations based on policy adoption. As noted by van Knippenberg et al. (2011), the vast majority of diversity climate research is concerned with preventing discrimination and unfair treatment toward women and minority groups more than focusing on the value in diversity. Our model focuses on the value of diversity and will allow for a more fine-tuned understanding of what types of policies and diversity climate are most strongly related to positive benefits for all employees and why policies influence outcomes such as organizational support.

Organizational justice. We propose that workers in organizations with higher levels of LGBT-supportive policies should have higher levels of organizational justice because the organization is making attempts to create fairness for all employees. However, there is the potential for backlash in terms of perceptions that LGBT employees are receiving more than they deserve (Kaplan et al., 2011). To gain a better understanding of the effects of such policies, scholars should attempt to examine changes in individual attitudes and diversity climates in organizations before and after the implementation of LGBT-supportive policies via longitudinal and multi-source research. We believe that LGBT-supportive policies should lead to increases in perceptions of procedural, distributive, and interactional justice. Future research should examine the nature of these relationships to better understand how policy implementation influences different justice perceptions.

The establishment of policies may have a strong influence on procedural justice as it shows that organizations are fairly developing policies and procedures; however, the effect on distributive justice may be weaker with just the development of policies. That is, it may take more active policy enactment via behavior related to the policies (e.g. disciplining employees who violate policies, holding information sessions, training) in order to have a strong effect on perceptions related to how outcomes are allocated. Similarly, the effects of LGBT policies may be weaker on interactional justice if these policies are not clearly communicated by managers to subordinates. Future research should examine the extent to which simply having policies vs managerial behavior related to the policies influences procedural and distributive justice.

POS. We believe we offer an important insight into POS theory: for potentially controversial policies, such as LGBT-supportive policies, that may not directly benefit all workers to be perceived as supportive, top management must demonstrate commitment to these policies. We also propose that the relationship between LGBT-supportive policies and perceptions of organizational support is moderated by individual-level demographic characteristics and attitudes. These are propositions that integrate the literature on LGBT workers and POS in a novel, useful way that can direct future research. To date, POS theory

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has not offered an analysis of the attitudes that might mitigate perceptions of organizational support in general or in connection to specific diversity-supportive policies, and thus the limits of the core propositions of the theory. Our proposition regarding attitudes about LGBT employees questions the limits of POS theory, which would suggest that individuals in general should perceive voluntarily adopted, employee-supportive policies as reflective of genuine concern for employees.

Practical implications
Given that research tends to show state-level policies may be effective for promoting diversity (Ng and Burke, 2010), we suggest that policymakers further consider government-mandated policies and programs that protect and support LGBT workers. That said, government-mandated policies may have limited utility, and it seems important that organizations demonstrate initiative when it comes to supporting sexual orientation and gender identity diversity. Furthermore, in the absence of government policies, organizational policies can help create fairness and equity for sexual and gender identity minority employees, and may ultimately influence changes in laws (Martinez et al., 2013). The adoption of LGBT-supportive policies and practices is on the rise (Chuang et al., 2011; Human Rights Campaign, 2016). In fact, as more firms implement LGBT-supportive policies, a company’s decision not to adopt such rules may send a negative signal to potential employees (Pichler et al., forthcoming). Given this uptick in organizational policy adoption, our model is timely in understanding the effects of such policies for all employees.

We develop support the notion that human resources executives and diversity managers should support LGBT workers, provide a safer climate for sexual orientation diversity (Bell et al., 2011), and consider implementing policies and practices that are supportive of this diversity (Day and Greene, 2008; Huffman et al., 2008). Doing so should ultimately result in positive outcomes for all workers – regardless of their sexual orientation – and for employers. Employees are more likely to feel that their employer genuinely cares about their well-being when the employer adopts policies and practices that support workers, when employees feel fairly treated, and when they perceived they are valued group members (Mckay and Avery, 2015). When this is the case, employees are also more likely to develop an emotional attachment to the organization and to reciprocate their feelings of support through positive attitudes and behaviors (Rhoades and Eisenberger, 2002; Kaplan et al., 2011).

Thus, we expect that LGBT-supportive policies and practices can benefit firms in terms of improved productivity and financial performance (Pichler et al., forthcoming), in part due to increased perceptions of organizational support. Still, organizations should consider the interests of multiple stakeholders when adopting LGBT-supportive policies and practices, including other employees (Ragins, 2004), financial investors (Chuang et al., 2011) and regulators (Anteby and Anderson, 2014; Ozturk, 2011; Tilscik, 2011). For instance, employers must consider how distributing healthcare benefits for employees’ dependents based on an equality principle, which acknowledges non-traditional families, could adversely impact other types of families, such as families with a relatively large number of dependents (Scully and Creed, 1999), and grapple with potential backlash from various consumer constituencies (Kaplan, 2006; Laythe et al., 2002).

Limitations and future research directions
Although this paper is intended to provide a careful analysis of the outcomes of LGBT-supportive policies for all workers, a great deal of work is needed to further develop additional boundary conditions, beyond top management support and attitudes toward sexual and gender minorities, that will limit or enhance the relationships proposed above. For instance, if sexual and gender majority employees are unaware of LGBT-supportive policies or what these policies mean for all employees, then they will not be able to reap the
psychological benefits of perceiving equity and support based on diversity-related policies (Kurtessis et al., forthcoming). This is where management buy-in can play a crucial role.

Another factor that may constrict the positive influence of LGBT-supportive policies on perceptions of justice, organizational support, and diversity climate is the extent to which the policies are used to make decisions. That is, the extent to which policies are not just adopted but also truly enacted should influence these relations. The lack of implementation and enforcement of policies sends a message to employees that the policies are unimportant and may simply be in place to send an empty message that the organization cares about diversity (Trau, 2015). This may have the reverse effect on perceptions of justice. Therefore, it is important to understand how LGBT-supportive policies are effectively implemented. In connection, we propose the LGBT-supportive policies will lead to a more positive sexual diversity climate. It is possible however, that organizations that already have high diversity climates have employees who are passionate about diversity and equity and are more proactive in putting together LGBT-supportive policies. Future research could examine these issues in a longitudinal research design.

Notes

1. Otherwise referred to as “sexual minorities” (e.g. Pichler, 2007).
2. The terms “LGBT-supportive policies and practices” and supportive policies will be used interchangeably for brevity.
3. Although this construct includes gender identity diversity, it is called “sexual diversity climate” in the literature.
4. That is, among individuals with the organization as the referent and aggregated to reflect organizational climate based on referent-shift consensus model (Chan, 1998) similar to diversity climate (Mckay et al., 2007).

References


Further reading

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