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LGBT CORPORATE ACTIVISM: BEYOND THE BUSINESS CASE

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“Being out of the closet doesn’t open doors for you, it simply doesn’t shut them down”. Paul Raygoza, IBM Mexico

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List of Acronyms

MNC	Multinational Corporation
CSR	Corporate Social Responsibility
LGBT	Lesbian, Gay, Bisexual and Transgender
CONAPRED	National Commission for the Prevention of Discrimination
CCCOH	Citizen Commission Against Homophobia Hate-Crimes
CEO	Chief Executive Officer
NAACP	National Association for the Advancement of Colored People
B2B	Business to Business
EAGLE	Employee Alliance for Gay, Lesbian and Transgender Empowerment
HR	Human Resources
BRG	Business Resource Group

Abstract

In the following research I will lay out the factors that explain how and why IBM, one of the most successful Multinational Corporations, has become a global reference in terms Corporate Social Responsibility specifically in their efforts towards LGBT (lesbian, gay, bisexual and transgender) workplace inclusion. Through a case study methodology of IBM's headquarters in the USA and its subsidiaries in Mexico, aspects of glocalities, organizational structure, business imperatives and activism will inform the questions surrounding the successful cross-national transference and implementation of global CSR policies.

Relevance to Development Studies

The modern corporation is probably the clearest symbol of the factors that rule the current economic thought: efficiency, profit maximization and cost minimization as the guiding principles of the market. These guidelines of success feed today's mainstream economic thought and are a focus of criticism from a Development and Post-Development lens. Global Corporations and their recent efforts to include both, in the workplace and in the global markets, historically repressed communities such as the LGBT, sheds light into the tensions between private firms and development. It creates room for a refreshing view of corporations not necessarily as antagonists to Development, but as possible allies.

Keywords

LGBT, Multinational Corporations, Corporate Social Responsibility, Workplace Inclusion, Business Case, CSR Transference, IBM, Global Integration

CHAPTER 1

INTRODUCTION

In a context of globalized economies, more and more Multinational Corporations are dealing with the issues of what being “globally integrated” really means. Corporate Business is facing dual pressures to globally optimize service delivery but also, to respond promptly to multiple and complex stakeholder demands. The role of management needs to be adapted accordingly to these new and exciting times.

In this global dynamic and complex business context is where management decisions need to be done, including those related to Corporate Social Responsibility (CSR). Current debates around CSR transference across geographical borders portray the dilemma that Multinational Corporations (MNC) face nowadays: either they rely on a centralized strategy where global policies become standardized for every subsidiary; or they give more autonomy to subsidiaries in foreign locations. Firms have to *“operate seamlessly as a single organic entity by integrating internal operations horizontally and global”* (Palmisano. 2014).

The objective of this research is to critically analyze whether the two “usual” categories of CSR transference, horizontal and vertical, are necessarily exclusive. Using the case of IBM (International Business Machine), one of the most powerful corporations in the technology consulting industry, I will unpack the “local versus global” narrative in order to shed light to the nuances among them. The analysis will be made specifically around the CSR initiatives that focus on LGBT populations inside the corporation.

Through an analysis of IBM CSR strategies and histories around LGBT issues, questions relating LGBT CSR initiatives and their transference from headquarters in USA to its subsidiaries in Mexico, will be studied. The motivations behind corporations like IBM for investing so much capital and energy in issues that apparently, have nothing to do with their core business like LGBT issues, will be considered through a Stakeholder Approach and a Human Resources management perspective.

Structure of the research

The structure of the research will present a literature review and introduction of key concepts in Chapter 2. In Chapter 3 a brief account of the methodology of research as well as context of the areas of interest. Beginning in Chapter 4 I will share my findings through the unpacking of the business case argument. On Chapter 5 I will offer alternatives for the business case focusing on organizational structure, the role of values and stakeholder activism.

CHAPTER 2. THEORETICAL FRAMEWORK

The research of transnational transference of CSR strategies needs to be contextualized and approached with the right analytical tools. Throughout this chapter a brief literature review will be made to grasp the reasons behind the successful design and implementation of CSR strategies at a global level. I will define the theoretical components that will structure this research: the different elements that make IBM a unique story of global CSR implementation.

2.1 Corporate Responsibility in a Globalised World

The analysis of Development under capitalism usually identifies different tensions and patterns occurring in this era of *Great Transformations*, where the roles of markets and Multinational Corporations (MNC) in Development, are continuously being re-examined and negotiated: debates regarding Corporate Social Responsibility (CSR) become relevant.

CSR has been traditionally seen as voluntaristic efforts to improve the wellbeing of the community in which firms operate. The role of “responsibility” was attacked in previous decades; rough claims that defended the corporation’s only responsibility being one of creation and maximization of profit; leaving it free of compensating society in any way. These notions sustained that the actual “social responsibility” was to be carried out by the individuals working inside the corporations; they are the ones who are to be held responsible for having a social conscience (Friedman 1970).

When the law and State are perceived as weak, the role of the market and specifically of MNCs are expected to complement the lack of action coming from an official or institutional place. “*Misery loves companies*” (Margolis and Walsh 2003): social action coming from corporations is being demanded not just politely suggested by society. Corporations need to deal with processes that involve a variety of stakeholders holding different interests: “*the tension between commodification, accumulation and efficiency on one hand and social protection and equity on the other hand*” (Utting 2005).

In the late 80’s, parallel to the strong neoliberal wave that transformed corporate life, approaches towards CSR in the corporate literature started to acknowledge how markets were embedded in social institutions and how they were actually responsible of mitigating

some of its negative effects. This began the period of “*activism migrating from the barricades to the boardrooms*” (Bendell 2004); a movement characterized by corporate accountability with a human rights based approach as key to Development. The voluntaristic approach of former CSR definitions now has a stronger sense of obligation and less lax in the sense of corporations creating and enforcing their own regulations, instead of following the “incomplete” regulations thrown by the globalized state or even the total lack of them.

2.2 The business case of employee’s wellbeing

Previous understandings of CSR within the corporate literature have failed to work as practical guidelines for business executives, it is time to reconcile the efforts done by the academic sector with the actual needs of MNCs: “*The prevailing approaches to CSR are so disconnected from business as to obscure many of the greatest opportunities for companies to benefit society*” (Porter and Kramer 2007).

CSR should not perceive society and the market as in tension but as needing each other to function. This interdependence needs to be reflected in the reconciliation between the business strategy and the social efforts of any MNC. When managers perceive social issues as something external that must be complied in order to keep the company’s reputation, the binary between the social obligations and firm’s core activities becomes clear-cutting exclusive. CSR needs to be perceived strategically, it has to be linked to the possibility of growth, competition and innovation.

“Uncoordinated CSR and philanthropic activities disconnected from the company’s strategy, don’t lead to meaningful social impact nor strengthen the firm’s long term competitiveness” (Ibid p.83)

The most common approach to the intersection of business and social responsibility is the Business Case argument. In order to see CSR through a strategic lens there needs to be a consideration for long-term vs. short-term. Sustainability appears as the balance between long-term objectives and short-term costs.

A Business Case can be understood as investment in a project that will eventually yield a “*significant return to justify the expenditure*” (Carroll and Shabana 2010). A firm’s shareholders are mainly concerned about increasing the revenues, CSR is not usually thought as being at the top list of priorities in board meetings, nevertheless it has been gaining attention due to its linkages with the firm’s performance. Shared value creation apparently is no longer a vague term only used in yearly CSR reports; the goal of every decision made at a firm needs to respond both to business imperatives and to social demands: one cannot be made at the expense of the other (Porter and Kramer 2007).

Although the business case can still come short when it comes to answering questions of impact assessment, it has become the new mantra of Human Resources managers worldwide. CSR is not a zero-sum game in which the firm needs to “sacrifice” good deeds for profits; they can reinforce each other and obtain a “win-win” result.

Arguments favoring the business case of CSR can be found through the analysis of this relationship between firms and their employees. Corporate Social Responsibility is usually thought in terms of the company’s relationship with external actors or causes relating to the extended community in which it exists; usually causes and projects around the environment, the community’s education, health, etc. But CSR also acts upon the company’s internal actors, the stakeholders that are the very backbone of the organization, specifically its employees: “*how they are treated determines both self-perception and performance within the workplace and is correlated with life happiness in general.*” (Skibola. 2010)

Teachings from the Human Resources management School turn to the argument that happy employees make for more successful firms. Employees’ attitudes and behaviors can be the mediating variable between a firm’s CSR strategy and its financial performance. Business benefits from the attraction and retention of talented employees. Perspectives on increasing workforce diversity for example, imply linking recruitment, selection, development and retention of employees to business-oriented goals (Ernst Kossek et al. 2006).

Under the assumption that happy workers are more productive and more loyal, the relevance of internally oriented CSR and its link to increased business outcomes becomes a central topic of Human Resource management. Several studies exist in the literature to support these theories. On 2009 a study made on 66 Dutch home-care organizations proved that “*high aggregated levels of emotional exhaustion were related to low organizational performance*” (Taris and Schreurs 2009). Disengaged employees become an increased cost

for the company reflecting in negative attitudes not only towards the firm but also towards costumers: CSR has become a matter of revenue.

CSR strategies that aim to foster diversity at the workplace show a winning strategy for value creation. Three of the main arguments for incentivizing diversity at the workplace are:

a) Mirroring the market: an argument frequently used has to do with costumer's identification with the sellers or service providers. As costumer bases become more diverse, business strategies should diversify as well. It brings a sense of legitimacy if the consumers feel represented by the companies they are buying from. Traditional marketing strategies portray images of ideal costumers; characters that for years have been thought as the "goal images" that average consumers are supposed to aspire to. More recently it is evident that costumers are more willing to respond to images that reflects their true identity instead, whatever that may be. In this context the power or undergoing marketing strategies specifically designed for minorities such as the LGBT community or the "gay market", have proven successful.

b) Diversity creates room for innovation: heterogeneous organizations are perceived as more creative and innovative, both at an individual or group level. They have the ability to retain the most talented individuals, regarding of their gender, racial profile or sexual orientation. Positive results strongly depend on the strategy through which the process of value creation occurs. These results can also be seen at intermediate levels of the value-creation process that have more to do with workplace culture that result in better experiences for employees: *"better cultural experiences and quality of member interactions, teamwork and cooperation, individual commitment and identification with organizational goals"* (Ernst Kossek et al. 2006). With innovation as the goal and diversity as the strategy the business case for diversity solidifies.

c) Role models and diversity: Human Resources literature has also placed attention on MNCs boards and its composition. The more diversity at the top will eventually result in more diverse workforces. A board's composition has an influence on the performance of a firm: *"Diversity on a top management team has been hypothesized to affect the likelihood of innovation and the likelihood of strategic change"* (Treichler. 1995). CSR strategies that target top-level executives also serve a social purpose; some firms have leadership and development programs that make leaders or "out" executives (executives that are openly LGBT) become a role model for other employees, encouraging them to be out of the closet

as well, showing that it is safe to be themselves at the workplace, regarding their sexual orientation or gender identity. In order to have a long-term impact, executives at a management level need to be involved in the CSR strategies aimed at employees' behavior and corporate culture.

The most appealing aspect about the business case argument might actually rely on the overwhelming agreement that seems to surround it amongst Multinational Business leaders globally. More than 8000 companies in 162 countries have signed for the UN Global Compact (global standards regarding worker's right, environmental and social sustainability and anti-corruption policies for global corporations) in the last 15 years proving that CSR is definitely on CEOs agendas (UN Global Compact. 2015).

2.3 CSR through a stakeholder lens: the dynamic nature of social change

The more MNCs open spaces for CSR, the more they make visible the diverse demands coming from different stakeholders. According to IBM, stakeholders are considered those *"entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products and services"* (Global Reporting Initiative 2013). It is important to add to this definition a less passive characteristic: stakeholders are not just those who can be affected but they can also affect the organization's objectives. This implies stepping away from the usual "firm-centered" approach where firms' managers are defined by a higher hierarchy and take a central role. The firm is seen as a dynamic network of stakeholders negotiating specific issues at different times (Crane and Ruebottom 2011).

Instead of analyzing CSR through taxonomic categories like it is usually done in the literature I will use a definition that recognizes the nuances and the social nature of the term. Discussing the relationships among stakeholders can shed light into the role that employees' wellbeing plays in a CSR strategy.

Recognizing that CSR is mainly about relationships among people might sound obvious but is often perceived as an abstract activity that happens at company's upper levels of management. This narrow view prevents theories from portraying stakeholders and their demands at the center of CSR debates. This is why CSR literature has not been a very

practical guide for managers instead; it has been a static and model-like perception of what the strategies towards sustainable social goals in companies should ideally look like.

There are several examples in the literature that can illustrate the usual, static definitions of CSR. One of the most cited references, over 30,000 times according to Google Scholar, is Archie B. Carroll's *"Pyramid of CSR"* (Carroll 1991). In there he classifies CSR through different components (economic, legal, ethical and philanthropic) in which the economic one is the foundation for the others. Carroll elaborates on the tensions between components that manager's face, especially those related to the economic imperatives versus the ethical ones. Creating such a clear-cut distinction between the social and the economic don't hold true in reality. Business decisions are taken in social environments and are affected by the nature of stakeholders' relationships.

CSR is actually a process that is constantly being negotiated and legitimized, the discretionary power of decision-making that usually gets placed in the same positions leaves little room for rethinking and for critically addressing the traditional power structures of MNCs. Other stakeholder's power and agency needs to be recognized in order to create literature that can actually serve as guide to firm's stakeholders shaping CSR strategies that end up having a global influence in millions of people.

CSR is all about the corporation's relationship with its stakeholders. At the end of the day businesses seen as abstract entities, can't be held responsible for anything. Acknowledging the human factor inside MNCs allows to define specific agents and to allocate responsibilities in a more transparent manner. *"CSR goes beyond doing the social good that's expected, more than philanthropy is about understanding, managing and responding to a complex set of stakeholders trying to push their own values and needs"* (Jamali 2008). A stakeholder approach will allow this research inquiry about the actual people inside IBM that are participating in the legitimization process of the LGBT struggle for equality, their voices and experiences will become this research' most valuable source of knowledge.

In order to analyze stakeholder relationships that shape CSR first needs to be a critical review of how do actors earn the "title" of stakeholders. Whose voices matter for the firm and why? The identification of IBM's employees as relevant stakeholders shaping the company's CSR policies becomes very important in terms of LGBT visibility and agency.

Traditionally, stakeholders are defined according to their economic function. Using Andrew Crane's theory of stakeholders and social identity (Crane and Ruebottom 2011), this generic economical function will be challenged. Identifying stakeholders is probably the most difficult part of the process for a firm. Whose claims should be legitimized and who's should be ignored?

Stakeholders in a firm should be identified through their social identities, examining how people define and distinguish themselves from others. There can be more than one social identity in one individual; it can even be different at work and at home for the same person (for example, being a lesbian activist and a mother at the same time) (Crane and Ruebottom 2011). Legitimacy is a central ingredient in this two-way relationship between firm and stakeholders: firms need legitimacy in the eyes of the stakeholders and stakeholders also need it in order to advance their agendas. Firms are not rational profit-driven entities; the political nature of them becomes clear through a stakeholder perspective. *"While CSR aims to define what responsibilities business ought to fulfill, the stakeholder concept addresses the issue of whom business is or should be accountable to"* (Kakabadse et al. 2005).

2.4 Organizational structure and the role of values

CSR policies are also deeply influenced by the type of organizational structure a firm has. Organizational structure is the *"[typically hierarchical] arrangement of lines of authority, communications, rights and duties of an organization that determines how are the roles, power and responsibilities distributed"* (Business Dictionary. 2015).

When any firm realizes that CSR should be included as a relevant topic, the natural reaction is to create a CSR Manager position. By assuming that someone can be held responsible for a CSR strategy they tend to forget that a CSR department or manager is not enough. CSR needs to be diluted across the company: this touches matters of structure. How can structure and CSR goals coexist and reinforce each other? What should come first: a CSR strategy or a structure adequate to handle the strategy?

The way a MNC is structured has a lot of weight when it comes to CSR strategies, some of the questions that can shed light into this issues are:

- What is the level of integration of CSR strategies to board and executive levels?
- What is the link between CSR and other functions (like HR, Marketing, Finance or Community Affairs)
- How often is there a formal planning and/or review of the CSR strategy at a local or even regional level?
- How are employees included in the CSR strategy?

In a few words: how can the structure influence the CSR strategy in a context of headquarters/subsidiary? The dynamism created by stakeholders has an extra layer of complexity when we think of global policies implemented in remote contexts. The inner workings, the actual day-to-day activities that shape global CSR are what this research aims to examine.

Through the theory of procedural justice defined as *“the extent to which the dynamics of a multinational corporation’s strategy-making process are judged to be fair by the top managers of its subsidiaries”* (Cruz et al. 2010); we can place subsidiaries as focus of study: a refreshing view on the analysis of global CSR since most of the times, attention goes mainly to studying what happens at headquarters.

Procedural justice perception at the subsidiary level gives relevant information regarding the institutional hierarchies amongst firm levels. The agency of the managers at the local subsidiaries becomes central for successful CSR implementation. The degree in which local managers at subsidiary levels perceive their own voices at global decision-making processes can be clarified through two main concepts:

- **Bilateral communications:** the flow of knowledge from headquarters to subsidiaries and vice versa, regarding CSR through formal and not-so-formal activities (Ibid.) Decision-making processes although regarded as valuable secrets in MNC can be identified through the way the firm establishes communication between headquarters and subsidiaries.
- **The role of the values in the structure:** according to organizational culture theory, the values of those at the top of a firm are perpetu-

ated throughout the company. Values are important because they legitimize and justify the way a MNC's structure is designed and hence, how CSR is implemented. Although the evidence is clear on how values create structures, I also intend to shed light in the mutually interdependent relationship, meaning that structures also have an influence in values (Hinings et al. 1996).

The way a MNC is structured is the most tangible way to see how the elements of CSR strategies are executed and adapted for either the global or the local context. MNCs tend to have fixed global structures expected to replicate throughout subsidiaries across borders. The actual transference of CSR comes with issues of its own, especially when it comes to CSR related to LGBT issues.

2.5 CSR transference of LGBT strategies: standardized or diluted?

LGBT equality in the workplace has gained a space in the Human Resources and CSR literature on recent years due to a shift towards its inclusion at a corporate level. The issue of workplace homophobia has cultural, sociological and even psychological backgrounds.

Homophobia originates on the social creation of gender roles and the subsequent hierarchies around them. According to feminist and masculinity theories gender is a *"constantly evolving socially constructed set of behaviours and performances that change depending on context"* (McGinley 2013). Hegemonic notions of masculinity (what a "real man" is supposed to do, act and feel) tend to be associated with major forms of social power. Compulsory heterosexuality is one of the key aspects of hegemonic masculinity, although definitions keep changing across contexts and generations, the question of sexual orientation remains a fundamental aspect of power relations.

The fact that men are still overwhelmingly occupying most power positions in today's MNCs is a clear indicator of the *"masculinized model of management to which women executives [and non-conforming gender individuals] are obliged to conform"* (Connell and Wood 2005). Paradoxically, globalization and the modern corporations have also been challenging homophobia at least in the discourse. This research opens the conversation to that apparent paradox; the tension between homophobia and perceptions of what is politically correct. An

openly gay manager interviewed by R.W. Connell for her 2005 research on business masculinities explains:

"I'm very open with management about, you know, my partner's and I, relationship. And it's absolutely supportive, and no one really cares.." (Ibid)

One of the main issues regarding sexual orientation in the workplace revolves around the possibility of individual disclosure, whether or not to reveal LGBT's stigmatized sexual orientation at the workplace. The risk involved with disclosure or what is commonly known as "coming out of the closet" can materialize in homophobia. Either if gay people choose to remain in the closet or not, they still face risky scenarios. If they come out of the closet they might fear discrimination and rejection that can lead to social isolation, affect their pay-checks, terminate their jobs or go as far as jeopardize their physical integrity.

If the decision revolves around non-disclosure, it is also problematic. Being on the closet is an on-going negative process that involves constant social interaction; gay people have a constant fear of being "discovered" at everyday informal communication with colleagues. This stops them from forming real relationships with co-workers and affects the social fabric of the whole firm. Non-disclosure creates the problem of invisibility, *"the illusion of a purely heterogeneous workplace environment where special attention for LGBT employees is not required (Boerties 2012)"*. Coming out is clearly a process that can be determined by the firm's corporate culture; depending on its openness the process can be either a positive or a negative experience for the LGBT employees.

Usually, at a corporate level, constructions of hegemonic masculinities and femininities dictate the socially accepted behaviors that define "real men" and "real women", these constructions and standards must be complied in order to earn the right to freedom and equality at the workplace. I make here a strong distinction between gay, lesbian, bisexual and those belonging to the transgender community due to the completely different experiences that transgender individuals face in the workplace, issues of individual disclosure are only a choice for those gender-conforming individuals usually gays, lesbians and bisexuals. Under the assumption of the socially constructed gender binary of "male" or "female", employees are classified in either one or the other from the very beginning. Corporations

face the challenge of not accepting other gender expressions and to look beyond this as relevant in relation of abilities and retaining talent.

Visibility is a key issue for addressing workplace homophobia; CSR strategies need to consider this. The presence of “*similar others*” (Frable et al. 1998) is powerful in the sense that LGBT people can find support and role models to counteract the stress and rejection. This has become a common practice; including “out” role models, especially at executive levels, can help trigger visibility not just individually, but also as a consistent group whose social identity is defined. This helps in terms of easier identification of LGBT employees as a stakeholder with claims of their own.

The complexity of addressing LGBT issues in CSR strategies makes them an ideal case study for this research. MNCs not only face the challenge of designing and implementing good LGBT strategies for the benefit of their employees or their clients; they also face the challenge of transferring those policies into their subsidiaries in developing countries: “*Up to what point can workplace equality be provided for LGBT-employees in an organization with global operations?*” (Boerties 2012)

Transference of CSR also has to do with building and maintaining constant channels of communication. Everyday there’s more technology available for multinational corporations to maintain interconnectedness across borders, the global status of a firm becomes both an asset and a challenge. management of cross-national CSR lies on the dilemma of localization versus standardization, according to management literature:

“Patterns of global CSR are being diffused to developing countries, but also being diluted along the way in view of specific subsidiary endowments and host market characteristics”. (Jamali 2010)

Multinational Corporations face the tension of establishing a global corporate culture to improve control, coordination and integration of subsidiaries; but at the same time they face subsidiaries’ embeddedness in national culture, which might conflict with CSR policies coming from headquarters (Schneider 1992).

There seems to be an agreement on literature towards emphasizing either localized strategies or cross-borders imperatives coming from headquarters. The issue of effective transference of CSR asks one fundamental question: *“do subsidiaries tend to adopt CSR practices of the home country of the parent firm or tailor their CSR responsiveness to their host country context in which they are located?”* (Muller 2006) This research will explore this binary; the nuances that exist between the two seemingly exclusive options of globalizing vs. localizing. How do the relationships with stakeholders both at a local and at a global level, affect the transference? Do the inherent complexities of LGBT policies make this transference easier or harder?

The dilemma of standardization versus localization doesn't have to be a zero-sum game; there's room for interaction and even integration of the local and the global. *“Glocalization is a complex process that fuses the global and the local, it interlaces worldwide similarity with cross-national variation”* (Drori et al. 2015).

Elements that make CSR transference across borders a success are being examined throughout this research. Is it the business case strong narrative what makes MNCs spread their CSR “good practices” cross-nationally? Is it the stakeholders and their constant negotiation and communication what makes it easy for CSR to be diluted to subsidiaries? Or is it the organizational structure the one allowing for this complex yet organic dynamic amongst forces?

CSR transference has the potential of creating real long-lasting impact in developing countries. I will now analyze the three elements mentioned in the last pages (business case, organizational structure and stakeholder activism) to see how much explanatory degree each of them hold, either individually or as a mix, on the transference of LGBT CSR policies across boundaries. In the next section I will elaborate the methodology that will be followed in order to shed light into these matters.

CHAPTER 3. METHODOLOGY AND CONTEXT

3.1 Main research question

As previously stated, the main goal of this research is to provide answers to inquiries related to the transference of CSR across borders, designed at headquarters, yet implemented globally throughout different contexts and attending different local stakeholder's needs.

The usual views about the transference of CSR across borders creates a binary between two possible scenarios: a) localization (*"locally responsive but fragmented ad/hoc"*) or; b) global standardization (*"more proactive, efficient and integrated but often lack ownership and legitimacy at the local level"*) (Jamali 2010). Given these assumptions in the CSR literature regarding global transference, my main research question is:

What elements explain the transference of Corporate Social Responsibility initiatives (specifically LGBT-related) from headquarters (US) to a subsidiary (Mexico) given the institutional and cultural differences in both contexts?

The relevance of this analysis lies on the level of response that a MNC exhibits when transferring its CSR policies across borders. How does this global/local tension affect the implementation of policies intended for guaranteeing equality of LGBT employees at the workplace? What impacts do these policies have in their different contexts? How can IBM's story be relevant for other MNCs? What does this mean for LGBT equality outside of the firms?

Throughout these pages I'll explore possible answers for these questions. Through the unpacking of IBM's experience with LGBT issues, aspects of global CSR transference applicable to similar firms will also become visible.

3.2 Case selection: why IBM?

The IBM Corporation seems like an excellent case for analysis. IBM has been one of the most dominant corporations due mainly to their constant innovative spirit. Innovation has not only been visible in the company's products and services but also in terms of values and strategy. While preserving their spot at the 500 Fortune Companies for a few decades now they are also considered one of the most important pioneers in terms of inclusiveness and employee wellbeing.

Back in 1899 IBM was the first company to hire three women, 20 years before women had the right to vote in the US. On that same year they hired IBM's first black employee, 10 years before the founding of NAACP; IBM has a long history of diversity inclusion and employee wellbeing (IBM. 2015b) LGBT issues are no exception given that IBM added sexual orientation to their non-discrimination policy more than 30 years ago before most of its peers.

In 1995 IBM launched the Lesbian and Gay Taskforce currently known as Global LGBT Council; by 2001 IBM had created an LGBT sales team, making it the first major firm to create a B2B development team. IBM has been recognized for 10 consecutive years with a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index, one of the most important benchmarking tools for LGBT corporate policies (Human Rights Campaign. 2015). IBM's accomplishments and recognitions throughout the years have only been increasing; a detailed list with these can be seen in Appendix 1.

IBM's official LGBT strategy can be summarized in (IBM 2011):

- Global benefit equality (domestic partner benefits for LGBT couples)
- Leadership Development (developing LGBT leaders: encourage "self-identification" with business and technical leadership resources).
- Community vitality: make IBM a better workplace for LGBT, involving everyone.

- Workplace Climate: straight allies and mentoring programs.
- Growth Markets: ensure LGBT rights for people in “more difficult” countries like some that criminalize LGBT.
- Business Development: leverage diversity message into business development activities.

IBM EAGLE is the business resource group associated to LGBT inclusiveness inside the company. Their goal is “promoting a safe and open working environment for all employees, regardless of sexual orientation, gender identity or gender expression” (EAGLE. 2015).

A company so concerned and historically involved in the struggle for equality and inclusiveness of LGBT community is clearly a success story among the universe of MNCs and their CSR strategies. Such a firm, usually referred as a “success story”, is much more willing to share its story for research purposes; available and relevant information was obtained fairly easily. An abundant quantity of secondary resources were also available online for public use.

3.3 Data collection: IBMers sharing stories

The research methodology consisted in a series of semi-structured interviews carried out from July to November 2015. Some interviews were done face-to-face and others remotely via Skype video-chats or through phone calls. Semi-structured interviews imply the a-priori preparation of questionnaires aimed to different key actors identified through previous research yet allow for a certain flexibility at the moment of the dialogue. In this way, conversations unfolded in a casual manner allowing a certain degree of diversion leading to topics and experiences relevant for the research that were not previously anticipated.

I interviewed a total of 17 people directly or indirectly involved in LGBT CSR strategies. My interviewees can be grouped as follows:

- IBM Corporate Citizenship and Diversity Manager. Mexico City. (2 interviews)
- IBM LGBT Executive Taskforce. New York, USA. (1 interview)

- IBM Employees. Guadalajara, Mexico (sample of 10 interviews)
- IBM EAGLE team leaders. Guadalajara and Mexico City (2 interviews)
- Former IBM EAGLE founder. Mexico City (1 interview)
- Civil Society Representative. Mexico City (1 interview)

I had four of different questionnaires aimed for different actors:

1. HR Managers: I wanted to get the “official story” from the people responsible for these programs’ design, implementation and assessment. The goal was obtaining a general view of the decision-making processes surrounding the LGBT strategies.

2. Openly gay IBMers: aimed at anyone who would self-identified as LGBT. The purpose was to provide information regarding people’s personal history with homophobia and a general sense of workplace experiences as LGBT members.

3. EAGLE members: aimed at active members of the LGBT business resource group. The goal was to find the motivations behind joining the group and also to identify possible links to corporate activism.

4. Employees: aimed at the sample of 10 employees working in IBM’s Guadalajara plant in Mexico. The goal was to assess employees attitudes and values towards homophobia and to explore how much do the programs designed at managerial and HR levels would be reflected on the company’s workers.

In some cases interviewees belonged to more than one type of questionnaire. Redundant questions were eliminated organically. For privacy purposes the real names of the employee sample will be omitted, instead I will use alias to identify them. The actors interviewed are mostly employees and managers currently working at IBM (in different locations). A detailed list of my interviewees can be found at Appendix 2 and the complete set of questionnaires can be found at Appendix 3-7.

I chose to interview actors related both to the origins or history of IBM's involvement in LGBT issues and also to the current implementation of these policies. A sample of employees of more technical areas related to Software Design and similar areas was selected to test the level of influence of LGBT policies designed at the top. This group is normally focused on "everyday" activities of the company intimately linked to the business purposes: IT services and solutions provision. The IT area was deliberately chosen because engineering is still male-dominated and homosocial environments are the ones more frequently associated with homophobic attitudes.

I faced few but relevant challenges across my data collection process. The most important one being in the selection of the employees sample. I intended this selection to be random but at the end, the firm's Diversity Manager selected the participants on basis beyond my knowledge; the selection might have been random but I am not completely sure.

An HR manager monitored all the interviews as well; the employees were aware of this which may have mislead their answers to what they think was the "appropriate" response to the ears of management. Regardless of this, the data gathered still holds value due to the fact that some of the actual responses even included negative feedback regarding some management practices; I see this in a positive view because even though employees knew that "management" was listening, they were very honest about their answers.

The overall experience of approaching IBM was very positive. I always felt welcome and my interest in their history and practices was nurtured and encouraged.

3.4 Context in headquarters and subsidiary

The debate of whether CSR can be a tool for spreading out good practices cross-nationally lies on the assumption that different geographical locations imply different types of institutional and cultural arrangements. In general terms, LGBT situation in the workplace both in the US and in Mexico still has a long way to go. In the United States, although a vibrant and very active civil society moves the LGBT agenda, some issues are still taboo even at the center of the community.

For years activists have been preoccupied with marriage equality and ignoring the economic aspect of LGBT inequality, specially regarding LGBT's of lower incomes, transgender people and women of color. In the words of an LGBT activist:

"In the South, Midwest and Southwest...very few people actually give time or money to queer organizations and LGBT advocacy groups (...) Mainstream parties 'handle' rather than support us – the Democrats see us as an ATM; the Republicans, as a punching bag" (Vaid 2013).

Workplace equality in the US remains a big problem with only 38% of a national sample of LGBT employees acknowledging that they were free to come out of the closet at work and with 49% of that same sample, accepting that they have heard homophobic comments at the workplace. These alarming statistics resonate in a country where marriage equality is available nation-wide but 31 out of the 50 states still lack non-discriminatory legal protections for the LGBT community (Out Now 2015).

In Mexico the story is not that different, although marriage equality just recently became a reality nationally (less than a month difference with the US), other issues like workplace discrimination, especially for the most marginalized members of the LGBT community is generally not included in the discussions. Only 27% of a national sample of LGBT members in Mexico responded that they were free to come out of the closet at work; even a more alarming number than the US answer to the same question. 32% of the sample accepted that they have heard homophobic remarks at the workplace (Ibid); this number being relatively low might be explained by the fact that homophobic remarks and jokes in Mexico are deeply internalized in the every-day cultural and social interactions, including those at the workplace. There's a very fine line for Mexicans at least, between an innocent joke "part of the Mexican folklore" and an offensive remark, which makes the case for workplace homophobia even more complex to identify and hence, to attack.

In Mexico it is a criminal offense to discriminate on the basis of homophobia according to the Mexican Constitution and any work-related incident of homophobia can be taken to the CONAPRED (National Commission to Prevent Discrimination). Legal action might be done through the figures of the local Boards of Conciliation and Mediation, the usual problem is that minorities and the most vulnerable groups are systematically excluded from access to justice.

According to the CCOH (Citizen Commission of Homophobia Hate Crimes) “99% of homophobia-related crimes go unpunished” and most of them are still classified by the judicial authorities as “*passion-crimes among gay people*” instead of crimes against gay people (Brito 2011)

In Mexico, unlike the USA, decisions held by the Supreme Court are not immediately followed in the states. If a decision is declared by the Supreme Court unconstitutional, then following the “jurisprudential thesis” local courts are not obliged to enforce the Supreme Court’s decision; people affected by a certain law would have to look for an “injunction from a district law” which would eventually lead to the guarantying of rights but adding extra “steps” to the process. At the end the Supreme Court does rule over local laws but the processes to gain these rights can fall into grey areas of homophobia and corruption (Ford. 2015)

Histories of jurisprudence are important in both countries but most of the times accessible to only those who can afford long judicial processes, both time and money are factors not common in low-class LGBT members. Although the general picture of both countries doesn’t appear too promising, at least not in terms of laws and institutions, the story is different when it comes to the private sector.

Large tech-corporations like Salesforce and Apple, have been joining the gay-friendly firms that publicly lobby in favor of LGBT equality (Gardner 2015). Over 89% of the Fortune 500 list of corporations have policies that protect their LGBT employees affecting the lives of over 7.5 million employees that work for those firms. This is a very positive environment for LGBT policies at a corporate level to flourish. Multinational Corporations whose headquarters are located in the United States have an international reputation of being very protective and inclusive of their LGBT employees.

The situation regarding LGBT equality in the workplace has to be analyzed thoroughly and in a smaller unit than that of the country. Comparing two countries might lead to misleading answers. The affirmation of one country being more liberal or more conservative than the other can be true in either cases, depending on what specific regions are being analyzed; LGBT equality levels differ not from country to country but across individual states. For example, it can be true that New York is more liberal than Puebla in Mexico. But it can also

be true that Mexico City is more liberal than Kansas. With this in mind I shall now elaborate on the units of analysis concerning this research.

The assumption of different experiences in different contexts holds true in the case of this research. My interviewees were located in two countries (headquarters and Mexican subsidiary). Here's a brief analysis of the headquarters (New York, USA) and subsidiary (Guadalajara and Mexico City, Mexico) local contexts in relation to workplace LGBT equality and IBM LGBT policies.

Mexico City: EAGLE in Mexico was founded in Mexico City back in 2002. By 2004 IBM Mexico was already granting domestic-partner benefits to all employees. What started at a city level reflects the reality of the Mexican capital as the most progressive city in the country where LGBT marriage equality and adoption occurred years before the rest of the states due mainly to a leftist government and an active LGBT civil society. Recent efforts of the city government to categorize Mexico City as "gay friendly" have influenced the activity and efforts of activists and NGOs dealing exclusively with workplace LGBT equality.

Guadalajara: in contrast with Mexico City, Guadalajara is a more conservative city located a few hours north from the capital, it is the third most populated city in the country and it is governed by the center-right party PRI (Revolutionary Institutional Party). In Guadalajara just one out of 10 citizens agree that same-sex couples should be allowed to adopt; just last summer there was a big protest against same-sex marriage and abortion (somehow these two are put in the same category by the conservative protesters); examples like these are common in that city. At the same time, contrasting scenarios are also occurring specifically in terms of workplace equality, just two years ago Guadalajara hosted an International LGBT Business Expo in which IBM was one of the biggest exhibitors (Gay Star Travel. 2013).

IBM Guadalajara is still classified as an industrial plant, classified as IBM's primary muscle in Mexico. They still have a strong engineering and technical component, more than its counterpart in Mexico City due to the nature of the activities they do. EAGLE in Guadalajara is an active chapter in constant communication with EAGLE Mexico City.

New York: IBM's headquarters are located in Armonk, New York. Historically the state of New York has been considered the landmark of LGBT protest marked by the Stonewall Riots in the late 60's. NYC is the only state in the country that currently has explicit laws

against workplace discrimination on the basis of gender identity. In 1984 IBM was the first major company on adopting sexual orientation to their anti-discrimination policies and by 1994, the EAGLE name was officially adopted by the IBM Executive Gay and Lesbian Taskforce. The policies that are created here are meant to have a global impact in all subsidiaries (IBM Corporation 2001).

The transference of LGBT policies from headquarters to subsidiaries is the main issue that concerns this research. Noting the complexities in defining the differences among local contexts is fundamental to answer what elements explain this apparent top-bottom transference given the institutional and cultural differences. On the following chapter I will elaborate on the most repeated argument towards these questions: the business case of LGBT CSR and its role at a global scale.

CHAPTER 4. THE BUSINESS CASE ARGUMENT

According to a PricewaterHouse Coopers survey, *“70% of global CEOs believe that CSR is vital to their companies profit abilities”* (Vogel 2005). The business case argument sustains that CSR is away from normative perspectives of “doing the social good”, instead, the binary of business and society has been reattached and their interdependence made clear. In order for society to be healthy, it needs healthy business running, meaning creating revenues and jobs to nurture the society.

The business case for CSR is critical about moral arguments as incentive for “doing good”. What is “good” and what is “bad” are not fixed categories; they leave room for interpretation and reinterpretation. Just a few decades ago, global warming and environmental damage in general, were not considered priorities for the business community yet, the concept of sustainability didn’t make sense and short-term business strategies were just appropriate.

CSR through the business case lens introduces the concept of “shared value”. According to this, corporations and society need to recognize their mutual dependence and make decisions that benefit both sides (Porter and Kramer 2007). IBM lives by the rule of the business case. In the words of J.T. (Ted) Childs Jr., VP IBM Global Workforce Diversity, 2005: *“The only sacred cow in an organization should be its basic philosophy of doing business”* (Childs Jr 2005) For IBM, CSR obeys the rules of global values and local strategies. In this sense, for any MNC that prioritizes profit-maximization, the business case for CSR seems like the perfect legitimizing narrative.

Analyzing the business case through LGBT CSR initiatives might not seem very intuitive given that there is no actual impact assessment or spreadsheet that reflects the actual direct cost of opportunity due to a lack of LGBT policies. Given how hard it is to assess the impact of these policies through monetary indicators, the argument of the business case still leaves room for doubt. Even inside IBM the relationship between LGBT openness and revenue is not very straightforward: *“it is very difficult to measure, everyone measures their own stories and the growth in their careers, instead of focusing on hiding you focus on your work”* (Teresa, EAGLE team leader: Mexico City). The business case can be measured through individual stories, experiences and communal lessons. Let’s evaluate different aspects of the business case commonly mentioned by IBM’s EAGLE Representatives, HR and Diversity Managers to shed more light into these matters.

4.1 Argument I. Mirroring the market

Let's focus briefly on IBM's first core value: "dedication to every client's success". We've been addressing and enhancing the internal part of CSR, the one that relates to the employees, but what about attracting a broader number of clients? Are LGBT strategies good for getting more costumers?

Is there such a thing as a "gay market?" If workforces need to be as diverse as their markets; IBM is well aware of this. Having a good reputation with the right market segments really illustrates the idea of the strategic use of the very politicized issue of LGBT equality. Going after the gay niche is not a matter of doing good, it is a matter of business. The common argument of the free market makes us question the validity of the separation of the political from the economical.

Gay rights might be ignited by movements turning into laws but are truly legitimized through the access to markets. In the words of author Lisa Peñaloza: "*many civil rights gains were and continue to be manifest in the marketplace (...) the marketplace may be viewed as an important domain of social contestation*" (Sender 2004). Consuming as a niche is supposed to create a stronger sense of community amongst the LGBT sector.

Conversations around "pink marketing" usually assume the DINK factor: "double-income no kids"; this is not a description of the gay community but a construction of a normative model of what being gay means. Marketing has been fundamental in this construction. IBM has engaged in the LGBT market since the late 90's.

"We are credible enough to go out to clients and they will buy from us not only because we are the finest at what we do, also because we have fantastic policies for our people, we are inclusive employers". Sarah, IBM Business Development Team for LGBT Markets, 2015.

IBM's attempt to sell just to LGBT leaders of major corporations and LGBT-owned businesses became a reality through their marketing projects specifically aimed at "LGBT targets": "The B2B LGBT Executive Taskforce".

IBM costumers are not the usual consumers of technology they are not “regular people” looking for a computer; but a special sector, the B2B (business to business) sector, they are big and small business owners that work with internet technology like the one offered by IBM. “*We’ve earned their businesses,*” claims Sarah, IBM’s Business Development Team Leader for LGBT Markets. When an IBM representative was asked back in 1996 why was IBM present at the Gay and Lesbian National Business Expo she responded: “*we are here cause our clients are here*”.

The idea of LGBT business owners responding to tailored-made market needs seems to make sense in the case of IBM in the United States. Business owners in cities like New York and San Francisco might fit into the traditional categories of what is described as the “gay market”. Some critics of the “gay marketing” idea argue that the images that are being produced to “represent” LGBT community in the heteronormative market tend to marginalize real LGBT communities: “*the myth of the gay consumer, constructed narrowly as white, male, professional, urban, with abundant good taste and discretionary income*” (Bronski 1984).

What happens with the idea of mirroring the market when the market does not fit usual representations of gay consumers? What happens when an IBM openly gay leader has to make business in a conservative country like Mexico and in an even more conservative city like Monterrey at the northern part of the country where 68% of its citizens don’t agree with gay and lesbian people being “allowed” to adopt children? Moisés, one of the IBM pioneers of LGBT equality in Mexico and Latin America shares his story working in conservative Monterrey:

“I lived in Monterrey during the 70’s when I was a student, 20 years later IBM sent me to work as an executive and it felt as if time never passed: it was the same conservative, closed city (...) Inside IBM it was fine, people came to notice that I didn’t come alone, that I came with my partner; but with clients I was very careful: I had to hypothetically come back to the closet with them, for the sake of the business”
(Moisés, EAGLE founder in Mexico)

Mirroring the market although a common argument for the business case can’t always be transferred using this global narrative of market insertion. Although IBM efforts are notable

and do show successful results, assuming that the “gay market” is homogeneous might result problematic when expanding the strategies to more conservative locations.

4.2 Argument II. LGBT openness leads to innovation

A diverse workforce increases creativity and hence, fosters innovation. Creating a safe space for not-heterosexual people with different life experiences brings a wider range of elements to the table and the repertoire of solutions and ideas gets bigger. One openly gay IBM employee from the Guadalajara office in Mexico stated the following:

“If gay people are not open then they cannot give ideas coming from that diversity that could add something different (...) as a gay woman I have a natural strength, a certain sensitivity”. Marina, Support Engineer, IBM Mexico

One of the three core values of the company actually revolves around the importance of this element: *“innovation that matters, for our company and for the world”*. A more diverse environment at the workplace for sure brings fresh ideas and gives a new meaning to stepping out of the comfort zone. Competitiveness, especially for technology-driven companies like IBM comes mainly from innovation.

IBM actively pursues “diversity management” which is the practice of systematically planning and committing to recruit and retain employees with diverse backgrounds and abilities (Bassett-Jones 2005):

“IBM thinks about diversity the way we think about innovation — both are essential to the success of our business. (...) When we incorporate diversity into our business, we create better innovations and out- comes. IBM has embraced diversity, and it gives opportunities for IBMers and our clients to achieve their full potential” Ginny Rommety, IBM CEO (IBM 2013)

Although there's little debate when it comes to innovation creating competitive advantage, the actual conditions that lead to innovation come from the creativity fostered by diversity. Diversity at the workplace might come with some management issues of its own. Some authors argue: *"diversity damages cohesiveness, reduces communication and produces in-groups and out-groups"* (Bassett-Jones 2005). The truth is, that management faces challenges in more heterogeneous groups, including an element of diversity in the workforce doesn't automatically translates into innovation. People usually feel more confident being around peers that they can relate because social pressure arises from the anxiety of being different.

The key to innovation is not diversity but a management and HR strategy that are able to make the best out of diversity. IBM is aware that creating the right structures and communication channels can allow for innovation to grow:

"...at IBM, we are creating an environment that allows employees to operate in the marketplace and the workplace where they can personally influence client success, foster innovation, as well as exhibit trust and personal responsibility in achieving IBM's business goals (...) The contributions that are made by GLBT IBMers accrue directly to our bottom line and ensure the success of our business." Ted Childs, Vice President, Global Workforce Diversity 2005

IBM creates the right environment for innovation through programs like "Straight Allies Certification" where straight IBMers at every level commit to supporting the LGBT equality causes traditionally carried out by members of the LGBT community. Through this initiative IBM is signaling its efforts to create a harmonious workplace environment for both the LGBT community but also for the straight employees who wish to actively engage in this topic. Diversity in this way can certainly lead to innovation, but it takes a lot of commitment from MNCs to become advocates of the LGBT cause at a global level, companies at executive levels also need to come out of the closet.

4.3 Argument III. Happy employees are more productive

HR Literature points out the link between productivity and an harmonious environment, more specifically, t free of homophobia or of the possibility of homophobia in the case of LGB employees¹. In the study “*The corporate closet: the professional lives of gay men in America*”, out of 70 self-identified homosexuals working in corporations in the United States, 100% of them stated to have at least on one occasion posed as heterosexual at work to avoid homophobia(Woods and Lucas 1994).

One out of three people (both in the USA and in Mexico) feel compelled to lie about their personal lives when being at work because of fear of homophobia. (Espolea 2014, Fidas and Cooper 2014). Discrimination due to homophobia in the workplace involves everyday office interaction between employees. The workplace is a meaningful space of socialization and shouldn't be taken lightly. Most people working on MNCs spent most of their day at work; hence the interactions occurring there have deep impacts in their lives:

“Colleagues can sit in adjoining cubicles for months and have very little to say to each other (...) We often fear those who are different from us. Fear is based on discomfort, and discomfort is based on inexperience . To bring down those barriers can be very liberating” (Batstone 2004).

The actual workplace experiences LGB men and women are embedded in a culture of stigma and fear of the consequences of full disclosure. These fears are directly related to their work and careers; they can have severe psychological consequences and affect compensation and promotion as well. Employees that come out of the closet are described as more satisfied with their jobs and perform better. The “Cost of the Closet” is a commonly used expression by IBM Human Resources and Diversity Managers to describe the loss of energy and time of LGB employees regarding concealing or not their sexual identities at work.

¹ I am deliberately leaving out of this discussion the T in LGBT, which will be addressed in further paragraphs.

Appendix 8 shows the flow of what most people would consider a casual conversation at the office, those talks that happen in every corporation in the world near the coffee machine among employees. The flowchart follows the example of a gay man that is confronted with the apparently inoffensive question: “what did you do this weekend?” Such a simple question, considered meaningless for any heterosexual person might turn into a very negative experience for someone gay, lesbian or bisexual. If the weekend plans include a same-sex partner the answer to this question becomes a source of anxiety, depending on who’s asking.

People living in the closet most of the times miss out of regular socializing experiences at work, this problem is a business problem because when a person is considered a “snob” or just perceived as “self-isolating” by other coworkers because “they never share personal experiences at work” it creates tension and a lack of trust among colleagues.

“Being in the closet prevented me from building relationships with my colleagues and they probably didn’t trust me that much; it limited my career because of my own inability of being out. Business is all about relationships”. Connie Bonello, IBM LGBT Global Business, 2012.

Coming out of the closet is only a viable option when the benefits exceed the costs. Most literature places coming out of the closet as a solution, but with the wrong environment, coming out can even be deadly. Disclosure needs to be protected by a clear and explicit structure of openness. LGBT rights are not legally enforced (meaning they don’t actually convey a punishment for the perpetrator) in most countries of the world yet, not in Mexico and not in the US. Previous experiences with homophobia outside of the workplace are very common for members of the LGBT community, especially with transgenders: *“perceptions of past discrimination may influence current fears and disclosure at work” (Ragins et al. 2007).*

“In my old job the company was permissive with people making homophobic comments... although comments where not directed to me, I knew they were homophobic”. Marcela, SYS Administrator, IBM Guadalajara

Coming out is one of the most important career decisions in the life of an LGBT person. If there is no certainty that the experience will be positive then disclosure is usually the best way to go, the safest. IBM sends strong signals right from the first encounters with new employees. According to Cecilia, IBM Mexico Diversity Program Manager: *“from the moment they [employees] enter IBM, we let them know what kind of company we are. Along with their computer and contract we provide them with the rules regarding respect and diversity”*. This was confirmed along my research by the employees themselves when I asked the question “When did you find out IBM was a gay-friendly company?”:

“From the first interviews they make you see what kind of company they are” Gerardo, Java Specialist, IBM Guadalajara

“When I signed the contract they made it clear about IBM being a diverse company....”Andrés, Data Analyst, IBM Guadalajara

Visibility is consistent throughout time. Constant signaling of the company’s commitment to LGBT inclusiveness creates a welcoming environment for LGBT people. When the consequences of discrimination are clear, LGBT employees feel safe and confident enough with disclosure

Creativity is one of the most valuable resources that a high-tech company like IBM cherishes and incentivizes in their employees. On the year 2000 alone, IBM was awarded with 2,286 patents (IBM Corporation 2001). Creativity simply doesn’t flourish in a hostile environment: *“having to hide in the closet for any reason impacts a person’s ability to create. IBM’s diversity imperatives are allowing us to succeed as who we are”*. Suzanne, software engineer, IBM

4.4 A note on the trans community and the business case

One transversal issue that usually gets left on the side or even ignored; the elephant in the room in most conversations of equality and the so-called LGBT community is specifically the transsexual community. The business case of LGBT strategies is no exception. The struggle for gay rights is usually referred as an umbrella term for the community as a whole, but it shouldn't. Sexual orientation (gay, lesbians and bisexuals) and gender expression (transgender, transsexuals and transvestites) should not be addressed as facing the same challenges at the workplace.

The arguments that have been made so far about disclosure and invisibility, as negative as they are, should be considered a privilege that not everyone in the LGBT community holds. Lesbians, gays and bisexuals do not face the same issues as transgenders regarding concealing and the closet. While LG and B struggle with the closet lies on disclosure on their sexual orientation, the transgender struggle lies on disclosure of gender identity. Concealing for LGB's is usually an option at the workplace because sexual orientation does not necessarily relates to gender expressions, it has nothing to do with how a person is dressed or how she or he behaves regardless of the stereotypes that still rule the general understanding of "how gay people are supposed to look".

The possibility of the closet is tougher on the trans community simply because going back and forward between concealing and non-concealing is not an easy and most times not even a possible process, especially for transgenders going through transition from one sex to another (either surgical or not). This makes the process of concealing completely different and the act of coming out of the closet usually is perceived as more confrontational for coworkers. Implications also should be accounted in terms of management and their reactions to this.

One of my gay, male interviewees specified that during business meetings, sometimes he went back to closet just for the sake of the business. For a trans executive this wouldn't be an option. The closet, from the trans perspective, is a privilege that only gender conforming individuals can access to. How can this notion affect arguments as "mirroring the market" "effective diversity management" and "visibility creating productivity"? Could transsexual experiences be reflecting the limit of the business case?

Although gay, lesbian and bisexual rights are still winning a spot in the discourse for equality, trans rights are lagged way behind. It is just now that trans is becoming the new buzzword in LGBT issues at a global level but a lot of the assumptions made for the LGB's cannot be applied to the T's.

Noble efforts are being made for including transgender rights in the workplace rights discourse. IBM added the term "gender identity or expression" to its worldwide anti-discrimination policy in 2002 and since then, they have been searching for new ways of trans inclusion. From openly trans executive role models to covering transition surgery's costs IBM is slowly opening the door for its trans employees.

In terms of marketing for a "gay niche", how can the transgender costumers be included? Transgender identity is representative of a diverse range of positions; it can be understood as alternative forms of masculinity and femininity not necessarily related to the traditional views of gender. Since the range of experiences is wide and not always accommodating to the usual "male" and "female" categories, marketing for a trans niche becomes complex. IBM has taken the position of adjusting the trans identity either to the female or male traditional construct.

"As far as transgender people I have met, plenty of them – the majority of them, in my experience –both IBMers and costumers I've met are really: 'thank you very much, I am a woman now [or] I am a man now; I always was but now it's irrefutable and I don't want to identify as transgender because that was then, and now I am what I always meant to be.'" Sarah, IBM Business Development Team for LGBT Markets, 2004.

From this perspective, then there's no need for identifying special needs and appealing through marketing specifically to their trans clients. This strategy becomes convenient to the fact that transgender issues are still a taboo even amongst the more self-identified "progressive minds". The issue still needs further discussions and the lack of empirical cases between management, markets and transexuality makes it more difficult to address.

This remains an unresolved issue for most MNCs who are still struggling with the tensions between a race towards equality and the general, still very negative perception of transgender issues.

4.5 Triple bottom line: does LGBT inclusiveness actually pay?

The business case argument was one of the most repeated pieces of information I obtained throughout my research. Both in primary and secondary data it was clear that being LGBT friendly for IBM is not a case of philanthropy but a pragmatic decision. *“We do it not purely because we are decent human beings, but also because more diversity leads to more innovation which leads to more revenue”*. Sarah, IBM Business Development Team for LGBT Markets, 2015

The business case argument implies a direct link between LGBT strategies and profit increase. Multiple authors have tried to measure this and even when financial growth is observed after a company starts doing LGBT inclusive practices both as marketing strategies but also as CSR strategies towards their employees, it is very difficult to associate growth with those practices. This situation is commonly observed in Econometrics and Statistic Analysis and is known as endogeneity; if the variables “LGBT strategies” and “firm’s profit” are correlated and there is a positive result out of this, it cannot be assumed that one is caused by the other: correlation does not equal causation. Profit growth can be associated with a very long list of other variables.

Evidence supporting the impact of the business case of LGBT policies is relevant to analyze because unless there are consistent arguments supported by clear results, other companies won’t have the incentives to adopt similar good practices or even when they use a “copy/paste” approach, without the appropriate context and complementary elements, probability of failing increases. Usually the presentation of CSR results comes in the form of CSR reports, which fall under the category of being merely anecdotal. They rarely offer information about the structure and strategy that the company is following. Attempts to measure or identify the link between social efforts and profits have been made during decades with the results always ending up being ambiguous.

Instead of linking CSR strategies in this case the LGBT global efforts, directly to revenue, more efforts need to be put in the influence of other variables in CSR strategies; variables linked to the structure of the firm, stakeholder’s positions and the type of knowledge being produced by the firm. Although internal CSR strategies have indicators for assessment that involve mostly the increase in the number of EAGLE members or the number of self-identified out gay employees, these elements don’t quite make justice to the impact of the LGBT policies. Personal stories and group attitudes are one of IBM’s finest sources of

information and can shed a lot of light into the question of why is IBM being so successful in adopting LGBT strategies across borders.

The objective of this chapter has been the delineation of the three main arguments I received from my interviewees. Mirroring the market is a sound argument as long as the market in question responds to traditional descriptions of the “gay market”. LGBT strategies don’t immediately translate into innovation as a result; diversity in the workplace can even be considered harmful for teamwork if it is not managed under the right structures. Productivity is definitely a result of LGBT employees being free of being themselves at the workplace but there’s a process behind this positive phenomena: it has to do with management’s consistent and clear messages being constantly sent to reinsure the confidence of the LGBT workforce.

LGBT strategies and good intentions alone won’t benefit MNCs, there needs to be other elements along the business narrative that complement it and deliver the wonders promised by it. I have hinted at these elements through the unpacking of the business case main arguments and will elaborate on them on the next chapter.

CHAPTER 5. ORGANIZATIONAL STRUCTURE AND STAKEHOLDER ACTIVISM

The business case argument is necessary but not sufficient to explain why are LGBT policies being successfully transferred from IBM's headquarters to its Mexican subsidiaries. The business case is a global standardized strategy whose guidelines are expected to be implemented more or less in the same manner across borders. The verticality can be clearly identified in the commitment for consistency within the global corporation attained through the business case discourse; even if this doesn't always hold true when local subsidiary contingencies are added into the equation, there are other elements that make up for this lack. Through the analysis of organizational structure and stakeholder activism, a series of elements can be identified as key for the successful transference of LGBT CSR policies.

The factors that explain the successful global transference of CSR practices can be considered as a mix of both horizontal and vertical strategic management characteristics that facilitate the process. A value-based organizational structure and experiences of activism within both "mother" and "local" companies are the main components that explain the strength of IBM's transference of LGBT internal and external strategies.

5.1 Organizational Structure in IBM

The organizational structure refers to an organization's internal pattern of relationships, authority and communication (Thompson 1967). The structure of the company holds an intimate relationship with the decision-making process: analysis through the stakeholder lens allows for a clearer view of the structure's nature and how it gives voice to different actors, including the LGBT activists inside the company.

IBM's structure is marked by the heavy responsibility of being a global enterprise. With a dense global force of over 400,000 employees serving clients in 170 countries, came the need to transcend the organizational boundaries (IBM. 2015c) There needs to be a component capable of substituting the old-fashioned management style of control with a new "knowledge-based" one. An independent and motivated workforce needs a strategic organizational structure that enables efficiency and fast decision-making processes in a corporate global environment.

“We no longer have to replicate IBM from floor to ceiling in every country. We are optimizing key operations in the right places in the world—eliminating redundancies and excess overhead—and integrating those operations horizontally and globally...” Sam Palmisano, Former CEO, 2005

Organizational structure *“provides the relationships of tasks and structure that predetermine the way people work”* (Hunter 2002). Shaping the behavior of employees is what the IBM’s diversity strategy seeks to do: *“while our differences shape who we are as individual IBMers, our shared corporate culture and values remain central to our mutual success”* (IBM 2015).

Values are the main component of IBM’s organizational structure; are a set of normative standards that go beyond specific situations. Values are *“what is expected from employees’ behavior when management isn’t there”* according to IBM’s former CEO Sam Palmisano. But where do the values that shape IBM come from? For over a decade now, IBM has been using large-scale collaboration strategies to incorporate the workforce in decision-making processes traditionally associated to the top executives including the selection of the firm’s values.

In July 2003, the first collective Jam occurred in IBM globally via the corporate intranet (IBM’s internal social media). Around 50,000 employees participated in the redesign of the company’s values that had been shaping IBM’s business strategy since 1914. The purpose of this “Values Jam” was to get a sense of what the employees perceived as being a priority for the company. Including the employees in the decision-making process gives value to the interaction of different stakeholders: *“if important stakeholders are excluded from the decision-making process, the relevance of and anticipated benefits from the dialogue will be limited”* (Pedersen 2006).

The result was the creation of IBM’s DNA *“the principles that let you change everything, from your products to your strategies to your business model, but remain true to your essence, your basic mission and identity”* (Palmisano 2004). After employees from all over the world agreed on what was the purpose and main challenges they were facing, the three company values were decided to be:

- *Dedication to every client’s success.*
- *Innovation that matters – for our company and for the world.*

- *Trust and personal responsibility in all relationships.*

Trust and relationships, as Connie Bonello quoted in the previous chapter, *“is what business is all about and being in the closet prevents people from creating meaningful relationships”*. IBM’s recognition of this might seem just as anecdotal but in fact is what shapes the LGBT efforts too. A value-driven organization’s structure can be seen through employee’s attitudes, knowledge creation and through the design of decision-making processes related to LGBT equality. The way these set of values were created says a lot about IBM’s business culture, including the employees in these discussions, challenges traditional notions of values being made at the discretion of managers. Both pragmatically and ethically, these processes legitimize the firm’s strategy beyond pure profit maximizing purposes.

5.2 Value-based management and the elements of change

The set of interviews made to a sample of IBM employees working in software development and engineering-related positions in the city of Guadalajara in Mexico, threw interesting results that reflect the value-based strategy permeating in the LGBT efforts towards equality inside the company. From the sample of 10 employee interviews I conducted (see chapter three for more information on methodology), where seven employees self-identified as “straight” or heterosexual and confirming that none of them would mind living next door to a homosexual person, even though the local levels of the same question point that almost half of citizens in Guadalajara would not be willing to do so. (CONAPRED 2010)

From that same sample it became very clear how the employees, usually perceived as a group “disconnected” or far away from the HR or executive levels, where usually all the LGBT-related policies are designed or at least where they are usually more visible, knew IBM’s position regarding LGBT equality. Even though most of them were not officially part of any affinity group they recognized clear signals thrown by management to clarify IBM’s LGBT efforts. For example the “rainbow-filters” for the profile pictures in the company’s internal social media for the Pride month celebrations or that time in the lunchroom when they were given a muffin and a bracelet supporting LGBT initiatives at the firm or how it was made very clear to them when they were in the hiring process that IBM was an inclusive or “gay-friendly” company: *“From the first interviews, they make you see what kind of company they are... and I agree!”* Gerardo, Java Specialist, IBM Guadalajara México.

This visibility wouldn't be possible without a key fundamental aspect of IBM's structure: the business resource groups (BRG). The BRGs are employee communities that voluntarily meet to discuss issues relating their interests; these issues can be triggers for enhancing their careers and improving their wellbeing. These groups go beyond affinity and engage strategically in business impact through employee's collective efforts. One of the most active and for the purpose of this research, essential groups, is EAGLE (Employee Alliance for the Inclusion of Gay, Lesbian or Transgender Employees).

EAGLE supports a safe workplace environment for members of the LGBT community; its members do not necessarily have to be part of the LGBT community. EAGLE focuses efforts in four different areas: marketing (with LGBT costumers), communication (sharing information and promoting a sense of belonging among members), training (not only LGBT but also straight allies who get certified online) and outreach (involving in local community projects). *"Being part of EAGLE makes me feel safer and also like I belong to a company that cares about me on a personal level"*. Marcela, SYS Adminsitrator, IBM Guadalajara

The holistic view of CSR and LGBT policies can be perceived by analyzing who in the company gets involved in these issues. A lot can be said about IBM's organizational structure by looking at who executes LGBT policies, who are their spokespeople? LGBT policies although designed at globally, are carried out by a broader selection of IBMers. EAGLE as well as the other BRGs, get executive sponsors on a rotating basis. These executives' day-to-day responsibilities are not directly related to HR or Diversity. For example in Mexico City the executive sponsor for the last period was IBM's Legal Council, in Guadalajara it was the STG (System and Technology Group) Lab Director and at the global level, EAGLE is sponsored by the Sales and Distribution Senior Vice President. These actions legitimize the community's efforts and eliminate the prejudices of straight people being involved with LGBT issues; sends the message that LGBT equality and diversity permeate multiple dimensions of the firm.

The presence of role models is very important for matters of visibility, not just as temporary sponsors legitimizing the projects but also in terms of coming out of the closet in leadership positions. Out Executives are openly gay IBMers at an executive level; it is usually thought that being LGBT can come in the way of succeeding and moving forward in a company. Especially in subsidiaries in countries like Mexico, having out role models is still considered the biggest challenge:

At the management level it can be resistance. When the policies come from other countries [from headquarters], managers can adopt the attitude of “this is coming from headquarters but in this country I’m the boss” and then decide that “it’s not the right time” or that clients might not like these policies arguing that the local context is an impediment. It really depends on local management attitudes, if management is proactive and positive instead, then things start to happen regardless of the local context. Carlos, Corporate Citizenship Manager, IBM Mexico

Overcoming problematic local contexts and carrying on with LGBT policies coming from headquarters depends on the level of local autonomy and can still be considered discretionary. The role of the values and the structure is precisely to make these discretionary decisions more predictable and following the spirit of inclusion and equality promoted globally.

Decision-making processes become simplified by escaping the usual bureaucracies embedded in old-style top-bottom management. In the case of LGBT policies in IBM, decision-making processes are also done within a framework of collaboration and although approval comes top-bottom making the global strategies efficiently transmitted to subsidiaries, they are given enough ownership and legitimacy at the local level. Let’s take a look at the budgetary decisions of LGBT strategies to see this clearly.

When initiatives are proposed at a local level there’s a link between the local practices and the global objectives. Even though there’s a fixed process and a vertical line of approvals that need to happen before initiatives become realities and budgets are approved, local managers don’t feel their autonomy compromised. When I asked the Mexican Diversity Program Manager Cecilia, about the negotiating process of LGBT initiatives in Mexico regarding “who needs to approve or ok these budgetary decisions?” The answer was: “*you just need to convince me*”; showing a big degree of confidence and empowerment, and challenging the literature that states that global strategies affect local ownership of policies.

The reason why this is possible is because of the instruments IBM has in terms of collaborative decision-making. Even though decisions conceived in Mexico have to be approved at a

regional level (Latin America), then at headquarters (USA) or sometimes even passed by the Global LGBT Program Manager (France); the structure makes space for local sovereignty.

“I work with business objectives: talent development, business development, talent acquisition, external brand and employee engagement. As long as I justify my initiatives along those, I can count on the approval of my projects and initiatives”. Cecilia, IBM Diversity Program Manager, Mexico.

The business case narrative legitimizes, the structure makes sure that values are internalized. This mixture of elements is a big part of what makes IBM a success story of CSR transference, especially regarding LGBT initiatives.

Special attention should be put in the role of technology in the decision-making processes. IBM has a very unique competitive advantage in terms of social collaboration platforms, at the end of the day, this is the kind of service that IBM actually does and prioritizes the most. Through their “Connections” internal platform, which resembles a social network or online platform in which all business-related communication occurs among employees and managers, BRGs like EAGLE interact and share information. On a more global level, these kinds of social technologies facilitate the efficient transference of knowledge and policies across borders. Internal processes are improved and the messages are transferred in a more organic way without compromising the receivers’ agency at the subsidiaries.

Reverse Mentoring is the clearest strategy that IBM follows in terms of closing the gap between corporate policies and corporate culture: *“Every diversity director in the world would agree that providing training on LGBT issues is the only reliable means of helping the corporate culture catch up with the corporate goal of valuing diversity”* (Cadrain 2008). Reverse Mentoring lives on the philosophy of knowledge not being a one-way street. The strategy consists on creating spaces for dialogue and story-telling for LGBT and heterosexual IBMers to exchange experiences. This process allows heterosexual people to listen to the stories of LGBT members: “What is it like to be in the closet?”, “Are gay people really that different from me?”, “How is it to be openly gay in IBM”? These are the kind of questions that are rarely answered, even less in a work environment.

Through these processes of information exchange traditional hierarchies are challenged. Usually, the mentor is associated to the older and “wiser” person, while the mentee is associated to the young and inexperienced. IBM breaks these power relationships by pairing up a gay employee (the mentor) with a heterosexual manager (the mentee). The expert here is the person with the actual life experiences of being non-heterosexual; empathy creation through dialogue empowers employees and redefines manager’s leadership. The very definition of leadership changes from the vertical and static transference of knowledge to a holistic strategy of constant development of its employees: *“IBM most important innovation is the IBMer”* (Boudreau 2010).

Discrimination, in any form, usually comes from fear of the unknown, from a lack of information that creates a boundary between what we are familiar and comfortable with and everything else that we prefer to ignore or reject. The best antidote towards any type of discrimination, including homophobia is education. IBM reinforces these arguments going to the most reliable source of accurate information about homosexuality: LGBT people themselves and their life stories. *“Reverse Mentoring in IBM has allowed us to create a culture, the base of LGBT education”*. Marina, Support Engineer, IBM Mexico.

Appropriately identifying stakeholders is one of IBM’s comparative advantages. Usually the relevant stakeholders of a firm are associated with those directly related to market impact and economic function. Recognizing that there are complex relationships that shape the structure of a firm require for more sophisticated methods of identification. Self-identified groups like the LGBT employees are stakeholders that face very unique experiences and that have specific needs. Although the business imperative is the main discourse, IBM is actually following a logic that doesn’t necessarily point profits as the main goal:

“societal constituents are presented not as secondary actors who play a subversive role to primary economic, transaction-based stakeholders but as empowered, engaged, culturally adept social actors who present to corporations a range of conflicting societal and economic interests” (Crane and Ruebottom 2011).

The inclusion of multiple and diverse stakeholders as part of the inclusion and diversity strategy although highly successful and replicated by other MNCs, doesn’t always flows organically and institutionally. Elements of activism can be traced back to the histories and

experiences of introducing LGBT issues into IBM's CSR strategy. The first stages of introducing the LGBT issues and agendas into a corporation occur in a low scale at the local level.

5.3 White-collar activism in IBM: the key element of the story

The success story of IBM's LGBT global inclusion is still missing its most relevant element, the one that triggered action in the first place. For truly understanding these issues we need to remote back to the history of IBM's involvement in LGBT issues. What was the incentive for opening the spaces for these conversations in a company mainly concerned with providing software services? The answer is very intuitive: because somebody inside the company cared enough and fought to see it materialize.

Activism is traditionally associated with collective vigorous action that usually seeks to change the *status quo*; we are used to associating it with protest, dissidence and the occupation of public spaces. This differentiation is clear as one of the founders of LGBT groups in IBM Mexico explains: *"I've never been a supporter of activism, especially in Mexico where activism is confused with a sort of guerrilla or sensationalist agenda"* (Moisés, *EAGLE founder in Mexico*). Although activism seems far away from the world of MNCs, it is actually what ignites the fire that leads to successful CSR global practices. White-collar activism is a reality that MNCs have to face today in order to identify, understand and predict relevant stakeholder behavior.

IBM is no exception; as previously stated they have been pioneers since their early days, more than a century ago, in innovating through human capital and employee's wellbeing. The story of LGBT issues at the headquarters level can be traced to the early 90's in the United States where IBMers like Sarah, who started creating spaces for informal meetings amongst a few LGBT employees. At the beginning, in Sarah's own words, *"we would have monthly dinners just with members of the tri-state area of New York, Connecticut and New Jersey; just using our discretionary time."* They began by recognizing the importance in finding similar members with their same interests and creating strategies with visible shared-value that would attract management's attention.

With the business case argument as a legitimizing strategy, management “*mostly male, mostly white and very senior*” couldn’t possibly reject the idea of a global taskforce that would deal with all the business-related issues with LGBT clients and employees. The strategic influence both to revenue and workforce was attractive enough to get the support and approval of Managers.

A similar story started developing in Mexico a decade later. In the early 2000’s Mexican IBMer Moisés who, as Sarah, was not working at a management level “*was not very confident of starting this*” as he humbly narrates the story of how he introduced the LGBT agenda in the Mexican and even Latin American IBM’s reality.

The event that triggered Moisés’ interest for starting IBM Mexico’s LGBT involvement was a global one: “*IBM was hosting a leadership conference in NYC for the LGBT community worldwide*”. His interest in attending the conference involved personal decisions from the first moment. He chose to disclose his sexual orientation to his managers and eventually to his local directives; this uncertainty and risk-taking attitude towards an action for the sake of a social goal is what activism is all about.

Moisés eventually got to attend the conference with the support of IBM Mexico directors. He went back to México and realized that LGBT inclusiveness was a reality happening across borders in other IBM subsidiaries. He then started a revolutionary endeavor following the steps of what had previously happened at headquarters: granting domestic partner benefits for LGBT IBMers. Social security was no longer perceived as an exclusive privilege for heterosexual employees and their partners, it had to be transferred to the LGBT community as well.

Domestic partner benefits back in the early 2000’s in Mexico were unthinkable mainly because they were not even legal (yet) anywhere in the country. How can a company with IBM’s global reputation challenge the local reality of such a complex country like Mexico? “*Local IBMers are indispensable, it takes people like Moisés in Mexico*”. Sarah, IBM Business Development Team for LGBT Markets, 2015

“One of the most important projects I started and then followed its implementation in the rest of Latin America were the domestic partner benefits. We created an interdisciplinary group composed of HR, Legal and Fiscal. We worked

for over a year in the project, we had to deal also with insurance companies and get them to agree.

We used the affidavit² strategy, same they used in the USA. Then we faced the problem of not finding any public notary that wanted to sign the affidavits, especially in the most conservative cities like Monterrey. We managed to get one in Mexico City, then in Guadalajara...After two years it was a reality across South America..." (Moisés, EAGLE founder in Mexico, 2015)

According to alternative stakeholder theories, identification of salient stakeholders can be recognized through three main attributes: power, legitimacy and influence (Mitchell et al. 1997). The elements that make a stakeholder salient in the eyes of managers can also be recognized in white-collar activism. Activism in the context of MNCs implies stakeholder's saliency that management identifies as indispensable, worthy of the firm's attention and resources.

In IBM's case, the three attributes can be identified and associated to the successful global transference of LGBT strategies from headquarters to subsidiaries in developing countries:

² Affidavit is a written sworn statement of fact voluntarily made by an affiant or deponent under an oath or affirmation administered by a person authorized to do so by law (Source: Wikipedia). Signing a document that establishes that two people (in this case, the LGBT IBMer and his or her partner) have made a commitment with each other, without implying any relationship of any kind (at that time Same-sex Marriage or Civil Partnerships were not legal).

STAKEHOLDER SALIENCY ATTRIBUTES	ATTRIBUTES IN ACTION	EXPLAINING CROSS-NATIONAL TRANSFERENCE
Power to influence	The normative power of the LGBT claim lies in equality and inclusion, visible through the company's values, especially those around innovation and trust. IBMers voices have multiple channels to be heard, all the way to management.	Global values applicable to every IBMer in the world. If it's applied in the NY headquarters then it has to be transferred to every IBMer equally, regarding their location and context.
Legitimacy in relation to the firm	The generalized perception of desirability is given by the business case and facilitated through the organizational structure. The business case is the argument that white-collar activists have and that can't be refused at the top since IBM in several locations is already doing it and claiming its value.	The business case will always relate the LGBT struggle with the maximization of revenue, which is any firm's number one goal. No need for the argument to show empirical evidence if it is strong enough to be positioned across borders. Business Case has enough argumentative power to hold relevant anywhere in the world where IBM operates.
Urgency of claim	LGBT equality has slowly but steadily become a buzzword in the CSR world. IBM's history of involvement in social causes (race, gender, etc.) makes it even more relevant to point at LGBT equality as a critical right worldwide: "We have to do this for LGBT people because we have done it for everyone else". Sarah, IBM Business Development Team for LGBT Markets, 2015	Homophobia in the workplace is a latent problem across borders, regardless of theoretical classifications and divisions between "developed" and "developing" nations; CSR strategies need to address this issue everywhere. LGBT activists who willing to invest in collective wellbeing, luckily, are a common factor in different locations.

Table 1. IBM'S ACTIVISM ATTRIBUTES

Corporate activism is the detonator of the action in most cases of LGBT inclusion in firms. Francisco Robledo, the coordinator of *ADIL* (Aliance for Diversity and Labor Inclusion) a Mexican NGO that seeks to create a strong network among Mexican firms around the issue of LGBT inclusion, mentioned that ADIL is currently working with 15 MNCs (most of them whose headquarters are outside Mexico, like IBM). An outstanding majority of those firms started dealing with LGBT inclusion not in a spontaneous way, but triggered by individual efforts, usually of LGBT employees that have had previous experiences with homophobia and are determined to change the way things work at their companies.

White-collar activism is the glue that holds the business case argument together. The vehicle for the appropriate global transference is the organizational structure driven by strong normative values. HR management and CSR strategies that encourage this kind of activities, like with Moisés in Mexico or Sarah in headquarters, who were warmly welcomed by their own managers, are most likely to thrive in their efforts for creating truly global LGBT strategies.

CHAPTER 6. FINAL REMARKS

The transference of LGBT corporate policies exemplified by IBM depends not one isolated component, but in a complex structure that holds these components together. Globalization has created the challenges of transferring CSR throughout different contexts but also has provided an extensive range of tools and approaches that minimize these costs without sacrificing local autonomy or agency.

The Business Case argument has proven that the profit-maximization discourse of Multinational Corporations can also work in favor of causes such as the LGBT struggle for inclusion in the workplace and with some limitations, also in the market. The stakeholder lens allowed to place responsibility not on abstract entities like “the firm” or “the market” as it is usually done, but to distinguish the clear political and social scenario in which Corporate Social Responsibility is negotiated and implemented.

The appropriate identification of stakeholder gives place for more transparency in aspects of LGBT inclusion in modern corporations. IBM’s structure and values-based decision-making processes allow for an almost organic flow of knowledge and activism coming from their own employees, this is how innovation works at its most fundamental manner. What a truly competitive advantage means in today’s world in which shared value doesn’t just apply to products and service delivery anymore, but in the promotion of collective mindsets that move and motivate workforces across borders.

This research has shed light in the process in which LGBT initiatives are born, embraced and executed at a corporate level and how they become a global reality across borders. This is a matter of great relevance for some of IBM’s peers who currently use the argument of “hostile foreign environments” as an excuse not to engage completely in matters of LGBT inclusiveness. The lesson that IBM has delineated is that matters of local environment can be overcome with the right structure and strategy; the global and the local don’t need to be exclusive categories since the “glocal” allows for interaction and shared value.

Although a “corporate bubble” of inclusiveness can’t address matters of homophobia and inclusiveness of the LGBT community beyond the corporate workplace, it can serve as a practical guide to managers that seek to follow IBM’s steps. The more corporations come out of the closet as allies, the bigger the bubble will become. Using the already existing networks of trust and communication of the corporate world for activism purposes is a refreshing view of the paradigms associated with capitalism and labor inclusion.

APPENDICES

Appendix 1. IBM's awards and recognitions (IBM. 2015a)

YEAR	AWARD
2014	IBM named to 8 best LGBT Employers by Stonewall
2014	IBM has been named this year's most LGBT-inclusive employer in the world by Amsterdam-based Workplace Pride Foundation
2014	DiversityInc named IBM #9 on its Top 10 Companies for LGBT Employees
2014	Australia was named a Top 10 Gold Category Employer at the Australian Workplace Equality Index Awards organised by Pride in Diversity.
2014	IBM Scores 100% on the HRC Corporate Equality Index for the 12th consecutive year
2013	IBM Germany earns the HR Excellence Award 2013 for our Worldwide LGBT Reverse Mentoring Program
2013	IBM France was awarded the Diversity Grand Prix 2013 by l'Autre Cercle, in recognition of IBM's pioneering role in France leading diversity and for its exemplarity and the persistence of its actions and advocacy role, in particular towards the inclusion of LGBT people in the workplace.
2013	IBM is number 1 in Stonewall's Global Equality Index 2013
2013	DiversityInc named IBM #4 on its Top 10 Companies for LGBT Employees
2013	IBM Scores 100% on the HRC Corporate Equality Index 2013 for the 11th consecutive year
2012	IBM Australia ranked 3rd in the Top 10 Employer List for the Year at the Pride in Diversity Australian Workplace Equality Index Awards
2012	Australia EAGLE Networking Group received a Star Performing Network Group Award at the Pride in Diversity Australian Workplace Equality Index Awards
2012	Harry van Dorenmalen (Chairman of IBM Europe) wins the 2012 Out & Equal Champion Award
2012	Retired IBM VP Charles Lickel named NOGLSTP Engineer of the Year
2012	LGBT Council Co-Chair and Out Executive Claudia Brind-Woody is on the World Pride Power list of the 100 most influential LGBT people of the year
2012	IBM awarded second place, in Stonewall's first global workplace equality index
2011	Claudia Woody wins the 2011 Out & Equal Trailblazer Award.
2011	IBM ranks 5th in the Stonewall Equality Index
2011	Charles Lickel receives the Nico Habermann Award
2011	Australia wins 3 out of 4 inaugural Pride in Diversity Awards: Network Group of the Year 2011, Top Private Sector Employer 2011 and Australian GLBT Employer of the Year 2011
2011	Fred Balboni is among Consulting Magazine's Top 25 consultants of 2011
2011	Claudia Woody, one of our Global GLBT Council Co-chairs, is featured in Go Magazine's 100 Women we Love 2011

Appendix 2. Detailed list of interviewees

Alias name	Job Position	Location	Description
Cecilia	Diversity Program Manager	IBM Mexico City	Responsible for program's implementation.
Carlos	Corporate Citizenship Manager	IBM Mexico City	Development and implementation of CSR programs.
Paul	EAGLE Team Leader	IBM Guadalajara	Business resource group responsible for voluntarily connecting interested members and influencing and supporting the firm's LGBT programs.
Teresa	EAGLE Team Leader	IBM Mexico City	Business resource group responsible for voluntarily connecting interested members and influencing and supporting the firm's LGBT programs.
Sarah	LGBT Executive Task-force Program Director (2001-2004)	IBM New York (headquarters)	She started the business development team that focuses on LGBT B2B (business-to-business) market in the USA.
Moisés	EAGLE regional founder (2000-200)	IBM Mexico City	He is no longer working for the company although was part from 1995 to 2014 in different positions. He initiated the Mexican EAGLE chapter and helped developed EAGLE chapters in South America.
Francisco	ADIL Director (NGO)	IBM Mexico City	NGO focused on LGBT issues and Corporations in Mexico.
Marina	Team Leader Support	IBM Guadalajara	A sample of employees with no specific connection to HR or management-related areas.
Gerardo	Java Specialist		
Andrés	Data Analyst		
Joaquín	Application Developer		
Marcela	System Administrator		
Andrea	Software Developer		
Irving	Software Developer		
Arturo	Software Engineer		
Oscar	Software Engineer		
Javier	Business Architect	IBM Mexico City	

Appendix 3. Control questions

- *Sex:*
- *Gender:*
- *Age:*
- *Highest Education Degree:*
- *Sexual Orientation* ³
 - *Bisexual*
 - *Gay man*
 - *Gay woman/ lesbian*
 - *Heterosexual/straight*
 - *Other*
 - *Prefer not to say*
- *Job title:*
- *How much time have you been part of IBM?*
- *What was your first job title in IBM?*

³ If answered other than “heterosexual/straight” then the “LGBT Questionnaire” on Appendix 7 was applied

Appendix 4. IBM Human Resources and Diversity Managers

- i. What LGBT policies are currently working inside the Company (since when, who is responsible for their implementation, etc)?*
- ii. How do employees at every level learn about these policies?*
- iii. What is the relationship between the LGBT policies established here in the MX branch with the policies established from the headquarters in the USA?*
- iv. How can you qualify the level of commitment of the Managers and CEO regarding LGBT inclusion?*
- v. Can you tell me about positive and/or negative (like formal complaints regarding homophobia or transphobia) incidents or experiences regarding the LGBT policies inside the Company?*
- vi. IBM supports the idea of the “business case” of LGBT inclusiveness. Can you tell me what changes have you seen over the years in productivity due to these policies and how do you measure them, how often do you measure them and how are these results presented?*
- vii. How is the workplace environment affected by LGBT policies? Can you tell me an example of any positive and/or negative experiences that might have happened in the last years?*
- viii. Do you know how many LGBT employees are currently wor-*

king in the Company?

- ix. Has IBM (MX/NL) ever carried out a diversity audit or diagnosis, evaluation, an internal employee satisfaction survey or consultation on LGBT issues? (Was it done by an external expert?)*
- x. What kind of technique or measurement tools (focus groups, surveys, etc) do you use to test the effectiveness of the LGBT policies?*
- xi. Do LGBT employees feel safe and comfortable being out of the closet inside the workplace?*
- xii. Are there any openly LGBT managers? How do they act as role models?*
- xiii. Do IBM's staff (including senior leadership, HR managers, diversity network members, midlevel managers and employees) participates in LGBT awareness-raising training activities? Can you tell me about the last one in the last 12 months?*
- xiv. Do IBM has a relation with external LGBT local or international NGO's? If yes, Can you elaborate about this?*
- xv. How do working in a multinational company in a country like (Netherlands) affects the effectiveness of these policies?*
- xvi. Is IBM familiar with other companies with similar policies and*

goals regarding LGBT policies? Do you belong to any kind of LGBT network with other companies?

- xvii. *What have been the biggest challenges in implementing these policies, internally (negotiations and decision making with senior managers) and externally (local context)?*
- xviii. *Due mainly to visibility issues, we know it is very different to deal with gay, bisexual and lesbian issues rather than transsexual. What's IBM experience regarding transgender employees?*

Appendix 5. IBM EAGLE questionnaire

1. *When and why is EAGLE established in IBM MX/NL?*
2. *Some authors have said that “attempts to implement US-based diversity programs globally often meet with strong resistance in host countries” (Cooke and Saini 2010) Do you agree? How has EAGLE taken into account the legal, historical, political and cultural context of MX/NL? What challenges does it face in a context such as the Dutch/Mexican?*
3. *When did you join EAGLE and why?*
4. *How many members do EAGLE (MX/NL) currently have?*
5. *Are you active, outside of IBM, in LGBT groups or activism regarding these topics?*
6. *What makes an IBM employee want to be part of EAGLE?*

7. *What makes the EAGLE struggle legitimate in the eyes of the rest of the employees? As legitimate as other social causes?*
8. *What benefits does it bring, on a personal level, to be part of EAGLE?*
9. *Do you socialize with your fellow EAGLE members outside the workplace?*
10. *Do the relations created in the EAGLE group resonate for other projects of the company? Do you work together or come up with projects not-related to LGBT issues?*
11. *Do EAGLE work with other affinity groups inside IBM?*
12. *What incentives (beyond the minimum legal requirements for workplace equality) do IBM has to invest so many resources in LGBT inclusion?*
13. *Is EAGLE involved in recruiting talent for IBM?*
14. *What kind of influence does employee networks such as EAGLE have on the local level (AMS/MX CITY)?*
15. *Is there any indicator that people stay in IBM because of the existence of EAGLE?*
16. *Does IBM belongs to a network with other companies?*

Appendix 6. Employees questionnaire

Measuring homophobic attitudes

1.- Do you have any gay friends (inside or outside IBM)?

2.- Would you be comfortable living next-door to a homosexual person?

3.- Do you think marriage between homosexuals is acceptable?

4.- Do you think transgender people (those who's gender identity does not correspond to the sex assigned at birth) should have the same legal benefits as any other employee?

5.- Do you know anyone out of the closet in the office?

Yes

No

6.- Do you think having openly gay employees increases IBM's productivity?

Workplace Environment

7.- In the last 12 months have you heard jokes or comments in the workplace that you consider to be homophobic?

Yes

No

7.1 If yes, who made those comments?

Colleagues

Contractors

Managers

Customers

Consultants

Other

8.- Do you think that gay coworkers should remain in the closet or lie about their personal life in the workplace?

9.- Do you think companies like IBM have a responsibility towards ensuring that the rights of LGBT people are not violated?

10.- Do you believe it is unprofessional to discuss sexual orientation or gender identity in the workplace?

11.- Have you, in the last 12 months, witnessed or experienced any incident related to homophobia in the workplace?

Yes

No

11.1 If so did you confront or report the issue?

Witnessed

Experienced

Confronted

Reported

12.- If you witnessed or experienced homophobic incidents or attitudes and took no further actions please indicate why

I was advised not to proceed

I did not consider it important

Unsure of level of support from colleagues

Fear of reprisals

Unsure of how to proceed

Other

13.- Are you aware of IBM's position towards sexual diversity?

13.1.- If yes, tell me what you know.

14.- Are you part of any employee network at IBM?

15.- Do you know EAGLE and what do they do? (Employee Alliance for Gay & Lesbian Empowerment)

15.1 If yes, have you attended any EAGLE event in the last 24 months?

16.- Would you like to be included in IBM's policies towards equality?

17.-Do you agree with the following statements?

17.1 Management supports equality and diversity in the workplace.

17.2 Most of the time it is safe to speak up in IBM.

17.3 If I was bullied or harassed I would feel happy to raise it without fear of penalty.

17.4 I believe that IBM genuinely wants to lead the way in equality and diversity.

17.5 I feel the internal recruitment and assessment process is fair.

17.6 I would recommend IBM as a good place to work.

Appendix 7. LGBT questionnaire

1. Where on the following options do you consider yourself as “out of the closet”?

- *Home (yes, no or partially)*
- *With work colleagues (yes, no or partially)*
- *With my boss or supervisor (yes, no or partially)*
- *In general at work (yes, no or partially)*

2. *Have you ever experiences discrimination due to homophobia at IBM?*

a. If the answer was yes, did you filed a complain before HR or the local authorities?

3. *Do you know anyone who has been discriminated (including jokes and remarks that might be considered homophobic) inside IBM?*
4. *Do you know the legal process or making a complain due to incidents related to homophobia?*
5. *Do you consider IBM a place where you can feel free to be yourself?*
6. *How does your behaviour change when you go home after work? Do you feel less or more free?*
7. *Do you think your city is a place where you are free and safe to be openly gay?*
8. *Is there something else, like an anecdote or something that comes to mind, you want to share about being gay inside IBM?*

Appendix 8. The cost of the closet (Woody 2008)

The cost of the closet

Lost Productivity | Reduced Teaming | Decreased Employee Morale

What really happened this weekend:

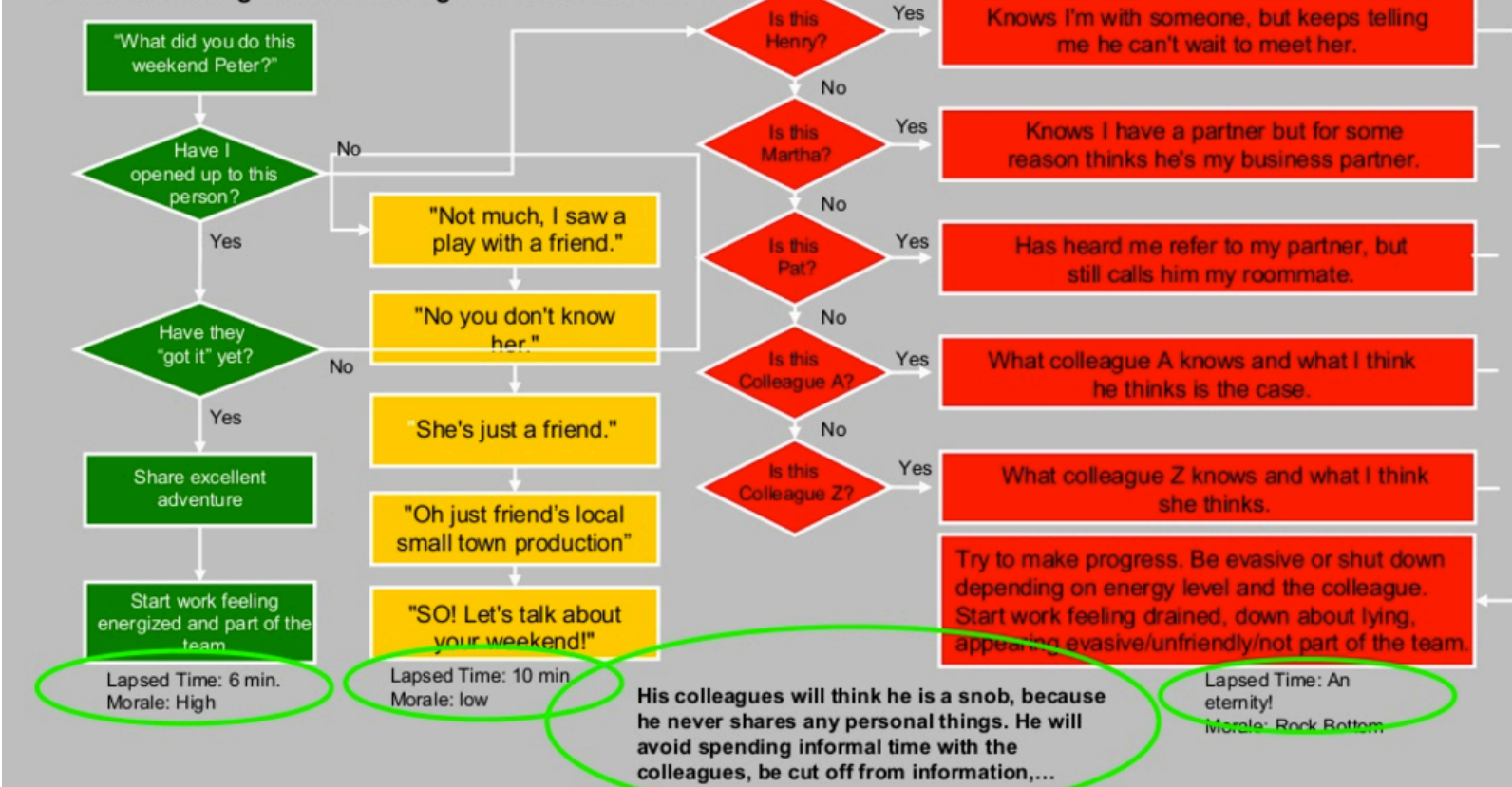
IBM employee, Peter and his life partner, Andy celebrated 10 years together on Saturday. Peter gave Andy tickets to the Broadway show he'd wanted to see for years

Can you believe it's been 10 years? Open it!

Wow Broadway tickets!
When are we going?

Tonight, we have a 3:00 flight to New York and 5th row seats for the 8 o'clock show!

How Peter thought before talking about it back in the office:



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