

## ORIGINAL ARTICLE

# When stakeholders claim differently for diversity management: Adopting lesbian, gay and bisexual-inclusive practices in Italy

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## Abstract

In the United States, the adoption of lesbian, gay and bisexual (LGB)-inclusive practices by companies is triggered primarily by pressures from activists who base their claims on a business case rationale for diversity; this has been studied mainly from a social movement perspective. In Europe, by contrast, diverse actors—not necessarily constituting a unified social movement—make a variety of arguments for more inclusion, based on a spectrum of rationales. To account for this variety, this article adopts a stakeholder approach, identifying two processes through which 14 ‘pioneering’ Italian business organizations have adopted such practices: a business-driven process and an equality-driven process. This article demonstrates how these processes are mutually exclusive, and how they differ in terms of rationales, actors involved and outcomes achieved.

## 1 | INTRODUCTION

Inclusion of a diverse workforce, and the related diversity management practices this entails, has garnered increasing attention from both management research and practice, not only on ethical grounds, but also because of the estimated economic value inherent in workforce diversity. While gender, race and age remain those dimensions of diversity which receive the most attention in

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organizational research and practice, an increasing number of researchers (Byington et al., 2021; Ng & Rumens, 2017; Ueno et al., 2013) and practitioners (Hewlett & Yoshino, 2016) focus on the dimension of sexual orientation.

The first examples of organizational practices dealing with sexual orientation could be seen in American corporations from the 1990s onwards. To explain how such practices—which, in certain sociocultural contexts are potentially contentious—could have emerged in an institutionally adverse environment, scholars have largely employed neo-institutionalist and social movement perspectives, revealing the crucial role played by lesbian and gay activists in the process of their implementation (Creed & Scully, 2000; Creed et al., 2002; Raeburn, 2004), and subsequent institutionalization (Briscoe & Safford, 2008; Chuang et al., 2018; Chuang, Church, & Ophir, 2011; Everly & Schwarz, 2015). One of the most established strategies these activists resort to, so as to promote the adoption of gay-friendly policies has been the deployment of the business case for diversity. According to this, gay-inclusive policies are seen as good for the bottom line (Creed et al., 2002; Raeburn, 2004). This rationalization has been so pervasive that most studies on lesbian, gay and bisexual (LGB)-friendly practices in the United States have tried to provide empirical evidence about their positive impact on individual and organizational performances (e.g. Badgett et al., 2013; Johnston & Malina, 2008; Pichler et al., 2018; Wang & Schwarz, 2010), fostering a unitarist view of the company, whereby the interests of shareholders and of the LGBT social movement advocating for equality are aligned.

Compared to the United States, the more regulative and representative European employment relations systems allow a wider set of actors—whose interest are, in principle, in conflict with those of shareholders—to participate in the definition of human resources (HR) practices (Brewster, 2007; Mayrhofer et al., 2012). These actors can shape the meaning of diversity ‘in order to fit with the national traditions and requirements of social and economic activity’ (Tatli et al., 2012, p. 303). For example, trade unions in the UK tend to diverge from the business case and frame diversity in terms of equal opportunities and social justice (Colgan, 2011; Colgan & McKearney, 2012; Greene & Kirton, 2009; Tapia & Turner, 2018), advocating for a more collectively regulated approach (Özbilgin & Tatli, 2011).

Although it is recognized that, in Europe, different actors can mould different diversity discourses, there is a lack of accounts in the organizational and management research about how these actors become involved in the design and development of organizational policies (Greene & Kirton, 2009). Moreover, very few studies have hitherto focused on the workplace inclusion of LGB individuals within a consideration of the perspective of multiple actors (for an exception, see Colgan, 2011).

For these reasons, following Greene and Kirton’s (2009) call for a stakeholder approach to diversity management, this article focuses on the Italian context, showing how different actors, (conceptually framed as different stakeholders), as opposed to a unitary social movement, frame diversity and LGB-inclusion, and how their positioning, along with the employment relations system, led to the adoption of different sets of practices.

Through multiple case studies, the crucial stakeholders involved in the genesis of LGB diversity management practices in 14 ‘pioneering’ Italian companies were identified. The focus was then turned to how these stakeholders frame their claims for LGB-inclusion and how they interface with companies, involving analysis of a total of 43 interviews. The result is a scenario characterized by the interventions of two main stakeholders: on the one hand, an LGB(T)<sup>1</sup>-focused employers’ association, which supported the companies in the implementation of a wide set of diversity management practices, based on an instrumental business case rationale; on the other hand, the LGB(T) departments of trade unions, backed by more political LGB associations, which

negotiated collective agreements with the companies, as well as engaging in specific interventions to combat discrimination against LGB employees, based on an ethical rationale, where LGB workers are entitled to enjoy the same rights of heterosexual ones.

This article provides an empirical and a theoretical contribution. Firstly, stakeholder theory is shown to be fertile ground on which to explore diversity management in pluralist contexts, such as Europe, which, unlike the United States, are characterized by multiple stakeholders who do not share a common frame for diversity and inclusion in organizations, and who cannot necessarily be considered to be a unitary social movement. Secondly, it is empirically shown that those different stakeholders frame diversity in different ways (which also depends upon their position in the employment relation field), triggering the implementation of different practices in targeted business organizations.

The remainder of this article is structured as follows: Firstly, a brief summary of the state of research into the adoption of LGB-inclusive practices. Secondly, a short introduction to the basic elements of stakeholder theory and its application to diversity management. Thirdly, the disclosure of the research method and analysis underpinning the article. Fourthly, a description of the findings. Fifthly, a discussion of these findings; and, finally, some practical implications and concluding remarks are offered.

## 1.1 | LGB-inclusive practices in business organizations

The first instances of organizational practices which aimed to reduce the discrimination experienced by homosexual employees date back to the early 1990s, when some American companies began to adopt a series of practices equating homosexual and heterosexual legal partnerships (Raeburn, 2004). Around the turn of the millennium, the legalization of same-sex civil unions in some European states and the diffusion of diversity management through the subsidiaries of multinational companies, pushed several European organizations to include sexual orientation in their diversity policies. These activities, commonly referred to as ‘lesbian- and gay-friendly’ or ‘LGB-inclusive’ practices, may vary according to the characteristics of the organization and its institutional context. However, the diffusion of checklist-based rankings for LGB diversity and inclusion have contributed to the formation of a somewhat homogeneous set of practices (Tayar, 2017). At present, most established lesbian- and gay-friendly initiatives in Western companies include the creation of LGB employee networks, awareness programmes, management training, lesbian and gay marketing, mentoring, and equalization practices for same-sex and opposite-sex civil unions (Köllen, 2016a).

Following the implementation of those practices by business organizations, scholars have started to explore their impact. Findings, for example, show a positive impact on the well-being of homosexual employees (Lloren & Parini, 2017), their propensity towards coming out at work, their job satisfaction and organizational commitment (Day & Schoenrade, 2000; Tejada, 2006), and on their compensations (Ragins & Cornwell, 2001). On the organizational level, studies seem to suggest that LGBT-supportive policies positively impact the market value, financial performance and innovation capacity of the organizations (Hossain et al., 2019; Johnston & Malina, 2008; Pichler et al., 2018; Wang & Schwarz, 2010). They help organizations to attract and retain the best talents in the labour market, and also protect them from boycotts by the lesbian and gay community (Day & Greene, 2008). According to these findings, the business case for sexual orientation diversity has become a powerful legitimizing basis for the adoption of inclusive practices; at least for profit-oriented companies (Badgett et al., 2013). However, the implementation process may also

frequently be accompanied by the conviction of the actors that they are doing something 'good' in moral terms, and this is often framed as being a part of their corporate social responsibility (Colgan, 2011; Jiraporn et al., 2019).

## 1.2 | A stakeholder perspective on the adoption of LGB-inclusive practices

Studies on the adoption of LGB-inclusive practices focus almost exclusively on the US context. These studies rely principally on a social movement perspective; that is, they are concerned with the organized efforts of a large number of people to bring about some sort of social, political, economic, or cultural change (Aberle, 1966). Creed and Scully (2000), for example, show how gay and lesbian employees strategically deploy their social identity in political campaigning for non-discrimination legislation. To argue for inclusive policies, these activists leverage their status as loyal corporate citizens, framing reform as a business case; however, they also use higher-order logics, so as to frame LGB-friendly practices as issues of fairness and broader civil rights. Similarly, Creed et al. (2002) reveal how LGB social actors working at both the national level, and within organizations, use broader cultural accounts to mobilize participation within organizations, in order to advance their cause. Raeburn (2004) explores the struggle of lesbian and gay activists to enforce domestic partner benefits in Fortune 1000 companies, and shows that activists were crucial in changing corporate practices in a context with low institutional pressures. More recently, Chuang, Church and Hu (2018) have demonstrated that the adoption of same-sex partner health benefits is positively affected by LGB employee resource groups.

The specifics of the US environment, however, beg the question of how far findings derived from this context are transferable. Firstly, US business organizations are characterized by strong shareholder orientation, and by a high degree of freedom, in terms of setting up organizational practices. By contrast, the European human resources management (HRM) system is embedded in denser stakeholder networks, which have a stronger impact on organizational practices (Mayrhofer et al., 2012). Secondly, the American LGB social movement exerts considerable pressure on the decision-making processes of companies, and does so in a highly coordinated way. LGB organizations regularly set up "workplace conferences and workshops (e.g., the annual Out & Equal Workplace Summit) in which they [bring] activists and allies together to facilitate strategy development and exchange of experiences" (Chuang et al., 2018, p. 2773). The strategic deployment of the business case for diversity by LGB activists, in order to accelerate the adoption of inclusive practices, is one instance of this coordinated effort (Badgett et al., 2013; Chuang et al., 2018; Creed & Scully, 2000). The Human Rights Campaign issues the Corporate Equality Index (CEI), which rates the LGB-inclusiveness of more than one thousand companies (Human Rights Campaign Foundation, 2017); this provides a noteworthy example of this institutionalized approach to LGB-inclusion (Tayar, 2017). LGB-inclusion, however, is not a fixed construct: organizations in other national contexts might interact with a raft of actors, who frame the discourse on inclusion in different ways. This might be particularly relevant in the case of Europe where, despite the presence of transnational LGB social movements, different stakeholders rely on different strategies and modes of interaction to advance their claims for LGB inclusion (e.g. Holzhaecker, 2012). In light of this, a stakeholder perspective seems a more favourable lens than a social movement one, through which to analyse the different ways in which these actors interact with business organizations, as well as the implications of this in terms of outcomes (i.e. the LGB-inclusive practices ultimately adopted).

Stakeholder theory can be seen as a 'genre of management theory' (Freeman, 1994), devised as a remedy for three main problems experienced by business organizations in capitalist economies. The first problem is economic, and concerns the creation and trade of value in current business contexts. The second problem is ethical, and refers to how business organizations should relate to wider societal issues. The third problem is practical, and focuses on how managers should deal with the two previous problems. From a stakeholder perspective, a firm is not only embedded in its shareholders' interests but also in a network of individuals or groups—its stakeholders—that affect and/or are affected by its 'actions, decisions, policies, practices or goals' (Freeman, 1984, p. 25). The goals of the organization cannot be separated from its stakeholders and, thus, firms that design and implement specific processes for managing their expectations will function more effectively, create more value and become more ethical (Parmar et al., 2010).

To manage different stakeholder relationships, companies rely on management processes that allow them to better understand who their stakeholders are, and what their claims may be, and to improve their own behaviours consequently. Although a variety of models have been constructed using Freeman's (1984) seminal work as a basis (e.g. Carroll & Buchholtz, 2014; Preble, 2005), there are common elements of stakeholder management processes. These include the identification and evaluation of relevant stakeholders, the development of organizational responses to meet their expectations and claims, and the measurement of stakeholder satisfaction. The emergence of LGB-friendly policies, therefore, can be framed, within a stakeholder management process, as an organizational response to the claims of LGB actors (and those of their advocates) for inclusion in the workplace. Although the contribution to the open debate about stakeholder identification (e.g. Mitchell et al., 1997) goes beyond the scope of this article, the authors are in agreement with Crane & Ruebottom (2011): 'to understand relevant stakeholders, managers and researchers must holistically classify constituencies across both economic *and* social identities' (p. 78, original emphasis). This implies that the identification of the interests and claims of relevant stakeholders should not be based on the economic (and typically contractually based) relationship between the stakeholder and the firm (for example: suppliers, customers, employees, investors, and so on) alone. Instead, it is useful to assume that stakeholders could have multiple identities, interests and claims and to consider relevant stakeholders both in terms of their economic *and* social identity, as the latter could lead them to make claims which go beyond those related to their purely economic interests.

Given the lacunae in the current knowledge about the adoption of LGB-inclusive practices outlined above, this study is empirically set in Italy, a national context characterized by widespread organizational heteronormativity, and by a fragmented LGB movement, where different stakeholders frame their claims for inclusion with radically different values and interests. Given this context, and following more general calls for its extensive use in HRM research (Beer et al., 2015) and diversity management (Greene & Kirton, 2009), this article argues that a stakeholder theory lens can be effectively employed in order to capture the stimuli that come from different actors connected with an organization, and advance current research into the adoption of LGB-inclusive practices. It is hoped that, in doing so, this may provide practical insights for those organizations willing to embark on a process of inclusion for LGB minorities.

### 1.3 | The Italian context: A stakeholder perspective

The Italian context presents the following key features relevant to this study. (i) The adoption process of organizational practices, including LGB-friendly policies, is influenced by a large number

of stakeholders, among which trade unions are important. (ii) The LGB movement is present but divided, with regard to LGB issues in the workplace. (iii) Cultural dimensions fuel the debate surrounding those issues. (iv) The diffusion of LGB-friendly practices in business organizations is an ongoing process. To contextualize the study, these four main aspects of the Italian landscape will be explored more fully below.

In terms of labour regulation, the Italian system is substantially voluntarist, with direct state intervention being very rare. Collective agreements, as well as their coverage and implementation, are not legally defined. Collective agreements are, however, regarded as guidelines by both employers defining working conditions, and judges in labour disputes. In terms of trade union density, the Italian situation (34.4 per cent) represents an approximate European average. The density is higher than in, for example, France (8 per cent), Poland (12.2 per cent), Germany (17 per cent) and the UK (23.7 per cent), but is significantly lower than in, for example, Sweden (66.8 per cent) or Denmark (67.2 per cent; OECD, 2018). In Italy, negotiations between companies and unions take place at two levels: the national industry (or sectoral) level, which sets standards for an entire industry (or sector), and, secondly, the company or plant level. As first-level agreements do not (as yet) include any reference to LGB-friendly practices, the study of the implementation of LGB-friendly practices in this article focuses solely on the second level.

Various actors in Italy are involved in the inclusion of LGB employees to different extents, and take different approaches to this involvement. In 2012, the Italian National Office Against Racial Discrimination (UNAR) formulated a 'national strategy for the prevention and countering of discrimination based on sexual orientation and gender identity'. UNAR also set up a taskforce comprising Italian LGB organizations, with Arcigay being the most significant of these, both in terms of size and media exposure. However, just as in other European countries (Ayoub, 2013; Kollman & Waites, 2009) the most powerful voice for the national LGB community does not directly address work-related issues. Among the members of the UNAR working group, only two actors deal directly with organizations by promoting sexual orientation-related anti-discriminatory practices. The first is 'Gardens', a non-profit organization founded in 2010, whose members are employers<sup>2</sup>. Its mission is to promote diversity management practices that enhance business opportunities for its members, through inclusion of the LGB population in the workplace. The second organization is a department of the Italian General Confederation of Labour (CGIL), the oldest and largest Italian trade union confederation, called CGIL Nuovi Diritti ('CGIL New Rights'). Founded in the early 1990s, it specifically addresses the issues of LGB(T) workers. Although its relatively recent formation means that it does not belong to UNAR's taskforce, there is another trade union confederation department which deals with LGB(T) issues in the workplace, the UIL Coordinamento Diritti ('UIL Rights Coordination'). It belongs to the third largest Italian trade union confederation, the Italian Labour Union (UIL). Also worthy of note is the lawyers' association Rete Lenford, which provides legal assistance to LGB(T) people with regard to workplace issues; however, it is not directly involved in the adoption of organizational practices.

Even though attitudes seem to be converging ultimately towards a more inclusive or tolerant approach, Italy still has a lower level of acceptance of homosexuality and homosexuals, when compared with other Western European countries (European\_Union, 2015). The strong influence of the Vatican on the public debate has arguably contributed to this phenomenon, and to the more general marginalization of the LGB discourse in Italy (Gamberini, 2013; Zanola, 2014). This influence was visible, for example, in the heated public debate around Act 76/2016. This act, adopted, in 2016, legalized same-sex civil unions in Italy: a much later date than comparable acts in many other European countries (Lasio & Serri, 2019). This more heteronormative social climate has exerted, and continues to exert, a considerable degree of pressure upon many LGB employees,

leading them to conceal their sexual orientation at work, and to remain invisible, rather than being visibly lesbian, gay, or bisexual (Gusmano & Motterle, 2019; Gusmano, 2008). Recent numbers from a survey carried out by the EU's Fundamental Rights Agency illustrate the comparatively higher degree of erasure of LGB people in the workplace, when compared to many other European countries. In Italy 15 per cent of lesbian participants reported completely concealing their sexual orientation at work (compared to 14 per cent of the lesbian participants in the EU28 as a whole); the numbers for bisexual women are 33 per cent in Italy, as compared to 28 per cent in the EU; for gay men, 26 per cent, as compared to 19 per cent in the EU; for bisexual men 63 per cent, as compared to 49 per cent. These numbers also indicate that the pressure to hide, and the related degree of invisibility, would seem to be higher for men (as compared to women), and for bisexuals (as compared to homosexuals; FRA, 2020).

Nevertheless, in compliance with EU legislation, Italy prohibits discrimination in the workplace based on employees' sexual orientation, and, under pressure from various European institutions, as noted above, has recognized same-sex civil unions, albeit comparatively recently (ILGA\_Europe, 2016).

The fact that Italian LGB activists are not unified under one aegis, when it comes to addressing workplace issues, as well as the country's more conservative, Catholic background, might have contributed to the somewhat limited diffusion of LGB-friendly practices in Italy. As Murgia and Poggio (2014) and Ravazzani (2016) show, sexual orientation is the dimension of workforce diversity management that has been addressed the least in Italy, though this situation has improved marginally in recent years. Against this backdrop, this article takes a stakeholder perspective, in order to understand more fully how the diverse stakeholders in the Italian context have contributed to shape the organizational LGB diversity policies of today.

## 2 | MATERIALS AND METHODS

Given the recent emergence of LGB-friendly initiatives, and the paucity of empirical studies addressing sexual orientation in Italian organizations, as well as the complexity of themes addressed, not to mention the blurred boundaries between the phenomenon and the context, this article draws on a qualitative multiple case study (Yin, 2013). According to Schramm (1971), case studies attempt to explain why a certain set of decisions were taken, how these decisions were implemented, and with what results. The article relies on more case studies, so as to increase the validity and generalizability of the findings that emerge from diverse empirical evidence, and thus provide a bigger picture of a complex phenomenon (Eisenhardt & Graebner, 2007; Stake, 2006).

### 2.1 | Data collection

Data collection was divided into two phases. In the first phase, organizational actors were the focus, so as to identify how LGB-friendly practices were implemented in different organizational contexts. During this phase, however, an open mindset was kept, to allow for consideration of the role played by stakeholders; this prompted a second round of interviews, in order to research the ways in which these actors related to the organizations, framed LGB-inclusion, and took part in processes of adoption of inclusive-practices. Guidelines for interviewers, and specific information pertaining to the studied organizations, are available from the authors upon request.

*First phase.* In the first instance, ‘pioneering’ organizations were sought that met the following requirements: they had to be for-profit entities, to be Italian, (or directly operate in Italy through a registered company), and to have implemented at least one practice which explicitly addressed sexual orientation. To select specific organizations that met these criteria, a preliminary panel of key actors from the Italian LGB community was drawn upon, and the Internet was used to research Italian companies that had implemented some manner of ‘LGB-friendly’ practice. To provide as much insight as possible into the phenomenon under examination, a final, heterogeneous sample of 14 organizations was consolidated, diverse in terms of size, industry and country of ownership (Patton, 2015). The variation of the cases was maximized in various terms. These included: (i) Dimension, intended as number of employees; three medium-sized enterprises, and 11 large enterprises were selected, as the adoption of diversity management practices depends on company size (Murgia & Poggio, 2014). (ii) Industry; companies that belonged to the same industry were avoided wherever possible, with this occurring only in two cases (once in ICT and once in banking). (iii) Country of ownership; nine companies headquartered in Italy were sampled, as well as five international companies, with headquarters in five different countries (see Table 1). The heterogeneity of the sample allowed for differences and commonalities to be sought across the sample, with respect to the set of practices adopted, their process of adoption and the underlying rationales. The composition of the respondents’ sample varied according to the experience of each organization. Semi-structured interviews (Mason, 2017) were relied upon, each composed of five sections, each comprising different questions and prompts revolving around the section’s theme. The sections were as follows: (i) an introductory section about the respondent and his/her organization; (ii) the reasons underpinning the adoption of the LGB-friendly practices, the process itself and the key organizational actors who intervened; (iii) relevant internal and external actors and other contextual variables (e.g. normative and cultural factors perceived as being important by the interviewee); (iv) the specific practices implemented; and (v) the interviewee’s personal experiences of working on the adoption of the practices. Whenever possible, triangulated interview-based insights were triangulated with company level documents, such as internal policy documents, corporate social responsibility reports, company ethical codes and pamphlets about diversity and inclusion. A total of 43 interviews with organizational actors, totalling a time of 43 h and 30 min, were recorded and transcribed. It transpired that some external stakeholders had been crucial to the process of adopting LGB-inclusive practices, and this led to the set-up of a second phase of data collection.

*Second phase.* Drawing on the case studies, several external organizations were identified who acted as stakeholders claiming for LGB-inclusive practices, playing active roles in the implementation processes within the companies studied. Key actors operating in those organizations were therefore interviewed; snowball sampling, based on the indications of the participants of the first phase, was employed here, as well as purposive sampling, directly addressing stakeholders that were deemed to have potentially influenced the adoption of LGB-inclusive practices in the Italian context. These interviews involved the key players of ‘Gardens’, CGIL Nuovi Diritti and UIL Coordinamento Diritti, together with other actors working in close conjunction with them, such as the major Italian LGBT association Arcigay, and the lawyers’ association, Rete Lenford (see Table 2). In this second phase, 16 interviews were recorded and transcribed, totalling around 15 h, (all but one interview were recorded and transcribed). Again, semi-structured interviews were used here, patterned as follows: (i) an introductory on the interviewee’s background; (ii) the characteristics of the organization to which the interviewee belongs; (iii) the way the interviewee engages and works with companies, to encourage them to adopt LGB-friendly practices; and (iv) the interviewee’s personal experience in working on the adoption of the practices.



TABLE 1 Illustrative characteristics of organizations sampled and positions of interviewees within each organization

Organization	Industry	Scope	Approximately number of employees in Italy (worldwide)	Revenues (year)	Headquarters	Participant's position
<i>Company 1</i>	Professional and Technology Services	Multinational	12,000 (360,000)	\$32.9 billion (2016)	Ireland	<ul style="list-style-type: none"> <li>• HR Director</li> <li>• Inclusion and Diversity HR Manager</li> <li>• Human Capital &amp; Diversity Lead, Geographic Services Managing Director</li> <li>• Consulting &amp; Sales Lead Products</li> </ul>
<i>Company 2</i>	Food Processing	Multinational	4000 (8000)	€3.3 billion (2015)	Italy	<ul style="list-style-type: none"> <li>• Executive Director Communication and External Relations</li> <li>• General Counsel Americas and Chief Diversity Director</li> <li>• Chief Strategy &amp; Business Portfolio Officer and Global Leadership Team Member</li> <li>• Chief Strategy &amp; Business Portfolio Officer and Global Leadership Team Member</li> </ul>
<i>Company 3</i>	Manufacturing	Multinational	2700 (3000)	€741m (2015)	Italy	<ul style="list-style-type: none"> <li>• HR Director</li> </ul>
<i>Company 4</i>	Healthcare	National	70 (70)	€11m (estimated 2015)	Italy	<ul style="list-style-type: none"> <li>• CEO</li> </ul>
<i>Company 5</i>	ICT	National	450 (450)	€29m (2014)	Italy	<ul style="list-style-type: none"> <li>• Founding Partner, CEO</li> <li>• Founding Partner, Chairman</li> <li>• Founding Partner</li> <li>• HR Director</li> </ul>
<i>Company 6</i>	Cruising	Multinational	18,000 (20,000)	€3.15m (2014)	Italy	<ul style="list-style-type: none"> <li>• Shipboard Development - Diversity &amp; Inclusion Manager</li> <li>• Head of Onboard HR Management &amp; Fleet Services</li> <li>• Sustainability and External Relations Director</li> </ul>

(Continues)

TABLE 1 (Continued)

Organization	Industry	Scope	Approximately number of employees in Italy (worldwide)	Revenues (year)	Headquarters	Participant's position
<i>Company 7</i>	Finance	Multinational	3400 (100,000)	€31.95 billion (2014)	Germany	<ul style="list-style-type: none"> <li>• HR Director</li> <li>• Founder of Company LGBT Network</li> <li>• Head of Retail Credit Products, President of Diversity Committee</li> <li>• Asset and Wealth Management Director, President of employee LGBT Network</li> <li>• Branch Network Director</li> <li>• Business Developer for LGBT Market Segment</li> </ul>
<i>Company 8</i>	Retail	Multinational	6500 (155,000)	€29.2 billion (2014)	Sweden	<ul style="list-style-type: none"> <li>• External Relations Director</li> <li>• Global Diversity &amp; Inclusion Specialist</li> <li>• Store Manager</li> </ul>
<i>Company 9</i>	Finance	Multinational	64,400 (90,000)	€350 billion (2015)	Italy	<ul style="list-style-type: none"> <li>• Industrial Relations Officer</li> </ul>
<i>Company 10</i>	Law Firm	Multinational	90 (7000)	£1.31 billion (2016)	Global	<ul style="list-style-type: none"> <li>• Founding Partner</li> </ul>
<i>Company 11</i>	ICT	Multinational	850 (118,000)	\$85.32 billion (2016)	USA	<ul style="list-style-type: none"> <li>• HR Director</li> <li>• HR Business Manager</li> <li>• Founder of Employee LGBT Network</li> </ul>
<i>Company 12</i>	Telecommunications	National	52,000 (10,000)	€21.5 billion (2014)	Italy	<ul style="list-style-type: none"> <li>• Diversity Director</li> <li>• North-West HR Officer</li> <li>• Diversity Manager</li> <li>• HR Director</li> <li>• Founder of Employee LGBT Network 1</li> <li>• Founder of Employee LGBT Network 2</li> </ul>

(Continues)

TABLE 1 (Continued)

Organization	Industry	Scope	Approximately number of employees in Italy (worldwide)	Revenues (year)	Headquarters	Participant's position
<i>Company 13</i>	Logistics	National	90 (90)	€34.8m (2015)	Italy	<ul style="list-style-type: none"> <li>• Chairman</li> <li>• HR Director and Legal Counsel</li> <li>• Business Development Manager, Member of Diversity Board 1</li> <li>• Business Development Manager, Member of Diversity Board 2</li> <li>• Shipping Supervisor, Member of Diversity Board</li> <li>• Aero-shipping Supervisor, Member of Diversity Board</li> <li>• Billing, Control and Documentation Employee</li> </ul>
<i>Company 14</i>	Online Retailing	Multinational	1600 (5000)	€524m (2014)	Italy	<ul style="list-style-type: none"> <li>• Welfare Specialist</li> </ul>

TABLE 2 Second round of interviews

Organization	Form	Participant's position
<i>'Gardens'</i>	Employers' Association	<ul style="list-style-type: none"> <li>Executive Director</li> <li>Founder, Honorary Chairman</li> <li>Chair of the Scientific Committee</li> <li>Chairman</li> </ul>
<i>CGIL</i>	Trade Union	<ul style="list-style-type: none"> <li>Founder CGIL Nuovi Diritti Department</li> <li>Secretary of FIOM CGIL Varese</li> <li>CGIL Nuovi Diritti Liguria Officer</li> </ul>
<i>UIL</i>	Trade Union	<ul style="list-style-type: none"> <li>UIL Coordinamento Diritti Department Founder, National Officer</li> <li>UIL Coordinamento Diritti Department, Lombardy Officer</li> <li>UIL Coordinamento Diritti Department, Tuscany Officer</li> <li>UIL Coordinamento Diritti Department, Credit and Insurance Sector Officer</li> </ul>
<i>Arcigay</i>	LGBT Association	<ul style="list-style-type: none"> <li>National Secretary</li> <li>Officer for the group Work, Visibility and Coming Out</li> <li>President of CIG-Arcigay Milan</li> <li>Former Coordinator and current Fundraiser for Milano Pride</li> </ul>
<i>Rete Lenford</i>	Lawyers Association	<ul style="list-style-type: none"> <li>Lenford Studies Centre Officer</li> </ul>

## 2.2 | Data analysis

Data analysis was performed within the framework of applied thematic analysis, as developed by Guest et al. (2011). Although this method can be compared to grounded theory in many respects, it maintains a rather phenomenological approach, and is primarily concerned with the characterization and organization of lived experiences, and social reality, applying the results to 'practical' research problems, rather than building theoretical models (Guest et al., 2011; Suddaby, 2006).

Once the first round of interviews had been collected, a detailed description of each case study was written down, in order to acquire a comprehensive view of the phenomenon. The interviews were then returned to, and a structural coding process performed (Guest et al., 2011), by which a series of categories were determined, formulated on the basis of the research question and the literature review. These categories were then filled in for each company. Three orienting categories were identified: (i) the reasons underpinning the company's decisions to undertake a process of inclusion for their LGB workforce; (ii) the main actors that participated in the implementation of LGB-friendly practices; (iii) the type of policy adopted. Sub-coding was then undertaken for each category. At this stage of the analysis, recurrent similarities and differences across the case studies were investigated, identifying the theme of 'main actors' as crucial, as external stakeholders seemed to play a major role in the process. The same analytical approach was thus maintained when analysing data collected in the second phase. In this case, the orienting categories were: (i) the logics and narratives underpinning external stakeholders' action; (ii) the way those stakeholders deal with companies; (iii) their objectives, both within and outside companies.

### 3 | RESULTS

These findings merge evidence from the first and the second phase of data collection. Data from the first phase allowed for the identification of the role external stakeholders played in the process of adoption of LGB-inclusive practices. Data from the second phase, instead, allowed for the positioning of these stakeholders within the Italian LGBT movement, as well as an understanding of their rationales and motivations. The results are two parallel processes of implementation for LGB-inclusive practices, derived from the claims of two different stakeholders: the employers' association 'Gardens', and trade unions departments dealing with LGB issues. Their different stakes in the organization imply different underpinning rationales, and organizational responses, in terms of LGB-inclusive practices. The following sections present the two processes.

#### 3.1 | Companies as vehicles for LGB inclusion

The first process of adoption of LGB-friendly practices is spurred by an employers' association specifically devoted to LGB diversity management, which sees companies as change agents for LGB inclusion and relies on a business case logic. That leads to the adoption of a wide range of internationally established diversity practices.

##### 3.1.1 | Stakeholder involvement

The absence of specific norms in terms of LGB-inclusive practices, the scant attention paid to sexual minorities in the Italian context, as well as the marginal diffusion of diversity management in general, meant that no real expertise about LGB-inclusive practices existed in Italian companies. Therefore, the companies in this sample, which followed the process of adopting these practices, required support from an external actor for two main reasons. Firstly, so as to acquire knowledge related to possible practices that might be implemented, and, secondly, in order to make public the organization's commitment to LGB inclusion. In 2010 a gay, Italian former HR director, who had worked for many years in the international banking industry, where he had been exposed to the work of LGB equality organizations, such as Stonewall in the UK, and Out & Equal in the USA, decided to 'come to Italy and [re]create Out & Equal' ('Gardens' Founder). The result was an employers' association, called 'Gardens', which exclusively focused on supporting companies adopting LGB-friendly practices.

Asked if any other enterprises in Italy were engaging with the diversity of sexual orientation and gender identity at the time he decided to set up 'Gardens', the founder responded:

No. Not even with diversity [in general], actually. When I returned to Italy and spoke, for example, with human resources associations, or with my colleagues, and I said, 'we deal with diversity...' they looked at me very strangely. ('Gardens' Founder)

'Gardens' differentiates itself from other Italian LGB stakeholders by having employers exclusively as its members. As the founder points out: "Where I think 'Gardens' real added value lies, is that they [the employers] are members of 'Gardens'. That is, their brand is part of 'Gardens' assets. They are not clients, they are members." Since its foundation, 'Gardens' has constantly

increased the number of its associated companies, and acts as a consultant for the implementation of diversity programmes; it is also frequently involved in teaching managements of companies about sexual orientation and gender identity issues. Moreover, ‘Gardens’ operates as a certification agency, by which membership automatically grants the member company status as an *LGBT-friendly company*. The issue of an annual *LGBT Diversity Index*, a benchmark tool with which to measure the comprehensiveness of companies’ LGB-friendly practices, enhances its status as a ‘certifier’. This measurement helps ‘Gardens’ to legitimize LGB-friendly practices and imbues the association with a certain degree of power (see Déjean et al., 2004; Tayar, 2017). Each year, ‘Gardens’ receives some media attention through organizing a business forum, where high-scoring employers receive awards. ‘Gardens’ considers itself, and is seen by many of its members, as a platform for a collaborative network of LGB-friendly companies, through which members can share experiences and best practices: “‘Gardens’ gave us something of a reality check, by allowing us to contextualize ourselves, and, to compare [ourselves] with other organizations,” says company 11’s HR head. Diversity management-related workshops and events set up by the association provide opportunities for such networking. For small and medium-sized companies especially, it offers an opportunity to belong to an ‘elite circle’, largely composed of world-renowned brands.

‘Gardens’ views companies as powerful social change agents and, even if it is concerned with an intrinsically ethical issue—that is, the freedom of LGB people to express their identities openly and free from discrimination—the frame ‘Gardens’ uses for the adoption of LGB-friendly practices hinges unconditionally on a market-based logic.

‘Gardens’ obviously has the same goal [as the trade unions and LGB associations]. But I think [...] setting up an association which [highlights] how awful, how bad the world is, and how awful discrimination is, and so on and so forth, and saying: ‘Now I set up, I roll up my sleeves, and I take all the capitalism of their world, their money, their power, their influence, and I put them at the service of this cause...’ Is it less noble? It’s more effective, to me. I’ve no problem in saying that, in my opinion, what ‘Gardens’ has done is worth hundreds of times over what [other associations and trade unions have done]. (‘Gardens’ Founder)

This business case for diversity allows ‘Gardens’ to legitimize its actions based on the organization’s self-interest (Suchman, 1995). The business angle employed by ‘Gardens’ when dealing with sexual orientation at work meshes with that of the top managements of the companies following this first process of implementation of LGB-friendly practices. The exploitation of the business case for LGB-inclusion is framed as a ‘win-win’ situation, where organizations can increase their own profits, while doing the ‘right thing’ in moral terms.

This is a particular feature of ‘Gardens’ that’s very useful in my opinion. It’s the reason why, if I talk with an entrepreneur or a CEO, I’ve got something to say. Because I’m speaking his language; because, me and him, we’re talking about the same thing, we’re talking about business. (‘Gardens’ Scientific Committee President)

When working with its members, ‘Gardens’ ‘safeguards’ managements of companies during the implementation process, keeping any other external or internal actor out of the equation. As a result, trade unions are almost completely excluded from this managerial process: “They [the trade unions] felt excluded when we included those items [LGB-inclusive practices]. And we explained that, for us, it wasn’t something negotiable” (Chief Communication Officer, Company

8). Indeed, even if the Executive Director of ‘Gardens’ personally knows the main officers of the union departments concerned with LGB rights, trade unions do not take part in the ‘Gardens’ annual *LGBT business forum*; no direct collaboration at all between the employers’ association and the trade unions takes place. The same applies to the largest of the Italian LGB associations, Arcigay, as its National Secretary points out: “No, we don’t have... relations with ‘Gardens’. I mean, we know who they are, and sometimes we talk with them, but we don’t share any mutual activity, there is no shared service or political activity”.

### 3.1.2 | Organizational response

When asked to itemize the rationales that make LGB inclusion a business case for organizations, our respondents cited a heterogeneous set of specific, performance-related reasons: the enhancement of employee attitudes, such as job satisfaction and subjective well-being, employee recruitment and retention in the so-called ‘war for talent’, diversity as a source of innovation, and the mirroring of an LGB customer base, were cited as business reasons for adopting LGB-inclusive practices.

This reliance on a business case for (sexual orientation) diversity leads to the implementation of a comprehensive and differentiated set of LGB-friendly practices. If diversity management yields economic benefits, then it is possible for managers to justify (small) costs for the organization. The benchmark is the *LGBT Diversity Index* issued annually by ‘Gardens’, which strongly encourages companies to implement a set of practices that is as comprehensive as possible. Membership of ‘Gardens’ in and of itself can be a means to an end for its symbolic value: membership status signifies ‘LGB-friendliness’. As already mentioned, the number of companies associated with ‘Gardens’ is increasing, year on year.

Larger companies primarily implement diversity programmes that are similar to those already established abroad, and these usually grow out of awareness campaigns. Some companies (Company 7, Company 12) draw on special events to raise awareness. These events are usually organized once a year, during a so-called ‘Diversity Week’, an entire week dedicated to several dimensions of diversity (e.g. gender, ethnicity, sexual orientation, age, and so on). On-line training is frequently used as well. Top managers can receive more intensive, face-to-face training.

Some companies (Company 1 and Company 7) have (heterosexual) ‘diversity champions’ in executive positions, who belong to the LGB employees’ network. Interestingly, the impetus to establish those networks comes in many cases from top management (Company 1, 2, 5 and 7). It is the organization itself that offers same-sex partner benefits and which recruits its LGB employees to set up a network. For example, an American employee of Company 7, who had been a member of LGB networks in the American and the English branches of the company, was asked to help in setting up the Italian network by virtue of his previous experience.

In most cases, HR managers are in charge of implementing diversity practices, and often also hold a ‘diversity officer’ title. Only Company 2 has a Global Diversity Board, presided over by three external experts. The extension of same-sex partner benefits, such as health insurance and paid marriage leave, became formalized to some degree in all companies. Some companies decided to feature same-sex couples in their advertising campaigns. Company 8, in particular, issued a billboard showing a gay couple hand-in-hand, causing political controversy at a national level. However, days after the billboard appeared, other companies aligned with Company 8 by issuing similar LGB-friendly advertising. Some companies also took part in the ‘Milan Pride’ event, under the logo of ‘Gardens’, to avoid direct political implications.

Although many initiatives are geared towards providing LGB employees with the same benefits and resources as heterosexual employees, the broad scope of the LGB diversity initiatives of many of the members of 'Gardens' already signals that their approaches also reflect a certain striving for more deep-seated, structural change, and a less heteronormative organizational culture, which would provide a more stable basis for equal access to any kinds of benefits. Emphasizing the importance of role models and the necessity of raising awareness for the privileges heterosexual employees have, indicates that many of their approaches are also dedicated to challenging basic heteronormative assumptions within the workforce and the organizational culture. Furthermore, as the interviewees link those initiatives with a greater degree of public visibility—such as participating in 'Pride' events and launching advertising campaigns with LGB content—with their societal impact, there appears to be an intention to contribute to some kind of societal shift. However, it remains to be seen to what degree these organizations will succeed in triggering the intended changes.

## 3.2 | LGB-inclusion as a social justice issue

The second process of adoption of LGB-friendly practices is informed by an ethical *logos*. In this case, the adoption of LGB-friendly practices originates from the stimulus provided by trade unions and is negotiated within companies' advisory commissions—such as welfare and equal opportunities commissions ('Commissioni Paritetiche per le Pari Opportunità')—giving rise to formal agreements. As a result, this second process is underpinned by rationales of non-discrimination and social fairness, rather than by a business-driven logic.

### 3.2.1 | Stakeholder involvement

Two Italian trade union confederations have established departments explicitly addressing LGB rights in the workplace. In the early 1990s, the CGIL Nuovi Diritti (CGIL 'New Rights') Department was established within the CGIL union, and, in 2013, the UIL Coordinamento Diritti (UIL 'Rights Coordination') Department was founded.

In the case of Company 9, the extension of marriage leave to same-sex couples derived from the request of a gay employee who married his partner abroad. The request was initially denied by the company as being non-compliant with internal policy, as same-sex marriages were not recognized by Italian law. Thus, the union took the opportunity to propose a new deal, extending the provision of the national collective agreement for marriage leave to homosexual couples who had married abroad.

In the case of Company 3, the extension of marriage leave to same-sex couples was requested directly by the trade union, without there being any request from the workforce. The request was formulated within the equal opportunities commission (whose function basically corresponds to that of the welfare committee of Company 9), and led to the first agreement on LGB issues in the metalworking sector in Italy.

Well, the union added to the list of the platform's themes the proposal for non-discrimination of unmarried couples, to extend to them the same rights [married couples have]. Then, it was raised... the theme was raised by trade union representatives. (Company 3, HR Head)



Unionists often have a background in activism. For instance, one of our participants was both a member of UIL Coordinamento Diritti, and of Arcigay Milan.

Before recruiting the person, you must try to understand a little bit about where he or she is coming from. If he or she comes from the association's world, for instance. For example, it was very important to me, we got quite a lot like that, who came from associations. (UIL Coordinamento Diritti National Officer)

With regard to more general LGB associations, (i.e. those not focused on the business field), these may operate as first point of call, in cases of discrimination, but they tend to hand over work-related issues to trade unions.

If there are episodes of discrimination, we turn either to CGIL or to UIL, which are the two unions that we collaborate with the most, and which in turn have their own departments dedicated to instances of this kind. We've sort of built them together, over time. (Arcigay, National Secretary)

### 3.2.2 | Rationale for LGB-inclusion

In this implementation process, the adoption of LGB-friendly practices derives from the claims of lesbian and gay workers that they should enjoy the same rights as do their heterosexual colleagues. These initiatives rely on the will to assert the rights of workers independently of their sexual orientation. Because trade unions aim to protect workers' rights, the rationale is that of equal rights and social justice; that is, of non-discrimination of LGB individuals, as workers and citizens. In this respect, one interviewee warns against a focus on specific dimensions of diversity and the submission of the inclusion of a discriminated group to business performances: 'If you tell me that you're inclusive, but only in a specific sector, only with those who are tall, blonde, have a degree, and blue eyes, and who don't bother you, well... [you're not inclusive]' (UIL Coordinamento Diritti Department, Lombardy Officer).

Moreover, in contrast to the idea of companies as social change agent, some unionists were sceptical about the wider social impact of diversity management: 'if there were a contribution from companies, it came once society was already there, so it was convenient for them to jump on the bandwagon' (UIL Coordinamento Diritti Department, Lombardy Officer).

### 3.2.3 | Organizational response

In this case, LGB-friendly initiatives do not emerge from top management strategy to gain competitive advantage, but rather, as it were, as a request 'from the shop floor'. Thus, trade unions claims do not stimulate a coherent strategy of diversity management, but rather *pro tem* agreements on the extension of rights already granted to heterosexual married couples, such as domestic partner benefits, or leave. However, the scope of these agreements seems to go beyond their formal content, as companies charge them with symbolic value.

This agreement, aside from guaranteeing rights, signals a fundamental cultural message within the company [...] I didn't want it to be a top-down policy, but a real

message of cultural evolution. And especially in an industrial context, a metal-mechanic; that usually has the opposite dimension [...] What I often care about more from a managerial perspective is that the message is passed to the workers, to all stakeholders, that the management has an attitude of openness and non-discrimination. (HR Director, Company 3)

On the company side, key actors are those who are in charge of bargaining with trade unions; these are generally HR managers or industrial relations officers, where those posts exist. Our respondents described the mediation style of the unions as cooperative, and regarded legal action as a last resort. Indeed, no cases of legal action or prolonged conflict were reported to us. The stage of confrontation, couched within the welfare committee and the equal opportunities commission, is indicative of this approach.

We don't want to put ourselves in opposition, because when you go to a negotiation table, with a yes/no attitude, you're already starting with two positions that are conflicting. Instead, we want to try to approach things in a non-confrontational way, and try to analyse them, because maybe we don't know about them, neither us, the company, nor the unions. That's why we held these meetings of the welfare committee. (Company 9, Industrial Relations Officer)

In line with trade union rationale, organizations partaking in this process deal with diversity through a principle of non-discrimination, without a specific focus on any minority, or dimension of diversity, as that in itself could be framed as a form of discrimination. When asked about the possibility of institutionalizing the role of a diversity manager within Company 9, the Industrial Relations Officer observed that:

In the case of [marriage] leave, the legal department said: 'No,' and then we found ourselves analysing the case with trade unions, precisely because it wasn't the company's intention to create disparity of treatment [...] We were dealing with the theme of diversity more as an equal opportunity issue than an 'institutionalization', because you realize that there's plenty of opportunity for discrimination in the company [...] The risk with institutionalization is then to focus only on pieces of activities. (Company 9, Industrial Relations Officer)

As such, the trade unions' interventions aim at providing all employees with the same rights and equal access to resources and benefits. Having established equal opportunity commissions with some organizations, this provides them with a platform to support their aims. However, taking into account that the desired outcome of their aims would not exceed equalization in terms of organizational benefits, it appears that their interventions are, not connected to deep-seated cultural changes, or at least, not directly. Nevertheless, as the HR manager from Organization 3 puts it, an indirect impact could be expected just by having created a new, more equal, *fait accompli*, and with this, a new reality for the organization and its workforce as a whole.

#### 4 | DISCUSSION

Relatively few studies have examined the process of adoption of LGB-inclusive practices in organizations; those studies that do exist largely refer to American corporations and are from

a social movement standpoint. Extending their findings to EU contexts may prove problematic, as European companies interact with LGB communities that are radically different from those of America. It is, therefore, important to undertake further examinations of the potential mechanisms by which organizations can adopt inclusive policies.

These findings, focused on the Italian context, support a differentiated view of the adoption processes of LGB-inclusive practices. Indeed, this article uncovers how LGB-inclusive practices in Italy have been adopted through two distinct processes, depending on which stakeholder has argued for more inclusion, and why. The first process was led by an employers' association specializing in LGB diversity management, which based its claims for LGB inclusion on a business case logic. As a response to that claim, companies adopted a comprehensive set of practices, mostly corresponding to those typically suggested by large Anglo-American LGBT associations (e.g. Stonewall or the Human Rights Campaign). The second process derived from the claims of trade unions that non-heterosexual employees should enjoy the same rights as their heterosexual married colleagues. Justifying their claims through an ethical rationale, trade unions negotiated with companies in order to arrive at collective agreements, which aimed to avoid discrimination against LGB employees, and which extended the rights heterosexual married couples have to same-sex couples also.

Beyond employing different rationales for supporting their claims, their different approaches towards securing equality for non-heterosexual employees with heterosexual employees also reflect differing underlying principles in terms of what inclusion for this facet of workforce diversity means. The trade unions' approach reflects more the 'principle of sameness' (see Liff & Wajcman, 1996, for the debate on sameness vs. difference). Trade unions appear rather to emphasize the similarity of all employees, aiming for equal treatment of all employees of all sexual orientations. Every employee should enjoy the same rights and should have the same equal access to benefits, such as access to marriage leave. Against this backdrop, the establishment of organizational equal opportunities commissions can be perceived as a type of procedural institutionalization of this sameness-based approach to achieving equality. However, by emphasizing that granting equal rights 'signals a fundamental cultural message within the company' (HR director, Company 3), it is suggested that there is a certain degree of awareness of the deep-seated cultural reasons for sexual orientation-related organizational inequalities, and the desire, or the hope, that instituting equal rights will also have a positive impact on these cultural issues, as well as more structural ones. However, such an awareness is more clearly evident in the employer associations' approach to equality for LGB and heterosexual employees, which reflects more conspicuously (but not solely) elements of the 'principle of difference'. Awareness building initiatives and management training in particular place greater emphasis on the differences between sexual orientations, which are primarily due to the heteronormative (or heterosexist) structure of Italian society (Lasio & Serri, 2019; Callahan & Loscocco, 2021), and, consequently, the heteronormative structure of Italian organizations, which systematically privilege heterosexual employees (Priola et al., 2018). Against this backdrop, instituting an awareness of these structural issues in everyday organizational working life is a necessary precondition for galvanizing structural change towards a more equal, less heteronormative organizational culture and climate. The awareness of these differences also allows for the provision of different, compensatory, resources for LGB employees, such as an employee network. As companies are seen as powerful social change agents, this cultural change is not limited to the organizational level, but can have an impact on differences on the societal level as well, especially via those initiatives which are highly visible, such as inclusive advertising campaigns and participation in 'Pride' parades. However, the initiatives that have their mainspring within the employer organization also include initiatives directly aiming at an

equal access to benefits and resources for homosexual and bisexual employees. Thus, both the trade union and the employer organization approaches to equality do not exclusively adhere to either the principle of sameness or difference; rather, by respectively directing more focus at one of these principles, they complement each other in their approaches.

The differences regarding rationales and principles detailed above prevent LGB stakeholders from cooperating, leading to differentiated outcomes, in terms of the LGB-inclusive practices adopted. Indeed, unlike in the United States, these results demonstrate that a partnership between managers and employees/trade unions seems unlikely, given that the position of those stakeholders in the employment relations field—pro-labour in the case of trade unions, versus pro-capital in the case of ‘Gardens’—leads them to frame LGB inclusion through different logics and, accordingly, to support the implementation of different LGB-inclusive practices. Interestingly, the reliance on business case logic focused on the improvement of organizational performances, triggered the adoption of practices that actually exceed organizational boundaries, such as advertising campaigns featuring same-sex couples and the appearance of the company brand during ‘Pride’ parades. Conversely, the adoption of an ethical rationale, which frames (non-)discrimination as a matter of civil rights and not merely as an organizational issue, triggered the adoption of collective agreements whose formal effects are confined within organizational boundaries. At the same time, however, these findings confirm that certain economic sectors could be more likely characterized by rationales and principles supported by certain stakeholders (Pulcher et al., 2019). Indeed, organizations operating in knowledge-intensive industries (where the commitment of employees makes a difference) are more likely to rely on business case logics: this is the case for most of the instances in the sample here. On the contrary, the ethical rationale can trigger the adoption of LGB-inclusive practices even in industries where employees are potentially less likely to become a source of competitive advantage. This is the case of Company 3 in the sample, which is the only one operating in the manufacturing sector.

Taken together, these findings allow for a theoretical contribution related to the use of stakeholder theory in diversity management research. Indeed, although claims have already been made for the wider use of this theory in diversity management research (Greene & Kirton, 2009), this approach has rarely been actually employed, especially with reference to sexual orientation diversity. These findings confirm it as fertile ground: these results could not be arrived at without its use, and in particular without applying it with a reliance on Crane and Ruebottom’s (2011) argument that relevant stakeholders should be identified across both economic and social identities. Indeed, this argument led to the development of a research design which approached stakeholder identification as an emergent process, rather than as a checklist of typified roles to be flagged. Accordingly, in the first phase of data collection, an open mindset was kept, so as to capture which actors triggered and drove the adoption of LGB-friendly practices, and this standpoint allowed for the uncovering of the direct involvement of some unexpected stakeholders (i.e. unions and an employer association), and the exclusion from this process of other relevant stakeholders (e.g. the major Italian LGBT association). The stakeholders that emerged were then approached, in order to understand their different rationales and modes of action, revealing how different economic relations with the firm can be related to different framings of LGB-inclusion and, finally, to the implementation of different practices. In other words, stakeholder theory has proved an appropriate analytical tool for disentangling the different claims made for inclusion, and the related adoption processes, as well as facilitating the incorporation in this analysis of a categorization of the LGB community that is neither fixed nor unitary. This enables this article to go beyond the extant literature about the American context, which adopts a social movement perspective to emphasize the role played by a unitary LGBT movement able to influence company

behaviour (Briscoe & Safford, 2008; Chuang et al., 2011; Everly & Schwarz, 2015), and to provide an empirical contribution to the literature about stakeholder identification, that typically considers stakeholders only with regard to their economic relationship with the firm (Crane & Ruebottom, 2011).

#### 4.1 | Implications and future research

Practical implications of this study on both the organizational and societal level derive from the specific position of sexual orientation as a dimension of workforce diversity. Arguing in favour of the exclusion and hierarchization of diverse employees because of, for example, their skin colour, gender or disability status would be regarded as highly 'politically incorrect' by the majority of the population in most (Western) countries (see, e.g., Colella & King, 2018). However, it is still ethically and politically acceptable in many societies to oppose homosexuality (up to a point), as it is, for example, in Italy. In this context (as indeed in several others), powerful and societally accepted voices argue against LGB inclusion. This makes it even more important for organizations operating within these contexts, that strive for more inclusion, to identify those stakeholders, and their strategic partners, that share this goal, and to build on their claims. It is safe to assume that these recommendations are transferable to other contexts where strong voices oppose LGB inclusion, whether these voices are motivated religiously (e.g. as in some Latin American countries, in Poland, or in some Muslim countries), or politically (e.g. as in China or Russia), or both (e.g. as in India and Japan; Buyantueva, 2018; Hamdi et al., 2018; Herdt, 2018; Michelson, 2019). Therefore, future research on LGB diversity could focus on these contexts, in order to identify and to understand relevant stakeholders and their potential partners, and to promote more inclusive practices, on both the organizational and the societal level.

In terms of opportunities for future research, this study opens at least three avenues. Firstly, while its focus is on Italy and sexual orientation diversity, a stakeholder perspective can be fruitfully applied to other dimensions of diversity and other contexts. Both from normative and instrumental standpoints, diversity practices have 'value', especially for the social groups they aim to include. These groups, however, might not represent homogenous categories of stakeholders, as 'ready-to-wear' categorizations of diversity might suggest: these categories are in fact the result of contextual historical processes. A more contextual approach to stakeholder identification (Crane & Ruebottom, 2011; Mitchell, Agle, & Wood, 1997), paired with a deeper understanding of what 'inclusion' means for different stakeholders, could help to build more focused, and thus effective, diversity initiatives and, in turn, stakeholder value (Freeman et al., 2010).

Secondly, this approach could be adopted for studying other dimensions of workforce diversity, especially that dimension which might be most likely to face the same level, or even higher levels of opposition towards its further inclusion, that is, gender identity (Köllen, 2016b). Data from the EU's Fundamental Rights Agency shows that, in Italy, 49 per cent of transgender persons confirm that in the past 12 months they have felt discriminated against when at work, or when looking for a job, due to being trans, as compared to an average of 40 per cent of transgender persons from all EU28 countries (including the UK). Compared to the share of lesbian and gay employees who answer the same question in the affirmative due to their being lesbian or gay, the share of transgender persons' confirming this question is more than twice as high in Italy, and about twice as high as the average of the EU28 (FRA, 2020). This indicates the importance of addressing the exclusion of transgender employees in Italy and Europe, but also globally. Future research could therefore take this dimension as its focus, in order to understand potential means of inclusion for

transgender people within organizational and societal settings, especially in societies with strong opposing voices. As transgender individuals are often absorbed into an acronym including people of diverse minority sexual orientations (e.g. as 'LGBT'), it would be interesting to investigate, to what extent stakeholders claiming for LGB-inclusive practices might help or hinder the further inclusion of transgender people.

Thirdly, although the assumption was initially made that the adoption of LBG-inclusive practices in the Italian context was potentially contentious, the data did not reveal specific practices of resistance from involved actors. However, the research design used here is admittedly not necessarily the most appropriate for grasping resistance, especially given the various and sometimes clandestine forms of this resistance (Mumby et al., 2017). Future research on the implementation of diversity practices could therefore address more covert and subtle forms of resistance than overt backlash, and the likelihood of their manifesting, in relation to the stakeholders who claim for LGB inclusion (cf. Lee, 2022).

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### ETHICS STATEMENT

All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards. This article does not contain any studies with animals performed by any of the authors. Informed consent was obtained from all individual participants included in the study.

### CONFLICTS OF INTEREST

The authors declare no potential conflicts of interest with respect to the research, authorship and/or publication of this article.

### DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

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### NOTES

<sup>1</sup> Both the management practices and research discussed in this article almost exclusively address lesbian, gay and bisexual issues. The widespread usage of the term 'LGBT' (or 'GLBT') to denote the target group of these practices in the Italian business context, as well as internationally, bundles together minority statuses in terms of the 'sexual orientation' and 'gender identity' of employees, despite the fact that these two phenomena are not directly linked, and transgender issues are almost entirely ignored. Therefore, this article uses the term 'LGBT' *only* when referring to specific associations or events which themselves use this initialism in their names (see Köllen, 2016b, for this debate). One reason for the high incidence of non-consideration of trans issues in organizational practice and research might be due to the assumed negligible number of transgender employees within the workforce (as

compared to other minority groups). Another reason, however, might be related to the way organizational diversity research and practice deals with gender inclusion. The persistent focus on cis-gender employees, within a binary understanding of gender, might be partially due to the fear that giving voice to transgender employees might undermine and weaken the agenda and political agency for redistributing resources between biological cis-men and cis-women, or for securing privileges and safe spaces for cis-women within organizations (see Köllen and Rumens, 2022, for this debate).

<sup>2</sup>'Gardens', the name used here for the employers' association, is fictional. All other associations are cited using their real name.

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