RAINBOW WASHING: CORPORATE SYMBOLISM AND THE POLITICS OF LGBTQ+ REPRESENTATION

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ABSTRACT

The Phenomenon of Rainbow washing refers to the use by corporations of Pride symbols and other LGBTQ+ icons (usually during the month of June) for marketing purposes or as part of their Corporate Social Responsibility (CSR) efforts, while still practicing the opposite of what they portray regarding LGBTQ+ rights through employee hiring practices, donations for political purposes, and other negative actions towards these communities. In examining this issue, the authors of this paper adopted both Business Ethics and HRM as theoretical frameworks through which to analyze the literature, conduct an analysis of secondhand or tertiary sources, and analyze CSR reports, investigative journalism, and advocacy organisation's analysis of various companies or brands regarding Rainbow Washers. The research exposes three fundamental gaps: (a) there is a lack of an executable definition or guideline for authentic corporate LGBTQ+ allyship; (b) there is insufficient research on the link between the process of delivering signals of diversity in the workplace (i.e., through processes and/or policies) and mental wellbeing for employees; and (c) there is limited literature examining the intersection of queer advocacy through procurement/supplier-diversity processes and policies, and human resource management (HRM) policies related to LGBTQ+ employees. The research emphasizes the importance of filling these gaps because engage in performative allyship creates a lack of trust among stakeholders by undermining meaningful efforts toward equity, and represents an unethical action/inaction within multiple normative frameworks (e.g., stakeholder theory; social contract theory; virtue ethical theory). Additionally, the research synthesizes evidence from firms in the United States, UK, and India to provide a set of normative recommendations for an ethically based HRM policy regarding LGBTQ+ employees.[1]

Keywords: LGBTQ+ allyship, Rainbow Washing, Corporate Social Responsibility, Human Resource Management.

1. Introduction

The rainbow flag was designed by activist Gilbert Baker in 1978 as a sign of hope, diversity, and resistance for the LGBTQ+ community. Today, however, exactly 45 years after the rainbow flag's inception, we see this exact design (rainbow motif) inundating the marketing efforts in ad campaigns, social media avatars, and product packaging from many of the largest companies in the world, but only during the month of June. This selectivity of time has caused much concern and resulted in a new vocabulary around the topic; i.e. "rainbow washing" or "pinkwashing" as these two terms refer to the calculated use of LGBTQ+ symbols and imagery by companies to benefit commercially, without equal commitment to supporting queer rights. This selectivity is not merely a historical curiosity; it remains highly visible in practice, as a growing number of firms have begun visibly scaling back their Pride Month sponsorships and public rainbow branding in response to shifting political pressure, which suggests that such displays were often contingent on prevailing social climate rather than on a fixed ethical commitment.[2] The impact of this phenomenon has been documented in the fields of marketing, sociology, and gender studies, but there is limited theoretical examination of the implications to business ethics and HR management.[3]

Rainbow washing raises major questions of honesty, fiduciary responsibility and moral obligation to multiple stakeholders. From an HRM standpoint, it raises questions regarding whether performative diversity practices lead to hostile and psychologically/ emotionally unsafe environments for LGBTQ+ employees, and the extent to which HR execs have the institutional mechanisms and normative authority to discern what constitutes authentic inclusion versus performative allyship. This paper will address these two areas and provide an

[1]Michael Norton and Elizabeth Keenan, 'The Problem with Pride Month' (Harvard Business Review, 27 June 2019) <https://hbr.org/2019/06/the-problem-with-pride-month> accessed 20 July 2026.
[2]Pamela N Danziger, 'Pride Month 2025 Organizers Face Uncertain Future As Some Corporate Sponsors Pull Back' (Forbes, 2 June 2025) <https://www.forbes.com/sites/pamdanziger/2025/06/02/pride-month-2025-organizers-face-uncertain-future-as-corporate-sponsorship-collapses/> accessed 20 July 2026; Gravity Research, cited in the same report, found that 39% of corporate communications executives planned to reduce Pride-related engagement in 2025, compared with 9% the previous year.
[3]Encyclopaedia Britannica, 'Rainbow Flag' (Britannica, updated 2023) <https://www.britannica.com/topic/rainbow-flag> accessed 20 July 2026.

integrated framework through which these two areas of study (i.e. business ethics and HRM) can be merged as companies are moving toward substantive equity from mere symbolization.[4]
This article is organized as follows: in Section 2, an overview of the current scholars' research regarding rainbow-washing, corporate support for the LGBTQ+ community and ethical dimensions of performative diversity are discussed. Section 3 identifies potential gaps in knowledge in the existing literature; while in Section 4, it provides an explanation of why and how those gaps can be filled. Section 5 presents a description of the methodology used to obtain data for the analysis. Finally, section 6 concludes the analysis by providing several normative recommendations concerning the issues discussed in previous sections.

2. Review of Secondary Literature

2.1 Defining Rainbow Washing

Rainbow washing combines the terms "rainbow" (a symbol representing LGBTQ+ pride) and "whitewashing" or "greenwashing," which refers to a company or organization attempting to clean up or present a positive image for its past actions/decisions. In 2009, researchers Drumwright and Murphy were some of the first to use the concept of "moral myopia" to describe how marketers often fail or cannot identify the ethical aspects of their work as they relate to cause-related marketing, which is considered a precursor to rainbow washing. In 2019, Sobande provides additional support for this notion by demonstrating that brands frequently utilize the design and aesthetic language of marginalized communities without making tangible policy changes due to fear of upsetting existing conservative consumers/investors.[5]
The definition provided by Phua (2022) of rainbow washing is well known, providing that this happens when an organisation shows visible pride as symbols or campaigns during Pride Month, yet makes no or little corresponding change in relation to internal diversity policy, or make political contributions, or is involved with the community. Phua has also pointed out the difference between symbolic support at a superficial level (e.g., changing logos, creating limited edition rainbow merchandise) versus structural allyship (e.g., amending anti-discriminatory policies, providing access to gender-affirming healthcare benefits, or providing funding for LGBTQ+ advocacy organisations year-round). Thus, the first type of example

[4]Ronald Paul Hill and Justine Rapp, 'Codes of Ethical Conduct: A Bottom-Up Approach' (2021) 174 Journal of Business Ethics 619, discussing the ethical dimensions of performative diversity signalling; see also <https://link.springer.com/article/10.1007/s10551-020-04661-6> accessed 20 July 2026.
[5]Minette E Drumwright and Patrick E Murphy, 'The Current State of Advertising Ethics' (2009) 38(1) Journal of Advertising 83; Francesca Sobande, 'Woke-Washing: "Intersectional" Femvertising and Branding "Woke" Bravery' (2019) 54(11) European Journal of Marketing 2723 <https://journals.sagepub.com/doi/10.1177/0021943619831305> accessed 20 July 2026.

would be labelled as rainbow washing and the second type of example would be representative of true corporate allyship.[6]

According to research from McKinsey and Company (2020), authentic corporate advocacy for LGBTQ+ employees is associated with measurable business returns. Companies in the highest quartile of ethnic and cultural diversity were 36% more likely to earn above-average profitability, while those in the top quartile for gender diversity were 25% more likely to do so, which demonstrates that actual inclusion (rather than symbolic representation) is a key factor driving performance.[7] Deloitte's Global Millennial Survey (2019) found that 42% of millennials began or expanded a business relationship with companies they believed had a positive social impact more broadly, a finding the present paper treats as illustrative of the commercial incentives for authentic social engagement generally, rather than as evidence specific to LGBTQ+ advocacy.[8]

2.2 The Corporate Hypocrisy Problem

Corporations can participate in rainbow washing by not only adopting pride branding, but also by giving financial support to politicians who pass laws against LGBTQ+ rights. Popular Information (2022) identified 25 major U.S. corporations with publicly displayed Pride branding that also gave political donations to legislators who sponsored or supported anti-LGBTQ+ legislation in the U.S " (U.S. example). This type of dual strategy can be described as a paradigm case of stakeholder deception in business ethics - there is an external emphasis on appearance and an internal emphasis on political compromise.[9]

Since 2002, the HRC (Human Rights Campaign) Corporate Equality Index (CEI) has tried to measure real commitment from businesses toward LGBTQ people and communities. The CEI rates companies based on several categories, such as

- Non-discriminatory work policies for LGBTQ employees
- Equal benefits for LGBTQ employees
- Internal education about LGBTQ-inclusive work culture and practices

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[6]Joe Phua, 'Rainbow Washing: When Is LGBT-Inclusive Advertising Authentic?' (2022) 51(5) Journal of Advertising <https://www.tandfonline.com/doi/full/10.1080/00913367.2022.2058800> accessed 20 July 2026.

[7]McKinsey & Company, 'Diversity Wins: How Inclusion Matters' (McKinsey, 19 May 2020) <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters> accessed 20 July 2026.

[8]Deloitte, 'The Deloitte Global Millennial Survey 2020' (Deloitte, 2020) <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html> accessed 20 July 2026; on the origin of the 42% figure, see eMarketer, 'Millennials Have Diminishing Opinions About Businesses' (eMarketer, 2019) <https://www.emarketer.com/content/millennials-have-diminishing-opinions-about-businesses> accessed 20 July 2026.

[9]Popular Information, 'The Corporations that Backed Anti-LGBTQ+ Politicians while Flying Pride Flags' (Popular Information, 2022) <https://popular.info/p/the-corporations-that-backed-anti> accessed 20 July 2026.

• External commitment to the LGBTQ community through public policies

By its most recent iteration, the CEI had grown substantially in scale and had begun, for the first time, to formally penalise regression rather than merely reward adoption: the 2025 Index drew participation from a record 1,449 employers, of whom 765 achieved a perfect rating, while seven companies had their scores docked after publicly scaling back workplace inclusion commitments. This development suggests that accountability instruments in this space are gradually maturing from static policy checklists toward tools capable of registering backsliding, even though such penalties remain the exception rather than the rule.[10]

However, according to critics such as Badgett, Waaldijk, and van der Meulen Rodgers (2019), the CEI is primarily focused on measuring how well a company has adopted its written policies instead of measuring the actual implementation of these policies. This lack of enforcement leads to a second area of concern: many companies adopt policies but do not enforce them or create opportunities for employees to feel safe while being a member of the LGBTQ community at work.[11]

2.3 LGBTQ+ Representation and Advertising

The issue of LGBTQ+ representation in corporate advertising belongs in a separate but connected literature. The arrival of gay or lesbian images into mainstream advertising in the 1990s was associated with what Chasin (2000) referred to as the "gay market" theory or belief that there is an identifiable demographic segment of LGBTQ+ consumers that is brand-loyal and relatively affluent. Chasin's critique was remarkably forward-thinking; marketers commodified the LGBTQ+ identity by marketing to consumers, and at the same time celebrated and depoliticized queerness and changed the civil rights struggle into a market opportunity.[12]

Various researchers have supported this critique. Sender (2004) argues that marketing targeting gay individuals through images of largely white upper-middle-class, gender conforming same-sex couples promotes an attitude of assimilation while simultaneously marginalizing trans

[10]Human Rights Campaign Foundation, 'HRC Foundation Announces Record Participation in Upcoming 2025 Corporate Equality Index' (HRC, 12 September 2024) <https://www.hrc.org/press-releases/hrc-foundation-announces-record-participation-in-upcoming-2025-corporate-equality-index-docks-scores-of-seven-companies-in-current-ranking-following-their-pullback-from-workplace-inclusion> accessed 20 July 2026.

[11]Human Rights Campaign Foundation, 'Corporate Equality Index 2023' (HRC, 2023) <https://www.hrc.org/resources/corporate-equality-index> accessed 20 July 2026; M V Lee Badgett, Kees Waaldijk and Yana van der Meulen Rodgers, 'The Relationship between LGBT Inclusion and Economic Development: Macro-Level Evidence' (2019) 33(1) World Bank Economic Review 1 <https://academic.oup.com/wber/article/33/1/1/5056566> accessed 20 July 2026.

[12]Alexandra Chasin, Selling Out: The Gay and Lesbian Movement Goes to Market (St Martin's Press 2000).

individuals, people of colour, bisexual individuals, and low-income members of the LGBTQ+ community. Representing these Historically Marginalized Groups of People in a way that only emphasizes the wealthiest members of that group is ethically unacceptable given the fact that they continue to be represented for profit at the expense of all other members of the LGBTQ+ community. Many other academics (Gill 2016) have stated that the portrayal of LGBTQ+ people in marketing is a form of a "diversity spectacle" that function to present a progressive identity, while not disrupting the heteronormative/cisnormative institutions.[13]

2.4 HRM, Psychological Safety, and LGBTQ+ Employees

The field of HRM has produced a growing body of literature on the workplace experiences of LGBTQ+ employees. Ragins and Cornwell (2001) provided foundational evidence that disclosure of LGBTQ+ identity at work is correlated with lower reports of discrimination and higher job satisfaction — but only in organisations where employees perceive meaningful protections. Crucially, perceived protections must be genuinely implemented, not merely stated, to produce psychological safety. This finding is reinforced by later workplace research on identity concealment more generally: a widely cited Deloitte study found that 83% of lesbian, gay and bisexual employees reported covering some aspect of their identity at work, most commonly by editing how openly they discussed their personal lives, which indicates that the mere existence of a written non-discrimination policy does not, by itself, remove the incentive to conceal one's identity.[14][15]

HRM has developed an increasing number of studies about LGBTQ+ employees' experiences in their places of Trade and commerce have entered an age of globalisation. As new forms of social activity emerge, such as corporate human resource management (HRM), the global dimension of corporate HRM brings additional complexity. In a number of countries — including Russia, Uganda, and large portions of the Middle East and Asia — same-sex relationships continue to be criminalised or heavily stigmatised. Therefore, multinational companies that implement rainbow citizenship in their home nations and do not follow European Union (EU) guidelines on LGBT+ policy in their workplaces outside of those nations are participating in what has been referred to by scholars like Ozturk and Tatli (2016) as

[13]Katherine Sender, Business, Not Politics: The Making of the Gay Market (Columbia University Press 2004); Rosalind Gill, 'Post-Postfeminism? New Feminist Visibilities in Postfeminist Times' (2016) 16(4) Feminist Media Studies 610.

[14]Kenji Yoshino and Christie Smith, Uncovering Talent: A New Model of Inclusion (Deloitte University Leadership Center for Inclusion, 2013) <https://www.lcld.com/wp-content/uploads/2023/06/Uncovering_Talent_Deloitte.pdf> accessed 20 July 2026.

[15]Bram P Ragins and John M Cornwell, 'Pink Triangles: Antecedents and Consequences of Perceived Workplace Discrimination against Gay and Lesbian Employees' (2001) 86(6) Journal of Applied Psychology 1244.

"selective allyship," which leads to substantial discussions about the possibility of universalising corporate ethics; this is an issue at the core of Kantian business ethics literature.[16] The research of Ragins and Cornwell (2001) demonstrated that decreased discrimination and increased job satisfaction is contingent upon the employee's perception that his/her organization has meaningful protective policies for the LGBTQ community. To establish a psychologically safe environment due to the inclusion of meaningful protections, the policies must be clearly described, as well as provide the employee with concrete proof that the protections have been implemented.[17]

3. Research Gaps

GAP 1: Lack of any standard accountability metric to assess genuine corporate allyship with the LGBTQ community.

All of the participants in corporation's ecosystems - employees, customers, investors and regulators - need a way to rigorously, consistently, and comparably evaluate how much a corporation is truly committed to allyship with the LGBTQ community versus how much they are engaged in politically motivated brand manipulation ("rainbow washing"). While HRC's Corporate Equality Index is a large database and reference regarding corporate equality policies it has been criticised for how it measures corporations (i.e. policy adoption rather than outcomes). There are a number of academic researchers who are trying to define alternative metrics to measure all types of companies and how they support the LGBTQ community; however, researchers from the fields of marketing, organisational behaviour and ethics rarely have the same theoretical language. Thus, there is no consensus or peer-reviewed literature that provides a common metric that combines both internal HRM data (e.g. disclosure rates, pay gap data by sexual orientation, retention rates for LGBTQ employees) with external CSR data (e.g. political donation records, supplier LGBTQ standards, community investment data). This lack of data leads to the easy manipulation of existing indices by many corporations while still participating in financial behaviours that demonstrate rainbow washing.[18]

[16]Mustafa Bilgehan Ozturk and Ahu Tatli, 'Gender Identity Inclusion in the Workplace: Broadening Diversity Management Research and Practice through the Case of Transgender Employees in the UK' (2016) 27(8) International Journal of Human Resource Management 781.

[17]Eden B King, Jenessa R Mohr, Christian I Peddie, Kristen P Jones and Michelle Kendra, 'Predictors of Identity Management: An Exploratory Experience-Sampling Study of Lesbian, Gay, and Bisexual Workers' (2017) 43(2) Journal of Management 476.

[18]Human Rights Campaign Foundation, 'Corporate Equality Index' (HRC) <https://www.hrc.org/resources/corporate-equality-index> accessed 20 July 2026.

Gap 2: Link Between Visible and Invisible Diversity. How does rainbow washing (the disconnection between visible pride signalling and substantive workforce inclusion policy) impact the psychological safety and commitment to the organisation of LGBTQ+ staff?
While King et al. (2017) have provided some initial evidence that suggests a negative correlation, their work is only based upon one national context study and has not been able to distinguish between different types of performative signallers (for example, Pride Month campaigns in comparison to more permanent workplace symbols). As there are no longitudinal or international HRM studies currently examining this gap in literature, HR professionals require an empirical foundation from which to advise senior leaders about the potential financial ramifications associated with inauthenticity (this gap has direct implications for the capacity to attract, retain and create a well-being culture for LGBTQ+ talent).[19]
GAP 3: Is a corporation's professed dedication to the inclusion of LGBTQ+ individuals carried through to how they execute their procurement practices and manage their supply chain?
This issue, however, has been almost completely absent from research in the areas of business ethics and HRM. The National LGBT Chamber of Commerce (NGLCC) certifies LGBT-owned businesses in the United States, but there is little in the way of research on large corporations systematically preferring to do business with certified suppliers, and whether their commitment to supplier diversity includes a commitment to doing business with LGBT-owned firms as part of their HRM or procurement policy is also not very well researched. The economic stakes of this omission are considerable: NGLCC-affiliated research has estimated that LGBTQ-owned businesses in the United States contribute in the order of USD 1.7 trillion to GDP and support millions of jobs, meaning that the absence of deliberate supplier-diversity commitments toward this community represents a foregone opportunity for both economic inclusion and reputational credibility, not merely an oversight in policy drafting.[20] This is most strikingly true in India, where the Indian Supreme Court ruled in 2018 to partially decriminalise homosexuality under Section 377 of the Indian Penal Code, leaving LGBT individuals and LGBT-owned businesses in a legally and socially vulnerable situation — one that is either helped or hurt by corporate purchasing policies.[21]

[19]Eden B King and others, 'Predictors of Identity Management: An Exploratory Experience-Sampling Study of Lesbian, Gay, and Bisexual Workers' (2017) 43(2) Journal of Management 476.
[20]National LGBT Chamber of Commerce, 'LGBTQI+ Communities in Developing Countries – The Significance of Data on Purchasing Power and Economic Contributions' (NGLCC, 18 July 2023) <https://www.nglcc.org/blog/lgbtqi-communities-in-developing-countries> accessed 20 July 2026, citing NGLCC's America's LGBTQ2+ Economy research.
[21]Navtej Singh Johar v Union of India, Writ Petition (Criminal) No 76 of 2016, (2018) 10 SCC 791 (Supreme Court of India); National LGBT Chamber of Commerce, 'LGBTQ+ Supplier Diversity Research' (NGLCC, 2022) <https://www.nglcc.org/research> accessed 20 July 2026.

4. How and Why These Gaps Should Be Filled

4.1: Developing a Composite Allyship Accountability Index

Why: In the absence of a strong accountability metric, there exists a gap in the flow of information between corporations and their respective stakeholders, leading to an information asymmetry. According to stakeholder theory (Freeman, 1984), companies have an obligation to many parties (employees, customers, communities, investors, etc.) to communicate their actions clearly and accurately. A company that uses a rainbow logo but makes political donations to individuals who oppose LGBTQ+ rights, on a moral level, is guilty of committing dishonest representation and violating the duty of transparency imposed by stakeholder theory. A company that uses a rainbow logo in an effort to profit from the symbols of a marginalized group is violating social contract theory because they did not provide reciprocal commitment to the rights of the culture.[22]

That such an index is administratively feasible, and not merely a theoretical proposal, is suggested by the Human Rights Campaign's own 2024 decision to formally deduct points from companies that had visibly retreated from prior workplace-inclusion commitments, marking the first time the Corporate Equality Index moved beyond rewarding adoption toward penalising regression. This precedent indicates that combining internal HRM indicators with external conduct indicators, as proposed below, is achievable within an existing institutional framework rather than requiring an entirely new infrastructure.[23]

How: The creation of a Composite LGBTQ+ Allyship Index (CLAI) is an opportunity for collaboration between scholars studying business ethics and human resource management (HRM). The CLAI will measure at least four dimensions of LGBTQ+ allyship in organizations: Internal HRM Policy (e.g., anti-discrimination policies, gender-affirming health care benefits, LGBTQ+ employee resource groups, and transparency of pay gaps by sexual orientation and gender identity), Political and Legal Conduct (e.g., political contributions, lobbying records, and support for non-discrimination laws in their jurisdiction), Supply Chain and Procurement Practices (e.g., supplier diversity commitments for LGBTQ+ suppliers, supplier codes of conduct that include provisions for LGBTQ+ suppliers), and Community Investment (e.g., year-round financial support for LGBTQ+ advocacy groups in relation to the total amount spent annually on corporate social responsibility). Should the index gain traction and be considered

[22] R Edward Freeman, Strategic Management: A Stakeholder Approach (Pitman 1984).

[23] Human Rights Campaign Foundation, 'HRC Foundation Announces Record Participation in Upcoming 2025 Corporate Equality Index' (HRC, 12 September 2024) <https://www.hrc.org/press-releases/hrc-foundation-announces-record-participation-in-upcoming-2025-corporate-equality-index-docks-scores-of-seven-companies-in-current-ranking-following-their-pullback-from-workplace-inclusion> accessed 20 July 2026.

for implementation by stock exchanges or regulatory bodies, it could lead to the development of mandatory environmental and social governance (ESG) disclosure requirements, building on the early efforts of the European Union's Corporate Sustainability Reporting Directive (CSRD), adopted in 2023.[24]

4.2 Filling Gap 2: Longitudinal HRM Research on Psychological Safety

Why: In order to develop a Composite LGBTQ+ Allyship Index (CLAI) that unifies a minimum of four dimensions (i.e. Internal HRM Policy — anti-discrimination policies, gender-affirming healthcare benefits, LGBTQ+ employee resource groups, pay gap transparency disaggregated by sexual orientation and gender identity; (b) Political and Legal Conduct — data on political contributions, records on lobbying, jurisdictional advocacy for non-discrimination policy; (c) Supply Chain and Procurement Policies — commitments to diversity from LGBTQ+ suppliers, suppliers' code of conduct as it relates to LGBTQ+ issues; and (d) Community Investment — financial investments in LGBTQ+ organisations throughout the year (not restricted to June), as a percentage of annual CSR spending) would permit this index to serve as an ESG disclosure requirement for governmental entities, if adopted by stock exchanges or regulators. This approach has been partially established by the European Union's Corporate Sustainability Reporting Directive (CSRD) of 2023 for the general diversity domain.[25]

How: Organizations with different levels of authentic versus performative inclusion signaling should use longitudinal panel studies to fill the gap in knowledge regarding employee experiences from LGBTQ+ perspectives. These longitudinal panel studies should take place across multi-national jurisdictions that involve different legal systems regarding LGBTQ+ rights (e.g., the UK, USA, India, and South Africa), and will comprise both quantitative data from validated psychological-safety scales and qualitative data from interviews with employees. It is also critical for HRM journals to create an "Inclusion Authenticity Scale," which is a validated psychometric assessment tool that will measure the degree to which employees perceive a gap between what organisations state they are doing for LGBTQ+ inclusion and what they actually do. HR practitioners should implement this scale into annual

[24] European Commission, 'Corporate Sustainability Reporting Directive' (European Commission, 2023) <https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en> accessed 20 July 2026.
[25] Emerald Insight, 'Equality, Diversity and Inclusion' (2020) 39(7) EDI <https://www.emerald.com/insight/content/doi/10.1108/EDI-07-2020-0185/full/html> accessed 20 July 2026.

employee surveys to develop an internal rainbow-washing risk score, which can help HR practitioners proactively correct their policies prior to incurring reputational damage.[26]

4.3 Filling Gap 3: Integrating LGBTQ+ Supplier Diversity into HRM and Procurement Scholarship

Why: The area of business ethics known as supply-chain ethics is rapidly evolving. Supply Chain Ethics has been greatly impacted by the introduction of mandatory human rights due diligence legislation across Europe. This increasing focus on sustainable procurement is also evident in the field of human resources management (HRM). Furthermore, there is evidence to support the assertion that LGBTQ+ owned firms experience a significant disadvantage when it comes to obtaining investment capital, establishing mentorship networks, and securing procurement opportunities. These disadvantages are particularly prevalent in countries such as India where legal protections for LGBTQ+ individuals are still lacking. Corporations that espouse support for the LGBTQ+ community while ignoring economic inclusion through their supply chains are participating in form of 'rainbow washing' that many existing accountability frameworks do not address.[27]

How: Scholarship related to LGBTQ+ supplier diversity presents an opportunity for business ethics researchers to integrate LGBTQ+ supplier diversity within an emerging framework of responsible procurement. This effort parallels related academic work on women-owned supplier diversity and minority-owned supplier diversity, and provides an opportunity for researchers to continue building the theoretical and empirical evidence base for this research area. The possibility of a positive relationship between corporate internal LGBTQ+ HRM policies and the willingness of those corporations to extend those internal commitments to their supplier relationships warrants further investigation by HRM scholars, and will provide an avenue for testing the hypothesis that authentic organizational allyship is systemic and not siloed. In the Indian marketplace, research should determine if the corporate procurement policy can function as a mechanism for providing economic empowerment opportunities for LGBTQ+ entrepreneurs in the post-Section 377 Indian environment, thereby functioning as a form of strategic CSR, complementing the legal advocacy efforts.[28]

[26]Academy of Management Journal, 'Editorial: Advancing Diversity Scholarship' (2021) <https://journals.aom.org/doi/10.5465/amj.2021.0266> accessed 20 July 2026.

[27]International Journal of Physical Distribution & Logistics Management, 'Diversity in Supply Chain Management' (2020) <https://www.emerald.com/insight/content/doi/10.1108/IJPDLM-04-2020-0132/full/html> accessed 20 July 2026.

[28]National LGBT Chamber of Commerce, 'LGBTQ+ Supplier Diversity Research' (NGLCC, 2022) <https://www.nglcc.org/research> accessed 20 July 2026.

5. Methodology

This study utilizes a qualitative, secondary data approach that is suitable for conducting exploratory conceptual research. Secondary data used in the study includes the following forms of information: peer-reviewed journal articles from databases such as JSTOR, Emerald Insight, Sage Journals, and Taylor & Francis Online; reports and indices created by advocates such as the Human Rights Campaign, GLAAD, Stonewall UK, and the National LGBT Chamber of Commerce; research published by investigative reporters from outlets such as The Guardian, New York Times, and Popular Information; and corporate CCSR reports and diversity disclosures published by publicly traded firms. No primary data — surveys, interviews, focus groups, or direct corporate communications — were created or utilized in this research.

The analytic framework used for the analyses was thematic synthesis, which is suited for secondary literature reviews that seek to generate new conceptual frameworks instead of aggregating quantitative results. The process of conducting thematic synthesis has three main parts: (1) Open coding of the content from secondary sources, (2) Developing descriptive themes, and (3) Creating analytic themes which extend beyond the original content of the sources (Thomas & Harden, 2008). Thematic synthesis is well suited for an interdisciplinary inquiry covering business ethics, marketing, organisational behaviour and human resource management, because it does not favour any one disciplinary paradigm.[29]

There are three ethical theories that are used in a normative analysis to evaluate the ethical dimensions of corporations' rainbow-washing practices. One strategy is stakeholder theory (Freeman, 1984), which claims that businesses have a duty or obligation to all stakeholders that are impacted by a corporation's actions. Another theory is social contract theory (Donaldson and Dunfee, 1994), which provides a mechanism by which businesses can be held accountable for their actions based on the unspoken social contract between the business and society. Lastly, virtue ethics (Whetstone, 2001) does not consider just the result of a decision or an individual's degree of compliance with a rule, but rather the ethics of the corporation as reflected in the alignment of an organization's actual behaviours with its espoused values. These three frameworks will be used to analyze the impact of corporations that inspire brand loyalty using rainbow-washing, and will also be used to develop recommendations (i.e., normative recommendations) for needs-based human resource management policies that align with the organizations' and individuals' behaviours when referencing these brands.[30]

[29]James Thomas and Angela Harden, 'Methods for the Thematic Synthesis of Qualitative Research in Systematic Reviews' (2008) 8(1) BMC Medical Research Methodology 45.
[30]Jeffery T Whetstone, 'How Virtue Fits within Business Ethics' (2001) 33(2) Journal of Business Ethics 101.

6. Discussion

6.1 Rainbow Washing as an Ethical Breach: A Multi-Framework Analysis

According to stakeholder theory, "rainbow washing" means a corporation has violated its duty to provide transparency (non-deceptively) to multiple stakeholder groups. Employees who identify as LGBTQ+ are misled into believing their employer is a true ally, and those same employees learn the opposite (usually through investigative journalism or personal experience) when they realize their employer supports anti-LGBTQ+ political candidates or maintains culture(s) not inclusive of LGBTQ+ individuals. Together, these employees and LGBTQ+ consumers are manipulated into brand loyalty under false pretenses of solidarity. Furthermore, LGBTQ+ community organizations are denied potential financial support and political backing while corporations receive the reputational advantage of ally status without requiring the costs associated with such status. Lastly, investors who have pledged to invest according to ESG principles will also be deceived about these companies' actual levels of diversity.[31]

Social Contract Theory (SCT) suggests that rainbow-washing corporations exploit for profit the culturally-varying resources amassed by the LGBTQ+ rights movement over long periods of time through political actions, legal actions, and personal sacrifices, without contributing to the future creation of those same resources. For instance, the 'rainbow flag' was created by a marginalised community, rather than by a corporation. Thus, if a corporation uses the 'rainbow flag' for commercial use, this is a commercial appropriation of that flag, and in doing so, such corporations are violating the implicit details of the social contract by which they access the cultural infrastructures created by civil society. Donaldson and Dunfee's (1994) concept of "hypernorms" (moral standards so fundamental that they transcend cultural norms of local communities) illustrates this point; it is reasonable to conclude that the use of vulnerable populations/commercial exploitation is a hypernorm, and thus, the violation of such could not be justified through the use of acceptable market practices or conventions.[32]

Corporate rainbow washing is fundamentally a failure of the corporate virtue of integrity and the alignment of stated values with (or lack thereof) behaviour. In this context, MacIntyre's (1981) concept of "practice" is relevant; allyship as a practice consists of internally goods (e.g. genuine inclusion, psychological safety for LGBTQ+ employees, and meaningful community investment) that cannot be attained through the externally (or meritoriously) oriented goods

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[31] R Edward Freeman, Strategic Management: A Stakeholder Approach (Pitman 1984); on the application of stakeholder theory to diversity signalling generally, see <https://link.springer.com/article/10.1007/s10551-020-04661-6> accessed 20 July 2026.

[32] Thomas Donaldson and Thomas W Dunfee, 'Toward a Unified Conception of Business Ethics: Integrative Social Contracts Theory' (1994) 19(2) Academy of Management Review 252.

(e.g. brand equity/capital, consumer loyalty, and investor goodwill) of corporate rainbow washing. Thus, from a virtue-orientated ethical perspective, a corporation that uses pride-based symbolism without demonstrating the associated virtue-oriented behaviour (i.e. internal commitments) is not only hypocritical, but is also incapable of pursuing the external goods of pride-based symbolism.[33]

6.2 HRM Implications: From Policy to Practice

The implications of rainbow washing on human resource management (HRM) are significant but not well studied. There are numerous behavioral dynamics, each of which has been documented in scholarly literature, working together to make rainbow washing an HRM risk. For example, LGBTQ+ employees who perceive their employer as providing performative allyship will have a greater likelihood of concealing their identities in the workplace (sometimes referred to as “covering”; Yoshino, 2006). Research shows that when an individual conceals their identity, they will have lower levels of cognitive ability available to use towards work tasks, experience decreased job satisfaction, and an increase likelihood of voluntary turnover. Consequently, for HR professionals this means that the talent management expenses associated with recruiting and training replacement workers for LGBTQ+ employees who left because of the inauthenticity of the employer can be very high. Recent survey evidence quantifies part of this risk directly: an August 2024 Human Rights Campaign study found that roughly one in five LGBTQ+ employees said they would consider leaving their job if their employer visibly withdrew from previously stated diversity commitments, and about a third believed such a withdrawal would reduce their own productivity, while a large majority of LGBTQ+ consumers said they would stop purchasing from a brand that did so. These figures give HR and communications functions a more concrete basis for treating consistency, rather than visibility, as the primary currency of employer credibility.[34][35]

Secondly, there is a danger that if organisations use pride branding to engage with their employees through a performative DEI initiative, it can erode trust in the HR function as a legitimate organisational actor. In their 2006 analysis on the effectiveness of diversity programmes, which used US equal employment opportunity data, Kalev, Dobbin and Kelly

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[33] Alasdair MacIntyre, After Virtue: A Study in Moral Theory (University of Notre Dame Press 1981).
[34] Human Rights Campaign Foundation, 'HRC Foundation Announces Record Participation in Upcoming 2025 Corporate Equality Index' (HRC, 12 September 2024) <https://www.hrc.org/press-releases/hrc-foundation-announces-record-participation-in-upcoming-2025-corporate-equality-index-docks-scores-of-seven-companies-in-current-ranking-following-their-pullback-from-workplace-inclusion> accessed 20 July 2026.
[35] Kenji Yoshino, Covering: The Hidden Assault on Our Civil Rights (Random House 2006).

found that getting a programme is dependent upon an organisation's commitment — that organisations that only pursued diversity for regulatory compliance or reputational reasons consistently had ineffective programmes. By allowing senior leaders to employ performative pride branding without any real policy changes, HR professionals could be jeopardizing the credibility of the entire organisation's DEI portfolio.[36]

There is mounting evidence showing that HRM policies that are LGBTQ+-inclusive produce demonstrable commercial returns beyond just the DEI sector. For instance, a study conducted by UCLA's Williams Institute (2020) indicated that workplace discrimination against LGBTQ+ individuals results in an estimated USD 9 billion of lost productivity, absenteeism, and health care utilization per year for the U.S. economy. A companion study by Out Now Business (2019) suggests that the worldwide LGBTQ+ consumer marketplace amounts to approximately USD 3.7 trillion. Together these two studies demonstrate that companies are leaving considerable value on the table by replacing structural LGBTQ+ inclusivity with symbolic gestures such as Pride Month; this is something that HR professionals should advocate to CFOs and the board of directors.[37][38]

6.3 The Indian Context: Rainbow Washing in an Emerging-Market Setting

India without having made any changes or taking any affirmative action to support them after an Indian Supreme Court ruling decriminalized same-sex activity between consenting adults. In addition, corporations such as Godrej, Tata Steel, IBM India, Infosys, Accenture, RBS and Wipro were some of the first companies to show their public support for the decriminalization of same-sex relations in India and to utilize their corporate logos as well as the rainbow to illustrate their ongoing support for LGBTQ+ people. However, the Humsafar Trust suggests that very few Indian Corporations that have adopted a rainbow include the adoption of LGBTQ+ inclusiveness within their human resource (HR) policies and benefits for LGBTQ+ employees; and in fact, it seems that there have been no substantive changes for those employees or advocacy for legislative reform regarding LGBTQ-related laws or marriage, a state of affairs that the Supreme Court itself subsequently confirmed when, in October 2023, a

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[36]Alexandra Kalev, Frank Dobbin and Erin Kelly, 'Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies' (2006) 71(4) American Sociological Review 589.

[37]Williams Institute, UCLA School of Law, 'Workplace Discrimination and the Cost to Business' (Williams Institute, 2020) <https://williamsinstitute.law.ucla.edu/publications/workplace-discrimination-lgbtq/> accessed 20 July 2026.

[38]Nick Wolny, 'The LGBTQ+ Community Has $3.7 Trillion In Purchasing Power' (Entrepreneur, 10 June 2019) <https://www.entrepreneur.com/growing-a-business/the-lgbtq-community-has-37-trillion-in-purchasing-power/334983> accessed 20 July 2026; Out Now Business, 'Global LGBT2030: LGBTQ+ Consumer Power' (Out Now, 2019) <https://www.outnow.biz/lgbtq-consumer-power/> accessed 20 July 2026.

five-judge bench declined to extend marriage equality to same-sex couples and left the question of legal recognition to Parliament, underscoring that corporate rainbow displays in India have not been accompanied by comparable movement in the surrounding legal environment[39].[40][41]
A key insight, albeit through the lens of the experience of LGBTQ+ Indians, illustrates the intersectionality of caste, class and gender with rainbow-washing exhibited by corporations. The vast majority of the impact of corporations failing to exercise their ability to convert their symbolic actions into meaningful inclusion is being felt by those LGBTQ+ Indians who are disproportionately Dalit, lower income, gender non-conforming and/or trans, thus being individuals much more likely to experience discrimination as well as those least likely to be included in the marketing and targeted audience of performative Pride campaigns which are aimed at other relatively wealthier, urban, English-speaking gay and lesbian consumers. This benchmarking gap is reflected in the slow institutionalisation of workplace measurement tools in India: the India Workplace Equality Index (IWEI), the country's principal LGBTQ+ inclusion benchmark, grew from roughly 65 participating organisations in 2020 to about 120 by 2023, which, while indicating gradual progress, still represents a very small fraction of organised corporate India and says little about whether participating firms' policies reach non-metropolitan, non-English-speaking or economically marginalised LGBTQ+ employees.[42] As noted by researchers such as Narrain (2020), the manner in which corporations brand themselves during Pride week (i.e., corporate pride branding) systematically excludes both trans and intersex individuals, as they promote a homonormative ideal that encourages societal assimilation of LGBTQ+ individuals who can demonstrate traits of being "middle-class" and who are fluent in English. This critique mirrors Sender's (2004) analyses of U.S. LGBTQ+

[39]Supriyo alias Supriya Chakraborty v Union of India (2023) SCC OnLine SC 1348 (Supreme Court of India).
[40]SHRM India, 'After Section 377, What Is Corporate India Doing?' (SHRM, 2018) <https://www.shrm.org/in/events-education/section-377-corporate-india> accessed 20 July 2026; Business Standard, 'Section 377 Verdict: India Inc Is Working on More Inclusive Workplaces' (Business Standard, 29 September 2018) <https://www.business-standard.com/article/current-affairs/section-377-verdict-india-inc-is-working-on-more-inclusive-workplaces-118092801248_1.html> accessed 20 July 2026.
[41]Navtej Singh Johar v Union of India, Writ Petition (Criminal) No 76 of 2016, (2018) 10 SCC 791 (Supreme Court of India); Humsafar Trust, 'LGBTQ+ Corporate India: A Post-Section 377 Assessment' (Humsafar Trust, 2020) <https://www.humsafar.org/> accessed 20 July 2026.
[42]'LGBTQ and India Workplace Equality Index (IWEI): Benchmarking Tool for Employers to Measure their Progress on LGBTQ Inclusion in the Workplace' (Black n' White Journal, 21 June 2022) <https://bnwjournal.com/2022/06/21/lgbtq-and-india-workplace-equality-index-iwei-benchmarking-tool-for-employers-to-measure-their-progress-on-lgbtq-inclusion-in-the-workplace/> accessed 20 July 2026; Nagarro, 'Nagarro Secures Bronze Employer Recognition in India Workplace Equality Index 2023' (Nagarro, 28 November 2023) <https://www.nagarro.com/en/news-press-release/nagarro-secures-bronze-employer-recognition-in-india-workplace-equality-index-2023> accessed 20 July 2026.

advertising and serves, again, as a reminder of the necessity of taking an intersectional and inclusive approach in scholarship relating to rainbow-washing.[43]

6.4 Moving Toward Authentic Allyship: Normative Recommendations for HRM Practice

Based on this analysis, there are 5 normative recommendations for HR professionals to help their organizations go beyond rainbows. First, corporations should perform an annual internal audit comparing their LGBTQ+ external communications to actual policies, utilizing employee feedback rather than just relying on self-reported policy adoption/decent. Second, corporations should extend anti-discrimination policies to cover sexual orientation, gender identity and gender expression in all jurisdictions they operate in instead of only jurisdictions where legally required. Thirdly, corporations should implement LGBTQ+-inclusive products/benefits such like gender affirming healthcare; equitable parental leave for same-sex couples and bereavement leaves for non-legal relationships across all jurisdictions where they do business.[44]

Fourthly, corporations should publish a detailed and transparent accounting of their political donations and lobbying activities. In particular, they should commit to not supporting any political candidates or organisations that actively oppose LGBTQ+ rights—a collective commitment to as "political hygiene" in advocacy circles. Fifthly, supply chain management should include LGBTQ+ supplier diversity criteria within its existing supplier diversity frameworks for women and minority-owned businesses by establishing measurable targets and public reporting. These recommendations are more than just ethical aspirations—they represent the operationalisation of the stakeholder theory and social contract frameworks set forth in Section 6.1. They provide HR professionals with an operationalised agenda for translating normative analyses into institutional conditions.[45]

7. Conclusion

Corporations engaging in "rainbow washing" is an increasing failure in corporate ethics and, simultaneously, an ethics violation related to business ethics and a risk to human resource management (HRM). Using data exclusively from secondary sources, this article has demonstrated that utilising symbols representative of LGBTQ+ populations without a true, visible and verifiable commitment to LGBTQ+ populations is a breach of the fundamental

[43]Arvind Narrain, 'Section 377 and the Rights of the Queer Community' (2020) 55(30) Economic and Political Weekly.
[44]Stonewall, 'Global Workplace Briefings: Working with LGBT+ Inclusion in Mind' (Stonewall, 2021) <https://www.stonewall.org.uk/resources/global-workplace-briefings> accessed 20 July 2026.
[45]National LGBT Chamber of Commerce, 'LGBTQ+ Supplier Diversity Research' (NGLCC, 2022) <https://www.nglcc.org/research> accessed 20 July 2026.

duties of corporations — to act with transparency, not to deceive and to engage in social reciprocity with their varied stakeholders. Furthermore, it has demonstrated that the act of rainbow washing has measurable negative impacts on LGBTQ+ employees, as they celebrate; (i) a lack of psychological safety, (ii) facilitating the potential for identity concealment and (iii) a lack of trust in the DEI function; while also leading to substantial unrealised economic value for the corporation.

Three primary research gaps have been identified: (i) a lack of a comprehensive and peer-reviewed measure of accountability for LGBTQ+ allyship; (ii) the lack of longitudinal and multinational HRM research on the psychological costs associated with "performative diversity signalling"; and (iii) the near absence of scholarship on the promotion of supplier diversity for LGBTQ+ individuals in the fields of business ethics and HRM. These gaps are important because they allow for rainbows to continue to wash; thus enabling corporate organisations to take the reputational benefits associated with LGBTQ+ allyship without the costs, thus escaping the accountability that is true. allyship would require.

To fill these gaps in the literature, scholars of business ethics, organisational behaviour and HRM must adopt an interdisciplinary approach to research; develop innovative methodologies for creating composite indices of accountability and validating psychometric instruments; and consider the particular cultural, economic and legal contexts associated with emerging markets, such as India. The five normative recommendations in Section 6.4 provide a practical framework for HR practitioners to move from performative LGBTQ+ inclusion toward authentic LGBTQ+ inclusion, as business must do so for ethical and now, more than ever, commercial reasons based on the findings from the literature reviewed in this paper.

The rainbow flag was never intended as a marketing tool. Rather, it has always been and still is a political statement – of identity, of resistance and of hope. When corporations co-opt the rainbow flag as a marketing tool, they do so without regard for the political nature of the rainbow flag, and this is more than just deceptive marketing; it offends the history of, and the fight for, the rights of LGBTQ+ people. As disciplines that have a commitment to the integrity of organisations' conduct, business ethics and HRM have the intellectual tools to hold organisations who misuse the rainbow flag accountable.

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