





embracing **DIVERSITY**

Committing to diversity is not just a numbers game, **it's a mission** by Kristin Gunderson Hunt

Diversity—often a topic of discussion yet rarely acknowledged beyond recruiting and retention—is an asset that refreshes and broadens the relevancy of an organization.

While the real estate management workforce's makeup might not reflect the diversity of the global, or even U.S., population, the industry is making strides. Companies are now ramping up their diversity initiatives because they are seeing the benefits of infusing the workplace with different perspectives, industry professionals said.

Recognizing the true advantages of having a diverse team—beyond simply meeting quotas—by adopting a diversity dogma is key to creating systemic change in an organization.

"Diversity is not important just because we want to change our numbers," said Guy Summers, president of

Farrell Group, an executive coaching and consulting firm in Chicago. "Diversity is a strategy in the sense that we need it for the business to meet its mission, goals and objectives."

That recognition stems from companies realizing a more diverse workforce—with its broader perspectives and ideas—can only help with the wide range of responsibilities and vast amount of challenges real estate managers face on a daily basis.

"I've been in this business for 30 years," said Matt Roberts, CPM,



and vice president of asset management and customer service for Duke Realty in Rosemont, Ill. “Our jobs have changed so much. We’ve gone from changing light bulbs to managing millions of dollars in real estate assets. If I don’t reach out to other people and try to get their perspective, I’m not going to succeed.”

► CREATIVE DIFFERENCES

Real estate management companies aren’t the only businesses recognizing a need for diversity—whether it’s related to age, race or gender.

According to the Society of Human Resource Management (SHRM) survey, *Workplace Diversity Practices: How Has Diversity and Inclusion Changed Over Time?*, released in October 2010, 68 percent of companies that responded reported they have developed specific workforce policies and practices.

Respondents said the most important outcomes of such initiatives are improved public image of the organization; reduced costs associated with turnover, absenteeism and low productivity; improved financial bottom line (profits); increased organizational competitiveness; a decrease in complaints and litigation; and retention of a diverse workforce.

“We realize in order for us to be successful, we have to have a strong diversity approach,” said Roberts of Duke. “Real estate is a global business, and if we’re not open to developing diversity, then we’re not tapping into the potential that diversity has to offer.”

Real estate experts said companies with employees of all backgrounds have immense business potential. More than anything, they touted the

creativity of teams with different perspectives and experiences.

“The diversity of people brings a diversity of ideas, and from a diversity of ideas, you get the best solution(s),” Roberts said.

In addition, many clients expect their real estate management team to reflect the diverse workforces they have built.

“The people we do business with have embedded diversity in their culture,” said Angela Roseboro, senior vice president and chief diversity officer at Jones Lang LaSalle, in Washington, D.C. “As their complexion starts to change, we have to change as well, or they will question our own commitment to diversity.”

She also said employing a diverse team gives real estate companies an edge because they are better able to connect with their clients.

“We are all selling the same services,” Roseboro said. “It’s important we know our customers and clients because it’s going to come down to our ability to connect with them, and we think diversity allows us to do that better.”

► HONING IN AND BRANCHING OUT

To achieve diversity within an organization, companies can invest in a number of initiatives—the most popular being recruiting a variety of employees, according to the SHRM workplace diversity study. Seventy-nine percent of respondents use recruiting strategies designed to help increase diversity within their organizations.

Such strategies might involve networking at diversity-centric organizations’ events; affiliating with industry specific associations like the Institute of Real Estate Management (IREM), CCIM Institute and CREW Network that have their own diversity initiatives, as well as affiliating with non-industry groups like a local chamber of commerce or young professional group; and looking to more diverse industries outside of real estate management that have employees with transferable skills or similar core competencies.

“As we think about these demographics that are changing, to get the best talent we have to widen our net,” Roseboro said. “We can’t keep going to the same sources and expect to get diverse candidates.”

Engaging in community outreach by connecting with educational institutions, government agencies or service organizations is another way to both meet and recruit diverse professionals. Real estate associations are already

doing this to broaden their membership reach.

For example, IREM Virginia Tidewater Chapter No. 39 was able to install 17 minority ACCREDITED RESIDENTIAL MANAGER (ARM) Members in 2005 just by reaching out to local housing authorities, said Vera McPherson, CPM, IREM regional vice president, and a director of commercial portfolios at W.H.H Trice and Co., in Williamsburg, Va. McPherson at that time was Vice President of Membership with IREM at the national level.

“I think diverse real estate managers have always been there, but we’ve just never focused on them as much until now,” she said.

Additionally, the elevation of real estate management to a more complex and viable profession is also helping with minority recruitment efforts, said Maureen Ehrenberg, global director of facilities management for CB Richard Ellis.

“Commercial real estate has become far more sophis-

ticated,” she said, “so there is greater awareness of the industry and a more diverse employee base applying for these jobs.”

► AN EYE FOR TALENT

Beyond recruitment efforts focusing on external candidates, companies may also seek out qualified minorities already within their organizations.

“It all boils down to opportunity,” said Jae Roe, CPM, ACoM, and senior property manager for First Potomac Management in Chesapeake, Va. She is also the vice chair of the 2010-2011 IREM Diversity Advisory Board. “Recognize the abilities

THE CREW NETWORK RELEASED A SURVEY IN NOVEMBER 2010, HIGHLIGHTING THE PROGRESS OF WOMEN, AS WELL AS THE DISPARITIES BETWEEN WOMEN AND MEN IN COMMERCIAL REAL ESTATE. SOME OF THE FINDINGS INCLUDE:

Women comprise **43 percent** of commercial real estate professionals in the United States, with 56 percent of that group specializing in asset, property and facilities management; 43 percent specializing in financial and professional services; 36 percent specializing in brokerage, sales and leasing; and 30 percent specializing in development or development services.

Respondents indicated their companies experienced a **7 percent increase** in women in their real estate organizations’ workforces between 2005 and 2010, fueled by 20+ year industry veterans and new entrants with less than five years experience joining their firms.

Women experienced modest gains in compensation between 2005 and 2010, but still lag behind men, with results similar to the U.S. Census’ findings that women **earned 82.8 percent of the median weekly wage** of men in 2009. The greatest disparity between men’s and women’s compensation is exists at the “less than

\$75,000” and “\$250,000+” levels of compensation, even when controlling for age and years of experience.

Compensation gaps do appear to be narrowing, though, according to the study. Twice as many women as men reported earning less than \$75,000, as opposed to three times as many in 2005. Meanwhile, less than half as many women reported annual compensation of “\$250,000+”, a noticeable change from less than one-quarter in 2005. In addition, during the economic downturn, women’s salaries remained fairly stable, while men’s salaries dropped substantially.

Respondents reported a decline in both women and men in C-Suite positions. Their estimates of women at senior-level positions in their companies declined from 31 percent in 2005 to 24.9 percent in 2009—rebounding to an estimated 29.7 percent in 2010. Men were perceived to constitute 70.3 percent of senior-level positions in 2010.

To read the study’s executive summary, go to: http://crewnetwork.org/RESOURCES/WomenInCRE_2010_ExecSummary.pdf. For access to the full study, contact the organization at www.crewnetwork.org.

The diversity of people brings a diversity of ideas, **AND FROM A DIVERSITY OF IDEAS, YOU GET THE BEST SOLUTION(S).**

—MATT ROBERTS, CPM



Real estate management companies aren't alone in their efforts to diversify their employees. Real estate associations are also contributing to the cause. For example, thanks to the focused efforts of the IREM Diversity Advisory Board over the last several years, the percentage of diverse individuals in under-represented groups—American Indian or Alaska Native; Asian; Black or African American; Hispanic or Latino; Native Hawaiian or Other Pacific Islander—**increased to 8 percent for CPM Members and 19 percent for CPM Candidates**, up from 4 percent and 10 percent, respectively.

and potential of employees already on staff, and provide them with opportunities.”

Fifty-nine percent of respondents to the SHRM workplace diversity study said they tailor career development opportunities specifically for diverse employees, while 56 percent of respondents said they provide career development opportunities like mentoring or coaching.

“As with any industry that is tackling the diversity issue, certain experiences come up because not everyone is always open to diversity,” Roe said. “If you have someone who is mentoring you, it helps you from getting discouraged. It’s reassuring to know you have an advocate.”

Training and education are another critical piece to advancing minorities already at an organization, Roe said. Sponsoring an employee to attend an industry association’s meeting or educational course, and encouraging that individual to get involved with the association’s diversity initiatives, will likely be valuable for the company and employee.

By focusing on internal recruitment and promotion strategies, among other diversity initiatives, Duke Realty has seen a positive shift in the diversity of its board of directors, as well as its overall workforce. Roberts of Duke said the percentage of minorities working at the organization has grown from single digits to double digits—although not quite to 20 percent—over the last several years.

“There has been steady growth,” he said. “Our board of directors’ faces, along with our workforce’s faces have been changing with the times.”

► “Council” the Cause

To sustain and nurture the diverse populations they already have in place, some real estate companies are launching diversity councils or affinity groups that give minorities a voice, and a venue to network and generate ideas regarding both business and diversity initiatives.

“You have to have all those different backgrounds and

perspectives at the table if you want innovation,” Roseburg said. “We want to leverage that so we can bring innovation to our customers.”

Jones Lang LaSalle has one large diversity council that strategizes how to acquire the best talent, foster a creative environment and address supplier diversity. The council oversees smaller, similarly motivated local groups to ensure employees at all levels are engaged in the organization’s mission and goals.

Duke’s diversity council has existed for 10 years. It has 30 members throughout the company in different locations who are responsible for implementing action plans in each market where Duke has a presence.

Smaller companies lacking the capacity to have full-fledged diversity councils or affinity groups, can still connect with industry associations that do have the resources and networks to supply them with valuable training and networking opportunities.

“Professional associations have done a phenomenal job of creating affinity groups within their organizations,” Ehrenberg said. “Encourage and support your employees to be a part of this.”

► SUSTAINABLE CHANGE

As with any business strategy, a diversity strategy requires planning, commitment and a way to measure its effectiveness.

Summers said companies need to set specific goals and timelines for instituting these initiatives. Those goals, as well as the purpose for focusing on diversity, need to be clearly communicated company-wide so everyone is on the same page.

“You want people to understand you’re not doing this because it’s a feel good thing,” he said. “Clearly, having diversity is the right thing to do, but this is also how a company wins as a business.”

Ehrenberg said the commitment to diversifying an organization needs to come from management, which can’t simply give the strategy “lip service.”

“Set your strategy, make it transparent, understand your commitment, follow through and deliver on your promises,” she said. ■

Kristin Gunderson Hunt is a contributing writer for *JPM*®. If you have questions regarding this article or you are an IREM Member interested in writing for *JPM*®, please e-mail Mariana Toscas Nowak at mnowak@irem.org.

Companies looking for further guidance on how to create a diversity strategy within their organization can refer to www.irem.org/diversity for helpful links and contacts. Some helpful tools available at the Web site are a guide to chapter diversity that includes ideas applicable to small organizations, too; mentorship guidelines; and a directory of IREM Foundation professional grants and collegiate scholarships.

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