



Creating the Infrastructure to Support DE&I

By Gemma Burgess and Ebony Mitchell

This article is the third in a series that will share perspectives on:

- The current state of DE&I within the CRE industry
- How to best accelerate change
- Being one's authentic self in the workplace
- How to be an effective ally
- Advice for colleagues and the industry

A commitment to greater diversity, equity and inclusion (DE&I) is an important starting point for change. However, for that change to be sustainable requires more than DE&I reports and committees.

"I'm not convinced DE&I has momentum on its own," says Ken McIntyre, CEO of the Real Estate Executive Council (REEC). "Without continued light shining on the issue, the rate of change would drop rather than level off or accelerate."

To keep that light shining on DE&I, organizations need to start building the infrastructure necessary to support their ongoing efforts for create a more diverse workplace and industry. Only with that support structure can companies make sure that DE&I becomes woven into the fabric of their organization.

Acknowledge the business need for DE&I. For DE&I to gain a strong foothold, leaders need to acknowledge how greater diversity can support stronger returns for the business. Research has demonstrated the tie between greater gender and ethnic diversity and profitability and overall value creation.

"Leaders and boards of directors have a responsibility to ensure that they have diverse teams," says Tammy K. Jones, co-founder and CEO of Basic Investment Group LLC and REEC Board chair. "Study after study shows that diverse teams produce better outcomes. Diversity is the secret sauce to outperformance. They have to acknowledge and understand that their organizations will not generate the best possible returns without greater diversity."

Once leadership acknowledges the importance of DE&I, that can help support a mandate to set goals and monitor the performance of the entire ecosystem of diversity. This includes everything from supporting promising high school students, providing on-the-job mentoring and sponsoring, moving promising talent into middle management and beyond, all the way up to the board level. "We need people to create partnerships by understanding that none of us can do this alone" says Jones.

■ **Measure it.** Concrete action and measurable results can create momentum for DE&I. This is particularly important as a way to prove that the organization does not view DE&I as empty symbolism. “There are a lot of announcements, pledges, and commitments made routinely in the industry,” says Kimberly Brown, managing director for Cushman & Wakefield. “There’s also a lot of cynicism about the perceived lack of action,” says Kimberly Brown, managing director for Cushman & Wakefield. “There’s also a lot of cynicism and not much action.”

■ **Build and maintain a diverse pipeline of talent.** Increasing diversity means identifying sources of diverse talent with the skills and abilities to build a career in CRE. To that end, organizations can build a pipeline for diverse talent, then support the people they hire to make sure they gain a confident foothold in the organization and the industry.

“The focus has been on increasing diversity among senior executives, who are already in the industry,” says one industry executive. “We need to grow the pool from the beginning, among people who are new to the industry and students who need to know that real estate is a viable career path.”

That is just the beginning. “Organizations can hire interns, but unless those kids are mentored the odds of them lasting in the business are not going to be strong,” says Brown. A good first step

Although public REITs have had success in increasing the diversity of their boards of directors, Jones notes that the overall numbers remain low. She urges investors to put more pressure on companies to move forward with more purpose when it comes to DE&I.

This goes beyond just tying CEO pay to DE&I metrics and goals. “They need a diversity business plan just as they need to have an overall business plan,” says Jones. “The intentionality and alignment need to be there as people should look back to see what did and didn’t work.”

is to support and invest in the diversity efforts of the Real Estate Executive Council (REEC), African American Real Estate Professionals (AAREP) and other industry leaders and long standing organizations that have shown a sustained commitment to DE&I through their membership.

The exponential growth in DE&I results occurs when organizations nurture and promote leaders from diverse backgrounds. “It is important to put deserving people who have been historically disenfranchised in (positions of) power,” says Dale Burnett, co-founder and managing director for BIG Equity Investors LLC in New York. “These people are free of the biases that tend to exclude traditionally marginalized groups. That’s why we often see women hire other women and people of color hire other people of color. Ultimately representation in leadership is key to sustaining and accelerating change.”

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- **Create accountability.** Accountability for DE&I results is crucial, not only within individual companies but in the industry as a whole. “Right now, there is no way to maintain an industry wide report card,” says Jones.

To change that, individual companies will need to gather and share concrete data on their DE&I efforts. “Companies need to be held accountable for changing their business plans to emphasize DE&I and for adding specific DE&I performance metrics,” says Jones. “DE&I cannot just happen within the human resources department.”

- **Keep responsibility for diversity where it belongs.** The ultimate success of DE&I rests with senior leadership. “Company leaders don’t always understand that they need to surround themselves with diverse groups of people to gain the different perspectives necessary for the organization to be successful and execute business plans,” says Gwendolyn Hatten Butler, an independent director and a senior advisor to Capri Investment Group. “If you focus on differences rather than focusing on the work and

“In this industry, the biggest motivator and driver is compensation,” says Jeffrey Beckham, executive vice president and head of portfolio management at GID Investments. Therefore, tying compensation to DE&I goals can be one of the best ways to drive results. “If you are trying to change a company culture, senior leadership must explicitly state that DE&I is a corporate goal then follow through on trying to achieve that goal consistently.”

how you’re contributing, then there will be no progress.”

There is plenty of work to be done with DE&I. Achieving gains in pay equity, as well as parity in hiring, promotion and retention rates for diverse talent will take time. “The statistics do not indicate that we will get to proportional parity anytime soon,” says McIntyre. “But intentional and meaningful change will speed the rate at which the industry approaches parity.”



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