

The diversity

■ Professional services firms are leading the charge to foster inclusiveness in the workplace. **Felicity Francis** asks

Diversity is a need to have these days. Unfortunately, the consensus is that property has yet to even fully embrace it as a nice to have.

Let's be honest. How many property companies have trained up highly talented, engaged women only to lose them when they start a family? Or lost a client because they can't mirror its cultural diversity while a rival can? Or overlooked someone for a promotion because they had a different profile to their predecessor and 'weren't as good a fit'?

The truth is that the UK property industry is still seen as woefully lagging on the diversity front - in stark contrast to a number of other sectors that not so long ago were equally behind the curve. Yet diversity is now crucial to business performance; put bluntly, not being inclusive hits the bottom line. So which sectors are getting it right? Why have they been so much quicker to rise to the challenge? And more importantly what can property companies learn from them?

Two groups that have definitely raised their games in terms of workplace diversity are the professional services and legal sectors - chiefly because they have had to.

"The key differential between property and professional services is that diversity got on our agenda a lot earlier, driven by client demand," attests Jane Hollinshead, partner at law firm Addleshaw Goddard. "We were basically told 'you've got to demonstrate diversity because you need to reflect our business and culture'. It was driven by US and UK listed corporates and public sector clients, but not clients in property."

If firms were to continue with the monocultural setups old, they would lose business in today's business environment, adds Craig Hughes, head of real estate at PwC. "In every single proposal we're asked what we're doing about diversity and sustainability," he says. "There's no way to hide from it. And if this is the case in accounting, clients might soon start asking property agencies or developers or landlords."

Especially if said clients come from parts of the

world that expect diversity. Hughes cites the example of Norges Bank Investment Management, which announced in August it was setting up a leader group for real estate as it increases its investment in major cities across the world.

"Norges is potentially one of the biggest clients for the property industry and they will live and breathe diversity because that's law in Norway," explains Hughes. "If that's the way that clients are starting to think, you need to reflect it."

Insider action

You also need to reflect the makeup of these increasingly international and diverse clients, as many banks now try to do. A case in point is RBS.

"RBS' customer base is so wide-ranging - it's everybody - so we have to have a workforce that reflects that," elaborates Helen Gordon, head of real estate at RBS. "It's self-perpetuating: if you end up with a homogenous industry then the people supplying it will be too."

Of course, the very opposite is happening in most sectors, with the obvious repercussions for those supplying them.

While sceptics might assert that many are just paying lip-service to diversity and that in reality it amounts to little more than a box-ticking exercise, or worse a cynical ploy to look good, there is a growing commercial imperative to embrace diversity. A firm that limits itself to employing recruits only from a certain demographic will be exposing itself only to a small proportion of the talent available - and potentially putting itself at a disadvantage to rivals.

This is certainly a factor that has driven change in the legal profession, says Hollinshead, drawing parallels between what the legal profession has been through and the challenge now facing the property industry. "In property, generations would follow generations of the same family into the sector, which historically is the same as law," she says. "Law is highly competitive and there are lots of good firms, so we need to pick talent from the broadest source possible."

It's a similar story in other professional services sectors, says Sarah Churchman, director and head of diversity and inclusion at PwC. "The starting point has been recognising that while we have always recruited the brightest and best of those who apply, we might not be attracting the brightest and the best in the first place" she says. "People from many areas might not know about us, so we need to make ourselves known to them."

The challenge is not just to recruit the right people but to ensure they join a business that is fair and inclusive - ie. that existing employees are also on board. Creating policies is easy; ensuring adoption not so.

"If I got a pound for every time someone asked me what they can do about diversity I'd retire," Churchman says wryly. "People don't understand what they're doing right. Also, people lack the confidence to approach others on the subject of inclusion - they think it's an invasion of their privacy. But if you're managing a person, you need to manage the whole of them."

Two years ago, PwC introduced Open Mind, a firm-wide programme to embed diversity in the business. Under the programme, the firm collects data relating to areas such as gender, sexuality, ethnicity, social demographic and disability, as well as who is being recruited, who is leaving and who is being promoted. 'Diversity dashboards' then allow managers to plot the demography of their business segments and identify potential issues, as well as create a talent management process that ensures progression is fair for all employees.

Employee engagement is also key. All employees take online Open Mind modules every other year and are challenged to do something to 'change a habit of a lifetime'. Resources such as the videos pictured help to spread the diversity message across the business and it has also introduced events such as workshops to tackle unconscious bias.

The Open Mind programme has not necessarily eradicated every problem, but it has made them much more visible, believes Churchman.

One such problem was the ratio of men to women mid career. "We said to business segment leaders, 'if the organisation is a meritocracy, shouldn't promotions be proportional?'" she says. "If we start

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lag

what lessons property can learn

with 50/50 men and women, shouldn't we have 50/50 men and women in positions later? When we looked, that wasn't the case."

They quickly saw that unconscious bias was to blame. "We started exploring why and realised that sometimes people inevitably have a preference to promote in their own image. That rationale has helped people to understand that interventions needed to support diversity aren't positive discrimination, they're creating a level playing field."

Where Open Mind really comes into its own is as an educational tool, she adds. "It's not used consistently, but where it is it's had an impact," she says. "We've been trying to improve diversity for years and have had most progress when we've introduced a talent management process."

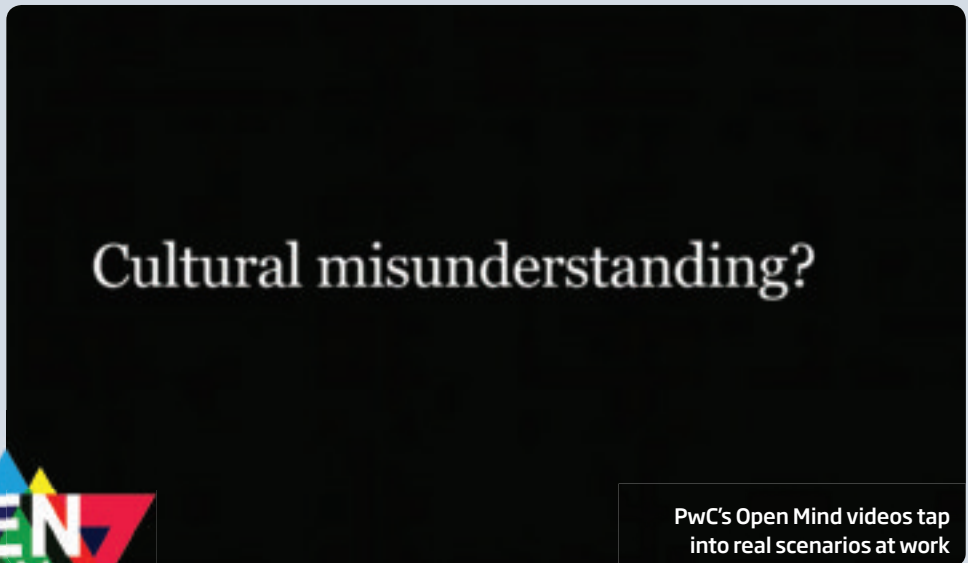
RBS has a similar annual modular training programme, focusing on subjects such as use of language, stereotypes and assumptions, says Gordon. "If everyone is trained to know the difference between right and wrong, we'll be sitting within a group of peers who self-police," she argues.

Programmes aside, one of the most successful ways to improve internal diversity is via internal networks. RBS has several, catering to the needs of its LGBT, disabled and multicultural communities as well as working families and carers.

Such groups support diversity in the workforce and can be used to actively promote the diversity agenda. For example, the working families and carers group promotes men who choose to work flexibly so they can pick up their children from school. "The thinking is if we promote it among men, women will fare better too," says Gordon, reasoning that if men ask for flexible working, women will feel they can too.

These networks can also be deployed externally in a PR capacity. The RBS LGBT network sent a float to this year's Gay Pride in both Manchester and London, for instance, to "send out the message that the firm welcomes everyone".

Other upsides internally are that they help educate staff about their cultural and religious differences and the nuances required to do business in a global marketplace, adds Hughes. Once again, for all the moral niceties, there's a strong commercial imperative at play.



« “Networks help us to understand what we need to be aware of, such as when employees need to break their fast during Ramadan,” he says. “In on our London office, we have 120 nationalities. When we’re talking to clients overseas, small things like knowing the appropriate level of eye contact that is appropriate is useful. The more people you include in your own workforce, the easier this is. None of this is done for the sake of it, there’s a real business case for why.”

External regulation

Mounting pressure from sector bodies – and the threat of regulation – are other factors forcing change. The legal profession, for example, is governed by the Solicitors Regulation Authority, which has a principle to ensure diversity and equality. The Law Society also asks firms to sign up to its inclusion charter and submit information about their workforce on areas such as gender and sexuality, so they can produce an annual benchmark for firms to measure their progress against.

“It’s a way of making an organisation look at itself as they have to collate the information, reflect on it and do something about it,” says Saleem Fazal, partner at Taylor Wessing and co-founder of Freehold, the real estate industry’s LGBT network.

Hollinshead adds: “It’s embedded into our code of conduct. Is this going to be something that the property sector does voluntarily or should the industry be forced to report on it?”

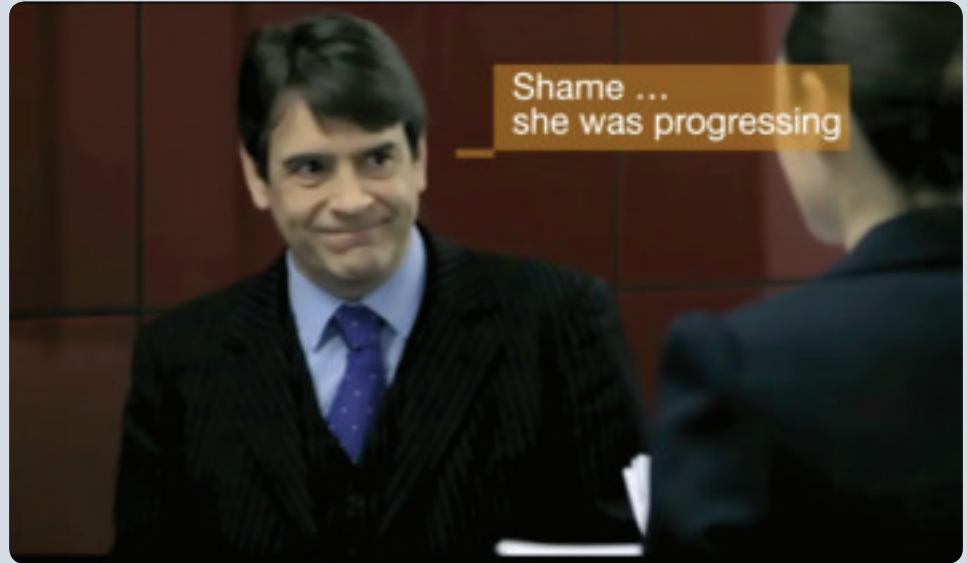
Either way, what role should organisations such as RICS play? Fazal notes the section on the RICS website for LGBT members and that in September it held its first networking event with Freehold. “Turn the clock back a year and there was nothing,” he says. “Everyone is now standing up and paying attention and RICS has a role to play. I think there will be more change for the better.”

RICS is also looking to emulate its legal and professional services cousins, adds president Louise Brooke-Smith. “RICS is now looking at whether there is potential for some form of diversity code of conduct for property firms to sign up to, and whether it would make a difference.”

The good thing about diversity initiatives is that the results are measurable. When PwC first approached diversity, it was “haemorrhaging women” admits Churchman. A decade ago, only 8% of senior partners were women, now the figure is 17%. Similarly, when an employee satisfaction survey was carried out recently, the most satisfied group were the members of PwC’s GLEE (gay, lesbian and everything else) network.

Property needs to take a leaf out these industries’ books, believes Hughes. “I don’t think the [lack of diversity] is having as big an impact as it would have if there wasn’t such a desire from global capital to invest in the UK,” he says. “The worry is not the impact it is having today but the impact it will have in the future.”

And with the property industry becoming more global by the day, make no mistake, that impact will be big for those that fail to address the diversity lag. ■



The diversity initiatives making a difference

■ **Maternity coaching** – before, during and after – has proved successful, according to Fazal

■ **PRIME** is a cross-industry collaboration between law firms that offers work experience for young people from under-privileged backgrounds; this could work well for the property industry in helping smaller firms that don’t have the facilities to offer work placements, says Hollinshead

■ **NOTICED** is a cross-firm ethnicity initiative in the law profession. Addleshaw Goddard also attends black and minority ethnic-specific university careers fairs

■ **Taylor Wessing** has vacation placements for

students from all over the globe so it is not unusual to have Mandarin or Arabic-speaking employees in the office.

■ PwC has adopted ‘reverse mentoring’ where all partners are mentored by someone from a different gender, ethnicity or sexuality

■ Sponsorship, having someone “to bang the drum for you when it comes to promotion opportunities”, can make the difference for recruits says Churchman

■ The government has now approved the Trailblazers Apprenticeship in Law initiative, which will allow apprentices to qualify as a solicitor, chartered legal executive or paralegal