



Real Estate Predictions 2020 | Article 6
Diversity & Inclusion
In the Real Estate Industry



Traditionally, real estate has been a male-dominated industry, especially in key management positions. Although various efforts have been made to develop a more inclusive environment, there is still a gap that needs filling. It's a situation that is gaining increasing visibility—as demonstrated by the 2019 publication of the book *Managing Diversity & Inclusion in the Real Estate Sector*, which focuses on unlocking the potential of diversity and inclusion (D&I) in the sector.

Unpacking the question of Diversity & Inclusion in the Real Estate Industry D&I covers a broad spectrum of topics, including gender balance, generation gap, ethnicity, disability, sexual preference, religion, and more.

But with many official definitions around, it can be agreed that a diverse and inclusive environment is an environment in which everyone is part of a whole and where individuals can participate and uncover their potential.

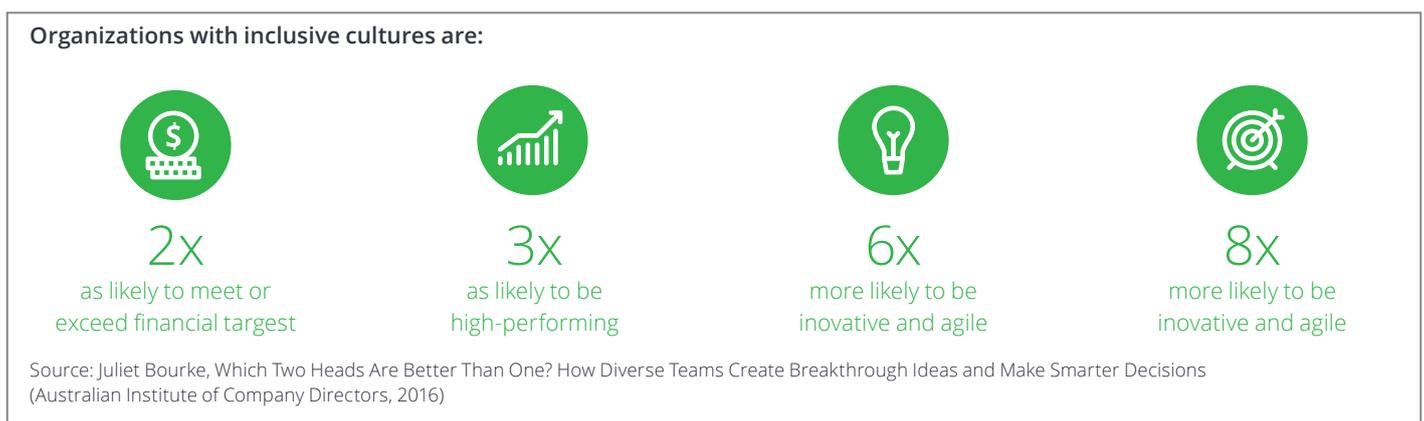
As recognized by the 2017 Deloitte Global Human Capital Survey, D&I matters critically to business performance, as it increases creativity and innovation within teams¹. In other words, D&I can bring organizational benefits that are directly linked to company performance.

Organizations with inclusive cultures are twice as likely to meet or exceed financial targets and three times as likely to be high-performing. And companies are six times more likely to be innovative and agile and

eight times more likely to achieve better business outcomes, as Deloitte partner Juliet Bourke found in her research.

Indirect effects from having a diverse and inclusive workforce include a better company image and improved transparency as well as benefitting talent attraction and retention. Also, there are external pressures driving D&I practices within companies, including potential blaming and shaming of an organization and risk mitigation.

Exhibit 1 - How Diversity and Inclusion makes sound business operations



Barriers to diversity & inclusion

Despite the evident potential of D&I, real estate companies are still struggling to take effective action due to the perceived barriers. Research shows that the first barrier companies have to face is complexity. D&I is complex and companies often don't know where to start. The very broadness of the topic can obscure how to

achieve a specific framework or pathway to a D&I culture that has not yet been defined.

An action-gap is observed as well, as companies fail to make D&I a priority. A strategic choice needs to be made by management to allocate resources to D&I initiatives. Only when there is a deep-rooted commitment to creating an inclusive

environment, lasting change can happen. This lack of prioritization can relate to unconscious bias. In order to “unlearn” this bias, an organization must take a pro-active approach that is carried throughout the whole company, with concrete milestones recognized and monitored.

¹ <https://www2.deloitte.com/us/en/insights/deloitte-review/issue-22/diversity-and-inclusion-at-work-eight-powerful-truths.html>

Exhibit 2 – Identified barriers for Diversity and Inclusion in business



Taking the first steps

As the real estate sector progresses toward a more inclusive environment, how can a company get started? Of top priority is recognizing that D&I requires a mindset change across stakeholders, management, and employees. Developing a vision statement that includes D&I as part of organizational goals can help achieve this. That vision should include three themes that are critical for change regardless of the field of business:

- **Leadership:** The value of leadership is crucial for driving change—and the complexities of D&I demand a strong leader to guide an organization. A company needs visionary leadership that can set the tone and be available for needed support. It is vital to create a working environment where all employees are heard and able to suggest and create change.
- **Commitment:** For D&I initiatives to succeed, there needs to be a sense of commitment from people throughout the entirety of the workforce. Commitment leads to action and is the first stepping stone for establishing a diverse and inclusive environment. Taking a stand on certain matters can have a catalyzing effect, and a dedicated team that can put this commitment into action will enhance the visibility of D&I endeavours. By building a team that oversees and monitors this commitment, the efforts of a company will dive deeper than just window-dressing, and, therefore, improve the organization's reputation and brand.
- **Reflective:** A company needs to reflect D&I in its own operations and a

company-wide analysis can show what challenges need to be worked on. This analysis should focus on more than just gender in order to uncover any additional discrimination in the organization. Forms of discrimination that may be neglected through unconscious bias can then be identified and proper action taken.

As we progress...

By actively integrating the above themes into initiatives, 2020 may very well be the year D&I gains traction in the real estate industry. With its positive impact on business outcomes and talent attraction and retention, diversity and inclusion has a proven track record and it's time real estate unlocks its potential.

Authors

Mary Enriquez – Ramones
 Manager | LU
menriquez@deloitte.lu

Christian Van Dartel
 Partner | LU
cvandartel@deloitte.lu

Chiara Schlösser
 Master Student | NL
cschlosser@deloitte.nl

Feike-Jan Nauta
 Business Analyst | NL
fnauta@deloitte.nl

Contact

Wilfrid Donkers
 Real Estate Predictions leader | NL
wdonkers@deloitte.nl

In order to put the vision to work, there are specific resources and tools needed:

- **Knowledge and skills** – First of all, there needs to be the opportunity for everyone involved to acquire the needed skills and knowledge. This starts with creating awareness on every level of the organization.
- **Engagement** – After awareness comes active engagement, which requires a continuous loop of learning and engaging with an agenda that is carried throughout the whole year and company.
- **Role models throughout** – A frequently discussed and proposed solution is representation. Representation is crucial in regard to the multiple effects it has. It holds with the idea that role models are vital for minorities to be given the confidence that it is possible to attain certain goals. Representation does not only apply to higher management as it is important for minorities to participate both vertically and horizontally.
- **Facilities** – Finally, there has to be policies and facilities catered to the needs of minorities. An example of these types of policies include paternity leave and child-care provision. Another often neglected minority group are disabled workers. Creating a work environment that not only removes the physical barriers but is also flexible in providing the policies disabled workers need to thrive and succeed in any organization will help build a diverse and inclusive culture.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.nl/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.nl.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.