

Rethinking performance through the lens of **INCLUSION**



You may know your IQ and your EQ, but what about CQ? As real estate investment managers focus on talent retention through the next cycle, conversations are moving towards how companies focus on inclusion and employee engagement for everyone.

*CQ, or cultural intelligence, is a critical tool in the armory of inclusion and DEI strategies, and should come before affinity and employee resource groups are established. It is the building block of not only DEI or talent strategies, but also how you drive performance across key talent and leaders in your firm and in your assets and portfolios. NAREIM speaks with **Clarion Partners**, **Ferguson Partners** and **Revantage** on how to get CQ right.*

By Zoe Hughes



PARTICIPANTS


Sherrida Traynham, Senior Vice President, Senior HR Business Partner, Clarion Partners

Sherrida provides human resource management support to Clarion's Acquisitions, Portfolio Management, Asset Management and Client Capital Management groups. Sherrida is also responsible for Talent Management, Employee Engagement and DEI strategy/partnerships/programming. She is a member of Clarion's DEI Council and ESG Committee. Sherrida has 20 years of financial services industry experience.


Dionna Johnson Sallis, Head of DEI and Director, Leadership Consulting, Ferguson Partners

Dionna's primary area of focus is to lead strategic initiatives — based on industry best practices — informed by her subject matter expertise. Creatively, Dionna offers customizable inclusivity solutions while also providing consultative services for clients. She develops leadership strategies and she also guides key stakeholders in her clients' organizations by coaching and developing senior leaders to create more inclusive work environments.


Jami de Lou, Vice President of Diversity, Equity and Inclusion, Revantage

Jami is a passionate leader driving cultural transformation and inclusive leadership. With over 15 years of experience in DEI, talent management and learning, she has a proven track record of creating inclusive workplaces. As VP of DE&I at Revantage and founder of de Lou Strategies LLC, Jami pushes beyond the status quo, tackling systemic change with her unique blend of cultural intelligence and change management.

What do you consider to be an inclusive strategy?

Sherrida Traynham, Clarion Partners: An inclusive strategy focuses

on whether employees feel like they belong, have access to opportunities, and can grow, learn and have a successful career at the firm. We have several focus areas in building an inclusive workplace at Clarion; these range from embedding DEI into talent management processes to increasing inclusive leadership capabilities to engaging employees in ways that celebrate differences.

Jami de Lou, Revantage: Inclusion strategies are crucial for creating environments where all individuals feel valued, respected and empowered to contribute fully. What are the things employees can see, feel directly, and engage in and be a part of? And what are the inclusive systems and workflows behind the scenes that benefit them passively?

At Revantage, our inclusion and action strategy focuses on three pillars: ensuring inclusive talent processes, building cultural intelligence, and cultivating engagement and allyship.

We consider inclusion not only what we can cultivate internally, but also the impact we have on communities.

Dionna, how are investment managers thinking about inclusion?

Dionna Johnson Sallis, Ferguson Partners: In 2020 many managers created ERGs and employee resource groups to address inclusion. As markets toughened in the past two years, a third of groups have pulled back on DEI efforts as they pivoted to focus on performance and time allocation within their organizations. DEI is still important, but organizations have gotten more creative with how they 'hide the veggies.'

Inclusivity is the entry point. It has a humanistic component that brings all teams and people together, even homogenous ones, because of shared experience. Inclusive leadership primes a team or an organization to become more diverse in the future. To run a successful program, you need a clear mission. Establish operating goals and purpose, define leadership goals within DEI committees — will there be a chair, a co-chair? — and engage executive sponsorship so the DEI committee or ERG is able to drive change and track and measure progress.

BIG VS. SMALL

What are your organization's efforts to achieve inclusion goals?

ST: Our inclusion efforts include the launch of our DEI Council, which helps foster a welcoming environment, values diversity of life experiences and perspectives, and encourages innovation.

One of the key focus areas for the DEI Council is DEI programming and education opportunities. An example that has worked well is the celebration of cultural heritage months across our offices. Cultural heritage months provide an opportunity for employees to recognize and learn about the experiences of their fellow colleagues, which increases cultural awareness.

JdL: As a smaller organization growing out of the start-up phase, the question for us is: do we have enough people to lead engagement with multiple ERGs, or is there a creative approach we can apply? For example, some organizations have inclusion accelerators, which are modernized councils to foster community connection and representation. These small working groups of about 20 early adopters, advocates, allies and people bring representation across different demographics. It's thinking about different communities in your organization and asking: how are we advocating for their distinct needs and how is everyone interacting across those identities, cultures and experiences?

If inclusion accelerators can create a sense of community, should smaller and mid-sized managers aim to create ERGs?

JdL: What is most important is to make an informed choice. What DEI strategy are these groups connected to? Smaller organizations may only have the capacity to support or have

enough representation for one or two groups. People who don't belong or identify but are looking for connection while feeling underrepresented may feel left out and isolated when you focus on one group over another.

Employing an inclusion accelerator can be a great step for smaller organizations before establishing ERGs or affinity networks. Inclusion accelerators help at all organizational, departmental and demographic levels by bringing forth ideas and advocating for those people engaging in and coming to the table. They are directly tied to DEI initiatives and strategic pillars, and support the unique needs of the collective.

DS: The truth of the matter is you can have a positive impact in the space of inclusivity without having ERGs or DEI committees. Jumping forward too far without the right structure can do more harm than good. You can add value in different ways. You don't have to create specialized groups; having a broader mindset and operating in the spirit of inclusivity could achieve the same end. This is why I say inclusivity is something that's going to save us all.

GETTING THE FOUNDATIONS RIGHT

Let's take a step back. How do you begin this journey of inclusion?

JdL: First, assess and understand where you are in your DEI journey. From there, create a strategy, get clear on what you need, what exists and what doesn't, and how you build the infrastructure. While inclusive leadership often focuses on a top-down approach, I prefer a top-down, middle-up. Middle managers are frontline leaders in this effort; they are the individuals that have the greatest impact and, usually, the biggest head count. Through them, we close the gap faster.

Importantly, your DEI strategy must connect to your business and people strategy. At Revantage, we have a

Jami de Lou

“The biggest unlock we can create in the workplace is helping people understand each other cross-culturally and building EQ skills to navigate challenges, tension, discomfort and conflict. If you combine cultural intelligence and behavioral science, mesh them together, and give people those skills, we will unlock innovation and belonging faster than ever before. We often hear that organizations are trying to solve inclusion through ERGs or affinity networks, but why are we not solving for belonging where people spend the majority of their time, within their departments and projects teams? We should be solving on a collective whole.”

connection pillar focused on building the cultural intelligence of our employees and developing inclusive leadership skills. We call this CQ — some call it cultural competence. We employ a multi-prong approach, including dialogue sessions for employees and on-demand learning, and we use an assessment with workshops and 1:1 coaching rolled out by department. We measure CQ and give people the language to talk about it. We're also building, assessing, and ensuring inclusive systems and processes. So, we're affecting behavioral change and systematic change simultaneously.

ST: Jami, you're right about the impact of mid-level managers. They are at the forefront of DEI efforts as they interact with employees every day. It is important that managers model inclusive behaviors as this sets the tone.

For Clarion, inclusive leadership encompasses diverse representation to ensure that various perspectives are represented in decision-making across the firm. We also think about the construction of teams in an inclusive workplace; as there are various dimensions of diversity, simply being open to mobility within the organization is also a great way to bring diverse teams together.

DS: We start many of our conversations with data and an understanding of what our clients want to achieve. There are organizations that recognize they need to be more diverse and understand the need for training and workforce readiness before bringing in diverse talent. When there is reflection and maturity, plans are often well-thought-out and sticky.

Programs that are focused around culture IQ or cultural competency are extremely important in these spaces. Ensure your leaders are ready and understand the importance of this effort. Make sure inclusion is properly placed within the

organization to maintain its importance to any sort of business objective. It shouldn't be an island of its own.

To add to Jami's and Sherrida's excellent points, while you're allocating resources, don't hesitate to train the leaders that you have. Underrepresented talent shouldn't be forced to lead ERG or affinity groups. Don't be afraid to equip the workforce, either. Part of equipping is training the leaders in this space. Only 3% of managers are investing in training their leaders to manage diverse teams, so train leaders on how to lead ERG groups. Help them to understand what it means to be an executive sponsor.

What does cultural competency or CQ training look like?

JdL: It's taking and embedding some of the core concepts about what it is to lead effectively and the inclusive habit that goes along with it to better understand each other. What knowledge across differences do you need to know? For example, what do you do when there are high deference and low deference team members working together? It's about understanding how we show up differently and interrupting negative shorthand habits and behaviors that many of us have had all of our lives.

ST: CQ training incorporates real-life scenarios to help employees think differently and change their preconceived notions and trained behaviors. We offer trainings and programs that promote cultural competency and foster engagement among employees from different dimensions of diversity.

DS: Those are great practices of inclusivity. Whether a company has DEI initiatives or not, it's not a matter of giving special treatment, it's a matter of taking a step outside of self,

Dionna Johnson Sallis

“The missing piece of the puzzle is that diverse teams are led well. You can't just put a group of people together and expect them to be successful and thrive without a sense of belonging or some sort of cultural carrier to guide them — that's not how people work. We see in the Global Real Estate DEI Survey that retention is slowing; people are leaving companies at much higher rates than they're hired.

Cultural readiness or cultural intelligence starts at the top. High performers who are put into managerial roles solely based on their performance as an individual contributor, without the proper training to lead diverse teams, often do not yield good results. It doesn't have anything to do with the fact that the team was diverse — it's the lack of readiness of our leaders in this space.”

Sherrida Traynham

“In order to attract and retain diverse talent at Clarion Partners, we ensure our commitment to DEI is clearly stated through various channels of communication, such as our company website and LinkedIn. We have expanded our partnerships with DEI focused organizations where we play a role in educating and mentoring individuals. We continue to provide training on topics such as allyship, unconscious bias and inclusive leadership. The range of inclusion work that we implement is crucial; it takes varied efforts to truly build a culture of diversity and belonging where all people feel respected, valued and included.”

taking a look at your team and saying what needs to be adjusted to provide the most value to those people in the room.

IMPROVING CQ

Individual groups like ERGs may not be the first solution needed; cultural intelligence is. How do we connect CQ to business strategy?

JdL: It's holding people accountable and saying, 'This is the culture we're creating. This is what matters to us here, and we'd like you to be a part of it.' As your company evolves, your DEI strategy should evolve with it and be communicated and embodied within individuals at your firm. At Revantage, our values are LLEAP: learners, leaders, enthusiasts, achievers and partners. You do need C-suite buy-in, and you have to keep equipping them to be the leaders and advocates modeling it.

ST: To your point about evolution, Jami, the social contract between the employer and employee has changed. Employees want to be part of organizations where inclusion is linked to business strategy and there is community involvement. People no longer merely want a paycheck; they want fulfillment, well-being, learning and growth. Employees now expect a more holistic social contract with their employers which includes a focus on DEI.

DS: Inclusivity is the destination. Cultural intelligence and cultural competency are the road and highway we take to get there.

How do you measure CQ?

JdL: The intercultural development inventory or IDI is an effective measurement of cultural intelligence. It measures where you think you are and where the assessment plots you. What's the gap? If you have enough data across your organization, you can look at it by department or level. You can plot results on a continuum. Most people plot in minimization at the midpoint because so much of our society is about downplaying differences.

DS: The IDI is one of my favorite assessments. There's no right or wrong. Instead, it measures one's level of understanding of sameness and difference. Your journey of cultural maturity is a personal one, and we all have unique experiences that have helped to define our perspectives.

I encourage clients to look at their own engagement survey data and actually do something with their results. Your employees have told you what it is that they want, what they see and what they need — use that as your starting point. Create that plan and then communicate. Say to your organization: 'We hear you; this is something that we are going to visit. This is our plan of action. We understand that budget is tight across the board.' Acknowledging the fact that you have taken time to analyze those results and doing something with your own organizational data is powerful.

Lean on tools like the Global Real Estate DEI Survey. What is happening in your industry? What are you doing in comparison to your peers? Employ the resources and tools at hand until you are ready to create a DEI committee, an inclusion accelerator or an ERG. ♦