Creating an Equitable Workplace

DIVERSITY IN HIRING AND RECRUITING

Creating an equitable workplace is essential to creating a work environment where everyone feels respected and valued. While human capital is our product, we serve. As a consulting firm, our people and tenants. Both groups have been growing in diversity, and our firm needs to be a reflection of our communities and the communities in which we hope to do business. Beyond the business aspect is a much simpler one about the kind of firm we hope to be. Zeller was founded by a small group of investment and real estate experts who believed in the importance of vigorous debate and pursuit of excellence. The firm did well in good and challenging cycles because we encouraged internal dialogue of diverse and sometimes contradictory voices to arrive at the best solutions. We can't logically continue in that spirit without making a consistent effort to bring in the highest quality talent, and that means being vigilant about attracting, retaining and supporting a diverse workforce.

Why is DEI important to your organization?

Sam Zeller: Zeller serves investors and tenants. Both groups have been growing in diversity, and our firm needs to be a reflection of our communities and the communities in which we hope to do business. Beyond the business aspect is a much simpler one about the kind of firm we hope to be. Zeller was founded by a small group of investment and real estate experts who believed in the importance of vigorous debate and pursuit of excellence. The firm did well in good and challenging cycles because we encouraged internal dialogue of diverse and sometimes contradictory voices to arrive at the best solutions. We can't logically continue in that spirit without making a consistent effort to bring in the highest quality talent, and that means being vigilant about attracting, retaining and supporting a diverse workforce.

Laura Skarnulis: Setting the certification standards for more than 900,000 medical specialists nationwide, the American Board of Medical Specialties (ABMS) is committed to addressing health inequities and believes we're equally responsible for addressing any systemic racism that may exist within our certification standards and programs. Secondly, diversity leads to better outcomes and better decisions. Research indicates that diverse teams deliver better healthcare and drive improved patient outcomes. It's vital that the physician and medical team reflect the patients they serve to build retain and grow our human capital. By creating an environment where communication flows more freely and honestly, our work product and client satisfaction improve as well.

What are some misconceptions people in your industry have regarding DEI and how can their attitudes be changed?

Wesner: Many in the finance and investing community view DEI as purely a numbers game, wondering, for example, how they can hire enough diverse employees so that the percentage of diverse employees looks good to the outside world. They fail to see the benefits that an inclusive and equitable workplace can bring to their bottom line. We're working to hold firms accountable on creating a diverse and inclusive workplace that's reflective of the communities that entrust our industry with managing their money.

Skarnulis: ABMS believes we're responsible for increasing DEI both internally and externally and are aware that our colleagues expect us to take action. For us, it begins with education and establishing an inclusive environment that values every staff member and volunteer's contribution, perspective and innovation. We began our DEI education journey two years ago with day-long unconscious bias workshops for our board of directors and staff. These workshops explored how racial bias and other biases—gender/socioeconomic status, title/legitimacy to other biases. We also need to reframe the networking process so that it doesn't continue to be a barrier—we can recognize that referrals are a great source of direct information, but if we lean too heavily on hiring from known contacts, they will severely limit our ability to find talent. Given how homogenous our networks tend to be, we'll consistently avoid diversity by bringing applicants in from a narrow range of sources.

What approach has your organization taken to address DEI in hiring and recruiting?

Zeller: We're taking a critical look at our hiring and engagement practices, starting with what kinds of contact we as a firm and industry have. Our internship...
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A ROUNDTABLE DISCUSSION

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CREATING AN EQUITABLE WORKPLACE

opportunities should take a major step forward in terms of opening the door to a wider, more diverse pool of interested applicants. That will likely require us to be more aggressive in getting our name out to a larger group of schools. We’ve also discussed the need to bring greater visibility to the profession. It’s hard to recruit people if they aren’t aware of the potential for interesting and engaging careers in real estate. The industry has a visibility issue, and we’ll benefit greatly from bringing high school and college students to our properties, so they understand the variety of opportunities that exist in real estate.

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Skarnulis: We’ve expanded our recruitment resources to include diverse job posting sites and are seeking to partner with diverse professional organizations to broaden our recruiting efforts to identify diverse candidates for potential staff members and volunteers. We utilize cross-departmental interview teams during the search process to gain various perspectives on potential candidates. We put titles and hierarchy aside and engage staff in meaningful discussions about how we can improve in increasing and retaining a diverse workforce. One example is the establishment of a staff-led workgroup to review our internal policies and practices to identify possible areas of bias or racism. We’ve also created task forces that develop activities to engage employees and help foster understanding and inclusion.

Wesner: The first step was creating an environment that we’re proud to show potential employees. You don’t necessarily need a diverse workforce before you can meaningfully implement inclusive and equitable practices. Next comes the process of recruiting. We try to cast a wide net to broaden the pool of applicants. Our diverse hiring committee aids us in maintaining a thoughtful, intentional hiring process that’s open to a wider variety of candidates. The hiring committee represents a variety of background, ages, cultures, beliefs, genders and personalities in an effort to reduce implicit bias.

What resources and education do you offer your employees and/or members?

Skarnulis: The tragic death of George Floyd compelled us to hold an all-staff meeting dedicated to discussing how racial injustice, violence and inequality affects us all. These were difficult discussions but we came away energized and inspired by our colleagues. Our staff determined that education was a critical and essential next step. They coalesced around three approaches—a book club, facilitated training and a DEI workgroup to review and develop practices and policies. These groups are led by volunteer staff members of various racial backgrounds and more than 60 percent of our employees are participating. Also, our September conference features dedicated DEI sessions to broaden the education and discussion.

Wesner: Marquette offers a combination of internal and external education on DEI. Internally, we’re currently finalizing the options for a new round of firm-wide training on inclusion and equity. We’ve also sponsored employee participation in outside programs addressing cultural competencies within the workplace. Last year the firm sponsored my participation in an LGBTQ executive training course allowing me to collaborate with other LGBTQ leaders in building frameworks and programming to facilitate diversity and inclusion advances at Marquette. Many members of our team devote time, leadership and financial resources to groups such as Women Investment Professionals and the National Association of Securities Professionals. Being present in all corners of our industry allows our employees to build our brand while advocating for change and inclusion.

Please describe your most effective strategies for recruiting diverse employees.

Wesner: Having a reputation of inclusivity has made Marquette an attractive employer for diverse talent. Every company will say that they’re building a diverse team, but potential applicants are savvy; they do their research and speak with our employees, our clients and investment managers. Younger employees are attracted to companies that value social responsibility, diversity and inclusion. As we recruit millennials and Gen Zers, it’s crucial that candidates understand our company’s stance on diversity. Our continued investment in DEI within the firm will greatly benefit us in attracting and maintaining top-tier talent.

Skarnulis: We work with our hiring managers to identify and be cognizant of their biases as they begin the interview process. We encourage them to not just focus on the “familiar” candidate, but to consider the “nontraditional” candidate. In addition, as an organization committed to the growth and development of our own talent, we look internally for opportunities to promote existing team members. We provide opportunities for mentorship or stretch assignments, which has resulted in team members reaching new levels within the organization that they might not have thought possible or even considered.

Are the challenges—and strategies—different when recruiting for entry-level versus senior-level or board positions?

Wesner: Most definitely. Hiring success at the entry level can be achieved with minority internship programs or a focus on recruiting at schools with more diversity in their student body. While this is important, if it’s the only thing you do, it will take years to see diversity flourish to the point that it’s reflected in senior management. Recruiting senior talent requires contributions and buy-in from all of senior management, not just HR. The vast majority of our diversity at the senior ranks has come from external hiring. These successes come from aggressively targeting talent and selling the inclusive attributes of our firm. Candidates know if an opportunity is genuine.

Zeller: As far as challenges go, I’d say this is one of the most difficult to counteract, as senior-level employees need to justify their hire, making each situation much more vulnerable to “inside” versus “outside” biases. There may not be an easy response, other than to focus on being extremely aware of these tendencies to subjective assessment, and to make inclusion and diversity in senior-level executives an explicit criterion for hiring. The obvious benefits of a more diverse senior leadership needs to constantly be included in the job description and selection process and given the proper weight to have teeth when the pool of applicants is being assessed. Conversely, entry-level recruitment is far more driven by the market, as firms look to make their workplace a more attractive option for as many applicants as possible. Connections tend to have less impact at this stage, so potential employees look to the social media and community presence of our firm and particularly our younger generation of leaders to determine if Zeller feels right, beyond the details of the offering.

Skarnulis: We’ve experienced some challenges in recruiting diverse candidates for senior level positions. This is especially true for subject matter expert positions or highly specialized roles, which in our case are physicians or MDs. Past experiences with medical and professional assessment and standards development. To help address this issue from a broader and more root cause within the medical community, we’re assessing our certification programs to determine if they contain any barriers that hinder or impede the advancement of diverse professionals, and are committed to making the necessary changes to foster greater opportunity for professional growth, development and career progression. Again, we realize there’s much work to be done in the area of DEI throughout the health care and medical communities but are working to improve in the areas of our particular sphere of influence and expertise.

How important is an inclusive work environment in retaining diverse talent?

Zeller: This is essential, and becoming more important. The assumption that salary is the only motivating factor for recruitment and retention was refined a while ago, but that message hasn’t always been carried through. So employers need to further examine what motivates their employees to contribute to a firm and stay engaged. Employees have increasingly stated their preference for working in an environment that aligns with their values and telegraphs those values to the broader marketplace. That requires us to examine what the experience of showing up for work feels like from everyone’s perspective. If a prospective or current employee can’t see themselves reflected in their workplace, it diminishes their sense of contribution and value and what they work becomes a job, not a partnership.

Wesner: This is right up at the top with fair and equal compensation. Talented employees see right through a situation where they’re brought in to fill a weakness in firm diversity. A work environment doesn’t have to be hostile to not be inclusive. Employees

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Skarnulis: Retention of diverse talent is one of the most important objectives of our DEI initiative. Our goal is to have an organization where employees feel safe and comfortable bringing their authentic selves into the workplace each and every day. The entire ABMS team is committed to our mission and their commitment is both essential and the reason for our success. A key element in fostering inclusion is offering professional growth opportunities and we’ve established development and continuing education programming, including mentorship, to help staff explore new opportunities and create their own professional growth plans.

What impact does your organization’s DEI have on your customers, vendors and other external audiences?

Skarnulis: We believe that DEI is as important for our Member Boards and their governance as it is for our staff. This is especially important as our members certify physician specialists and ensure that ABMS board certified physicians are delivering even better care because of the diversity of thought and voice in our planning and decision making. We need both a workforce and volunteer leadership that apply the principles of DEI throughout our organization, from our senior leadership to our back office teams.

Wesner: The expectation is that our firm will have the same level of diversity as our clients’ constituents. For example, the State of Illinois is an industry leader in establishing goals for municipal pension funds to utilize investment products managed by Minority/Women-owned Business Enterprises. We believe that having a diverse management team with a commitment to implementing DEI policies will not only benefit our clients, but will also improve our ability to attract and retain the best talent across the firm.

What are your organization’s long-term goals for DEI?

Skarnulis: Our long-term goals as an organization are to exceed our established strategic objectives and ensure that ABMS board certified physicians are delivering even better care because of the diversity of thought and voice in our planning and decision making. We need both a workforce and volunteer leadership that apply the principles of DEI throughout our organization, from our senior leadership to our back office teams.

Wesner: The long-term goal is for DEI to be an integral part of our culture. We need to ensure that our leadership structure is inclusive, and that our teams follow suit or, more likely, lead the way from within. That means maintaining a balance of hierarchy while empowering the entire workforce to have greater impact on our future.

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who often treat patients and families facing health care disparities and inequalities. We recognize that we need to have leadership that represents the diversity of our more than 90,000 board certified physicians and that, in turn, need to reflect the communities they serve. We’re working with board leadership to construct our governance structure to enhance diversity not only from an ethnic, racial and gender perspective, but also incorporate a wide representation with regard to role, career level and type of practice environment to ensure our leadership and committees reflect the totality of the profession.

**Zeller: Our DEI is still a growing group within the organization, though we have a mandate to examine and pursue our external connections to industry organizations and our vendor pool. Our theory is that we should learn as much as we can from other groups to accelerate our process and emulate best practices, though our Diversity & Inclusion Committee also acts as an independent group. We’ve engaged with industry organizations like the Building Owners and Managers Association to discuss their successes and challenges in bringing issues of diversity in the industry to light. We’ve proposed instituting affinity groups, a practice that has been successful in larger organizations like WeWork. We’re also looking to introduce our own policy for diversity in vendor sourcing, as modeled by groups like Herman Miller. I’d like to think that leadership in these areas and our internal recruitment and retention will then translate to the customer having greater trust in us as their landlord or investment partner.**