

In Search of Human Capital

Financial capital isn't the only scarcity during this economic downturn, finding top talent is equally as challenging. The good news—property managers are in demand.

Commercial real estate finds itself in an unusual if not unique situation right now. After several boom years in which capital was abundant, developers couldn't build fast enough and owners couldn't flip buildings quickly enough, the industry has come to an abrupt halt, an inevitable consequence of the credit crisis that has stymied the ability of financial institutions to lend money.

Economic downturns are not unusual; they are cyclical. The unusual part of the slowdown is the potential impact this crisis could have on recruiting and retaining talent. Experts have been warning of a human capital crisis for a while now. You take a booming industry like commercial real estate with a predominately "baby boomer" workforce and not enough young professionals signing on, and it's easy to calculate that you are going to have a real problem on your hands five or 10 years down the road when many of the boomers have retired. But if commercial real estate is no longer booming and the economy on a whole is in the doldrums, it would seem that recruitment might not be a core concern right now. Not true.

What has happened is a shift in priorities. Investors and developers have put all projects on hold, while building owners and managers have made a back-to-basics approach to maximizing asset value a top priority. The *Fall 2008 SelectLeaders/ Cornell Job Barometer* reflects this trend. The report indicates that while job postings in areas such as acquisitions and financial analysis were down in 2008, job postings in property management and accounting and control were up.

Anthony LoPinto, CEO of Equinox Partner and founder of SelectLeaders, sees real opportunities for recent graduates and young real estate professionals on the property and asset management side of the business. "Over the next two-to-three years there will be much more focus on upgrading operations," LoPinto points out. "Companies are really going to have to squeeze out performance across their portfolios, and I think there could be a renaissance opportunity on the operating side."

Great property management careers are there for the asking, our collective challenge now is to get job seekers to ask. Here are a few ways to make that happen.

Step 1: Image Matters

The demand is clear and the opportunities are out there, now the trick is getting the best and brightest young minds to take a look at commercial real estate. If the recent presidential election has taught us anything, it is that image is crucial. The image of the “older, more experienced” candidate didn’t have much of a shot against the “younger, promise of change” candidate. Commercial real estate also has an image problem, particularly on the property management side. For many, the image of a property manager is one of a shopkeeper who does little more than lock the doors, adjust the thermostat and deal with angry tenants; whereas the image of the developer is that of a millionaire celebrity like Donald Trump. Anyone who has managed a property knows that the job description is complex and demanding, and the challenge is juggling the fiduciary responsibilities to the owner, with the daily and unexpected tenant and operational demands.

In presentations to college students in real estate programs around the country, most recently at Cornell’s graduate school, LoPinto has been discussing this perceived disparity while emphasizing the opportunities that are opening up in property management. “There are virtually no development jobs, which might not be all that bad for young professionals because if you know how to run a building, then you will know how to finance a building. This is where you learn how the cash flows.” says LoPinto, who believes the industry has a golden opportunity to recruit talent by emphasizing that the most successful real estate career tracks begin with property and asset management experience.

Whether recent college graduates and young professionals (the plentiful but elusive “Gen-Yers”) hear this message is yet to be determined, but we are clearly in a position to go after talent that until recently might have looked the other way.

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Futurist Chris Lee thinks the “old boys club” image doesn’t help. “Real estate is an industry that has been male dominated,”

Make it a Team Effort

You have a great idea, now you need a great team to put that vision into practice. Effective teams tackle the big projects, develop new ideas and take an organization to the next level – the trick is knowing how to build a successful team. Team dynamics are complex; differing personalities, strengths and perspectives all have to work in harmony to get the job done. So how do you build effective teams—groups that solve problems, drive innovation and contribute to the bottom line? Jeffery Cufaude, president and CEO of Idea Architects, works with organizations around the country to improve their leadership and organizational development. “There are clearly opportunities and challenges that come with team work,” says Cufaude. “The key is to learn how to harness the team’s potential.” He shared his insight on how to build teams that get results.

Create a Winning Culture. Cufaude emphasizes that an organization’s culture sets the tone for how teams work. In order to build a great team, you need a strong organizational culture that everyone from the CEO to the receptionist understands. “When people step into a team, they have a strong sense of ‘how things get done around here’,” says Cufaude who adds, “Culture is also critical to keep in mind as you recruit: you have to make sure new hires are likely to fit into your culture.”

Communicate, Communicate, Communicate. Teams that communicate effectively get results. Teamwork requires a sophisticated level of interpersonal competency—both in terms of collaborating successfully and holding others accountable.

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explains Lee, “therefore a number of very qualified women were not as attracted to the industry because they thought their careers might be limited.”

Lee also believes that companies need to have a clear vision and strategic plan to recruit and retain talent, and that employers need to present a vision that motivates people. “Present the story in a compelling manner and people will get excited and will want to be part of something.”

There are a number of strategies that companies can employ to improve recruitment and retention, including: offering referral bonuses; sending your best “Gen Y” employees to college campuses to recruit; implementing training, internship and mentor programs; and leveraging technology to attract young professionals.

Step 2: Develop Great Programs

But developing these strategies to attract and keep bright, young talent is not always easy, but luckily there are some great examples in several BOMA local associations across the country.

BOMA/Seattle recently conducted an informal survey of its property management members, which revealed that only five percent of those surveyed chose property management as a career choice, while 95 percent simply “fell into it.” Part of the problem is simply a lack of awareness by students



“I don’t think you can have a team in the true sense of the word if the members of the team can’t give each other honest feedback,” Cufaude says. Clearly communicating expectations, giving feedback and holding team members accountable goes a long way towards establishing a true team environment.

Reward and Incentivize. “I think one area a lot of companies trip up on is compensation,” Cufaude emphasizes. “Most compensation reward systems are only tied to individuals, making it much more challenging to grow a team environment because there is no incentive.” Cufaude stresses that organizations need to demonstrate to employees how they will collectively benefit by accomplishing the team’s objectives, and he encourages companies to build team work evaluations into their employee review processes.

Share the Vision. Sharing a common vision is perhaps the most important way a company motivates a team to be successful. Working in concert on an idea that excites people creates incentive for real achievement. The Millennial Generation is particularly attracted to companies that have ambitious, strategic visions. As Cufaude puts it: “the bolder, more creative, more interesting the vision is, the greater energy in the work environment and the stronger the team spirit.”

Jeffrey Cufaude writes, speaks and consults on a variety of leadership and organizational development issues for associations, corporations and the stakeholders they serve.

and recent graduates about the property management field. To combat this lack of knowledge, the folks at BOMA/Seattle created “College Career Days” where they invited students enrolled in real estate programs or business schools to attend a BOMA/Seattle monthly lunch. Members pitched in to pay for the cost of the students’ lunches and companies participated by sponsoring tables and having staff on hand to discuss different careers within commercial real estate.

Rod Kauffman, president of BOMA/Seattle, explains the concept. “One company might bring a couple engineers while another company might bring a couple folks from the finance department and they each talk about their aspect of the industry.” They also brought in guest speakers and invited professors, which was a great way to help spread the word. “The more professors you can get as guests, the better,” stresses Kauffman. “We received calls from professors who had not come but had heard from their students that it was an excellent event and wanted to get any future events on their educational calendar.”

Complementing BOMA/Seattle’s student outreach program is their Young Professionals Program, known as YEP, which is targeted toward young BOMA members who are just starting out in the industry. Innovative networking events bring the YEPs together; including an event Kauffman calls “YEPs Networking Speed Dating Movers and Shakers Event.” Explains Kauffman, “We had 40 people signed up—20 were designated as shakers and 20 were designated as movers. The shakers sat at their assigned table and networked with movers as they came to their table and then the movers would switch tables every three minutes. It was a huge success.” Although this “speed dating” event may have had little to do with dating, it was a great way to teach young professionals how to network and make professional connections, in what is oftentimes a very fast-paced professional setting.

BOMA/San Francisco has also found success with its Young Professionals Program, particularly through a program they offer called “Career Success Series.” It teaches young industry professionals how to network by pairing them up with industry veterans to interview about the business and hear their lessons learned. The success of these programs has led to the formation of a Young Professionals Committee. Marc Intermaggio, executive vice president of BOMA/San Francisco, views the committee as a stepping stone to further

Thinking Like a Millennial: How to Attract and Retain the Best Young Talent

When you look at industry demographics, one thing is clear: we need more young talent. According to the *Profiles 2007 Salary Report* produced by the International Facility Management Association (IFMA), the average property management professional is 48-years old. The survey also shows a decline in workers younger than 35-years old, from nine percent in 2004 to seven percent in 2007. That compounded with the fact that baby-boomers will begin retiring in large numbers in just a few years means the industry is facing a real shortage of talent. So how do you attract and keep millennials? Christopher Lee, president and chief executive officer, CEL & Associates, Inc. believes that “today you need the willingness and the ability to look at the industry in a very different way.” Lee shared his insights on just how to do that.

Make the Most of Technology

Millennials are plugged in. Facebook, text messaging, YouTube and instant messaging are an integral part of how young professionals communicate, work and network. For real estate firms to appeal to millennials, they must use these avenues in addition to conventional recruiting methods. Most importantly, make sure job postings and other career information is posted online, both on company Web sites and on career sites.

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involvement for members. “It is a pipeline to engagement with BOMA, but after they reach a certain number of years in the business, they are rotated off and encouraged to move to another committee. This brings new perspective and fresh energy to our different committees.” Francine Anderson, education program administrator with BOMA/San Francisco, adds. “Young professionals had felt somewhat disengaged at membership luncheons and meetings because they didn’t feel that they could approach the leaders they saw around the room. The young professionals group has helped them feel more comfortable; now they feel they are on the leadership track as well.”

A big part of preparing for leadership is obtaining critical skills. Seattle and San Francisco are just two of the cities now offering the new Foundations of Real Estate Management Course. Developed by BOMA International from BOMA/Atlanta’s successful education program Property Management 101, Foundations offers a soup-to-nuts, 5-module, 28-hour entry-level

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course, covering the fundamentals of commercial real estate administration, management, building systems, accounting and reporting, contract management and more. Intermaggio believes the Foundations course is a good next step with the programs they already offer. “It is the perfect follow-up to what we have been doing. It is a more formalized and comprehensive way to extend education to early and mid-career professionals.”

Similar to Seattle, BOMA/Greater Minneapolis is another local association that has vaulted their young membership by recruiting at the college level. They began a relationship with St. Cloud State University 15 years ago. At that time, a college professor in the real estate program brought a dozen students to one of the luncheon meetings. Since that time, the college outreach has expanded to a similar program at the University of St. Thomas and now approximately 60 students participate.

“We typically invite students to come an hour before the luncheon starts and frequently we have member companies staff information tables. It’s kind of like a job fair” explains Sheila



From there, join social networking sites, such as Facebook and LinkedIn, to highlight pertinent company information and advertise career opportunities. Posting short clips on YouTube is also an increasingly successful form of recruiting for property management firms. A short clip about a day in the life of a property manager or other job function can pique interest in a career path many young graduates may not be familiar with.

Be Flexible

“For this generation, work has to have meaning, and they want experiences that are rewarding,” notes Lee. Millennials are very different from baby-boomers in their attitude toward work. They are less willing to work long hours and make sacrifices for the job. This generation wants an open work environment, with an emphasis on partnership, transparency and trust. They often see and expect their boss to be more of a mentor than an authority figure. Smart companies will adopt policies that appeal to the work-life balance millennials are seeking. That may mean instituting flexible hours, a relaxed dress code and a less stringent hierarchy in the workplace.

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Miller, member services director, BOMA/Greater Minneapolis. “We also have speakers from different career tracks within commercial real estate speak to them from the ‘day in the life’ perspective.”

The students are also seated next to the members during lunch (specifically the member that paid for that student’s lunch) to encourage interaction. The members are even given talking points to help get the conversation started and to explain the

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industry. The students are encouraged to bring their resumes and ask their host to critique their resumes and get career advice. “We even had one case where a student who was interested in a different track changed his mind and decided to choose commercial real estate,” recalls Miller. “He even got a job at the host’s company.”

Step 3: Bring on the Interns

Internship programs work. And for an industry in need of talent, internships might be the smartest route for improving both recruitment and retention. According to a recent survey by the National Association of Colleges and Employers (NACE), more than 62 percent of new college hires have had internship experience. In addition, employers offer full-time jobs to nearly two out of three interns, and more than 70 percent of these offers are accepted.

Internships offer benefits to employers in several ways—in a competitive recruitment environment they are viewed as attractive by students, they provide valuable on-the-job training, and they allow employers to observe individual performance before making permanent employment offers. The General Services Administration (GSA), the country’s largest owner and operator of commercial office space, has benefited immensely from their internship programs. Tom Walker, currently an industry consultant who spent 17 years at GSA of 33 with the federal government, helped build the GSA internship program. At GSA’s Atlanta office, Walker drew students from Georgia Tech, which has a strong construction management program and Georgia State, which has an exceptional commercial real

Go Green

Lee points out that millennials are attuned to sustainability, which is an increasingly important factor when accepting a job offer. Today’s young work force recognizes that they have a large stake in the outcome of the green movement, as they will be the ones to inherit and subsequently lead the solution for a slew of environmental problems. It is essential that companies take notice and showcase their commitment to green—in the facilities they manage and in their own operations and policies.

Emphasize Career Development

A key component to attracting and retaining talent is an emphasis on career development. “We do not do a very good job of presenting ourselves as a career instead of just a job,” adds Lee. Commercial real estate firms must show recruits that they have a real investment in their development by ramping up their training programs, promoting in-house advancement opportunities, updating their compensation practices to reflect current trends and by bringing employees—at whatever level—in on the strategic vision of the company. Lee emphasizes that the later is especially important with this generation. “Employers need to present a strategic vision that gets people excited. It’s not just a job that you want them to join, it’s a passion. You’ve got to make sure you recruit the mind but hire the heart.”

Christopher Lee is President and CEO of the Los Angeles-based CEL & Associates, Inc., one of the nation’s leading consulting organizations specializing in strategic planning, compensation, satisfaction and opinion surveys and performance improvement. Mr. Lee is the acknowledged futurist within the real estate industry.

estate track. Despite competitive or even higher wages offered in the private sector, GSA was successful with their program because interns were put on a fast track and were given responsibilities that they may not have been given in the private sector.

The key to starting a program, in Walker's opinion, is getting the support from the organization as a whole. "You get the buy-in by creating a culture where everyone wants to improve," says Walker, who also recognizes that it is often more difficult for private companies to get buy-in. "Most private-sector organizations don't have a training program. In these cost cutting days these programs have gone away, and they would prefer to hire experienced people. The problem with that is there are only so many experienced people around. Someone has to train the young people coming in."

Walker has plenty of internship success stories from his GSA days. One former intern was the assistant building manager of the White House, another former intern, who was once an all-ACC baseball player and had a stint in pro ball, is now deputy director of the portfolio division at GSA Region 4, one intern was on the team that won the Super Bowl and another former intern graduated from Harvard's MBA program and now works in the portfolio division.

Like many investments, it goes back to the return on investment. Explains Walker, "In the scheme of things, when you look at all the utilities you buy and all the other things you need to run a building, investing two-to-three years in interns (which can cost from \$10,000 - \$15,000 in coursework), is not a lot of money and it pays you back very quickly. It's kind of like energy conservation - it's painful when you do it and you think it's expensive at the time, but it pays you back forever."

The numbers speak to GSA's success; their retention rate is more than 90 percent. Some of those individuals have left the division they started in, but they've stayed within GSA.

Step 4: Think Comprehensively

Attracting millennials, recruiting and retaining talent, developing excellent young professional programs and

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internship programs are all crucial, especially in a rocky economy where real estate jobs (of any nature) may not be the first choice of job seekers looking to steer clear of careers that might be perceived as risky.

But don't forget the boomers and other groups when building a human capital strategy. Chris Lee believes there is a plentiful pool of resources for those with an eye for talent. "We should also be looking at people with second careers, as well as women who have raised their kids and are ready to join or rejoin the workforce - that's a huge pool of talent," says Lee. "We should also appeal to folks working in industries that are going through difficult times or don't offer the same career opportunities. The recent dramatic losses in the stock market, home values and 401(k) portfolios will likely keep many aging Boomers in the workforce longer."

Lee also stresses that before we can go after talent in other industries we first must do a better job of holding onto the people we already have. "We do not do a very good job of presenting ourselves as a career instead of just a job. We need to entice people into the industry who see the opportunity for professional and personal growth, who see the opportunities to learn and gain knowledge and to work with others in a collaborative environment. This has been, is and will continue to be a wonderful profession in a critical industry."

If the operations side of the industry truly is on the threshold of a renaissance, then we may just have a golden opportunity before us to attract the brightest talent and build for the future. As we maximize the management and operations of our buildings, let's not forget to maximize our investment in tomorrow's leaders.

Perhaps this all goes back to the image problem. Imagine if one day soon, instead of watching the realty show, "The Apprentice," you're watching the new hit series, "The Property Manager," where each episode features the day in the life of a hip, young professional managing a commercial property. The Renaissance starts now.



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Founded in 1907, the *Building Owners and Managers Association (BOMA) International* is an international federation of more than 100 local associations and affiliated organizations. The 18,000-plus members of BOMA International own or manage more than 9 billion square feet of commercial properties in North America and abroad. BOMA's mission is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information. On the Web at www.boma.org.

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