



BOMA·Kingsley REPORT

Practical Industry Intelligence for Commercial Real Estate
HUMAN CAPITAL MANAGEMENT | SPRING 2008

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Of the 4 million real estate professionals, **2 - 2.3 million** are baby boomers who will start retiring in the next **5 years.**

Source: Closing the Gap: Strategies to Attract and Engage Generation Y in the Real Estate Industry, Deloitte



The ^{human} capital CRUNCH

Lorie Damon, BOMA International

In a capital-intensive industry such as real estate, it's not surprising that most discussions of "capital" focus exclusively on debt and equity, the dollars and cents. But increasingly, commercial real estate – like most other industries – is rethinking "capital" and is expanding its perceptions to include the "human" or "intellectual" variety.

Much of this shift in focus is directly attributable to a stark demographic reality: the industry is comprised of about 4 million people, and about 2 to 2.3 million of those are baby boomers who will start retiring in 5 years (Source: Closing the Gap: Strategies to Attract and Engage Generation Y in the Real Estate Industry, Deloitte). At present, there simply aren't enough skilled professionals to replace those retiring boomers, which means firms now need to think as strategically about their intellectual assets as they do their physical ones.

This issue of the *BOMA Kingsley Report* examines current human capital management strategies in detail and from a variety of perspectives. How can firms acquire (recruit) the right people for the right jobs? What kinds of capital expenditures must be invested to enhance the value of a firm's human assets? And ultimately, what kind of "hold period" can industry companies reasonably expect from those investments? The following articles will shed some light on these key questions.

"Recruiting and Retaining – The Battle for Talent Heats Up" examines human capital management from the enterprise level, exploring how companies can address the human capital shortfall by adopting a two-fold offense: recruiting newly or nearly minted college grads and tapping retiring (or nearly retiring) baby boomers, through a variety of flexibly designed opportunities.

"One Man's Journey Through the Industry" charts the course of how one talented professional discovered a property management career, excelled at it, and then used the skills he developed to pursue a new industry track.

"The Right People" examines three unique perspectives on how companies can recruit talent into the industry and invest in the talent they already have. This article shows why property manager positions are among the most difficult to fill – partly because job seekers are unaware of the discipline, and partly because the role continues to expand in terms of responsibility but not necessarily in terms of compensation.

Through each of these articles, strategy, flexibility, and creativity resonate as the critical tools for successfully recruiting and retaining intellectual capital. In an industry long-accustomed to taking advantage of market downturns, the BKR is optimistic that leaders can respond as creatively and effectively to the tightening of the human capital markets as they do to the tightening of the debt and equity markets.

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If we want to change perceptions of real estate and attract Gen-Y, the best way may be to take a more **unified approach.**

The battle for talent HEATS UP

Laura Horsley, BOMA International

The commercial real estate industry seems to be sprinting full force toward a human capital crisis: The baby boomers are starting to retire and are taking their knowledge and expertise with them to the Sunbelt golf courses; the Gen-Xers behind them are next to non-existent by comparison, and can't even begin to fill the vacancies that will be left; and Gen-Yers are either approaching the industry on their terms, or looking elsewhere altogether. Chicken Little would love this one. It would appear that the sky isn't merely falling, but has landed – with a big thud to boot.

Well, not quite.

This demographic dilemma is affecting every industry, not just commercial real estate, and how we respond over the next five to ten years will be critical, and telling. As the baby boomers retire, the remaining workforce will be challenged to fill the holes. In fact, a recent study by Deloitte revealed that boomers comprise more than 50 percent of the real estate industry's workforce. As these statistics emphasize, seeking out and recruiting young talent will be an immediate priority for the foreseeable future. Anthony LoPinto, CEO of the executive search firm Equinox Partners, believes that the industry needs to focus more

energy on securing Gen-Y talent. "They are the largest group coming into the workforce and they are prime for the picking," explains LoPinto. "But attracting talent into this business is an issue because you have the general perception among the young population that real estate is riskier, less lucrative, and less exciting than other industries."

A Unified Approach

To change perceptions of real estate and attract Gen-Yers, the best solution may be to take a more unified approach. Other industries have been more successful at promoting themselves, in part because they are more centralized. LoPinto points out that the decentralized nature of real estate tends to work against the industry. "We have all of our individual sectors – office, multi-housing, retail – and all of the individual groups working their constituencies, but we don't have an umbrella approach to promoting real estate." This is in contrast to industries like pharmaceuticals and accounting that are very successful with recruitment.

As LoPinto sees it, the recruitment success of these latter industries is further aided by their aggressive college recruiting. "To companies

BKR BEST Practices

5 strategies to attract talent

1

Send your “young guns” to college campuses.

The best way to enlist bright, young talent is to show off your own. A recruiter a year or two out of college can relate better to the expectations and interests of students.

2

Start an internship program. Check if the real estate or business schools in your community have internship programs. This is a smart, cost-effective way to recruit young talent. Be sure to give interns more exposure to challenging and engaging projects (i.e. less time in the mailroom).

3

Enhance and market your training program. Train often and on diverse topics. The more knowledge you can offer, the more sophisticated your staff will become. Touting the opportunity both to learn and to work with other well-rounded professionals will make your company more attractive to job seekers.

4

Make mentoring a priority. Many young professionals don't have the cyclical work experience so sought after in the industry. A Baby Boomer/Gen-Y mentoring relationship is an excellent way to transfer knowledge, and can be a great confidence booster.

5

Enlist your own team. Can't seem to fill that one critical position? Bring the recruiting in-house by offering staff referral bonuses or other reward compensation. *It works!*

like Deloitte & Touche and Ernst & Young, the business of recruiting is institutionalized,” says LoPinto. “Everyone from the top to the bottom participates in that effort. In real estate there are very few organizations I am aware of that institutionalize their recruiting efforts.”

If few big real estate companies have so much as a succession plan, then the smaller companies – many of which don't have a dedicated human resource staff – could be in real trouble. LoPinto sees this as a serious cause for concern, but one with a very tangible solution. While hiring a sophisticated HR executive may be too expensive for some firms, hiring an interim HR executive to set up recruitment and training programs could be an affordable and effective option. “I know a lot of HR professionals who are doing this now,” says LoPinto. “Someone who goes into these organizations and helps the leadership assess the company's HR issues, frame their needs, put plans in place and then leaves.”

Real Estate Academics – An Internship Solution

Another potential solution to filling the baby boomer gap is to enhance real estate curricula in colleges, trade schools and even high schools. Dr. Michael Anikeeff is professor and chair of The Edward St. John Department of Real Estate at Johns Hopkins University, a graduate program primarily focusing on development. “We look at it like an orchestra,” explains Anikeeff, “Most of our students are professionals with at least three to five, more commonly ten or more, years of experience playing one of the instruments – banking, architecture, construction, etc. We want them to be able to look at the industry from the perspective of the conductor or owner/developer. Our program's approach is that you need to understand the development process to understand the industry.”

As successful and well regarded as the Hopkins program is, the call for more formal training programs in real estate has, until recently, been surprisingly tepid. Case in point: the findings

of the Equinox Report in 2002 (put out by LoPinto's company) suggest that many real estate executives value the "school of hard knocks" rather than formal training programs. LoPinto indicates that this perception has not changed much, if any, since the report has come out.

Anikeeff was stunned by the results of the Equinox Report, particularly the implied conclusion that academic programs are irrelevant and useless to hiring companies. While Anikeeff's program has been effective in placing graduates, especially with the smaller development firms, he did use the report's findings to modify the curriculum to include an internship program. "We got the idea of an internship program from [the Equinox Report]," says Anikeeff. "After nine months of academics, our students have a three month internship and most of them end up getting jobs at the companies they interned with. We revised the program to increase the practical experience of young people."

Internships are proving to be a real boon for an industry desperate for talent. Success stories like Anikeeff's and others [see "The Right People" by Phil Mobley] will ideally help to pave the way for more internship options. "Internships are one of the single most significant ways a company can start to attract young talent," declares LoPinto, who recently launched the intern job initiative on the SelectLeaders Job Network. The stats would seem to back up the intern hype. A recent article in GlobeSt.com reported on a survey conducted by the National Association of Colleges and Employers, which showed that employers offer full-time jobs to nearly two out of three interns, and that more than 70 percent of those offers are accepted. In addition, nearly one-third of the survey respondents revealed that their new college hires came directly from their company's internship program.

Despite the success stories, LoPinto warns that companies have to be dedicated to



Internships are proving to be a real boon for an industry desperate for talent.

their internship program in order to achieve meaningful results. "You need commitment and CEO buy-in. This is not just someone to deliver the mail; there needs to be a process where the individual is mentored and rotated." The fact that internships often develop out of partnerships with universities only fuels the call for more and better college real estate programs.

The BOOMERang effect

While offering more educational options and internships may help to attract 20-somethings to the industry, LoPinto believes the best approach is two-pronged – pursuing Gen-Yers while striving to retain baby boomers in the industry. This is especially critical at a time when the talent gap is putting the most stress on management positions. And because of the way demographics tend to split, mid-management professionals in their mid-to-late 30's are a rare find. LoPinto explains, "There is the need for talent with some cyclical experience. We have a huge pool of talent in the arena today that has never seen a downturn." Finding that seasoned professional who came into the industry before or during the downturn of the early 90's is the ultimate goal, but can be hard to achieve. To counter this challenge LoPinto, as a recruiter, has targeted more 55+ CEO candidates recently, even though those positions historically land a mid-to-late 40's candidate.



The next **5 to 10** years look to be a **critical test** for commercial real estate.

Boomers are not just being targeted for the full-time executive positions, however. There are many ways a senior recruit can add value to an organization. Someone with 25 to 30 years experience in the business could be the perfect candidate to help a company build out a succession plan or be a key player in mentoring programs. An interim executive is another natural role for a boomer who has retired but wants to jump back into the game from time to time. LoPinto believes that interim executives can play a vital role during a transitional period, perhaps during a major restructuring. He also points out that you won't find many of these candidates living in hub cities like Chicago and New York, which meshes well with forecasted demographic trends. "If you look at where the growth is going to be, it's not in the rust belt, it's down in the sunbelt. This migration of talent is going to be a big issue."

Property Manger as a Renaissance Man

Perhaps no other sector of the industry is feeling the human capital crunch more than property management. The development and acquisition jobs tend to generate more excitement, not to mention provide more lucrative salaries and bonuses. Accordingly, property management is becoming more and more the forgotten cousin. Says Anikeeff, "The young people don't really want to go into property management or brokerage; property management doesn't pay as well and with brokerage, despite the money, there's a level of uncertainty inherent to the 'eating what you kill' model"

While speaking at college campuses, LoPinto has witnessed consistent reactions from students. "If I asked a group of 100 students what side of the industry they wanted to go into, 95 would raise their hands for development or acquisition, and just a few for property management." But LoPinto believes the savvy graduate will give property management serious consideration, as those asset-level jobs are often the best way to build a base of experience and position for the future. "The asset-level experience is the prime experience: you learn the business from the ground up, you understand the dynamics of the

market, and perhaps most significantly, you're going to have a better chance of getting hired by a Class A company through that entry point than you would through development."

Additionally, a recent demand for more diversity of skills among property managers may benefit the recruitment effort. To be sure, a property manager needs a broad skill base already, with leadership, organizational and people skills topping the list [see "One Man's Journey" by Dan Mazmanian]. But increasingly, companies are hoping that property managers will be proficient in broader functions like finance and asset management. With these experiences under his or her belt, a property manager can shape a CV to reflect a veritable Renaissance man or woman of commercial real estate.

In LoPinto's estimation, this demand for a more sophisticated skill set is going to be attractive to some undergraduate or MBA students because it highlights the potential for a broader, more enriching career path. But he also cautions that the return/reward has to work both ways and that employers have to do their part. "There has to be a strong training program in place for property and asset managers so they can also be formally trained in areas such as finance and underwriting investments."

The next five to 10 years look to be a critical test for commercial real estate. Recruiting and retaining the best and brightest will require organization, commitment, and resources on a scale that is daunting but achievable. The companies that institutionalize recruitment and training will have a leg up; those that don't may be playing catch up.

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One man's Journey

Daniel Mazmanian, Kingsley Associates

As professional journeys go, Shane Froman's is a unique and multi-faceted one. Now a business development representative for Scottie's Building Services – an exterior building maintenance company specializing in window and metal restoration and cleaning, pressure washing and water proofing – Froman has shaped a career that began with firefighting, moved next to crime investigation and then took a surprising turn into property management. This is by no means the typical progression for a commercial real estate professional, but one that exposes the dual challenges of recruitment and retention that face the industry – and in particular, the property management trade.

Froman's story begins following his departure from public service. After seven years serving and protecting the citizens of Georgia, Froman decided to leave it all behind. He describes this difficult choice as one born of practical necessity: "The [firefighting] industry has a tough time keeping folks, as it is very difficult to move or advance. I loved the fire department, but it was a money issue and became more of a passion than a career."

Froman's next move was into a profession that for most of his life he had no awareness of. But after some acquaintances introduced him to property management, he got involved with BOMA's Atlanta chapter to learn more. Upon utilizing BOMA's educational offerings to satiate his curiosity and expand his knowledge base, Froman was soon interviewing for property manager positions. He landed a job with the Atlanta-based REIT Cousins Properties, where he worked as a property manager for six years before taking his current post at Scottie's Building Services.

When speaking about the initial factors that drew him toward property management, Froman describes the sheer variety of experiences: "What enticed me was that it offered the diversity of doing something different every day. When you walk into a building on a given day, many things can happen."

Froman quickly learned that a broad and dynamic skill set was required to carry out his job effectively, as was a passion for the trade. "You have to want it and not just think of it as a job," he says, before adding: "You also need a strong foundation in leadership. Running a large team demands leadership, an outgoing personality and an ability to listen." Beyond these key attributes, Froman explains that good property managers will possess level-headedness to quell the concerns of angry tenants, resourcefulness to fulfill the

taxing demands of asset managers and organizational aptitude to avoid falling behind. In many of these areas, he found that his firefighting experience provided the necessary foundation for success. “In the fire department you have to respond to people in life crisis situations. You have to think quickly, which is a common requirement in property management as well. You need to assess quickly how best to resolve a problem.”

Leveraging both his experiences and work ethic, Froman soon established himself as an accomplished manager, which led to increased responsibility and a more demanding workload. As he moved up the ladder, however, Froman became somewhat disenchanted with the more static nature of his work (“When I sit still I get bored,” he explains). Furthermore, in a trend he describes as somewhat endemic to the industry, Froman was not seeing a rise in pay commensurate with his increased workload. This work-pay imbalance is what he describes as the primary impediment to retaining good managers. “Asset managers are pushing for a lot more square footage per property manager,” Froman explains. “Compared to five years ago, the amount of square footage property managers are handling has drastically increased across the board. The workload is becoming overwhelming, but you could never say it’s the most lucrative position in the world.”

Amplifying this trend is the generational shift that Froman sees among Gen-X and Gen-Yers relative to Baby Boomers. “There’s a difference in opinion and attitude,” he adds. “The mentality and expectations are very different between the groups. Gen-X and -Yers will do what it takes to get the job done, but they will also pay close attention to their work-life balance. It’s important that they be home with their families, not working until seven or eight every night.”

For Froman, another factor hindering retention is the lack of career advancement


opportunities in the property manager track, a reality he found equally evident in firefighting. “It is very difficult to move or advance in the fire department. Those positions can be held for ten, fifteen, or twenty years until someone gets a promotion or retires,” he explains. Feeling a similar ceiling to upward mobility in his property manager role – a rather unwelcome déjà vu – Froman decided it was time to pursue a different track in the industry.

Beyond the challenges of retention, Froman also finds recruitment to be a source of perpetual difficulty for the industry. While he sees great opportunity for young people in property management, he points to their lack of awareness as an obstacle to attracting great talent. (As a prime example, Froman himself was completely unaware of the profession until nearly ten years into his career.) To raise knowledge and interest in property management, Froman advocates a more proactive and targeted marketing effort. “BOMA needs to get in front of these folks at the high school or college level because they don’t even know property management exists. The first task is to figure out how to get property management on the board with every other career.”

The next step for firms is to invest in the young talent they have, which is something Froman fears is being overlooked. By nurturing the rising stars, Froman believes the industry can mold the leaders of tomorrow while limiting turnover and its subsequent costs. However, to effectively motivate and inspire Gen-X and Y-ers, companies will need to better understand their unique skills, demands and expectations. Froman describes it as follows: “Once we get the word out and people realize it’s a possibility for a career, then we have to get them in the door, invest in them, and give them a path with feasible goals to tackle. We need to create diversity and opportunities for advancement so that budding managers don’t sit around and become stagnant.”

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The Right PEOPLE

Phil Mobley, Kingsley Associates

Broken down to its basic elements, the job of managing human capital sounds quite simple: identify your personnel needs, recruit the people to fill them, develop and retain the talent. Simple, perhaps – but not easy, not by a long stretch. In the real estate industry, successfully executing this strategy can be anything but straightforward. Even the largest and most successful real estate organizations, for all their apparent advantages, face a high degree of difficulty when it comes to putting the right people in the right roles, then keeping them there for the long haul. The BOMA-Kingsley Report addressed these issues with leaders at three such organizations:

- **Jennifer Buchholz** joined **CB Richard Ellis** in September as senior vice president of global human resources. That this is a newly created role in the company underscores the burgeoning importance of thinking about talent from an integrated, strategic perspective. Though relatively new to the industry, Buchholz is no stranger to managing human capital in a large, global firm, having previously held a similar position at General Electric.
- **Craig Tagen**, a director for **ING Clarion Partners**, recently helped guide his organization through a difficult cost-benefit analysis that resulted in the decision to outsource the property management and leasing functions throughout the firm's office investment management portfolio. After two and a half decades of operating buildings with its own employees, ING Clarion and its asset managers now face the new challenge of dealing exclusively with third party service providers.
- **Tom Walker** is now a senior director of government programs for **Opus Corporation**, but he spent 33 years with the federal government (including 13 at the U.S. General Services Administration) balancing the complexities of real estate with the regulations and limitations of a government agency. Under his leadership, Atlanta – historically a low performer among the GSA's 11 regions in terms of its operating metrics – became a consistent member of the top tier.

The bedrock of a **human capital strategy** is an understanding of the organization's purpose and core competencies.

All seasoned professionals, Buchholz, Tagen and Walker come from distinctly different segments of the real estate industry. Each has found or is finding a unique way to negotiate the “simple” task, yet all three share similar thoughts on what it will take to get the right people running buildings in the 21st century.

A Question of (Core) Competency

As ING Clarion grappled with its outsourcing decision, a key consideration was distilling the firm's value proposition to its investor clients. “Our firm's culture was built as an operator of real estate, and not exclusively as an allocator of capital,” explains Tagen. “We wondered whether we would continue to be viewed as such if we relied solely on third party providers.” In the end, ING Clarion recognized that its clients were much more concerned about their return on investment and that its unique qualities derive from its understanding of the real estate capital markets and proactive asset management, rather than from day-to-day operations.

An important implication is that a sense of direction is vital to any corporate strategy, human capital or otherwise. CBRE's Buchholz does not hesitate at all when asked about her vision for the company's personnel. “We want to make sure we're competitive in the marketplace – not just the real estate marketplace, but the marketplace of world class service organizations,” she says. As CBRE is the world's largest real estate service provider by revenues, it is notable that Buchholz's paradigm extends more broadly than real estate. Her idea of “competitive”



is equally broad, encompassing not only compensation and benefits, but also career development, training, work environment and performance measurement – the whole spectrum.

Thus the first step in the “simple” process is one so obvious that it can be all too easily overlooked: Understanding the organization's purpose and core competencies. Only then can a firm start filling out the ranks.

No Stone Left Unturned

“The private sector has an advantage,” says Opus' Walker, reflecting on recruiting during his GSA days. “When they see a young person they want, they can outspend the government.” It takes some creative recruiting tactics for the GSA to offset this tilted playing field. One

effective approach has been focusing on local and middle-tier universities, especially those whose alumni are already on the roster. A Mississippi State alum, Walker has maintained ties to that school's career center. He has also worked hard to capitalize on Atlanta's own Georgia Tech, a highly respected state institution with a strong construction management program, and Georgia State, which has an excellent commercial real estate major. Naturally, the candidates' course of study and grades carry great importance. The GSA, as he describes, has tended to look for business, engineering, economics, real estate and building construction majors because of the technical skills that real estate requires. He is not alone in noting that, even at the entry level, a successful property professional must possess a

unique combination of technical, financial, analytical, leadership and interpersonal skills.

Having tailored its sourcing strategy, GSA's Southeastern Region then wielded its career development track and training program as an effective recruiting tool. With a set three-year training program and a clear growth path laid out in front of them, incoming candidates had the advantage of knowing where they fit into the larger organization. While the GSA may not offer starting salaries as high as some private sector firms, an entrant into the training program could expect to progress from a G7 to a G12 in just a few years, which in layman's terms means a salary increase from \$38,000 to \$68,000 based on the government's regional pay scale.

In addition to the comfort of structure in the GSA's training program, there was also the work itself. "We tried to make it exciting for them by giving them things to do that, frankly, a private sector firm would not let them do so early in their careers," relates Walker. As an example, he cites a group of trainees that were part of the GSA's post-Katrina response team (including several originally from the Mississippi Coast for whom the assignment was very personal). As a result of these kinds of opportunities, many participants in the program were ready to be strong assistant property managers 2-3 years into their careers. Some stayed in the region. Others moved on to the headquarters office in the Washington, D.C. area. And a few left the GSA entirely. While Walker suggests that this last scenario was rare, he was always aware of the possibility of a private sector firm snatching up top performers. "Our philosophy was that we'd rather have a star for only a few years than never have a star at all," he says. One "star" left for a different career entirely: James Butler, who majored in building construction at Georgia Tech and worked a summer for Walker, is now an NFL safety and helped the New York Giants win the Super Bowl last month.

Who Wants to Be a Property Manager?

To the young person entering the work force, "real estate" more often than not means transactions and/or development. There is a lot of money in these sectors of the industry, which naturally makes them attractive to job seekers. Property management is the undiscovered country to recent graduates; therefore, it is property management that poses the greatest recruiting challenge to firms like CBRE and, until recently, ING Clarion.

According to Tagen, ING Clarion became convinced that large third party firms can generally attract the best property managers, which played heavily into the outsourcing decision. Several pieces of evidence pointed to this conclusion. First, the large service provider firms (such as CBRE, which currently manages about 30 properties for ING Clarion) have the infrastructure in place to support their on-site personnel in functional areas such as accounting, engineering, compliance and environmental sustainability. Furthermore, since most of these firms also have expansive transactions arms, they are better positioned to help their property managers understand the singular deal-based focus of brokers, as well as the role management plays in the marketing of a building.

But what really leapt to the forefront was the understanding that scale matters now more than ever. "Industry wide, assets are being held for shorter and shorter periods of time," notes Tagen. "When an asset changes hands, the managing agent frequently changes as well. When that happens, it can be hard for an outgoing management firm without scale to find a place for the manager." As Tagen sees it, the knowledge that a job may disappear on 30 days notice regardless of performance creates significant recruiting problems for the property manager position. But this issue can be minimized if a firm has several assignments in a market, as it can more easily find a place to plug in a good manager when such transitions occur. Says Tagen, "I want to know that the people at our buildings are the best people available, starting with the concierge answering the phone in the lobby." In ING Clarion's case, that now means relying on service providers with scale in the market.

For firms like CBRE, there remains the task of finding and hiring those "best" people. "We have to start broadening how we think about talent and where we look for it," Buchholz says, indicating that many of tomorrow's real estate professionals may currently be working in other service-related industries. Buchholz believes this is especially true when it comes to property management: "There are a lot of skills from other industries that are transferable to property management, certainly more so than to brokerage or development."

While a solid base of industry understanding is vital, so too are other skills, such as customer service, people management, resource prioritization and financial analysis – the same skills, incidentally, that the Tom Walker has been looking for, both at the GSA and now at Opus. Despite notions of big dollars from a career in brokerage or development, "there are more people out there who can be successful property managers than there are those who can be successful in transactions or development," says Buchholz. Bringing them on board, though, will

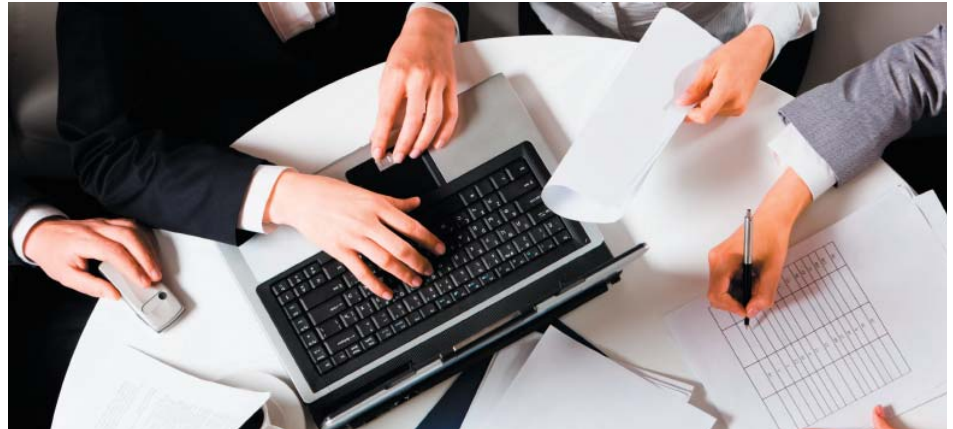


require recruiting not only through traditional means (e.g., relationships and campuses), but also through reaching out to the broader labor market. Ultimately, Buchholz sees this as a logical step toward casting CBRE in the light of a global professional services organization, not just a large real estate firm.

Growing Into a Job to Stay

The lynchpin of implementing a successful human capital strategy is developing and retaining the people who have been recruited. Once again, creativity in building employee engagement can pay big dividends. For the GSA, the entry-level training program described earlier is not limited to recruiting, nor is it the only means of providing structured personnel development within the organization. Existing employees can also take advantage of a program that allows them to complete a bachelor's degree or an advanced degree at GSA's expense. According to Walker, "We didn't promise them anything, but it became obvious that the people who got promotions were those who had gotten degrees." Walker credits much of the Atlanta region's improvement over the years to this investment in existing people, which produced rewards both professional and personal. "When you have an assistant building manager that maybe never considered that he or she could go to college, and then you help that person achieve that goal, it's a big motivating factor. One of the most satisfying things I've been asked to do since I retired from GSA has been to attend some of those employees' college graduations."

Buchholz envisions unifying CBRE's "pockets of employee development" during her tenure. As a foundation for this vision, a mentoring program for young account executives that began as an initiative directed toward female employees has now been expanded to include men as well. The company's New York office features the Wheel Program, which rotates recent graduates



through various business lines over their first 18 months with the firm. Buchholz would like to use these and other programs as the basis for a more comprehensive approach. "We have a lot of people in specialties right now, but I'd like to see us develop more real estate generalists."

At ING Clarion, Tagen points to the company's success, as well as the environment created by its parent entity, as key factors in employee development. "It's always an advantage to be part of a growing organization," he says. "Our people have had the opportunity to grow with the firm as our assets under management have increased." Tagen also points out that, with over 25 years in the real estate investment management business, many of the firm's senior personnel have grown up through the organization, having started as analysts or associates. The challenge going forward will be to adjust to the changing investment strategies of the firm's clients. "Our clients are becoming more focused on development and value-added or opportunistic investments, and that requires a different set of asset management skills, particularly for younger people who have never experienced a downturn in the real estate market." ING Clarion will thus be relying heavily on its seasoned professionals to transfer their wealth of knowledge to their younger and less experienced colleagues.

No "Simple" Formula

From the foundation of a corporate vision to the processes of recruiting, development and retention, real estate companies of all shapes and sizes must constantly implement and evaluate their human capital management strategies. If it is a cliché to say that a building is only as good as the people running it, then it is so for a reason. Whether you are a property investor, owner, service provider or occupier, having a strategic plan to manage the human factor is paramount to success. While the plan may look simple on a piece of paper, finding the magical mix of purpose, skills and experience is a formidable task indeed.

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BOMA International

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 17,000-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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Kingsley Associates

The most successful firms in real estate rely on Kingsley Associates for cutting-edge business intelligence solutions. With a depth and breadth of insight unmatched in the industry, we bring thought leadership and passionate client service to every engagement. Let us partner with you to improve the performance of your assets and organization.

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- Optimize employee engagement and retention
- Gauge the alignment of employee and company goals
- Enhance employee / management relations
- Identify ways to improve employee satisfaction and engagement

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