

Mining for Gold on Mars

**There is life—
and talent—
outside of the
apartment
industry.
Management
companies
just have to
search for it.**

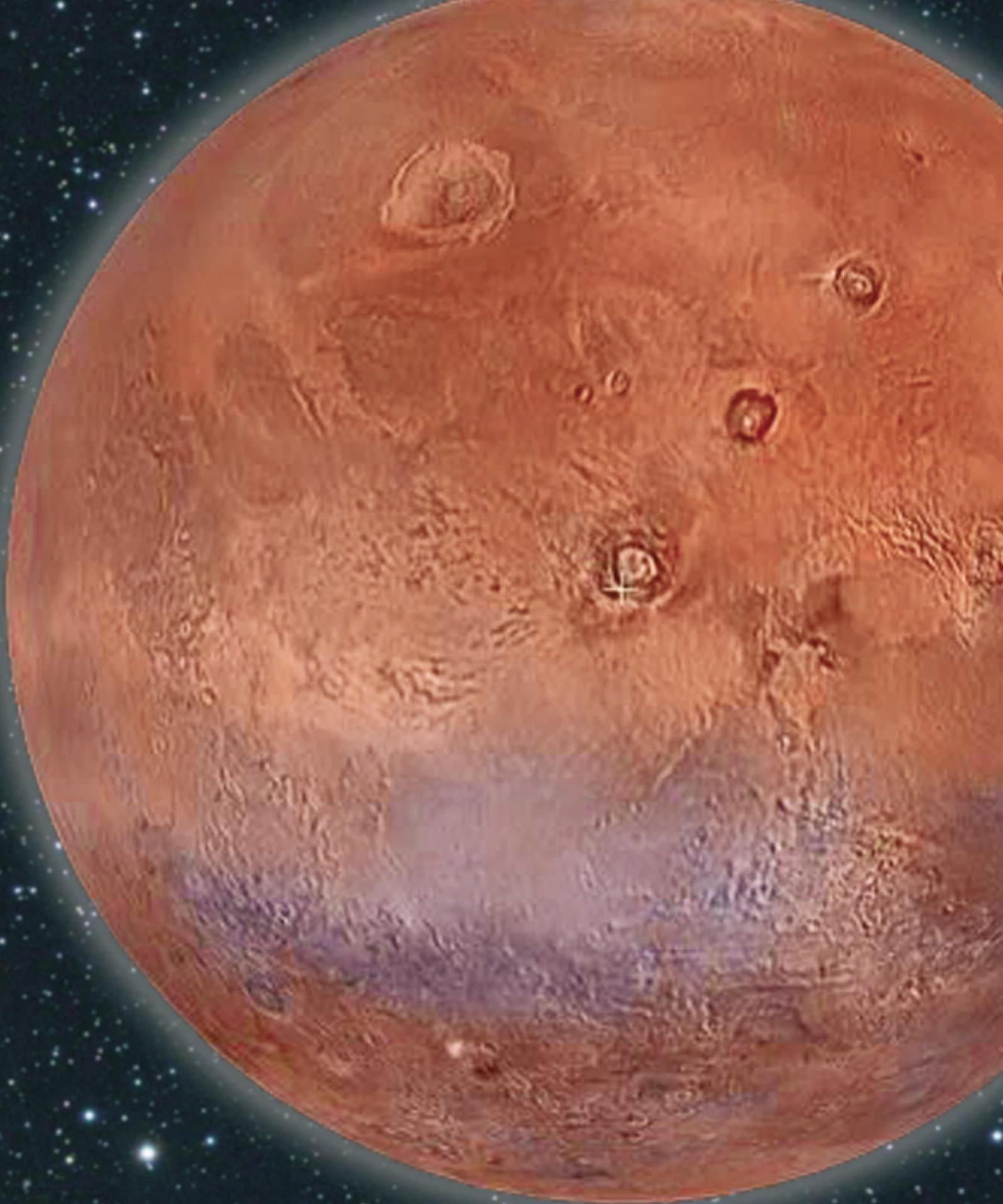


BY SHERLE H. BROWN

The apartment industry operates in an alien environment with fierce competition for scarce business resources.

Management companies are operating during a time when internal and external change is taking place at an unprecedented pace. Constantly bombarded with new technologies, new products and new services, leaders must adapt to a more collaborative, diverse environment and effectively make use of multi-disciplinary management teams.

Of all the challenges, none is more essential to success than the search for talent and the need to re-orient hiring strategies. The talent war still rages, but it has evolved from facing a shortage of overall talent to a relentless battle of finding the right talent in the face of stubbornly high unemployment rates.



Current projections indicate the gulf between skills needed and talent available will further widen. This calls for powerful applicant tracking systems, mobile solutions, innovative recruiting and solid hiring and retention practices. One novel recruiting practice is hiring candidates with transferable skills from outside the apartment industry.

It's time to mine for gold on Mars.

Hiring from outside the industry challenges the status quo and broadens a company's resources for dealing with new situations. The "we've always done it that way" mentality will be challenged as the outsider questions, "Why is it done that way?" Groupthink becomes less prevalent. Problem solving begins with a more divergent approach. The outside hire brings a broader base of experiences on which to generate ideas and build new solutions or to repurpose old ideas and apply them to a new context.

Revenue management was used in the hotel and airline industries long before it was adopted by the apartment industry, and key tracking systems were used by the automobile industry several years before this industry implemented them. Being open to candidates without apartment-specific experience has its challenges, but can also result in faster hires and lower turnover as the candidate pool widens and core competencies are more closely examined.

Atypical? A-OK

Once an "outsider" has been hired, supportive onboarding and training programs are necessary to facilitate a smooth transition. According to the Wynhurst Group, having a structured onboarding process increases the chances that a new hire will stay with the company for at least three years by 58 percent. Structured onboarding and strong training programs become even more critical with atypical hires.

Therefore, it is prudent to have a strong mentoring program. The training program should provide individuals without apartment industry experience the resources they need to quickly gain such skills. The new hire may need to be coached on how to walk the fine line of bringing in fresh ideas while maintaining the proper respect for others' industry experience; otherwise, they could come across as threatening or arrogant. The onboarding process should be monitored closely and lines of communication should remain open.

Performance needs to be measured in a way that allows these new hires to quickly gain essential skills without penalizing them for a lack of industry experience. Good hires will typically take initiative and appreciate the opportunity to learn and grow. However, it is not fair if new hires start using their lack of industry experience as an excuse for not learning and other employees have to pick up the pieces. This fosters resentment and poor overall team performance.

It is important to accept that some hires will not be successful—regardless of their background. According to research by Mark Murphy, author of "Hire For Attitude," as well as several other research groups, 89 percent of job failure is because of attitudinal reasons; only 11 percent stems from a lack of skill.

However, as with any new approach, early adverse results can tempt people and companies to revert to their old ways. Be aware of the temptation, analyze the reason for failure and try to learn from any mistakes that were made. Do not give up as a knee-jerk reaction.

If a new employee isn't motivated or doesn't have the aptitude to get up-to-speed, be willing to pull the plug. Early detection and action saves money and increases buy-in to the program. Recognize a poor hire from outside the industry as what it is: It may be that the company just failed to find the right person, not that it should abandon the practice of hiring outside of the industry.

Following are examples of management companies who have succeeded with this approach.

Strangers Welcome

Boston-based Winthrop Management manages communities in New York, California, Texas and much of the Southeast. It considers the unique needs of each job opening. Many positions require specific prior apartment-management experience; however, there are also many examples of hiring for transferable skills outside the industry.

Shelley Johnson, Regional Vice President of Winthrop Management, says she has found great enthusiasm, creative marketing ideas and organizational skills among job candidates with experience in the restaurant and retail industries. Johnson says these candidates were extremely appreciative of the many advantages that the apartment industry offered and zealously embraced the company's training program to bridge skill gaps and quickly become top hires.

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Have you ever interviewed Dr. Jekyll and had Mr. Hyde show up on their first day of work? Perhaps you're still hiring the old-fashioned way and still onboarding people that don't complement your organization. Part of the problem lies in hiring people who famed psychologist Sigmund Freud referred to as the "Id." This type of person does not care about the company, customer or co-worker. You will walk away from this session with better questions, a clearer understanding of how to recruit, greater insight into leveraging the verification process and steps you can take to better match company values, balance, standards and culture during the interview process.



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“These employees proved to be good hires because the customer service and interpersonal skills required for these similar service industries translate well to the multifamily housing industry,” Johnson says. “Happy, kind and service-oriented people; people are what it takes. Additionally, organization and time-management skills are developed in the restaurant and retail industries. In many cases, the hours required to work in the apartment industry are preferable to hotel and restaurant [work] and there is greater opportunity for advancement in our industry.”

Sometimes hires can come from surprising sources. One of the most unusual and successful hires at Winthrop occurred when a resident at an Atlanta property offered to push a golf cart that had broken down on the community. It turned out that this resident was successful in the entertainment business as a singer and wanted to be able to work days instead of nights to spend time with his family and concentrate more on his songwriting.

It just so happened that the community had an opening for a groundskeeper. The resident convinced the community manager to interview him for the position. During the interview, the community manager recognized his exceptional people skills, commitment to customer service and strong work ethic. To

keep in shape for his stage performances, he stayed physically fit. The manager took a chance on hiring him, although he did not fit in the traditional hiring profile.

Competing against strong competition, this employee was awarded Most Valuable Player during his first year of employment. Because he was able to better concentrate on songwriting, he is now engaged in several deals with Tyler Perry. To top it off, he professionally recorded a song that has been used as the theme for Winthrop’s training program. “Cool Cal” gets the entire audience involved when he performs at company functions and brings inspiration and an element of fun to Winthrop’s training program.

John Williams, Vice President of Talent Management for Post Properties, also managed to find gold while mining on Mars. In 2013, Post Properties hired more than 92 percent of their entry-level leasing consultant positions from outside of the multifamily housing industry. The success rate among associates remains high and turnover within the position remains among the lowest in the industry.

By focusing on hiring to core competencies along the Post career path and not basing hiring decisions on apartment experience alone, Williams says they were able to offer attractive, entry-level opportunities with the promise of future growth for



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“It’s no secret that some industries often deliver candidates with compatible work experience, such as retail or hospitality, but background alone is no guarantee for success,” Williams says. “By focusing on motivational and cultural fit, demonstrated leadership and compatibility within the demands of the role, Post Properties has discovered a recipe for success that can be replicated and sustained, producing real bottom-line business results.”

Obstacles From Outside

Realistically, there are challenges that come from hiring outside of the industry. Current employees may be skeptical or resistant of such hires, particularly when they are charged with producing immediate results.

Hiring managers may also be reluctant to incur the risk and suffer the consequences of potential failure because of hiring outside the norm, especially when they have pushback from the new hire’s co-workers or from higher management.

The new hire will require additional training and management attention.

Structured interview questions and assessments may need to be revamped to accommodate outside hires. Additionally, company branding should reflect the organization’s desire to look outward for talent. Camden devotes ongoing efforts into branding and has a culture of solid business practices. As a result of their focus on culture, branding and stellar business practices, 94 percent of their employees would recommend the community where they work to their friends.

Alison Hall, Director of Camden’s Contact Center, says, “Camden’s strong employer brand helps us attract top candidates from outside our industry; however, candidates do not always realize that creating a great place to work requires the commitment of everyone in the company. Camden team members make decisions every day that enhance and shape our culture. With this much effort, we focus greatly on hiring candidates who will share our commitment to culture, regardless of prior industry experience. To do this, it is essential that we accurately assess our culture and the traits that make team members successful at Camden.”

Addressing such challenges begins with realistically evaluating a company’s culture and needs, as Camden did. Truly understanding the company culture is essential for successful hiring. Hiring managers should expect some resistance, but must increase staff awareness regarding the need for innovation in today’s business world. The message has to be consistently reinforced to achieve employee buy-in.

Next, apartment management companies must carefully identify the core competencies needed for the position, considering behavioral attributes as well as technical experience. Distinguish between position-specific and organizational competencies, and use this information throughout the hiring process. For competencies that are needed and are not likely to be found outside the industry, evaluate available resources for bridging the gaps. For example, lack of knowledge in basic fair housing policies could be bridged with a training pro-

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Competition for water and droughts are bringing severe water restrictions and conservation plans, such as California’s 20c2020 Plan to reduce consumption by 20 percent.

Water/sewer rates are soaring from \$17.05 per thousand gallons in San Francisco to \$29.20 in Atlanta.

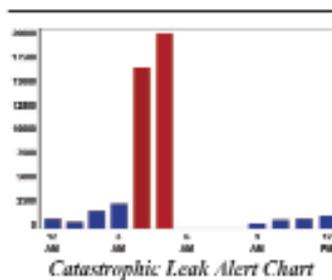
Unseen leaks and poor conservation may be draining your budget... and you don't even know it.



How? Water utilities typically read meters monthly. A manager may not realize severe water waste — broken sprinklers, stuck toilet flappers, underground leaks — until a large water bill is received 30-60 days later. By that time, thousands of gallons and dollars are lost.

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detects the problem and immediately alerts staff via SMS text and/or email.

The breakthrough technology features a self-contained, non-intrusive device that listens to property domestic and irrigation meters. The data is sent wirelessly to a secure website so a manager can analyze a property’s water consumption for the entire month, day, or by each hour.

Curt Mann, Cortland Partners, said, “The data we receive from WaterSignal is powerful and has allowed us to be proactive — identifying underground leaks and inefficient fixtures — generating significant savings with our water costs.”

As the California 20c2020 Plan states, “Water is precious, competition for water is fierce, and conservation is critical.”

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gram. Have an open mind and consider eliminating requirements for a certain number of years of industry experience, unless it is truly essential for the position.

Hiring managers should also identify alternate industries in which employees have transferable skills for careers in the apartment industry and focus their attention accordingly. The hospitality, retail, military, customer service, sales and marketing industries are often great fits. Learn enough about these industries to understand how their job titles and responsibilities translate to those in the apartment industry. HR should use that information for recruiting, structuring interview questions and setting keywords in applicant tracking systems to tap into those industries.

Human resources departments will need to be proactive in recruiting and building networks and relationships outside the boundaries of the apartment industry. It's also important to focus on core competencies over specific job positions.

Mike Smith, President of Atlanta-based Signature Management, has successfully hired from unconventional sources. He has achieved this success by devoting resources and attention to the hiring process while maintaining a creative mindset, and has enjoyed seeing the unconventional hires find their fit in his organization.

One of the company's best new hires was a former hairdresser. Smith recalls that a woman who showed up for a job fair was fashionably dressed and had the type of outgoing personality that Signature seeks.

"We had her interview with several people, and everyone instantly liked her," Smith says. "Her background was as a hairstylist, which made sense the more we got to know her. She wasn't nervous about talking with everyone from the site level to the executive level, and had something to contribute to every conversation."

Smith says such individuals are perfect fits for the apartment industry. "This group of people are on their feet all day and entering conversations with a wide range of people on a variety of topics," Smith says. "The last woman we hired from that industry was secretly shopped on

just her third day on the job. The shopper gave her a very high score, telling us that as a leasing consultant, this employee made her feel so comfortable that she was ready to sign a lease!"

The human factor is intertwined throughout every system and facet of a business and is the competitive edge that can't be duplicated. Qualified talent is hard to find, and maintaining the status quo in today's turbulent environment is dangerous. There is no more important

area than human capital to put full effort into "mining for gold."

Hiring candidates from outside the field of multifamily housing can help the apartment industry progress in a world of constant flux. Extra effort and risk is involved, but the benefits could be tremendous. ■■

Sberle H. Brown is the Chief Learning Officer for Winthrop Management, LP, Boston.

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