

# Benefitting Your Company

By Erin Weeks

**H**ealth care. Personal time off. 401(k) retirement investing. These are a few of the benefits that firms in many industries traditionally offer their employees. However, with the trend moving from excess supply of job seekers to excess demand for job seekers, companies must remain attractive to get the best talent. This means that firms have to get creative with the benefits and perks they offer to obtain and retain the best.

Consider Google. Depending upon the office, life at Google can include not only food, slides and on-site dry cleaning, but the company also provides work and social spaces for employees to tinker on their own projects and get to know Googlers they may not otherwise meet. The ability to have free space and free time change an employee's work life, which can increase an employee's happiness, and ultimately – their work output.

Even without Google's deep pockets, a 2013 list of the 50 best small and medium companies published by fortune.com shows that the right rewards can go a long way. The culture and perks fostered by these companies run from career development such as unlimited tuition reimbursement for job applicable courses, to social activities with book clubs hosted at the CEO's house. Whether big or small, these perks demonstrate the firm's interest in the employee, both personally and professionally.

Within the commercial real estate industry, the benefits and perks of the compensation package depend upon the position. Most brokers are hired by firms as independent contractors. According to the Small Business Administration, an independent contractor is hired by a firm for specific work and is paid only for that work performed. This category of employment does not receive worker's compensation benefits nor are firms required to pay employee

benefits under the Fair Labor Standards Act to a contractor. For the real estate industry, this means that monetary compensation depends upon the firm and contracted levels of production. Top producers typically receive a greater percentage of the commission generated.

**James Brown, SIOR**, and founder of Hawaii Commercial Real Estate, LLC, has a staff of 12, 10 of whom fall into the independent contractor category. Hawaii CRE offers the traditional perks of a CRE firm to its brokers: desk space, support staff, and access to databases. The firm also arranges for and manages an E&O policy and Co-Star accounts for the brokers, cutting down on some of the hassle, although the cost of these services is deducted from the brokers' commission checks. One perk that the firm does offer its brokers is the opportunity to network and learn. For junior brokers, Brown has paid for tickets to local Chamber of Commerce events so they can start building connections. He's sent more senior staff to NAIOP and BOMA meetings and events. According to Brown, it's an investment that the firm recoups in two ways: first in revenues, the second in loyalty.

Commercial real estate firms also hire full-time employees to support brokers and keep offices running smoothly. These position types cover a wide range of roles from market analysts or property managers to administrative assistants or receptionists.

For Hawaii CRE's two firm employees health benefits are the most critical. When their preferred provider dropped out of the local health exchange, the company no longer qualified for the Small Business tax break, causing the firm's expenses to increase. Rather than switch providers and potentially pocket the difference in a raise, the two decided to take a pay cut.

But it is the flexibility in schedule that may set Hawaii CRE apart from other potential employers in the area. One of the employees handles administrative and project management tasks full-time while the other, part-time, designs marketing materials. Both work from home part of the week, allowing them to pursue other passions during the day. "So long as there's someone at the desk for eight hours of the business day, I don't care how they divide the schedule or how many hours they work, as long as the work gets done and they don't go over 40 hours." Brown adds that because of this flexibility, he can see one of the employees being with the firm forever.

**Robert Thornburgh, SIOR, CCIM**, CEO and President of Heger Industrial, is most proud of his company's achievements in continuing education. "We have successfully built a system where advanced education is constantly encouraged," Thornburgh says.

Provided the courses are relevant to the job or industry, Heger will reimburse up to 50 percent of the cost.

Brown and Thornburgh both emphasize that not all of the perks or benefits a firm offers need to be monetary or extravagant. Brown often gives away gift cards and other little reward items he wins or receives at networking events to his two employees as a 'Thank you,' and 'Keep it up.' Thornburgh highlights programs leading to increased comradery as some of Heger's "most successful additive ideas." The firm recognizes personal and professional milestones during a monthly offsite lunch, offers a forum for discussion of sales best practices, and sponsors other team-building events such as a holiday party, BBQ, and volunteering.

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These benefits do not just help to retain employees, they help to attract them. As technology makes access to information ever more accessible, everything from the intangible – office culture, feedback, support systems, and growth potential – to the concrete – decorating stipends and travel – can come under scrutiny. According to CareerBuilder's 2015 Candidate Survey, a job seeker uses an average 18 different sources when searching for employment, pointing to the rise of the 'consumer candidate.' LinkedIn, Glassdoor, other social media platforms, and the company's own site are only a few.

PricewaterhouseCoopers released a study in 2012 on the top five things Millennials want

from an employer: opportunities for growth, financial compensation, training and development, good benefits packages, and flexible working arrangements. As Brown and Thornburgh prove, a firm doesn't have to offer everything in order to be attractive.

And the value of these simple practices? According to a simply-hired.com infographic from 2014, 43 percent of voluntary terminations – the nice way to say 'I quit?' – cite lack of recognition as their reason for leaving. Now consider that the loss of a critical employee can cost a firm upwards of 150 percent of the employee's total compensation package. An 'Attagirl!' or a pat on the back may save the company time and money. Not to mention, happy workers are productive workers – up to 12 percent more productive than the average worker and 22 percent more productive than unhappy workers.

However, Thornburgh cautions, "a great reward management program or benefit package can certainly increase morale but will have limited impact if larger, underlying issues exist." Companies need to consider both what they can offer and what their employees want, and focus on what's most important to create a culture that works for both. ■