

TALENT MANAGEMENT

The Secret Weapon to Stable Growth



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Extensive research indicates that commercial real estate's biggest challenge lies in obtaining and retaining top talent. A recent Commercial Real Estate Job Summit at Cornell University identified talent management as a critical strategy to ensure continued success. National studies indicate that employee turnover is costing corporations \$25 billion dollars a year. The average turnover rate at any given company is 12%. It has been calculated that the cost of losing and replacing a strategic or critical employee starts at 150 percent of the value of that employee's compensation package. Imagine the loss of an employee whose salary and benefits are worth \$100,000; replacing this person at the cost of 150% will actually deplete your earning power by \$150,000. Not all the costs can truly be measured, but they can be broken down into 4 areas: separation costs, vacancy costs, replacement costs and training costs.

Industry leaders, are developing and expanding talent management strategies to fend against the shortage of labor, attract new talent, and retain top performers. "In order to maintain a competitive edge in the marketplace, our people must be able to deliver the service level our clients have come to expect. Exploring new learning opportunities and integrating innovative ideas is essential to delivering customized solutions. Our goal is to be the industry leader in training our professionals," says Bret Bunnett, president of CAPSTAR. What is talent management? Talent management is a proactive investment program that addresses how best to locate, attract and select talent. Talent management also focuses the on-going development, education, and career advancement of key employees. This is a critical component to mitigate the risk of employee turnover. When talent management is executed correctly, the result is a high performing company to which all employees are contributing at an optimum level.