

The Secret to Managing and Retaining Talent in 2024



A SitusAMC Briefing By

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Introduction

The post-pandemic era saw one of the most fiercely competitive hiring markets in recent history, with real estate finance talent firmly in the driver's seat. In 2024, amid sharply higher interest rates, market uncertainty and a decline in transactions, the industry has moved into a phase of cautious anticipation.

"Companies and professionals are carefully watching the market and macro-economic environment," said Holly Mickens, Managing Director of Strategic Advisory Solutions at SitusAMC. "A confluence of issues are contributing to ambiguity."

These factors include slower-than-expected economic growth, persistent inflation, doubts about the Federal Reserve's plan to cut rates, stock market fluctuations and downsizing in other sectors, such as technology. Geo-political issues, including tension in the Middle East, war in Ukraine and a November presidential election are also contributing to the sense of an environment in flux. "There's a lack of definition in terms of where the market will be in six months," Mickens added.



In the midst of uncertainty, savvy institutions are leveraging new talent models that provide more flexibility while maintaining high levels of executional excellence and operational control. SitusAMC partners with some of the leading CRE lenders and investors to build out and manage dedicated teams to support all facets of real estate finance execution, including originations, due diligence and advisory, servicing and asset management and business operations. Some 70% of SitusAMC's clients are institutional commercial real estate lenders with a global presence, including leading banks and private equity firms, giving SitusAMC unique perspective on current talent trends.

Here are five key trends to watch in hiring, retaining and engaging talent.



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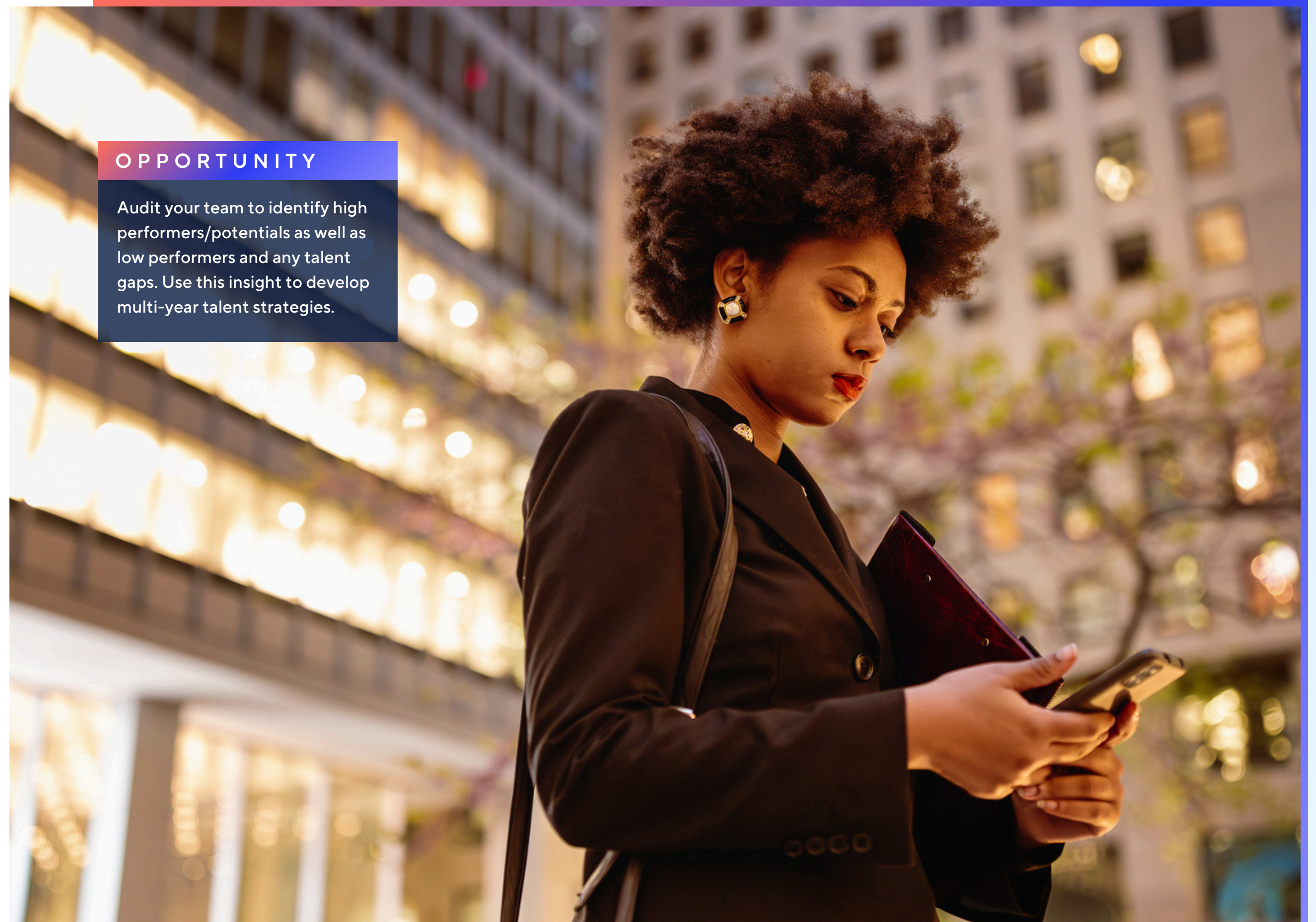
As interest rates and uncertainty have risen, both employers and professionals are in watch-and-wait mode.

Immediately after the pandemic, junior professionals jumped ship for small bumps in pay, and senior leaders joined start-ups for entrepreneurial opportunities. Today, some of those professionals are seeking to return to their former, more stable places of employment amid the uncertainty. Greater numbers of employees are waiting out the market before making a move, and more companies are reluctant to hire.

In addition, firms are putting performance and talent management at the forefront. They are deploying more thoughtful approaches than in the past, and evaluating performance differently -- closely measuring where professionals perform on the bell curve. Employers will take a more structured approach in evaluating their teams to make better-informed decisions on their talent resources.

OPPORTUNITY

Audit your team to identify high performers/potentials as well as low performers and any talent gaps. Use this insight to develop multi-year talent strategies.



2

Gen Z is shifting the requirements for managing and engaging the highest performers.

In 2024, Gen Z is [poised to surpass](#) Baby Boomers in the full-time workforce. This generation needs to feel appreciated and understand the value they bring to the table. As a result, the cardinal rule for managing high performers is “know thy employee and what makes them tick” beyond salary and title. Gen Z professionals tend to prize autonomy and transparency, and companies that deliver it enjoy a more productive workforce. Employees who thought their company leadership was transparent reported being 2.3 times as focused and 1.8 times more productive than those who felt they lacked information about changes at work, according to a [2023 Slack survey](#) of 10,000 desk workers globally.

In addition, with many major banks and financial services firms mandating a return to office five days a week, it’s crucial to provide guidance on how performance will be monitored and measured. This builds trust, and workers who felt trusted by their

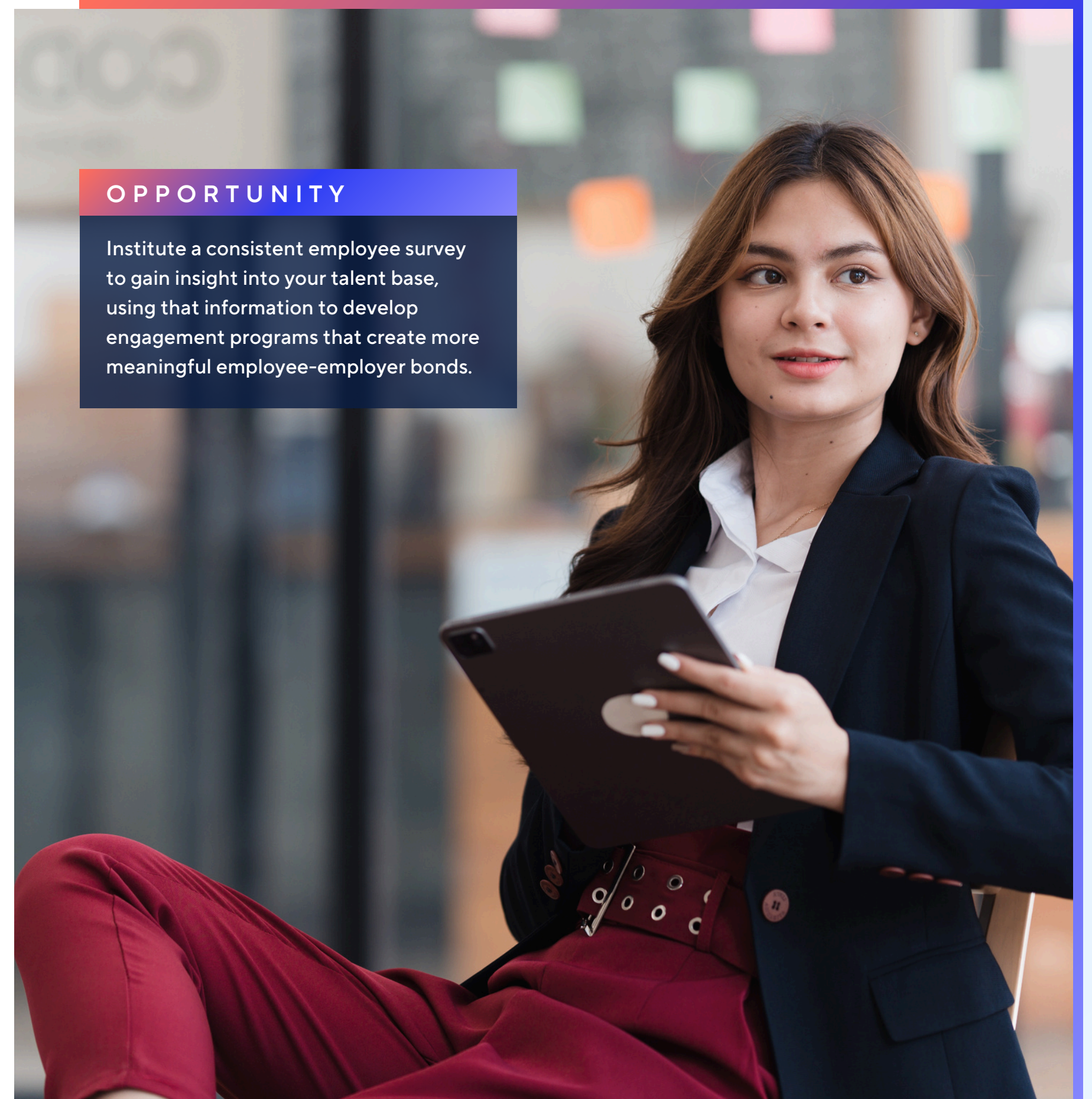
employers reported twice the productivity of those who didn’t feel trusted, according to the [Slack survey](#). Workers who felt trusted also reported better focus, and a four-fold increase in satisfaction with their jobs. Employees who don’t feel trusted are more than twice as likely to seek a new position, the report found.

In addition, Gen Z expects clear communication about how their work fits into larger mission. They don’t want to feel that they are plugging in numbers by rote, but instead understand the context that gives meaning to their efforts. Gen Z also wants a sense of community and is passionate about [having their voices heard](#) at work. This generation cares deeply about diversity, equity and inclusion, quality of life and health and wellness -- particularly mental health. The shift back to the office can provide an opportunity to enhance all of these variables, through in-person connections, team-building activities and employee affiliation groups.

Meanwhile, senior management is likely to be comprised of Gen Xers, who have a different set of values and priorities. Managers who run lean and don’t address the needs and desires of Gen Z risk losing top performers.

OPPORTUNITY

Institute a consistent employee survey to gain insight into your talent base, using that information to develop engagement programs that create more meaningful employee-employer bonds.



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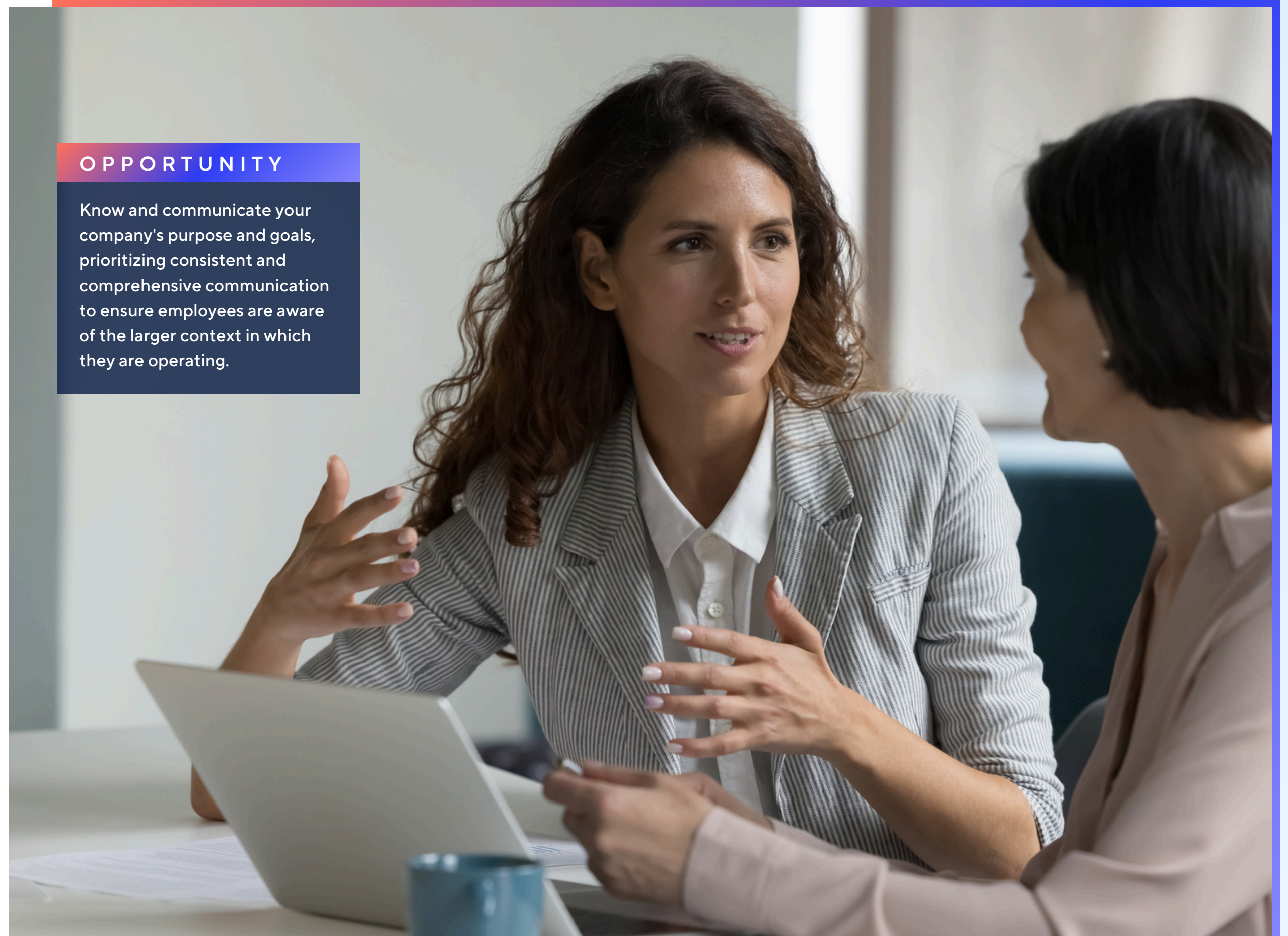
Companies must articulate common goals, embrace consistent change management and communicate their strategies to retain great talent.

Global geo-political trends, economic uncertainty and frontier technologies such as AI are accelerating volatility and complexity. Change is the new normal. But high performers don't want to feel blindsided. Companies that can articulate a clear vision, strategy and long- and short-term goals will excel in building alignment – and when everyone is working towards a common goal, productivity tends to rise.

Moreover, firms should think carefully through workplace transitions and restructurings, and be thoughtful rather than reactive in making compensation, policy and benefit changes which affect professionals' lives. Companies must establish frameworks for consistent change management, so they have the flexibility to respond to the market. But they must also master communication strategies to manage expectations as they evolve. Those that do will attract the best talent and avoid negative impacts on retention and brand reputation when change inevitably occurs.

OPPORTUNITY

Know and communicate your company's purpose and goals, prioritizing consistent and comprehensive communication to ensure employees are aware of the larger context in which they are operating.



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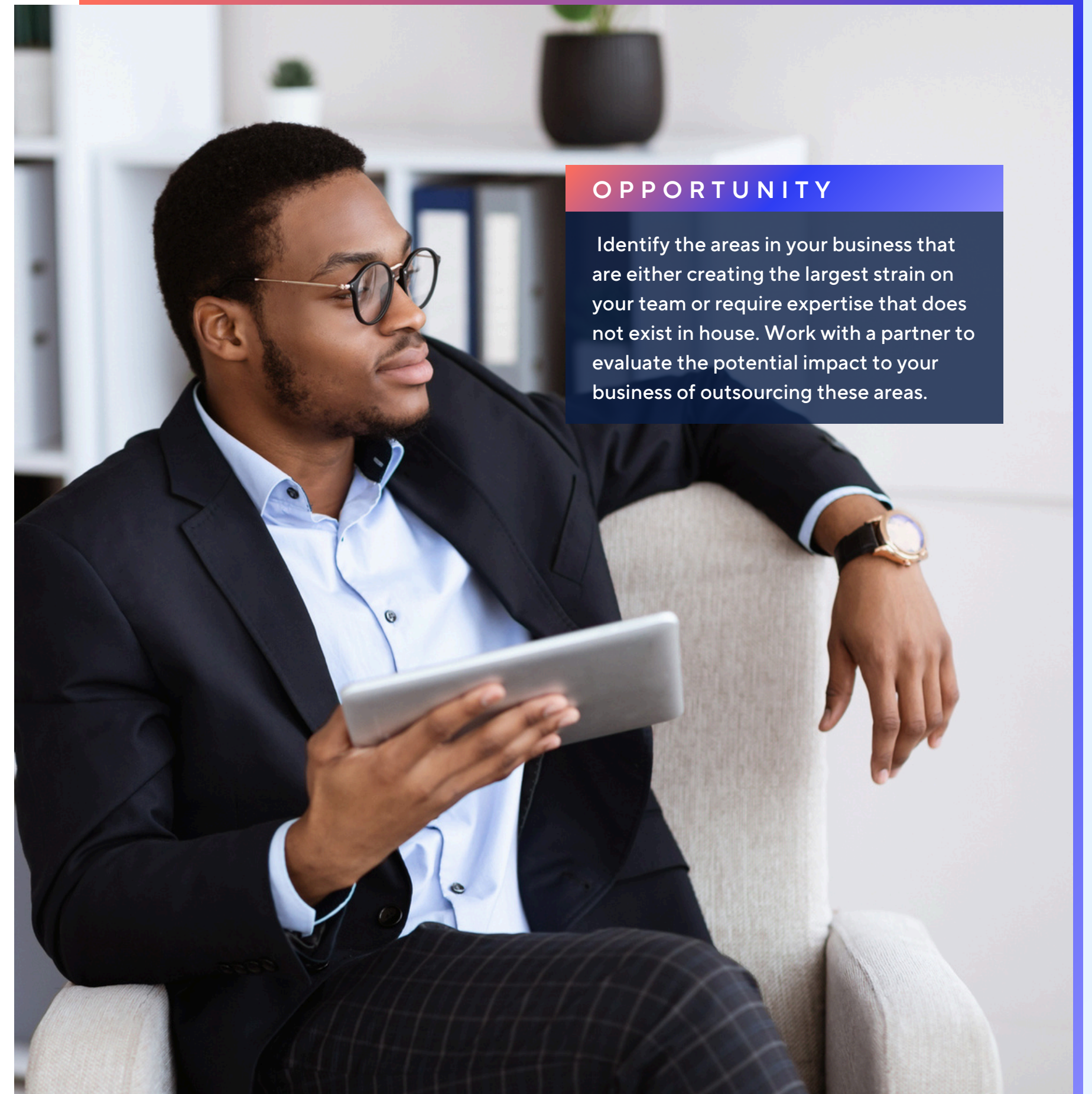
Brand reputation is more critical than ever in attracting and recruiting the best people.

Employees are more laser-focused on brand reputation at a time when corporate control over messaging has deteriorated. What was once private and internal is now public and immediately distributed on social media and covered by the press – for example, workers secretly recording clips of company termination calls and [posting their layoffs](#) on social media. What current and former employees say about a company is hugely influential – and their voices are reaching wider audiences than ever. High-performers will look to these channels to evaluate a firm's brand reputation. Smart companies will seek to build an authentically supportive culture, and deploy employee influencers and ambassadors who can communicate their brands in the most positive way.

5

Companies are seeking to find the right balance between in-house talent and outsourced services.

Given market volatility, firms are focused more than ever on nimble talent models and staffing solutions. Whether it's seconded talent or fully built-out teams, a variable workforce model is key to navigating an uncertain environment. Companies looking to outsource should find a partner that fosters a culture of collaboration, community and professional development, with ample opportunities for training and growth, to attract and retain highly motivated and productive professionals. With three decades of experience and an exclusive focus on real estate finance, SitusAMC leverages deep industry knowledge and operational expertise to source and manage the best talent to help companies run their businesses more effectively and efficiently.



OPPORTUNITY

Identify the areas in your business that are either creating the largest strain on your team or require expertise that does not exist in house. Work with a partner to evaluate the potential impact to your business of outsourcing these areas.

About SitusAMC's Talent Solutions

SitusAMC's Talent Solutions division works with clients to reimagine their talent strategies, and integrate flexible delivery models to streamline recruitment, drive cost efficiencies and find the best professionals at junior and senior levels.

To learn more about SitusAMC's
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