



Winning in the 'war for talent'

Attracting and retaining talent through culture and career pathways

Recently, **Chase McWhorter**, Institutional Real Estate, Inc.'s managing director, Americas, spoke with **Greg Bates**, president and CEO of real estate developer, investor and operator GID. Following is an excerpt of that conversation.

What issues within the industry are top of mind for you when you are recruiting new talent?

Commercial real estate is becoming a primary, versus an alternative, asset class. The competitive landscape is evolving rapidly as top managers transform their business models to provide institutional and retail investors with index-level exposure to private real estate. These managers are getting bigger, so competing in tomorrow's market will require a scalable platform with top talent at every level.

Amid all this growth, opposing forces are coming together to create a war for talent. Real estate is losing seasoned executives to retirement each year, while the working-age population in the United States is growing at one-tenth the annual rate it averaged during the past 30 years. From a pure supply-demand perspective, employees have the upper hand right now, and companies must differentiate themselves to attract the next generation of leaders. My top priority is to create a culture, a compensation system, and career pathways to attract the best employees.

How is GID approaching that? What is your philosophy for attracting and retaining talent?

People want to work for a dynamic company with a great culture. When I interview people, I talk about how our culture is shaped by "purpose" and "people."

With respect to purpose, GID is a growth company with an entrepreneurial spirit wrapped inside a 60-year-old business with a fortress balance sheet. This combination of growth and stability is rare in an employer. GID's business model is intensely focused on the asset classes of multifamily, industrial, mixed-use development and credit – areas where we have a competitive advantage and significant growth potential. Being disciplined about our purpose is critical to delivering results. As an investment manager, we have an awesome responsibility to help

provide a secure retirement for millions of pension beneficiaries, and we take that fiduciary duty seriously.

When discussing people, I focus on three elements of our culture: accountability, career pathways and compensation. Accountability, for us, means that managers are trusted with significant responsibility to run their business and own their results. That segues into career pathways. We challenge one another to "lean in and find the edge," a phrase we use to encourage people to take risks professionally and personally. If we offer continuous learning and development, then no employee needs to leave GID to find their next challenge. Compensation alignment is a third important element. We set clear goals, then recognize and reward people when they deliver results for our investors.

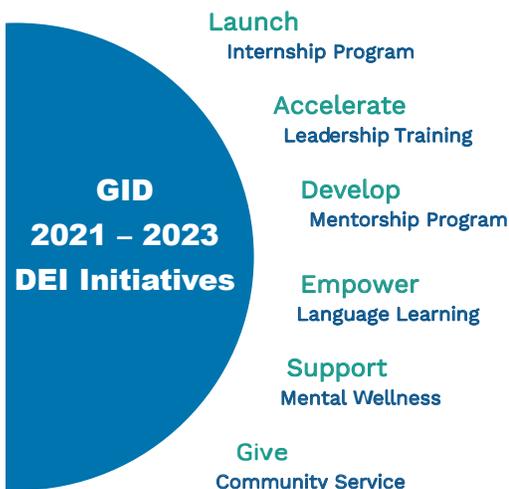
What role does culture play in your overall business strategy?

Culture and strategy are inextricably linked. In 2021, GID engaged a consultant to evolve our Core Values and Leadership Traits. Four core values articulate who we are. The first is "accountable," which means you deliver results with integrity and transparency. The next is "energizing," which means we inspire our employees to dream big, and then we support one another in that journey. "Inclusive" means we actively listen to one another and embrace our differences. The fourth value is "courageous," so we push the firm to grow our capabilities and learn from mistakes.

In order for our culture to be authentic, employees need to have a voice in how we operate and grow the business. You can't ask people to energize others, take risks and be accountable for results if they don't buy into the strategy. Culture isn't just a corporate buzzword for us – we take it seriously. We have passed on M&A opportunities because of the impact it would have on our culture. We prefer to grow organically, at a cautious pace, so we handpick every individual we bring into the firm. We invest significant time making sure they fit with us, and we are the right fit for them.

GID launched its internship program in 2019. Can you discuss the program and how it continues to evolve?

We believe diverse perspectives make us a stronger company and have long recognized a need to diversify our senior ranks. In an effort to build diversity within the company, we took two big steps. First, we committed to open new offices in Atlanta, New York and Dallas, meeting talent where it was already located. We also launched our Internship Program. From inception, we have paired interns from underrepresented populations with a mentor, who provides day-to-day guidance, and with an executive coach, who provides strategic direction and career advice. Through asset tours and a formal training program, each intern gains a holistic view of the real estate business; classes include capital raising, operations, marketing, underwriting, acquisitions, ESG and asset management. The program ends with a capstone project to senior leadership on the final day. Over the years, we have expanded the program to Atlanta and Dallas. Of the 18 interns who have completed the program, four have been hired at GID and others have pursued careers with different investment



firms. The program fulfills its purpose of launching talented young people into real estate careers.

Our internship program has created energy and engagement across GID. I strongly recommend it.

Can you discuss the intersection of ESG with talent and retention?

I worked with a CEO who said, "in order to be a great company, first you have to be a good company." He meant a good fiduciary to your investors, a socially minded company for your community, and a kind employer for your team. That always stuck with me. GID operates a comprehensive ESG program, winning first-place accolades from GRESB and PREA with one of our investment vehicles. Real estate managers know this commitment matters to investors, but it also matters deeply to our employees. They take pride in working for a good company striving to do the right thing.

GID's sustainability efforts are comprehensive and gaining importance, given the risks presented by climate change. Sustainability is a core capability of the firm. For decades, though, long before "E" became a central investment theme, GID focused on the "S." Culture has always been critical to our company, and today's DEI initiatives are simply an evolution of that focus. Ensuring employees feel a true sense of belonging at our company is one of my top priorities, and I am proud to chair our DE&I committee. Our teams have developed a number of new initiatives to enhance our culture. A favorite of mine is our *Empower* program. First- and second-generation immigrants who work in our operations division are some of our most talented employees, but language can be a barrier to their success. We offer free classes and online tutors so employees and their partners can learn English as a second language.

Last year, we rolled out *Develop*, a mentorship program offering associates a personal connection to senior leadership. *Accelerate* is our program to identify and train talented associates for the next stage in their careers. *Support* is an increasingly important initiative focused on mental wellness and work-life balance, so our associates have the tools and resources to succeed in their personal and professional lives. Finally, our *Give* outreach and philanthropy programs strive to make a positive impact on the communities in which we work. Associates in different regions

are given the opportunity to address housing and homelessness, hunger relief, healthcare, environmental issues, and other causes that align with our core values.

How do you predict companies will evolve to attract Gen Z as it enters the workforce?

GID must constantly evolve to ensure that prospective talent and existing employees always find a rewarding career here. Gen Z and millennials are the most diverse and progressive generations to have ever entered our workforce; they are redefining how we do business. These generations have a greater desire to work with companies that share their personal values, like sustainability, diversity and inclusion. We have hired and promoted significantly more women and people of color in my six years here, but diversity means much more than that to GID. We focus on diversity of skills sets, communication styles and experience. We believe if we assemble a team with complementary attributes and ensure every voice is heard, then the whole will be worth meaningfully more than the sum of its parts.

Gen Z is also the first generation of digital natives to enter the workforce. They access information and manage change at an incredible pace, so companies need to be flexible and adaptive. GID is investing significantly in technology and data to harness the power of the next generation. I am confident that if we hire prospects with emotional intelligence, work ethic, integrity and a natural curiosity, our terrific culture will evolve positively and create a stronger company over time.

GID ESG Program accomplishments



Global ESG Benchmark¹
ESG #1 Ranking – Multifamily Americas 2020 and 2021
Overall Regional Sector Leader 2021



2021 PREA ESG Awards²
1st Place Award – Closed-End Fund



2022 Green Lease Leader
Platinum Recognition
Multifamily

[1] Ranking earned for calendar year 2019 and 2020 performance by one GID investment vehicle. One additional GID investment vehicle in the same asset class earned a top ten ranking in its first reporting year. GID paid a fee of \$9,600 for its GRESB submission.
[2] Ranking earned by one GID investment vehicle. GID paid \$6,990 to PREA as an annual fee.

CONTRIBUTOR



Gregory Bates
President and CEO
GID

Greg Bates is president and CEO of GID, serving on the Executive Committee and on all investment committees of the company. As CEO, Bates is accountable for corporate strategy and provides direct oversight of GID's investment management businesses.

CORPORATE OVERVIEW

GID is a vertically integrated real estate developer, investor and operator. Privately owned, GID's commitment to the real estate sector spans six decades, and the company has the resources to sustain strong, stable growth for decades more. GID currently owns and operates more than 48,000 apartment units and 23 million square feet of commercial space. GID Development has a \$4.5 billion pipeline of new development. The firm has divisions specializing in development, acquisitions, real

estate funds, portfolio and asset management, and property management. Current initiatives focus primarily on multifamily, industrial, mixed-use, for-sale condominium and retail projects. GID is an active buyer and developer of these types of real estate on behalf of its institutional co-investment partners and for its own account. With offices in Boston, New York City, Atlanta, Dallas and San Francisco, GID employs more than 1,100 real estate professionals throughout the United States. The firm's various businesses have stood on the same, simple principles of quality, service and integrity since its founding in 1960. GID has been named a Platinum Green Lease Leader in the multifamily asset class by the Department of Energy's Better Buildings Alliance. During the calendar year 2020, one GID investment vehicle received a five-star GRESB rating in the U.S. multifamily sector for the past two years and earned a first-place ranking in the GRESB ESG Benchmark Residential Americas peer group. Additionally, a second GID investment vehicle in the same asset class earned a four-star GRESB rating and earned a top-10 ranking in its first reporting year in the GRESB ESG Benchmark.

This article presents the author's opinions reflecting current market conditions. It has been written for informational and educational purposes only and should not be considered as investment advice or as recommendation of any particular security, strategy or investment product.