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# CRE critique and expert interpretation

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### A review of *Journal of Corporate Real Estate*, Vol. 11 No. 1, 2009

This review is written by a small team from the Center for People and Buildings, The Netherlands (Evi De Bruyne, Anca Hartjes and Wim Pullen).

In the last issue of *Journal of Corporate Real Estate*, we described how a brave first attempt was made at integrating two major corporate disciplines that represent the most important support services in a company. We discussed how developing a common framework for understanding of the roles and responsibilities of both HR and CRE would need to be developed. Both fields have a specific background with theories, terms and research, and to start the discussion on integration we need to find common ground. With the context and papers of the last issue still fresh in mind we started reading the following texts.

### **Phillips, D.R. and Roper, K.O. (2008), “A framework for talent in real estate”, *Journal of Corporate Real Estate*, Vol. 11 No. 1**

The originality of this paper is not to be found in its topic in general. The demographic changes that happen around us have been much discussed in many different contexts, and no doubt will be an important issue in the future. What *is* new is the focus on the implications of this new societal context specifically on real estate management: the specific application of HR strategic systems and processes to attract and retain talent to the CRE profession.

As the baby boom generation is starting to retire, the much smaller population of generation Y employees is filling their places. As discussed by the authors, the “fight for talent” will grow fiercer, as companies fish for the same employees in the same small pond. People of younger generations are very aware of their value on today’s labor market. Where their parents felt they had to be satisfied just by the fact that they had a job, the “young potentials” of today are much more demanding and conscious of their own position. Their focus is on themselves as an individual with a competitive remuneration package, a good work-life balance with a lot of opportunities for personal development. This new context, that will affect all aspects of our western society, needs to be tackled in an appropriate manner. As the real estate profession develops itself further, the differentiated approach to attracting, selecting, engaging, developing and

retaining the future real estate workers as suggested by the authors, might become crucial in obtaining further recognition and survival of the profession. Whereas the actual application of these strategies might fall under the jurisdiction of the HR or personnel department (where these issues have been the order of the day for quite some time), the main value of this paper, as I see it, is to create awareness of these strategic systems and processes to attract and retain amongst real estate managers – Ironically these future real estate managers might in turn be themselves faced with the implications of the demographic shift, and might feel the need to develop work environments that attract and maybe even retain workers.

Finally, what could be interesting is to see this paper in light of the recent economical crisis and its implications. As many companies have been forced make many of their employees redundant or even close their doors, what will be the implications on the labor market? Will this affect all sectors of the economy and affect knowledge workers and other skilled employees? Can we expect a reverse or adjustment of the current situation in which vacancies are plentiful and suitable employees scarce? The expectations and attitudes of the different generations, as discussed in this paper, might well be affected and so will the talent management strategies that can be applied to the real estate profession (EDB).

**Inalhan, G. (2008), “Attachments: the unrecognized link between employees and their workplace (in change management projects)”, *Journal of Corporate Real Estate*, Vol. 11 No. 1**

In most workplace projects organizations meet different levels of emotion within the employees' acceptance of workplace changes. A better understanding of the employees' experiences can help to manage effects in such projects. The usual manner of doing things in the old workplace, the psychological needs and subsuming seem to be the basic issues of “workplace attachment”. This is defined as the emotional bond that is formed between an individual and a physical site, i.e. the workplace.

Inalhan describes his study as a three phase-longitudinal approach in a period of over one and a half year. This research design should be reassuring. Unfortunately however the research design is not clear. In the text the description of methodology and results are intertwined. The paper shows two phases of interviews and a questionnaire that were administered in a period of four months. There also is a note about a “seven month post-relocation that is thought to allow enough time to evaluate in the final phase” which does not tell *if* and *what* final method was used. Inalhan says that the paper is organized in two parts, the theoretical structure and the testing of the theoretical construct, which leads to the formation of a place attachment framework for workplaces. These sections are unclear when reading the paper: results and literature are mixed up; a lot of the literature is to be found in the second part of the paper and the contribution of research results to the framework are not stated really clearly. In addition, also the combination of the terms and explanations that are used are not immediately clear to me.

The paper and its issues are worth reading and can contribute to the discussion and further understanding of the employees' emotions and perceptions to workplace change. Many valuable ideas are put forward in the paper. This exercise to frame the discussion around emotions and perceptions of employees at workplace change will surely help many organizations in these changing times. The presented framework could prove to be useful trying to handle the discussions of emotions and perceptions in the context of workplace changes (AH).

**Fawcett. W. and Rigby D. (2008), "The interaction of activity, space and cost variables in office workstation sharing", *Journal of Corporate Real Estate*, Vol. 11 No. 1**

Autonomy, supervisory coaching, performance feedback are important job resources that are provided by the employer (Bakker *et al.*, 2008). The same applies to tools like computers, telephones and workplaces. Autonomy and the workplace are the key issues underlying the model of space-time allocation as described in this paper. How will an employee react when he or she finds all workstations in a flexible workplace (hotelling, hotdesking) are occupied? Fawcett and Rigby state that "the employee is blocked and the office based session cannot begin. The employee responds by taking an extra away session before coming back to look for a workstation". In practice this means that the employee, e.g. goes out for a coffee. When this happens regularly he or she might become upset, if it happens all the time they might quit their jobs because they feel limited in their autonomy to perform their jobs in a preferred activity pattern. Engagement might turn into disengagement.

Although the paper describes a model and its use as a theoretical exercise, it indicates the importance of the decision making process with respect to flexible offices. Fawcett and Rigby point to the discussion on the cost-cost problem. What are the tradeoffs when choosing a workplace concept with a desk sharing ratio less than 100 percent? Quick wins in reduced real estate costs might be countered with higher cost because of "blocking" and "displacement". In this decision process all managers – not just real estate managers – might want to become aware of the consequences of cost cutting ambitions in the CRE domain. It is their responsibility to provide the resources for their employees, so they have to be aware of the consequences of their decisions with respect to the allocation of resources.

The discussion section in the paper pays proper attention to the differences between the real world and the model world. In the algorithms causality is represented by a formula, in practice the relationship between the difficulty to find a workstation and increased disengagement might not be that obvious. The authors of the paper are obviously well aware of the theoretical character of their work.

The call of the authors to collect empirical data to calibrate the model should be heard. Practitioners have to work with the researchers on the further development of this model. Research will benefit from this exercise; validation of models is important. Also practice will benefit because of raised awareness and a more transparent view of all the options.

General Managers and their supporting functions in both the HRM and the CRE domain will profit: action research will pay off! (WP).

**Smith, A. and Pitt, M. (2009), “Sustainable workplaces: improving staff health and wellbeing using plants”, *Journal of Corporate Real Estate*, Vol. 11 No. 1**

Sometimes you are pleased by papers you read, sometimes surprised and sometimes disappointed. This paper is very disappointing. There is nothing new in it: there is a summary of existing theory without a reflective review and no new theory or hypotheses are suggested. The authors could have reflected about the relationship between office environment, health, well being and the use of plants to promote health. There is no connection between the studies that are discussed and the use of those studies for the experiments the authors later describe in the paper.

The methodology of the experiments is poorly developed, to be more specific: a methodology paragraph is missing and a lot of the results were earlier published in conference proceedings of a conference in Edinburgh last year (CIB W70). Research design is not clear, which makes you think about possible biases in the outcomes.

When it comes to interpretation of results of a questionnaire based case study the authors only use averages, no statistical calculations with respect to significance are mentioned. The tables are not easy to understand without reading the whole text. The authors draw different conclusions in the result section vs the conclusions section. And much more could have been said because our original review of this paper is over 1200 words.

The author however faces a great challenge; our review is very critical. But there is a chance to do much better. Because the survey is currently running in “several other offices in the UK” the researchers/authors should pay attention to methodological elements including the relationship of their studies to theory of health and wellbeing as part of the assumption that those are “somehow” connected to labor productivity. The framing of hypotheses, the analysis of responding occupants, the analysis of the methodology as a factor influencing outcomes... et cetera.

We will wait and see.

## **Finally**

The first thing we noticed as we read through the papers in this issue was that they are closer to the HR perspective. Last time we criticized that typical HR issues like diversity, leadership development, management styles, gender problems, job security or any form of social abuse are not at the forefront of the CRE managers’ agenda. The papers in the last issue clearly originated from a CRE viewpoint. In this issue the link between HR and CRE seems more obvious. With papers discussing the changing western demography, the emotional attachment people form to their workplace and a cost model that compares

lower housing costs to costs due to demotivation and detachment of employees, a more direct connection between the two fields is made.

As we look for common ground and issues to initiate the dialogue between HR and CRE, a possible link becomes evident in the different issues addressed by the authors: the need for employers to engage their employees. Engagement, which means more than mere satisfaction, can make a true difference for the competitive advantage of organizations (Bakker *et al.*, 2008). In the paper of Philips and Roper, engagement is discussed as a possible manner to attract and retain scarce talent. As the “war on talent” rages around us, we need to use all possible methods and techniques to get and keep talented workers whatever field they originate from. In the context of CRE, we need to be aware of the impact the work environment might have on the engagement people feel for their work. Reducing the buildings costs might seem like a good way to economize, but what if the new workplace prevents people from doing their jobs. The costs of unhappy and unproductive workers might be much higher for the organization. Models like the one described in the paper of Fawcett and Rigby, can provide a clearer view on such considerations. To conclude, there seems to be a larger understanding of the need to consider workers in respect to changes in the workplace. Using insights from HR and organizational psychology might help contemporary CRE, and prevent that the soft and human side of changes is overlooked.

## **Acknowledgements**

The authors’ backgrounds are Work and Organizational Psychology, Organizational Anthropology and General Management; what binds them is the objective to develop interdisciplinary research in the field of people, their work and their workplace environment.

## **References**

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