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Does office location impact an association's ability to attract and retain staff?

By **Gregg F. Witt, SIOR**

In an ever-changing workplace environment, there is significant competition for talent. Associations and other nonprofit organizations are not immune to this and should be conscious of what other employers offer to meet the evolving needs of workers.

There is a perception by many large employers that employees desire a more urban live/work lifestyle. As a result, several large corporations, including Kraft Heinz, Motorola Solutions, Motorola Mobility and Gogo, recently relocated their headquarters staff from their long-time suburban campuses to downtown Chicago. Others have opened large downtown office operations, giving workers the option of not commuting to traditional suburban workplaces.

Few associations have followed this trend. A number of large suburban-based associations in the Chicago area have recently relocated or are in the process of considering a new headquarters location. But while relocation to a downtown office location might have been evaluated, none of the large groups made this geographic jump. All of the groups considered retaining and attracting employees an important issue, yet while some chose to move to different locations, others decided to continue operating in the same office.

Association Forum asked senior executives from various suburban-based associations about the impact their office location has had on staff issues. Mark Watson, executive director of the Radiological Society of North America (RSNA), based in Oak Brook; Margaret Jung, chief operating officer of the American Association of Nurse Anesthetists (AANA), based in Park Ridge; Stacy Lin, deputy executive director & chief financial officer of the Society of Actuaries (SOA), based in Schaumburg; and John Miller, director, Department of Finance of the American Academy of Pediatrics (AAP), based in Elk Grove Village, provide insights as organizations that have been in their current

headquarters locations for many years. Geoffrey Brown, executive director of the National Association of Personal Financial Advisors (NAPFA), and Oliver Yandle, executive director of the Association of Legal Administrators (ALA), both based near O'Hare Airport in Chicago, provide comments on the impact that their recent moves from more distant suburban locations has had on hiring and existing staff.

Pros and Cons: A Balance

Each of these organizations has called the suburbs home for many years. Many associations relocated their headquarters to Chicago's suburbs during the office space development boom that began in the late 1970s and 1980s. RSNA relocated to Oak Brook from Syracuse, N.Y., while all of the others at one time were based in downtown Chicago.

Each had a different driver for their decision to relocate to the suburbs. Watson of RSNA says, "RSNA has a lot of volunteers who serve on various committees, and the close proximity to O'Hare has been a factor in why we have maintained our offices in Oak Brook," the association's home since 1977. Jung of AANA likes Park Ridge's proximity to O'Hare too: "Proximity to the airport became a priority for our members." Some acknowledged that the original decision, though, was driven by where the CEO at the time lived. When SOA relocated from downtown Chicago to Itasca in the early 1980s, for example, the executive director at the time lived in Arlington Heights.

ALA and NAPFA both recently relocated their offices from more distant suburban locations to buildings near O'Hare, providing a Chicago address and immediate access to the CTA Blue Line. Each

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felt that the decision to relocate changed the perceptions of current or prospective employees. According to Brown of NAPFA, "Moving to our new location has made it easier to attract new staff and retain the existing team. We've conducted two searches since we made the move and in each instance had a much better candidate pool than when we were located in Arlington Heights. The new facility is situated in an area that allows us to attract talent from the city and the suburbs, which is a win-win. We have not lost any staff as a result of the move."

Yandle of ALA shares this sentiment: "Our ability to recruit and retain staff has definitely improved since moving from Lincolnshire. We recently posted two new open positions just before the new year, and the response rate to both has been strong. We now have a Chicago address, and I think that many prospective employees are attracted to that, knowing that transportation options and building amenities tend to be more robust in Chicago."

Many believe that associations might be missing out on the best candidates for positions by being located further away from O'Hare or downtown Chicago. Lin believes that SOA's "location is a factor. Some people self-select out of certain positions because of our Schaumburg location."

Brown feels that because of NAPFA's former location, it "was missing out on opportunities to bring fresh talent to the organization." They were interviewing for marketing and communication positions and heard from potential candidates that there were so many things right about the job, but the location prevented them from entering the search. Watson of RSNA, on the other hand, believes that, "The location of our offices in Oak Brook has never been a deterrent for attracting or retaining staff. Oak Brook is fairly central in the Chicagoland area, which has been advantageous for us in recruiting staff from the entire region."

AANA's Jung notes, "Recruiting for some positions may take a little longer than others, and location may be a factor. However, our main priority is to find qualified candidates who are a good fit for the organization, and, in the end, we find it can be worth the

extra time and effort."

The highest concentrations of associations are in downtown Chicago or near O'Hare. Being outside that area might change an organization's ability to recruit experienced association executives. Lin observes that, "Depending on the position, SOA is seeing applications coming from outside the association field." But Miller of AAP says, "There are many other associations located in the suburbs, and it has not been an issue. Lower cost of operations and housing allows us to offer competitive salaries equal to or greater than organizations located downtown."

Most of AANA's new hires "have come from other associations across the city and suburbs," states Jung.

"RSNA's offices have not created any challenges with regard to the location of where other associations are based," notes Watson.

Others see a balance in hires coming from inside and outside the association field. NAPFA is seeing different candidates since its relocation closer to downtown. "The candidates for the two positions we've filled since moving all had association experience and/or a background in their specialty," according to Brown. "The profile is certainly much different than what we were attracting in the past."

ALA's recent move to its new Chicago location highlights a different issue: diversity. Yandle states, "We definitely are seeing an increase in the diversity of applicants for positions we have posted since the move. We now have a wider pool of talent from which to choose, with applicants residing in the city and all the suburban areas surrounding the city. Having a centrally located office enhances our ability to attract and retain the talented staff we need to make our association successful."

Lin echoes Yandle's observation: "Age and racial diversity is not strong because of being in Schaumburg. Our location and who lives nearby impact who seeks to work here."

Incentives

Special incentives as an inducement in recruiting to farther out suburban locations do not appear to be predominant. None of the executives described any programs related to public transportation or car allowances for those commuting from Chicago. Each feels that the organizations themselves offer an attractive compensation arrangement and other benefits to their employees.

Lin says that SOA uses the “draw of the job and its benefits package to attract employees.” Additionally, “After six months at SOA, staff members are permitted to work one day a week remotely.” Watson shares this sentiment, explaining that RSNA offers “various alternative work arrangement options for staff, including a limited number of ‘work from home’ days.” Jung shares that AANA supports “some telecommuting and flexible schedules within the organization.”

ALA has long had remote working policies in place. In fact, according to Yandle, “We were recently recognized as a Great Place to Work®. Our employment policies and work space certainly contributed to that achievement.”

Talent Pool Considerations

In today’s environment, relocation decisions are made differently and staff considerations are now a driver for an eventual headquarters relocation. In a recent survey of nonprofits conducted by real estate company CBRE, 51 percent of Chicago-based groups stated they rely on their headquarters space to contribute to their organization’s mission by providing locational access to their employee base. Twenty-four percent said that location was important for its member base.

Referring to NAPFA’s recent move, Brown states, “Having access to a broader talent pool and retaining staff members that resided in the city was one of our primary drivers for moving.”

ALA’s Yandle raised concerns about its former Lincolnshire location and the long commute times faced by staff. “We also identified the need to have a location that is more central and accessible by public transportation. Our staff was fairly well spread out in all directions, which is why the O’Hare corridor seemed to make the most sense. There are plenty of transportation options with easy access to the interstate and public transit.”

When SOA renewed its Schaumburg lease three years ago, it considered moving to Rosemont to be nearer to the airport and public transportation but eventually opted against it.

“Economics were a major factor in their decision to remain,” Lin says.

AAP recently announced it will be building a new headquarters in Itasca, relocating in 2017 from Elk Grove Village. Miller believes that “The downtown hype has been mostly that. Talented people and talented organizations will find each other in a metropolitan area. The vast majority of people who live in the Chicago metro area do not live downtown or in the loop.”

RSNA has not been troubled by its location, according to Watson: “The location of our offices has not created any challenges with attracting staff, and this is also applicable to younger workers. The growth in the number of employees living in downtown Chicago can be partially attributed to the younger staff who live downtown, but they seem to be comfortable with the reverse commute.”

Opinions and Conditions Vary

The good news is there is no apparent majority trend impacting associations and their ability to find talent, as ultimately all positions get filled. But office location clearly influences the employment picture at many suburban-based associations. While some firms have noticed staffing improvements by moving to a more centrally located suburb or even by adding a Chicago address, others have found that a suburban location has not hindered their access to the talent pool. Creating an attractive place to work is also critical in this process.

In today’s job environment, senior executives understand how important competitive employment policies and compensation are to attracting and retaining top talent. Should these not be enough, and it is determined that the location is hurting this ability, then an organization will ultimately likely change where it is based. 

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