Pearl Meyer

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The Importance of Compensation, Retention, and Professional Development in Tumultuous Times



Jon Boba

MANAGING DIRECTOR

Jon Boba, managing director in Pearl Meyer's Chicago office, talks about successfully navigating the current talent issues in the seniors housing industry.

Q: What changes have you seen in seniors housing in the past year?

Jon: With companies operating on razor-thin margins and continuing to battle significant frontline labor shortages, they are looking at new and more efficient operating models. As the focus on "middle-market" product increases, we are seeing greater emphasis and sophistication placed on data-driven analysis, leading to more customization and "a la carte" offerings. Increased streamlining and a data-driven focus on service offerings helps capital-constrained companies manage costs, while still aligning more closely with customer actual needs and wants.

I think we will continue to see this un-bundling from the traditional "all-in" pricing model because this approach helps address labor shortages by allowing facilities to staff accordingly and provide a more efficient and less wasteful purchasing model. At the same time, the resident-specific approach itself can be a selling point to seniors and families looking to customize their respective amenities and service offerings.

Q. You mentioned frontline worker shortages, are there other retention issues in seniors housing?

Jon: Retention is an issue both at the property and corporate level in today's talent-constrained market. In particular there is a significant and growing talent crunch for executive directors. From middle management on up, seniors housing providers need to attract, incentivize, and reward professionals who can help identify and resolve the current operational issues challenging the industry. Firms that can continue to provide market-competitive compensation, an opportunity for growth, and an empowering, growth-oriented

platform, will continue to outperform and win the increasingly challenging battle for talent.

It is important to remember that market-competitive pay is only step one. If you want to attract and retain the right people, you need to demonstrate that you are interested in their professional development so that they can continue to grow with the company. If you have a sharp property director, should they be considered for the executive ranks, and if so, how can you assess the skills they still need to acquire and/or develop to best prepare them for the next step?

When working with our clients, we not only design tailored and integrated compensation programs, but we also work with them on the creation of performance review metrics, and an approach to leadership development and succession plans designed to help their team reach its highest potential and outperform at all points in the industry cycle as well as in their own human capital cycle.

About the Author

Jon has 30+ years in real estate consulting and 1,000+ engagements, with deep specialization in senior housing/health care and affordable housing.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.