Lessons from the best-managed firms

Your firm is your people. Are they happy?

By Kira L. Gould

Architecture firms all across the country are looking for good young architects—and they are probably calling yours. Gordon Godat, an architect for seven years with RTKL in Baltimore, says he is approached on a regular basis, through friends, by firms, or by headhunters. Recruiters are offering better job titles, larger salaries, and sometimes summer hours, flex-time, telecommuting arrangements, or family-leave incentives. So far, he's not been tempted, but the calls keep coming.

According to U.S. Department of Labor statistics, during the past three years available positions at architecture firms increased from 112,000 to 141,000—about 8 percent per year. The construction industry is humming, and the pressure to attract and retain talented architects is raising the bar on employment practices. The market for those with three to seven years of experience is particularly tight. It's not exactly a "generation" that's missing, but there's a significant gap in the labor market. Few firms were hiring in the early 1990s, and the folks who couldn't get jobs then aren't lining up for the midlevel jobs now.

Architecture offices are not alone in their struggle to keep positions filled. The strong economy is putting the squeeze on many industries. Other Department of Labor statistics show a continuing decline in the median tenure of all workers. These numbers show men aged 35 to 44 had been at their jobs for seven years in 1983; by last year, the same age group had remained at their jobs just 5.5 years. Some analysts believe that the hundreds of career sites on the Web are actually transforming the employment marketplace by spurring a culture of job-hopping. And tales of ordinary folks whose stock options made them millionaires overnight when their privately held companies went public are now so commonplace that it is hard for those who have traditionally been reluctant to change jobs to resist jumping ship.

Po-Sun Chen, principal with Zweig White & Associates Inc., a management consulting and publishing firm that serves the architecture and engineering fields says that when discussing turnover, it's important to distinguish between large and small firms. "We've found that it's harder to measure at small firms for a range of reasons. Even in hard times, many
people tend to remain at small firms—loyalty is a bit stronger," Chen says. At large firms, turnover rates hovered around 15 percent per year five years ago, and they are up to about 25 percent now. "It's important to remember that turnover should not be zero—not all turnover is a bad thing for an organization. But there are many costs associated with turnover, and firms are trying to become more proactive to keep the people they need."

**Bucks, benefits, and ownership**

Architects' salaries (including all monetary incentives) have risen 25 percent since 1996, a 10 percent rise when adjusted for inflation, according to the *Compensation at U.S. Architecture Firms 1999 AIA Report*. Ronnette Riley, FAIA, runs a 13-person office in New York City and welcomes the salary increase. "As an industry, I think that we are significantly underpaid," she says. "Yet it's still a struggle. Although fees have also risen a bit, they have not caught up with salaries" [see "The Fee Dilemma," parts 1 and 2, October 1999, page 111, and November 1999, page 60].

To better control the disparity between fees and salaries, firms are using bonuses, profit sharing, and other compensation tactics to keep base salaries from inflating too greatly. Perhaps principals know that when the feverish pace of the economy does slack off, they will be unable to support large, highly paid staffs. Instead of offering large starting salaries, firms are using signing bonuses more frequently. These can help a firm hire new people without upsetting the salary structure. Some firms are experimenting with bonuses that reward longevity, factoring in the years an employee has been with the firm. Fifteen years ago, firms didn't need to offer the benefits and perks common to other industries because there were more architects than jobs. Many people felt lucky to be working at all. In 1990, only 64 percent of firms offered medical insurance. Today, 95 percent do, according to the recent AIA compensation report.

Traditionally, firms also offered stock only to partners. In recent years, the opportunity for rank-and-file employees to own a piece of the firm has become more widespread. The founding partners of Looney Ricks Kiss Architects in Memphis began a shared-ownership strategy when the firm opened its doors in 1983; stock is offered to employees throughout the company. "It just seemed like the fair thing to do to show our commitment to sharing the wealth," says Frank Ricks, FAIA. "And people appreciate the sharing mentality. Ultimately, it helps build loyalty and commitment." R. Nicholas Loope, AIA, CEO of the Durrant Group based in Phoenix, says that when employees have an ownership stake, they know that looking out for themselves also means looking out for the best interests of the firm. "Members who choose to take an equity position in the firm participate in strategic planning. It's a 'bottom-up' style of communication that we think increases the degree of interest and commitment of employees."

**Environment and culture**

Healthy profits have provided many firms with the resources to fund initiatives designed to strengthen the organization—including those to help keep people on board. Many firms have adopted practices common in other businesses accustomed to competing for the best help, as the compensation and ownership strategies illustrate. No matter how many of these more conventional strategies architecture firms adopt to keep employees, however, they will continue to court a somewhat idiosyncratic workforce that has never counted salary and benefits as top priorities for employment. According to Ed Friedrichs, FAIA, president of Gensler, "People tell us over and over that they stay with us because of our culture. They say that they get a kind of family 'support' here."

Management consultant Donna Gaines, AIA, of Gaines International in Chicago, compares architects to workers in the information technology business. "The aesthetics and location of the office are impor-
Big Firm Resources and Opportunities

RTKL is a firm of 750 individuals operating in Los Angeles; Baltimore; Dallas; Chicago; Washington, D.C.; Toyko; and London. David Brozman, FAIA, vice chairman of RTKL Los Angeles, believes that his firm offers the closeness and the collegiality of a small firm and the work opportunities of a large firm. "Young people will not get lost here. But they will benefit from the fact that the firm is large—the work is exciting, and often international."

Brozman also cites the firm’s annual design conference, which brings together the top young designers from all the RTKL offices, as another thing that keeps the culture stimulating. "We are not afraid to spend money on experimenting. We do a lot of research and development in terms of how we deliver design. But we socialize like a small firm with monthly office parties so people can get to know one another."

After leaving MIT nearly six years ago, architect Helen Jeffrey started her career at RTKL Baltimore. She says she stays because she gets a chance to vary her role in the firm. "I have written marketing proposals, checked shop drawings, worked on models, and taught CAD; I like working on large, multiphase projects, but I enjoy the chance to do different things." The people and the learn-while-you-earn environment has also impressed Jeffrey. "I'm learning from gifted people that I really respect. The investments that the company is making in its people and in their tools, such as technology, are important. I also appreciate the teaching culture."

Gordon Godet, AIA, joined RTKL Baltimore after graduation in 1982. He acknowledges that "it's a great time to be a young architect," but disclaims those who fail to see the big picture in the midst of a strong market. "Many people are simply attracted by the money and fail to realize the overall opportunity and potential of being a part of a diverse firm," he says. Godet was hired during the recession, which he felt made a strong statement about how successful the firm was. He also noticed that there was a five-year difference between himself and the next youngest architect, and he recognized that this age difference might mean there would be an opportunity for him to move into management. "RTKL promised a primary design role from the start, which they've held to, and I've been in that role ever since," Godetz says. Project typology was critical, too. "I'm interested in projects on the macro scale that affect the way cities look and operate."

He has not been disappointed. "The design opportunity is overwhelming. The projects offer challenging programs, exciting clients, and international travel. And the sense of openness has made it feel good. I feel I can talk candidly with people at all levels and that I can explore new ideas. RTKL has never said 'no' to any idea I've put forward."

Employee amenities can take many forms. Shortened workweeks are not widespread, but in regions where there's an emphasis on outdoor activity, flex-time is gaining popularity. The Steinberg Group, a 100-person firm in San Jose, Calif., closes at noon on Fridays and makes up the time Monday through Thursday. Frank Ricks, of Looney Ricks Kiss, believes that his company's project-team structure helps ensure that employees can get time off for family events. "We have offered the opportunity to telecommute in certain situations, and we try to remain as flexible as possible to meet a person's needs—adjusting to the person is almost never as expensive as trying to replace them."

Empowering the Individual

Learning on the job has always been important, but, increasingly, firms are codifying how they address this issue. Gensler is an industry model often recognized for its approach to continuous learning. In addition to providing some tuition reimbursement for approved classes, the firm offers a deep and diverse set of in-house educational programs as a part of what the firm calls "Gensler University."

Even smaller firms can conduct such programs. Lucinda Ludwig, AIA, vice president of architecture at Design Forum Architects in Centerville, Ohio, was impressed by the emphasis on staff training at Kaplan McLaughlin Diaz in San Francisco. She has modeled Design Forum similarly, as a teaching office. "I enjoy teaching, and so do others on staff. We think it's important to start the mentor process on the new hire's first day. That, plus a strong orientation program, makes them feel valued."

Education and development sometimes means going outside the office walls. At NBBJ Seattle, a yearly trip for staff costs the firm some $40,000. The group has traveled as far as Brazil and China to gain perspective and new insight. EDAW, a 1,500-person, San Francisco-based landscape and planning firm, runs a summer student program each year (costing close to $100,000). For employees, the chance to travel and work with interns—a summer camp-style week—is seen as a perk.

How an office is structured to handle work is also important: people at all levels want to get involved in the work in a meaningful way. John Kudravy, associate principal at Fentress Bradburn Architects, notes that, "Job candidates care most about what their role will be and how good the work is." Kris Strain has been an intern architect at Fentress Bradburn for two years and says, "The firm does a mix of small and large work as well as national and international competitions. I have many opportunities to influence the design process. People aren't pigeonholed here, and the mentor program helps ensure that we move around the office for a varied experience."

Erin Olsen Douglas, an intern architect for three years at Herbert Lewis Kruse Blunk in Des Moines, Iowa, says, "The difference here is the quality of the work that we do, the opportunities to contribute to that work, and the people. People are very receptive to ad hoc mentoring. I have more responsibility than any of my former classmates—it's valuable and exciting."

What's next?

Inevitably, the wave of prosperity that architects have ridden for the past
Opportunity to Become a “Complete” Architect

Garrison Siegel Architects is a 12-person firm in New York City. Jim Garrison, AIA, and Rob Siegel, AIA, founded their firm in 1981. "Keeping employees is basic, but not easy," says Siegel. "Architects must feel that they are part of great work, that their personal growth is tangible and appreciated, and that they are intellectually and technically challenged. Getting and doing great work is critical to recruiting and keeping great talent."

The work varies widely. Last year, Garrison Siegel completed the Swiss Center in New York, and before that, they won a competition and completed a design for the Korean embassy in Beijing (which awaits funding). The firm has worked to keep salaries and benefits up to speed with industry shifts. While the firm doesn’t offer profit sharing, they do give bonuses each year. These are calculated on several factors, including the length of time that employees have been on board.

Still, these efforts are not why people come—or stay, Siegel insists. Employees find an intellectual and professional comfort zone here, he says, pointing out that, after a couple of years, with this firm an employee can become a ‘complete’ architect. They are all exposed to marketing, site visits, client and contractor meetings, and working out details on every aspect of the project. Jim and I work that way, too. We also push ourselves to invent or research new technology, and people get excited about that."

James Puckhaber, an intern architect with Garrison Siegel for more than two years, says he likes the “direct access to the principals and the fact that we all do everything—the exposure to all aspects of the work is important.” He admits that he would like to work on larger projects, but says that the variety of work the office pursues keeps him interested. Puckhaber has noticed that many architects his age have been switching jobs every six months or so—far too soon, he says, to be tuned in with a firm’s idiosyncrasies and find one’s niche in the organization’s way of doing things.

The social side of Garrison Siegel is something that partners emphasize, too. Friday “happy hours” are typical, and social gatherings outside the office are organized on a regular basis. Last summer, a group of nearly 30—current employees and "alumni”—took a sail around Manhattan. "We work hard, but we also want to get out of the office and enjoy the city and each other," Siegel says.

eight years will slow. Kermit Baker, the AIA’s chief economist, says that architects have positioned themselves to better weather the coming change. “We are seeing less of the exaggerated growth rates than we did in the 1980s. Most of us remember the recovery from that phase—it was a difficult time for the profession and we learned a lot.” Still, the boom has permanently changed what architecture-school grads expect from employers: they may not enter the field for the money, but at least they can count on benefits from most firms. And firms of all sizes will likely continue to assume responsibility for educating and challenging young and rising practitioners. This market will leave its mark on the expectations of architects across the country.

Points of Enlightenment

What goes around comes around. Although everyone wants to be paid a fair wage for what he or she does, a good salary alone isn’t the bottom line for most people. Workers say:

Don’t pigeonhole me. Employees want interesting and varied work so their jobs don’t become moribund. A former employee of one major firm says, “I got locked into writing specs because I was good at it. Pretty soon it seemed like the project managers had forgotten I was capable of doing other things, even though I kept reminding them I wanted to take on other assignments. I felt the firm had no long-term plans for me except more spec writing, so when I got another job offer, I bolted.”

Mentor me. Whether learning opportunities are as sophisticated as the trips overseas offered by some architects’ offices, as costly as tuition reimbursement, or as simple as monthly lunchroom seminars, the willingness to invest in education should be seen by workers and managers as a commitment to a lasting partnership made by both parties.

Recognize me for a job well done. Sometimes, rewarding an act of exceptional effort by an employee at a company party can be a more important and memorable moment in that individual’s career than a pay raise or a cash bonus, which are normally kept confidential.

Work with me. The development of a “growth plan” for each employee helps keep the expectations and career goals of the employee in sync with the needs of the firm. This growth plan can become the basis for an annual or semiannual salary review. Such scheduled reviews are advantageous because they help establish a cause-and-effect relationship between a worker’s accomplishments and progress and his or her salary.

Charles Linn, AIA