

# EDUCATIONAL REQUIREMENTS FOR MANAGEMENT-LEVEL POSITIONS IN SHOPPING CENTERS

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## **Overview**

This is a study of the educational preparation and functional competencies required for shopping-center management careers. The results are based on a survey of major shopping-center developers in the United States. The findings may be of interest to shopping-center industry practitioners, and to college educators with programs intended to prepare students for retailing careers.



## **■ Background**

By the mid-1950s, only about 1,000 shopping centers were operating in the United States. The industry blossomed over the next two decades growing at a rate of approximately 1,000 centers a year. By 1990, the number had increased to 36,650. Between 1970 and 1990, retail space in the United States doubled from 9 square feet per capita to 18 square feet per capita (Carlson, 1991).

Threats to viability have often paralleled growth in the shopping-center industry. In the 1980s, a rash of department-store bankruptcies darkened whole sections of many enclosed centers. Some centers responded to this dilemma by replacing shuttered stores with discounters, thereby repositioning themselves as value-oriented centers (Peterson, 1990; Edelson, 1995). More recently, alternative shopping choices, such as mail-order catalogs, television-shopping networks, and other forms of home shopping, have evolved as competitive forces affecting all types of shopping centers (Bruno and Hill, 1997).

Unprecedented growth has generated its own set of problems. Across all socio-economic levels, disposable income growth has been dwarfed by an ever-increasing number of consumer-shopping options (Bruno and Hill, 1997). This overabundance of retail outlets has fueled intense competition within the shopping-center industry. In many markets, smaller and older enclosed regional centers struggle to compete with larger and newer superregional centers that are stronger draws for both tenants and customers.

The shopping-center industry's rapid growth spurred an urgent demand for capable managers with the ability to effectively integrate the operation of a group of retail stores as a single enterprise while allowing each store to retain its own identity and *modus operandi*. With no seasoned pool of applicants from which to draw, the early shopping-center managers were of diverse backgrounds that included banking, retail-store management, and property management. Their managerial functions were mainly operational in nature, primarily involving facilities-management responsibilities.

As years went on, a host of environmental and organizational changes changed the role and responsibilities of shopping-center managers. Increased competition required that shopping-center managers be aggressive marketers and promoters (*Chain Store Age Executive*, 1995a). Many managers had to cultivate tenant-relations and leasing skills as the task of developing an ideal tenant mix became more complex (Peters, 1990). Leasing objectives were once based on industry-wide standards, such as the long-held notion that 28% of a mall's space should be occupied by female ready-to-wear apparel stores. Of late, these standards have fallen by the wayside in favor of center-specific mixes based on local demographics, competition and lifestyles (Maginnis, 1993; Singer and Rosecky, 1995).

Smaller centers have their own set of leasing strategies. Some fill space by recruiting nontraditional tenants, such as professional services, health-care facilities and community services (Vinocur, 1996). Others attempt to differentiate themselves in an otherwise homogenized marketplace by re-

cruiting local artisans and entrepreneurs as cart-and-kiosk tenants (Anderson, 1995; 1995b). In either case, shopping-center managers are often responsible for recruiting these local tenants (Kirkup and Rafiq, 1994).

Change in ownership has had an impact on shopping-center management. The ownership of many centers has shifted from major retail conglomerates to insurance companies and other institutional investors (Carlson, 1991). In many cases, the change in ownership has changed the ideological perspective from which shopping-center managers execute their duties, making some managers feel that numbers-driven owners expect them to function more as fiscal managers than as merchants (Sraeel, 1988; *Chain Store Age Executive*, 1993).

Shopping-center managers have been rewarded for the complexity and diversity of their duties. Many centers have generous incentive programs designed to motivate managers to achieve specific goals. For instance, a leasing professional's incentive might be linked to his or her ability to attract high-traffic tenants, such as children's play zones, restaurants, and theaters. In general, compensation and benefits in the shopping-center industry have risen steadily and at a higher rate than in other retail-industry sectors (Bruno and Hill, 1997).

The shopping-center industry has recognized that shopping-center management has evolved into a profession that requires preparation. One company's managers complete a six-month training program under the tutelage of seasoned managers before assuming any managerial responsibilities (*Chain Store Age Executive*, 1986). The International Council of Shopping Centers (ICSC) sponsors the "University of Shopping Centers" that offers more than 50 courses tailored to various sizes and types of shopping centers (Janak, 1997). The University is organized into nine topical areas or "schools" including: Asset Management and General Studies; Retailing; Outlet Retailing, Value-Oriented and Community Centers; Finance, Accounting and Lease Administration; Development, Design and Construction; Shopping Center Law; Operations, Marketing and Leasing; Information Technology; and Municipal Economic Development.

ICSC offers two certification programs for completing a specified regimen of University courses. The Shopping Center Manager (CSM) designation dates back to 1964. CSM certification requires passing an exam on a range of subjects including operations and construction, leasing, center accounting, retailing and merchandising. The Certified Marketing Directors (CMD) designation dates back to 1971. The CMD certification exam covers marketing plans, product development and center merchandising, media planning and internal and external communications (*Shopping Centers Today*, "ICSC announces . . .," 1998).

## ■ Prior Research

A number of studies have been conducted on the relevance of retail education to industry. In all of the cited studies, management-level practitioners were asked to identify the importance of academic preparation and competencies for success in retail-industry careers.

Coates (1971) studied the value that retail educators and retail employment executives attach to various aspects of college retailing programs. Coates inquired about course content and functional competencies, and found that the strongest agreement between the two surveyed groups was their ranking of the importance of the functional competencies involving supervision and leadership.

In 1976, Fishco used Coates' survey to determine differing perceptions of two levels of department-store executives relative to the importance of course content and functional competencies in a community-college retailing program. He found that top-management executives and employment executives agreed on the importance of certain types of course content and functional competencies. His findings also reinforced Coates' conclusion that the two most important areas of retail education are training students to supervise and lead.

In 1980, Beery studied competencies for mid-management fashion-merchandising positions in department and specialty stores. She compared the importance of these competencies as perceived by industry executives and educators. She found that competency expectations were greater for mid-management-level positions than for entry-level positions, and that educators and industry managers agreed to a considerable extent on the importance of each competency, but that more competencies were rated as important by educators than by industry executives.

Skinner-Annable and Wilson (1988) studied retail personnel directors' expectations of college curricula and the competencies of college graduates. They found that experience was critically important to respondents, more so than college major or grades, but that a great deal of importance was attached to the four-year degree. More recently, Heitmeyer, Grise and Force (1992) studied retailers' ratings of the desirability of key skills in ensuring successful merchandising careers. They found that quantitative and interpersonal skills were ranked as most important, and that skills relating to visual merchandising and sales promotion ranked as least important. In 1996, Donnellan surveyed major retailers to determine the importance that they attached to academic preparation and functional competencies. He found that supervisory and communication skills and, in general, skills that facilitate people interaction, are perceived as important by retailers.

An investigation of trade and scholarly publications revealed no similar studies within the shopping-center industry. This research endeavors to fill in this gap in the literature with an examination of the educational and functional competencies necessary for shopping-center-management careers in a manner similar to prior examinations of retail-store organizations.

## ■ Methodology

A 30-question survey was designed and mailed to the 75 largest shopping-center developers in the United States. The ranking was based on the total number of square feet of gross leasable area (GLA) in the shopping centers owned by the developers. This information was extracted from a listing of major shopping-center developers published annually by *Shopping Center World*.

The survey included questions concerning educational requirements for entry-level shopping-center managerial positions, the degrees and college courses that best prepare students for careers in shopping-center administration, the attractiveness of shopping-center-industry careers, the functional competencies that contribute to success in shopping-center positions, and demographic questions relative to the size and type(s) of centers within the developer's portfolio. A cover letter urging participation in the study was enclosed with the survey.

Forty developers responded within 14 days. A reminder postcard was mailed to non-respondents yielding an additional nine responses in seven days for a total of 49. Of those completing the survey, 44.9% indicated that they were at vice-president level within their organization; 59.2% indicated a bachelor's degree as their highest level of education.

## ■ Results

Frequencies of response were tabulated for each question. Significant differences among respondents based on the size of their shopping-center portfolios were determined. Developers with fewer than five million square feet of GLA in their shopping-center portfolios will be referred to as "medium-size" organizations. Developers with more than five million square feet of GLA in their portfolios will be referred to as "large" organizations. Note that organizations that might be considered "small" were not included in the survey.

Respondents reported the minimal educational acquirements for managerial careers in their organization as follows: 22.4% had no requirements; 12.2% required a high school diploma; 6.1% required an

**TABLE 1. MINIMUM EDUCATIONAL REQUIREMENT FOR MANAGERS (N = 49)**

Requirement	Frequency	Percent
High school	6	12.2
Some college	6	12.2
Associate's degree	3	6.1
Bachelor's degree	23	46.9
No requirement	11	22.4

associate's degree; 46.9% required a bachelor's degree (see Table 1). Large organizations were more likely to require a four-year degree than medium-size organizations ( $p < .05$ ).

Of the 11 organizations without educational requirements, all indicated that the skills required for shopping-center management are learned on the job; four indicated that college does not adequately prepare people for shopping-center careers (see Table 2).

**TABLE 2. REASONS FOR NOT REQUIRING COLLEGE (N = 11)**

Reason	Frequency	Percent
Necessary skills are learned on the job	11	100
Higher salary requirements	-	-
Colleges do not adequately prepare	4	36.4

Respondents indicated that the need for college education is increasing. Only one percent of responding organizations required a college degree 20 years ago; 18.4% required a degree 10 years ago; 34.7% required a degree five years ago (see Table 3). A larger pool of college-educated applicants was cited by 32.6% of respondents as the reason for the increase in demand for college-educated managers (see Table 4).

**TABLE 3. CHANGE IN EDUCATIONAL REQUIREMENTS OVER TIME (N = 49)**

Requirement	5 Years Ago		10 Years Ago		20 Years Ago	
	Frequency/Percent	Frequency/Percent	Frequency/Percent	Frequency/Percent	Frequency/Percent	Frequency/Percent
No requirement	9	18.4	11	22.4	14	28.6
High school	5	10.2	11	22.4	13	26.5
Some college	10	20.4	9	18.4	4	8.2
Associate's degree	2	4.1	4	8.2	-	-
Bachelor's degree	17	34.7	9	18.4	1	2.0
Graduate degree	1	2.0	1	2.0	1	2.0

**TABLE 4. REASONS FOR REQUIRING COLLEGE FOR MANAGEMENT TRAINEES (N = 49)**

Reason	20 to 10 Years Ago		20 to 5 Years Ago	
	Frequency	Percent	Frequency	Percent
Larger pool of college educated applicants	11	22.4	16	32.6
Organizational growth	10	20.4	13	26.5
Necessary to compete	9	18.4	15	30.6
Managers with degrees are more competent	6	12.2	10	20.4

Respondents were asked to indicate the degrees that are most appropriate for preparing candidates for shopping-center careers: 73.5% indicated accounting or finance as a preferred degree; 71.4% indicated a general business degree; 69.4% indicated a marketing or management degree; 38.8% indicated a retail/merchandising degree; 22.4% an economics degree; 14.3% a liberal arts degree (see Table 5).

**TABLE 5. DESIRABLE COLLEGE DEGREES (N = 49)**

Degree	Frequency	Percent
Marketing	34	69.4
Accounting/finance	36	73.5
Management	34	69.4
Retail/merchandising	19	38.8
General business	35	71.4
Liberal arts	7	14.3
Economics	11	22.4

Respondents were asked to indicate the most desirable courses for preparing candidates for shopping-center careers: 36.7% rated marketing management high in importance. Several courses were rated as moderately high in importance including advertising (44.9%); retail promotion (37.7%); consumer behavior and accounting (38.8%), principles of retailing (32.7%); and retail buying (30.6%) (see Table 6). When asked an open-ended question relative to the areas in which college fails to prepare students adequately for shopping-center management, 14 respondents (28.6%) conveyed a people-skills type of response.

**TABLE 6. RATED IMPORTANCE OF COLLEGE COURSES BY PERCENTAGE OF RESPONDENTS (N = 49)**

Course	Level of Importance			
	Low	Moderate	High	None
<b>General Business Courses</b>				
Marketing	4.1	30.6	36.7	8.2
Advertising	6.1	44.9	20.4	8.2
Consumer Behavior	10.2	38.8	32.7	10.2
Accounting	4.1	38.8	20.4	2.0
<b>Retailing Courses</b>				
Retail Accounting	26.5	20.4	20.4	10.2
Principles of Retailing	14.3	32.7	20.4	8.2
Retail Buying	24.5	30.6	14.3	8.2
Retail Promotion	14.3	37.7	23.4	10.2

Responding organizations indicated limited use of higher-educational institutions as a source of applicants. Forty-one respondents (83.7%) indicated that their organizations do not actively recruit on college campuses for entry-level managerial positions. However, 27 respondents (55.1%) indicated that their organizations sponsor college internships (see Table 7). Large organizations were more likely to sponsor internships than medium-size organizations ( $p < .05$ ).

**TABLE 7. INTERNSHIPS SPONSORED IN A YEAR (N = 49)**

Number	Frequency	Percent
1 to 5	15	30.6
6 to 10	12	24.5
11 to 20	-	-
Over 20	-	-
Don't know	2	-
None	18	36.7

Respondents were asked questions relative to career potential in shopping centers for college students, and the development of stronger links between higher education and the shopping-center industry. Thirty-one respondents (63.3%) indicated that shopping-center careers are not appealing to college students. Medium-size organizations were more likely to hold this posture than large organizations ( $p < .05$ ).

An open-ended question relative to the popularity of shopping-center careers yielded five responses (10.2%) indicating long hours as an



undesirable aspect of shopping-center careers. Thirty-two respondents (65.3%) indicated that the shopping-center industry's highest employment needs over the next five years will be in the area of shopping-center management (see Table 8). Only 11 respondents (22.4%) indicated the existence of a formal management-training program within their organization to groom entry-level managers for future growth.

**TABLE 8. GREATEST SHOPPING-CENTER MANAGEMENT EMPLOYMENT NEEDS OVER THE NEXT FIVE YEARS BY PERCENTAGE OF RESPONDENTS**

Position	Level of Need				
	None	Low	Moderate	High	No Opinion
Shopping-center management	-	8.2	65.3	18.4	2.0
Leasing	2.0	6.1	40.8	44.9	2.0
Marketing/sales promotion	2.0	10.2	51.0	26.5	4.1

Twenty-one respondents (42.9%) indicated that colleges do not effectively promote shopping-center management as a career. Thirty-six respondents (73.5%) indicated that shopping-center management should be an integral part of curricula designed to prepare students for retailing careers. When asked a question pertaining to topical components of a shopping-center administration course, 41 respondents (83.7%) indicated promotion planning as highly important; 34 respondents (69.4%) rated operations management as highly important; 31 respondents (63.3%) indicated visual merchandising and retail security as highly important (see Table 9).

**TABLE 9. RELATIVE IMPORTANCE OF TOPICS FOR A SHOPPING-CENTER MANAGEMENT COURSE BY PERCENTAGE OF RESPONDENTS (N = 49)**

Topics	Level of Importance			
	Low	Moderate	High	No Opinion
Visual merchandising	2.0	26.5	63.3	8.2
Promotion planning	-	6.1	83.7	2.0
Retail security	-	24.5	63.3	2.0
Media advertising	4.1	36.7	51.0	-
Operations management	4.1	18.4	69.4	-
Leasing	12.2	57.1	22.4	-
	4.1	30.6	55.1	2.0

Several questions related to the functional competencies that contribute to the success of shopping-center managers: 83.7% of respondents indicated oral communication as a highly important skill; 69.4% indicated management skills as highly important; 63.3% indicated written-communication and organizational skills as highly important; 57.1% indicated computer skills as moderately important; 65.0% indicated analytical skills as highly important; 55.1% rated leadership skills as highly important (see Table 10).

**TABLE 10. RELATIVE IMPORTANCE OF SKILLS FOR MANAGERIAL POSITIONS BY PERCENTAGE OF RESPONDENTS**

Position	Level of Importance			
	Low	Moderate	High	No Opinion
Written communication	2.0	26.5	63.3	8.2
Oral communication	-	6.1	83.7	2.0
Organizational skills	-	24.5	63.3	2.0
Analytical skills	4.1	36.7	51.0	-
Management skills	4.1	18.4	69.4	-
Computer skills	12.2	57.1	22.4	-
Leadership skills	4.1	30.6	55.1	2.0

**TABLE 11. IMPORTANCE OF BEHAVIORS AND CHARACTERISTICS (N = 49)**

Position	Level of Importance				
	None	Low	Moderate	High	No Opinion
Relates well to subordinates	-	6.1%	34.7%	53.1%	2.0%
Detail oriented	-	2.0%	46.9%	46.9%	-
Consistent, even-tempered	-	-	36.7%	57.1%	2.0%
Aggressive	-	22.4%	49.0%	18.4%	2.0%
Anxious to advance	2.0%	18.4%	53.1%	20.4%	2.0%
Intelligent	-	-	12.2%	83.7%	-
High energy	-	-	26.5%	69.4%	-
Assertive	-	-	51.0%	36.7%	2.0%
Common sense	-	-	10.2%	85.7%	-
Delegates well	-	2.0%	38.8%	53.1%	2.0%
Good planning skills	-	2.0%	38.8%	55.1%	-
Sense of urgency	2.0%	8.2%	40.8%	42.9%	2.0%
Relocatable	18.4%	38.8%	26.5%	10.2%	2.0%
Adapts to change	-	10.2%	36.7%	49.0%	-
Establishes priorities	-	-	26.5%	67.3%	-
Completes tasks in a timely manner	-	-	24.5%	67.3%	2.0%

Respondents evaluated the importance of a list of workplace behaviors and personal assets. Those rated high in importance include common sense (85.7%); intelligence (83.7%); high energy level (69.4%); and the abilities to establish priorities and complete tasks in a timely fashion (67.3%) (see Table 11).

## ■ Conclusions

Many colleges offer curricula and/or courses designed to prepare students for retail-industry careers. Historically, retail-store organizations, especially department stores, have been the likely placements for the graduates of these programs. In recent years, central-organization consolidation has reduced the number of corporate-level jobs within the retail industry. With fewer opportunities for advancement, retail-trained graduates have had to pursue alternative career options (Donnellan, 1996).

The results of this study suggest that administrators and faculty affiliated with retail-oriented college programs should consider cultivating linkages with the shopping-center industry. The partnerships would serve to enhance the industry relevance of their courses and programs, and job-placement possibilities for their students. Likewise, retail-oriented college programs are reservoirs of talent from which future industry professionals can evolve. Thus, partnerships between higher education and the shopping-center industry can be mutually beneficial to both educators and practitioners.

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