

Winning Leadership and Management Strategies in Real Estate Organization

Ezdihar Hamzah

Centre for Real Estate Studies (CRES), Institute for Smart Infrastructure and Innovative Construction (ISIIC), Universiti Teknologi Malaysia, Johor, Malaysia

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ABSTRACT

In the dynamic real estate industry, successful leadership and management strategies often involve effective communication, strategic decision-making, and strong team collaboration. A winning strategy is essential to ensure business sustainability, maintain the company's good image, and adapt to current changes. In a different case for real estate organizations specifically, the top management needs to ensure that the organizations are running by adhering to the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVAEP) requirements. Besides, there are specific codes of ethics for a professional in delivering business services to clients. Following the special essentials that the top management needs to be aware of, this research aims to identify the issues and challenges in managing real estate organizations. Secondly, this research seeks to investigate the leadership management strategies in the real estate organization for business continuity. The research methodology adopts a qualitative approach through comprehensive interviews with eleven registered valuers as the professional, who is the resident valuer, and the top management in the real estate organization. The data collected is analyzed using content analysis. The research findings result in a better understanding and clear mapping of winning leadership management strategies focusing on real estate organizations running the real estate company. This research contributes to effective human resource management, efficient business organization, and, most importantly, business sustainability.

Keywords: Organization Management, Real Estate, Business Sustainability, Professional Practice.

INTRODUCTION

The real estate industry in Malaysia is characterized by a combination of three fields that are of property management, estate agency, and valuation (including appraisal). These industries are evolving in response to market fluctuations, technology breakthroughs, and shifting customer demands. The professions related to these three fields are governed by the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVAEP) Act, (1981). Thus, as the head branch or the director of a real estate professional organization, the person must be a Registered Valuer and registered with BOVAEP. This is where a professional license meets the leadership and management skills to ensure business sustainability.

Relating to leadership and management strategies in real estate organizations, the term "leadership" and "management" as discussed by Collins et. al. (2023) come with many arguments about whether it is accepted as synonyms or two different terms. Leadership relates to developing a vision for the organization, aligning people with the vision through communication and motivating people to action through empowerment and basic need fulfilment (Kotter, 1990). Leadership involves the ability to influence others, emphasizing people and the human side of the organization. Further indications by Kouzes and Posner (2021) strengthen the differences between leadership and management where management involves organizational processes and structures including planning, budgeting, organizing, staffing, controlling and problem solving. Collins et. al. (2023) research results in leader's beliefs will affect the leadership behaviors and more likely to inspire, develop, support, empower the organization's mission to the followers. In contrast, leaders with subordinate believes will controlled, directed, and threatened with punishment (Sahin et. al., 2017).

Thus, both leadership and management are essential skills to ensure the business vision and mission are

achieved. As to maintaining business continuity, this research further investigate what are the issues and challenges faced by registered valuer in managing real estate organizations. Other than that, what are the leadership management strategies to overcome the issues and challenges? This research aims to contribute to real industry output related to current issues and challenges and how to deal with the issues. This research also added knowledge to the organization leader which other than the professional license, they need to equip themselves with leadership and management skills. Thus, the research objective is to identify the issues and challenges in managing real estate organizations. Secondly, this research investigates the leadership management strategies in the real estate organizations for business continuity.

RESEARCH BACKGROUND

Winning leadership and management strategies is essential to align the business direction towards business sustainability. As a professional in real estate field, a Registered Valuer is a person who is registered under BOVAEP; according to Section 2 of Act 242 where “registered valuer means a person whose name has been entered under Part I of the Register and to whom an authority to practise has been issued by the Board under section 16”. At first, it takes a huge effort and sacrifice for a person to get registered. The process as mentioned in Section 18 of Act 242 includes the educational qualifications recognized by BOVAEP, practical experience, practical task to be completed, logbook, work diary and to pass the Test of Professional Competence (TPC) prescribed by the Board. Thus, when one person gets registered, other than the professional license that they have, they also need to have the ability to manage and be the leader to ensure the business and organization’s objectives are achieved. Furthermore, the registered valuers need to equip themselves with skills and other packages as a leader to manage the organizations and ensure business continuity. In facing issues and challenges in managing real estate organizations, the main issues are related to technological advancement, ensuring job sustainability, and fighting healthily with competitors.

This research is unique in terms of the idea of leadership management practices in the real estate field, where this research not only focuses on theory related to real estate professional practice, but also includes the real industry practice perspectives. What are the opinions of the registered valuer related to issues and challenges in managing real estate organization and how to strategize on what should be done to overcome the issue.

LITERATURE REVIEW

The literature review further explains the issues and challenges in managing real estate organizations and leadership and management strategies.

Issues and Challenges in Managing Real Estate Organization

Issue 1: Technological Advancement

The way real estate organizations operate has changed dramatically as a result of the integration of technology. The property market has been revolutionized by technology, which has changed everything from data analytics and market insights to virtual tours and online listings. Previously, Microsoft Excel was the main program used for data analysis, modelling, and financial predictions, making it the ultimate tool in the real estate valuation industry. Valuers found it quite easy to input property data, run calculations, and create reports because of its spreadsheet-based functionality. Currently, there is a big data platforms that have completely changed the way valuations are done, opening up new possibilities for accuracy, speed, and prediction that are not possible with more conventional way. Valuers have access to large and varied datasets gathered from many sources, such as economic indicators, property histories, market trends, and demographic data. These systems quickly examine this vast amount of data by using sophisticated algorithms and machine learning techniques. Consequently, valuation experts can get a more profound understanding, identify trends, and make better judgments when it comes to property values.

Issue 2: Job Sustainability

Job sustainability in valuation professionals faces a potential challenge in job sustainability if they limit

themselves to a narrow focus, such as exclusively dealing with financing. Specialization in one area may lead to professional stagnation and a lack of interest. However, the overall outlook for job sustainability in valuation practices appears robust. Despite the prevalence of mistakes in valuation reports, likely due to insufficient quality control, the demand for valuation services is expected to persist over the next 20 years. To ensure sustained career success, valuers are encouraged to prioritize professionalism and uphold high standards in their work, placing quality above mere monetary gains.

Issue 3: Competitors

The issue of competitors are divided according to three different sectors which are included in real estate organisation sector. These sectors are valuation practices, property management practices and estate agents practice.

Valuation Practices

Professionalism in franchising and valuer office sharing raises questions about share distribution fairness. This may mean that some branches, especially in Kuala Lumpur (KL), hold a disproportionate share, affecting competitiveness and equity. Such internal discrepancies could hinder collaboration and resource allocation, harming franchise valuer performance. Besides that, market changes increase competition. Market developments need valuation practices to adjust, which may affect service demand. Valuers must adapt, alter plans, and provide customers with relevant insights into market volatility, making them competitive. The next challenge mentioned is the proposed rule that certain corporate firms share sales to foreigners or non-registered valuers.

Property Management Practices

The property management industry in Malaysia is facing market saturation, especially in urban areas such as Kuala Lumpur. However, there are still opportunities in property management practices, particularly in the Johor Bahru area with limited competition, suggesting a favourable market for property managers to establish a strong presence and secure a significant market share. Property management firms entering this market must carefully evaluate the local landscape, comprehend the unique needs of clients, and tailor their services to effectively meet these demands. The key competitor in property management practices revolves around the scarcity or limitation of competition in property management, indicating both potential advantages and challenges. Competitors for property management firms will likely include existing players in the market, but the emphasis is on the need for strategic adaptation and tailored services to effectively compete and thrive in the identified opportunities.

Estate Agents Practices

On the other hand, obtaining a license for real estate practice, specifically as a registered real estate agent poses a considerable challenge, despite the relatively short duration of the examination process which spans just one year. The difficulty stems from examiners' perceptions that candidates for the real estate agent license often lack the necessary knowledge when compared to those pursuing licenses as registered property managers or registered valuers. This suggests that the standards for real estate agents may be perceived as higher, requiring a more comprehensive understanding of the industry.

Issue 4: Market Volatility

Real estate valuation involves a meticulous examination of numerous factors, including comparable sales, supply and demand dynamics, interest rates, and economic conditions. However, the inherent volatility in the market introduces uncertainty, rendering the accurate prediction of property values. This uncertainty can lead to a discrepancy between perceived value and actual value, which can impact buyers, sellers, and appraisers.

Leadership Management Strategies in the Real Estate Organization

In the real estate industry, effective leadership management strategies are crucial for steering organizations

toward success. This sector, characterized by its competitive nature and complex market dynamics, requires leaders who can inspire, guide, and adapt to ever-changing conditions. Here are some key strategies for leadership management in real estate organizations:

1. *Visionary Leadership*

Leaders in real estate must have a clear vision for the future of their organization (Senge, 1990). This involves understanding market trends, technological advancements, and shifting consumer preferences. A visionary leader can anticipate changes and steer the organization accordingly, positioning it to capitalize on emerging opportunities and mitigate potential risks. Visionary leaders articulate their vision in a way that inspires and engages their team, creating a shared commitment to achieving the organizational goals (Bass & Riggio, 2006).

2. *Strategic Planning and Goal Setting*

Strategic planning is important in organisation's management process as it helps to improve the organization's performance (Wheelan and Sissons, 1993). Effective leaders set clear, measurable goals aligned with the organization's vision. This includes both short-term and long-term objectives, such as increasing market share, expanding into new regions, or enhancing customer service. Strategic planning involves analyzing market data, understanding competitive dynamics, and leveraging the organization's strengths to achieve these goals.

3. *Building a Strong Team*

A real estate organization's success largely depends on its people. Leaders should focus on recruiting top talent, fostering professional development, and creating a positive work environment. This includes providing training opportunities, mentoring, and encouraging collaboration among team members. A well-trained and motivated team is more likely to deliver exceptional client service and drive the organization's success. Building a shared vision in an organization fosters team spirit and motivate individual by give them the sense of purpose (Hansen et. al., 2020).

4. *Client-Centric Approach*

In real estate, customer relationships are paramount. Leaders should instill a client-centric culture within the organization, ensuring that all team members understand the importance of exceptional customer service. This involves not only meeting but exceeding client expectations through personalized service, prompt communication, and thorough understanding of client needs. By consistently meeting or exceeding client expectations, real estate professionals can build loyalty and generate repeat business and referrals (Hill, Roche and Allen, 2007).

5. *Leveraging Technology*

Technology plays a critical role in modern real estate operations. Leaders should promote the adoption of cutting-edge tools and platforms, such as customer relationship management (CRM) systems, property management software, and data analytics. Embracing technology can streamline processes, improve efficiency, and provide valuable insights into market trends and client preferences (Agnihotri et. al., 2002).

6. *Adaptability and Innovation*

The real estate market is dynamic, with frequent changes in regulations, economic conditions, and consumer behavior. Effective leaders must be adaptable and open to innovation. This means being willing to revise strategies in response to market shifts, experimenting with new business models, and fostering a culture of continuous improvement. Visionary leaders are adaptable and open to change. They are willing to adjust their strategies based on new information and evolving market conditions (Bass, 1990).

7. *Effective Communication*

Strong communication skills are essential for real estate leaders. This includes not only articulating the

organization’s vision and strategy but also listening to team members, clients, and stakeholders. Clear and open communication helps to align the team, address concerns, and build trust within the organization. Communication skills are crucial for visionary leaders. They must be able to convey their vision effectively and inspire others to buy into it (Bass and Riggio, 2006).

8. *Financial Acumen*

A deep understanding of financial principles is crucial for leaders in real estate. This includes budgeting, financial forecasting, and analyzing investment opportunities. Effective financial management ensures that the organization remains profitable and can make informed decisions regarding growth and expansion (Makdissi et. al., 2020).

9. *Networking and Positive Reputation*

In real estate, relationships with clients, investors, and other industry professionals are vital. Leaders should prioritize networking and relationship-building to expand their organization’s influence and create new business opportunities. This includes attending industry events, participating in local community activities, and cultivating strong connections with key stakeholders.

10. *Ethical Leadership*

Maintaining high ethical standards is crucial in real estate, where trust and integrity play significant roles. Leaders should model ethical behavior, ensure compliance with regulations, and foster a culture of transparency and honesty within the organization. Upholding ethical standards helps build a strong reputation and long-term success.

RESEARCH METHODOLOGY

This research adopted a qualitative approach by considering comprehensive interview with the experts as the best way to conduct this research. The research theory led to comprehensive interview sessions with 11 registered valuers from 11 real estate organisations. These Registered Valuers (RV) is the Director or Associate Director of the real estate organisation and they have the authority to sign the valuation report with detailed Market Value (MV) and Forced Sale Value (FSV) of the subject property. The following Table 3.1 gives a summary of all experts involved in this research. All experts currently work in private real estate firm and held as Registered Valuer.

Table 3.1. Respondents involved in this research.

Respondent’s Name	Years of Experience as Registered Valuer (RV)	Years of Experience in Property Field
R1	4	20
R2	7	20
R3	6	24
R4	24	45
R5	5	20
R6	7	15
R7	7	17
R8	9	15

R9	25	30
R10	1	20
R11	12	33

Data Analysis

Based on the in-depth interview with the experts, the data collected are analysed using content analysis. The data collected meant to answer the 2 objectives of this research. The first objective is to identify the issues and challenges in managing real estate organizations. Secondly, this research seeks to investigate the leadership and management strategies in the real estate organization for business continuity. Each expert's answers in detail are indicated in the following sub topic.

Achieving Objective 1: Issues and Challenges in Managing Real Estate Organization

Issue 1: Technological Advancement

When it comes to questions asked about AI driven technology in valuation, R1 was unsure of its potential in Malaysia since he stated human power contributes an extensive amount of knowledge, analytical skills, and refined judgment from years of experience. Valuers can decipher the complexity that technology might miss, like knowing the ins and outs of the local market, evaluating the special qualities of a property, and accounting for intangibles like neighbourhood patterns, community advancements, or historical significance that affect property values. Furthermore, subjective components of property assessment frequently call on human judgment, empathy, and contextual knowledge. Besides, R9, R10 and R11 also agreed in a way that technology benefits in enhancing clear communication provided to valuer through whatsapp or email where they can attach details of the property with pictures and valuer can give more accurate indications compared to previously which is by verbal indications.

Issue 2: Job Sustainability

Based on the interview sessions, all respondents agree that job sustainability is one of the main issues and they need to strategize and face the challenge. Professionals should invest in ongoing education and training to stay up-to-date with industry standards and regulations. This ensures they can provide high-quality valuations and maintain a strong reputation in a competitive market. For example, the process of license renewal for the valuer often involves certain professional development requirements, such as attending relevant courses, seminars, or workshops. This contributes to our professional growth and helps ensure we stay updated with the latest industry standards and practices.

Issue 3: Competitors

To address competition and bolster reputation in Malaysia's Valuation, Estate Agents, and Property Management sector, the respondents agree that they should prioritize quality, differentiation and strong client relationships. Other than that is to be accurate and reliable in delivering services and offer something unique that attracts clients, thus ensuring they are satisfied and loyal to the services provided by the organizations. The issue of competitors also involves the competition of stockholder shares in the organization. The percentage of stockholder's share affect the real estate organization's ownership, strategy and decision making. Valuers face competition from market dynamics and legal frameworks that shape ownership structures and shareholder rights.

The competition in real estate practice also lies in their respective professional abilities such as communication skills, understanding of law and personal soft skills based on R2. However, there are a lot of probationary real estate agents in the market compared to registered real estate agents because of the difficulty of obtaining a registered license. The probationary real estate agents will compete with the registered real estate agent for jobs and the customer may appoint the probationary real estate agent due to lack of professional knowledge in

this field. By staying abreast of the latest market trends and continually expanding their knowledge base, real estate practice can offer clients valuable insights and a deeper understanding of the ever-evolving real estate landscape. Establishing a strong online presence through effective use of social media and a well-designed website can also enhance visibility and credibility. Moreover, cultivating strong relationships with clients through transparent communication and a commitment to personalized solutions can build a reputation for reliability and trustworthiness. Ultimately, a proactive and client-centric approach, coupled with a dedication to staying ahead of industry trends, positions real estate practice not only to withstand competition but to thrive in a dynamic and competitive market.

Issue 4: Market Volatility

The impact of market volatility on supply and demand dynamics further complicates R8. Sudden changes in supply, such as an increase in supply due to a surge in new construction or listings, can create a surplus situation, leading to price declines. Similarly, demand volatility caused by economic changes or changes in buyer preferences can also affect property values. Interest rate volatility, which leads to changes in borrowing costs, can affect buyer affordability, which in turn affects demand and real estate prices.

External factors such as geopolitical events, changes in government policy, or changes in consumer sentiment can have a significant impact on the real estate market, leading to sudden changes in property values. Additionally, market volatility can affect the liquidity of real estate assets, making it difficult for sellers to achieve their desired price within a reasonable timeframe.

Thus, all these four issues are the main highlight of the issues and challenges in managing real estate organisations. Despite, after identifying the current issues and challenges, the respondents of this research agreed that to sustain the business of real estate organisations, they also need to have a concrete knowledge and skills in leadership and management of the real estate organisations.

Achieving Objective 2: Leadership and Management Strategies in Real Estate Organization

Respondent's Name	Respondent's Answer
R1	Interpersonal skills, ability to explain, adaptability skills
R2	Strategic planning (thoughtful decision making), always uphold and enhance to professional standards
R3	Keeping up with market trends, enhance skills and expertise through seminars, courses, seek comments and directions from senior or mentor, develop strong professional network.
R4	Legal and regulatory knowledge, expanding industry network (real estate and property valuation often intersect with specific laws and requirements), technological proficiency, effective communication skills, commitment to ethics and professionalism, prepare for challenges and set back with resilience, cultivate an entrepreneurial spirit, present yourself in a professional and respectful manner. Staying informed about industry trends, market changes, and legal updates is essential, as is proficiency in industry-specific software and technology.
R5	Professional network through attending industry events, conferences, and seminars, join appropriate organisation or associations like RISM, be an informed professionals, effective communication and adaptability.
R6	Networking (attending industry events & forum), communication skills and continuous learning.

R7	Knowledge on laws and standards, finding the right mentor.
R8	Networking and mentor.
R9	Seek knowledge and understanding, engaging with experienced professionals, ability to approach difficulty with optimism.
R10	Attend industry events and seminars for networking, stay up to date with current and future real estate valuation practice.
R11	Knowledgeable with market trends including supply and demand, factors influencing asset value, well verse with valuation methodologies (IRR, DCF), high professionalism, ethics, and integrity when interacting with authorities, colleagues, and clients. Networking, skills and expertise.

Source: Researcher’s data collection (2024)

DISCUSSIONS

In achieving objective 1 of this research, the respondents are discussing on the current issues and challenges that mainly related with technological advancements, job sustainability, competitors, and market volatility. As to overcome these issues, a RV should be positive, take advantage and see opportunity through the challenges that they are facing. While the whole world is mentioning that AI will take over human’s job, the respondents opined that the art and science lies in the valuer’s job in indicating the market value is irreplaceable by AI as the intangible part of the subject property can only be valued by human that is well experienced and able to differentiate the differences between each locality of the subject property to another.

As for achieving objective 2 of the research, the respondents stressed out that other than getting licenced and registered with the Board (BOVAEP), the RV as the head in the real estate organisations should embed the set of skills of leadership and management. This includes dealing with the team members/ staff in the organisations, clients (including bankers, estate agents, lawyers etc), owner, buyer and tenant of the subject property. Thus, the skills of people management is really important to deal and satisfied the people involved in the business cycle.

Based on the research findings, this research has contributed to better understanding of what is Registered Valuer and the set of skills needed by the RV to ensure the leadership and management comply to the real estate organisations are aligned to ensure the business continuity. This is also to provide excellent services to the clients or people involved in the business cycle. Other than that, is the visibility, good networking and good image of the real estate organisations within the competitors.

CONCLUSIONS

In summary, leadership and management in real estate organizations involves a blend of strategic vision, team development, client focus, technological adoption, adaptability, effective communication, financial savvy, networking, and ethical behavior. Leaders who excel in these areas can navigate the complexities of the real estate market, drive organizational success, and create lasting value for clients and stakeholders. Interpersonal skills, adaptability, strategic planning, uphold to professional standards, legal and regulatory knowledge, up to date with current information, and finding the right mentor will drive towards business sustainability.

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