

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY: APPLIED BUSINESS AND EDUCATION RESEARCH

2024, Vol. 5, No. 2, 588 – 593

<http://dx.doi.org/10.11594/ijmaber.05.02.19>

Research Article

Quality Management Practices of Select Real Estate Companies: An Experienced-based Approach

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Article history:

Submission February 2024

Revised February 2024

Accepted February 2024

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ABSTRACT

Providing quality services is a must for all type of industry and the requirement is not different from the industry of real estate. As mentioned by Chege, S & Bett S (2019), the real estate industry is one of the most important industries for the development and economy of a nation and therefore important that adequate measures are put in place to ensure quality in the sector. This study investigated the quality management systems of select real estate firms focusing on the following areas: Customer Focus, Leadership, Involvement of People, Process Approach, Continual Improvement, Factual Approach to Decision Making and Mutually Beneficial Supplier Relationship. Indicated in the study of Quiambao, J & Alvaro, K (2023), that the QMS practices dimensions top management leadership, customer orientation, process control and improvement, and employee engagement each had significant positive impact on each business performance perspectives financial, customer, internal business processes, and innovation and learning of the subject government corporation Likewise, the study identified following themes focusing on areas of real estate quality management practices were culled out" Client Determination, Keeping Clients Satisfied, Handling Complaints, Direction Setting, Planning, Alignment and Empowerment, Communication, Opportunities and Growth, Competence, Communication Enhancement, General Rule, Client Need, Efficiency and Effectiveness, Firm Reputation, Accessibility of Data, Word of Honor, Act of Appreciation and Fairness and Quality.

Keywords: *Continual improvement, Quality management system, Real estate, Total quality*

Introduction

Republic Act No. 9646 or the Real Estate Service Act of 2009 originated from the bill which was filed during the Eighth Congress in

the House of Representatives by Congressman Rodolfo Valencia, on October 22, 1987. It was intended to professionalize the real estate service profession with the hope that such will

How to cite:

Rallang, F. M. & Gutierrez, E. B. (2024). Quality Management Practices of Select Real Estate Companies: An Experienced-based Approach. *International Journal of Multidisciplinary: Applied Business and Education Research*. 5(2), 588 – 593. doi: 10.11594/ijmaber.05.02.19

redound to the benefit of the public and the government. It should be noted that there are many areas in which a real estate firm may engage into, following the many functions of a real estate service practitioner, depending on whether or not he is a consultant, appraiser or broker, may engage into.

As mentioned by Rehmani, K et al (2023), Quality Management System (QMS) and High-Performance Work System (HPWS) have transpired as leading improvement initiatives and management paradigms in pursuit of sustainable organizational effectiveness. Supported by Marcin Olkiewicz et al (2023), Standardized management systems functioning in organizations are effective, which increases the likelihood of effective quality management in all areas of the activities of the surveyed organizations.

The real estate service industry, although a sunshine industry, is a survival of the fittest. One is only as good as his last service to the

client. There is therefore a need to peruse and scrutinize the quality management practices of real estate firms.

Methods

The study utilized qualitative design which is descriptive in nature. Qualitatively, the study determined the significant experiences of the select key informants with regards to practice of total quality management system in the real estate industry.

Sample and Sampling

A total of twenty (20) key informants were utilized in the study and selected by way of purposive sampling.

Research Instrument

Guide questions focusing on the experiences of real estate practitioner in the conduct of total quality management were used in the study.

Result and Discussion

Themes on Quality Management Practices

Table 1. Summary of Themes on Customer Focus

Themes	
1	Client Determination
2	Keeping Clients Satisfied
3	Handling Complaints

Results revealed three common quality management practices on Customer Focus: Client Determination, Keeping Clients Satisfied and Handling Complaints. These themes are directly associated with ensuring high level of customer satisfaction by delivering high quality

service as expected from real estate practitioners and firms. Real estate firms exist due to customers. Thus, the focus on the customers, with the end in view of satisfying them and that they end up as advertisers for the firms, is as vital as the firms itself.

Table 2. Summary of Themes on Leadership

Themes	
1	Direction Setting
2	Planning, Alignment, Empowerment
3	Communication
4	Opportunities and Growth

Results revealed four common quality management practices on Leadership namely Direction Setting, Planning, Alignment, Empowerment, Communication and Opportunities and Growth. With respect to quality management

practices pertaining to leadership in the real estate firms, the power and authorities as leader are vested in the Board of Directors as the highest policy making body in the firm.

Similarly, real estate service practitioners recognize the leaders- the founders, the “primus”. This respect prevents the bickering within the organization. Moreover, those who

compose the firm normally share the common values and principles, and are normally close and known to each other even before they join the firm.

Table 3. Summary of Themes on Involvement of People

Themes	
1	Competence
2	Communication Enhancement

Results revealed two common practices on Involvement of People: Competence and Communication Enhancement. For Real Estate firms, it is highly encourage that practitioners should joined professional organizations and attend professional gathering to keep them updated in the current trends in real estate industry. Also, these venues allow real estate practitioners to earned continuing professional development units as required by professional regulatory agency aside from having more

business and professional connections. Other than this, activities such as capacity building are being undertaken. It must be noted, however, that it is difficult to compartmentalize teambuilding and remove it from the actual job of its participants. It is observed that even when real estate service practitioners are having leisure activities, they are still engaged in the business. This is something unique with the real estate industry

Table 4. Summary of Themes on Process Approach

Themes	
1	General Rule
2	Client’s Need

Results revealed two common quality management practices on the Process Approach: General Rule and Client’s Need. Certain procedures or processes must be met when dealing with clients and usually these procedures vary depending on the needs of clients. The scope of each professional work requires different implementing procedures. This simply means that, the work requirement of an appraiser and procedures of appraising is not the same as compare to procedures of brokerage work.

Thus, different nature or needs of clients are also aligned with the requirement set by real estate industry pertaining to professional services.

On the other hand, the general rule of thumb is that, the real estate practitioner who closed a deal with a client is solely responsible to deliver the client’s expected professional services. Also, the practitioner is responsible in ensuring and or keeping the client satisfied at all time.

Table 5. Summary of Themes on Continual Improvement

Themes	
1	Effectiveness and Efficiency
2	Firm’s Reputation

Results revealed two common management system practices on Continual Improvement: Effectiveness and Efficiency and Firm’s Reputation. As mandated by Republic Act 9646, real estate practitioner must undergo continuing

professional education. The continuing professional education will enable real estate practitioner to increase his/her effectiveness in terms of delivering real estate services while considering efficiency in all activities.

A practitioner should keep himself well informed to any movement affecting real estate in his community, city or province, so that he

may be able to contribute to public thinking on matters of taxation, land use, city planning and other programs of the government.

Table 6. Summary of Themes on Factual Approach to Decision Making

Themes	
1	Activities
2	Accessibility of Data

Results revealed two common quality management practices on Factual Approach to Decision-making: Activities and Accessibility of Data. The ISO 9001-QMS Factual Approach to Decision Making Principle should consider activities such as training of people in order to correct performing the measurements and data analysis, collection of all data from processes needed for analysis and decision making. Making data accessible to whose functions (persons) throughout the organization that really needs it. And, permanent and systematic analysis of data and information using valid methods for trends and data projections learning.

With respect to real estate firms, this means that there is really a need to improve centralized recording. To reiterate, the profession is personalized, so much so that the usual practice is that the person in charge himself takes care of the recording and profiling of his own client or customer. It is, however, necessary that a centralized recording be made. It is recommended that the information which are extracted from these records be converted to statistical data which can be easier understood by everyone.

Table 7. Summary of Themes on Mutually Beneficial Supplier Relationship

Themes	
1	Word of Honor
2	Act Appreciation
3	Fairness and Quality

Results revealed three common quality management practices on Mutually Beneficial Supplier Relationship: Word of Honor, Act of Appreciation and Fairness and Quality. To reiterate, in ISO 9001:2015, customers were often named as being the only interested party. This concept has been extended in ISO 9001:2015. Suppliers, personnel, shareholders, legislative bodies, society, internal customers, etc. are now included as interested parties, in addition to customers.

With respect to real estate firms, the suppliers vary. These are the people who respondents feel should be treated as customers as well, as shown in the earlier portion of this chapter. A supplier could mean one's neighbour, one's teacher, a person who, being a stranger, nonetheless referred to you a client. Real estate firms operate through a steady and

consistent supply of referrals. Thus, there is a need to provide incentives to them.

Conclusion

Practitioners and firms in the real estate industry must deliver quality services as expected by their respective customers. Based on the findings of this research, real estate firms adhere to the practice and or system of quality management to ensure that services are delivered effectively and efficiently.

Acknowledgement

The researchers would like to acknowledge Dr. Carl Mark B. Miniano, Dean of SBAA in EAC Cavite for support and encouragement and Dr. Joel Mendoza, Graduate School Faculty in Adamson University and EAC Cavite for his

valuable insight and contribution to improve this study.

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