# PROPERTY MANAGEMENT APPROACHES AND ITS RELATION TO CUSTOMER SATISFACTION – A SURVEY OF COMMERCIAL HIGH RISE BUILDINGS IN NAIROBI CENTRAL BUSINESS DISTRICT

BY

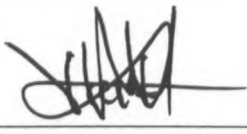MUTUNGA VICTORIA ITUMBI

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI.

AUGUST, 2012

# DECLARATION

This project is my original work and has not been presented for award of degree in any other University.

Signed: _____                    Date: __8 | 08 | 2012.__

**MUTUNGA VICTORIA ITUMBI**

**L50/64103/2010**

This project has been submitted for examination with my approval as University supervisor.

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# DEDICATION

To my loving husband, Paul Gudes, It warms my heart to see the joy you bring to my life. I wish you a lifetime of love, health, and happiness.

# ACKNOWLEDGEMENT

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# ABSTRACT

This study focused on property management approaches and its relation to customer satisfaction. It was motivated by increased competition in today's business environment which has forced businesses to critically relook at customer satisfaction as an important prerequisite for survival in business today. Moreover, studies on customer satisfaction have had little attention to the nature of property management services and their effect on customer satisfaction. The study aimed to establish the effect of in-house, outsourced and hybrid property management services on customer satisfaction. The study filled the research gap on customer satisfaction with regard to property management services. This is because most of the studies on customer satisfaction have had little focus on property management services and customer role in influencing the direction in which competition in the areas goes. The study shed light on which kind of property management services yield the highest level of customer satisfaction. A recommendation towards the best methods of property management was recommended as per the study findings. This can act as a guide for property owners as they make decisions on the best management style to adopt. The study adopted a descriptive survey in which comparative study design was used. Property managers and tenants (clients) of commercial high rise buildings within Nairobi Central Business District were the targeted population. Systematic sampling was used to select the buildings to participate in the study. A questionnaire was used to gather information. Data was analysed in both qualitative and quantitative techniques. Interpretation of data was done based on research objectives and presented in form of tables. The study finding indicated that different property management approaches were prominently existent among commercial high-rise buildings in Nairobi's Central Business District. The approaches used were either outsourced, in–house, or mixed mode property management methods. The choice of the kind of property management approach used is determined by various reasons which among them include need for expertise knowledge, strategy to control cost, reduced employee turnover and customer satisfaction. Many customers seemed to clearly understand the service parameters that they expected from different property management approaches. Outsourcing yielded the highest rating as far as customer satisfaction was concerned. In-house property management yielded the least rating as far as customer satisfaction was concerned. Mixed mode (hybrid property management approach) was second in the rating concerning customer satisfaction. The study recommended an adoption of the outsourcing approach as a strategy for achieving customer

satisfaction in property management. In cases where an in-house property management strategy is to be adopted, training on customer satisfaction was considered an important practice. It was also recommended that partnership between outsourced property managers and landlords be geared towards a common goal of increasing the level of customer satisfaction. A further study to establish the factors affecting choice of property management approaches among property owners was recommended.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

The increasing competition in today's business environment has posed a challenge to all sectors of the economy. As a result, businesses today have more than ever realised that customer satisfaction is a critical component of their operations. They therefore, have to go out of their way not only to meet customer needs and demands but to also ensure that the customer is satisfied. According to Hayes, (2008) customer satisfaction is an important prerequisite in building customer loyalty. For businesses to competitively acquire the market share within stringent competition, then it counts how many customers stick to you despite the competition. This is however a task that comes through effort aimed at satisfying customers so as to win their loyalty.

Attention to customer satisfaction is not a new phenomenon and has been highly given focus by researchers. Nevertheless, the area of property management has not received much attention geared towards customer satisfaction in comparison with other sectors of the economy. There is worldwide evidence on studies focusing on customer satisfaction in different dimensions. A study undertaken by (Weaven, 2009) explored the measurement of e-service quality dimension in retail banking and the relationship between e-service quality and customer satisfaction in Australia. Alsaleh's study sought to address knowledge gaps related to measurement and structure of e-service quality, its importance and impact on customer satisfaction.

Crow (2003) investigated the relationship between service quality, overall customer satisfaction and behavioural intentions across public and private banks in India. The findings indicated that service quality is a significant determinant of customer satisfaction in Indian banking industry irrespective of public and private sector banks. However, different dimensions of service quality were found to be statistically significant across public and private banks. Customer satisfaction was found to be strongly associated with propensity to recommend. The study helped banks to redefine their corporate image to one that is customer-focused and driven by service quality. Within the hotel industry, Guzzo, (2010) explored the importance of management approach in boosting customer loyalty within.

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Guzzo emphasized on the indispensible customer attributes, highlighting that neglecting to pay attention to such attributes could contribute negatively towards the hotel and tourism industry at large.

Nelson (2012) did a local study on customer satisfaction among Microfinance institutions in Kenya. The study examined the use of performance measures on client satisfaction by focussing on three Kenyan MFIs who were classified as formal and client based. Another study by Khtar, (2011) examined the relationship between customer satisfaction and service quality of Islamic banks. The study highlighted the level of customer awareness about Islamic banks and determined the relationship between service quality and customer satisfaction with respect to Islamic banks.

In the area of property management, Overby (2005) carried out a study that sought to link the process and outcome to service quality and customer satisfaction. The study was the first to propose and empirically support the idea that service process is closely linked with service quality evaluations, where areas service outcome is closely linked with customer satisfactions evaluation. Xiaozhuang (2011) examined the development of real estate industry in relation to customer satisfactions index. The authors asserted that organizations should have better understanding of real estate needs of customers to locate the most popular residential projects based on comprehensive evaluation.

While reviewed studies express the importance of customer service, there has been no sequential study that has linked nature of property management services and customer satisfaction. This study intends to fill in the gap by the nature of property management services and customer satisfaction with reference to high rise buildings in Nairobi's central business district (CBD).

The CBD is popularly referred to as the heart beat of Nairobi which is the 4th largest city in Africa, in terms of infrastructure, development and size. Most buildings in the CBD are multi-storied buildings and skyscrapers. A stretch of tall buildings line-up along Uhuru highway thus making the area prime for office location. The main street is Kenyatta Avenue, which runs from Uhuru Highway to Moi Avenue (Hassconsult, 2012).The general post office, located at the Teleposta Towers, is along Kenyatta Avenue, and so is the magnificent I&M Bank towers along Kenyatta which are worth visiting. The CBD is a designated commercial area. Nairobi's central business district is still the preferred office location. This

means that most high rise buildings are centres for commercial offices and will continue to be as much as the CBD continues to be the business choice for many. Having a study on customer satisfaction in relation to property management undoubtedly provides an insight of what is best for customers in the contemporary time with regard to property management services. The CBD provides a good study focus and sufficient source of information owing to the concentration of these buildings.

## 1.2 Problem statement

Despite the enormous focus by studies on customer satisfaction, there has been little attention directed to property management services and their effect on customer satisfaction. According to (Bedi, 2010) there has been greater need for proper management of properties in urban centres due to decreasing space and increased movement of people from rural to urban areas.

Whether the management services are provided by the property owners, outsourced services or a combination of the two (outsourced and the property owner), today's competitiveness in the business world requires that it is important to consider the level of satisfaction that property management services provide to customers. The studies reviewed in the background reveal that a relationship exists between quality of service provided and customer satisfaction Xiaozhuang, (2011); Khtar, (2011); and that customer satisfaction is an important prerequisite in building customer loyalty which is important in ensuring that landlords retain their existing customers through building customer loyalty (Hayes, 2008) as well as achieve desired return on investment.

The little attention given to customer satisfaction in relation to property management services however provides unaddressed concerns as to what kind of property management services provide the best level of customer satisfaction. This study intended to fill this gap by undertaking a comparative analysis of three styles of property management services and their effect on customer satisfaction. The analysis focused on in-house, outsourcing and a combination of in-house and outsourcing of property management services and their influence on customer satisfaction.

### 1.3 Purpose of the study

The purpose of the study was to establish how different approaches of property management approaches affect customer satisfaction levels.

### 1.4 General objectives

The study generally sought to establish how different property management approaches relate to customer satisfaction.

### 1.4 .1 Specific objectives

i. To establish the relationship between in-house property management and customer satisfaction on commercial high-rise buildings in Nairobi Central Business District.

ii. To assess the relationship between outsourcing property management services and customer satisfaction among commercial high rise buildings in Nairobi Central Business District.

iii. To establish the relationship between hybrid property management services and customer satisfaction among commercial high rise buildings in Nairobi Central Business District.

### 1.5 Research questions

The study sought to answer the following research questions

i. How does in-house property management affect customer satisfaction on high rise – buildings within Nairobi's CBD?

ii. To what extent do outsourcing property management services affect customer satisfaction among high rise building in Nairobi's CBD?

iii. How does a hybrid property management service affect customer satisfaction at Nairobi's CBD?

### 1.6 Significance of the study

The study intended to fill the research gap on customer satisfaction with regard to property management approaches. This is because most of the studies on customer satisfaction have had little focus on property management services and customer role in influencing the direction in which competition in the areas goes. Being a comparative study, the study

intended to shed light on which kind of property management services yield the highest level of customer satisfaction. A recommendation towards the best methods of property management was given as per the study findings. This will act as a guide for property owners as they make decisions on the nature of management services to adopt.

## 1.7 Delimitations of the study

Customer satisfaction being an important aspect to the clients and service providers, the study acted to ignite both parties in releasing information on what affects their situation, in hope that a solution will be provided. The high concentration of commercial high rise buildings within Nairobi's Central Business District enabled the researcher to easily gather data from the targeted population. Most people within Nairobi's Central Business District are well versed with English or Swahili language. This meant that language was not a barrier in this study and hence this facilitated better understanding between the researcher and the respondents.

## 1.8 Limitation of the study

The researcher was limited by respondent's unwillingness to provide information required for this study especially on the side of landlord's representatives. This is because the study is intrusive and may be perceived to interfere with personal privacy. The researcher countered this by explaining the reasons to undertake the study, assuring respondents on confidentiality and making response anonymous. The study was a survey design and therefore issues specific to certain buildings may be overlooked. The researcher however prepared a research instrument covering as many areas as possible so as to minimise overlooking of aspects relevant to this study.

## 1.9 Assumptions of the study

The study was based on the assumption that the buildings under examinations are managed through either in-house, outsourcing of property management services or a hybrid kind of management. That respondents targeted have in-depth understanding of what satisfies them as clients; and the kind of service they provide as service providers. The second assumption was that the buildings to be examined exist within the same socio ecological environment and thus those sampled were a representative of the total population.

## 1.10 Definition of significant terms

**Customer**         Tenants (individuals, companies of entities) receiving property management services from the commercial high rise buildings under examination.

**Customer loyalty**         When customers continuously and regularly choose to lease/rent a certain building even when faced with alternative and competitive attempts to disrupt the relationship.

**Customer satisfaction**         A measure of how property management services supplied through in-house, outsourcing or hybrid ways meet or surpass customer expectation.

**High-rise**         A tall building or structure used as office of business units

**Hybrid management services**         A combination of both outsourced property management services and in house management.

**In–house management services**         A situation whereby a property owner uses his/her own staff or resources within the organization to run operations/control or oversee a property.

**Outsourcing**         A situation whereby the property owner enters into a contractual agreement with another party (Managing Agent) to run the management services on his/her behalf.

**Property**         Tangible buildings in which the owner has legal title.

**Property management**         The administration of commercial and/or industrial real estate. Property management typically involves the managing of property that is owned by another party or entity. The property manager acts on behalf of the owner to preserve the value of the property while generating income.

## 1.11 Organization of the Study

This study was undertaken to examine property management approaches in relation to customer satisfaction. Chapter one of the studies provides the background information on

property management approach and indentifies the gap as far as property management approach and customer satisfaction is concerned. The chapter has also provided the study objectives, research questions, and significance of the study, limitations and delimitations as well as definition of the studies significant terms. Overview of past studies on the concepts and theories of customer satisfaction and property management approached have been provided in chapter two. The chapter further discusses the relationship between the study variables (dependent and independent) in the conceptual framework. Chapter three has discussed the methodology to be used by the researcher in executing the study. It has therefore provided a detailed breakdown on the population description, sampling strategy, data collection instruments, procedure used, data analysis and presentation.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Introduction

This chapter presents a review of past literature on property management services and their effect on customer satisfaction. It further presents the theoretical framework, conceptual framework and empirical review of various types of property management services and their effect on customer satisfaction.

### 2.2 Theoretical framework

This study is based on Kano's Model, (1984).The Kano model is a theory of product development and customer satisfaction developed by professor Kano and classified customer satisfaction into five categories that is attractive, one dimensional, must be, indifferent and reverse (Overby, 2005). Attractive quality attributes provide satisfaction when achieved fully, but do not cause dissatisfaction when not fulfilled. These are attributes that are not normally expected, for example, a thermometer on a package of milk showing the temperature of the milk. Since these types of attributes of quality unexpectedly delight customers, they are often unspoken.

One dimensional quality is attributes that results in satisfaction when fulfilled and dissatisfaction when not fulfilled. These are attributes that are spoken of and ones which companies compete for. An example of this would be a milk package that is said to have ten percent more milk for the same price will result in customer satisfaction, but if it only contains six percent then the customer will feel misled and it will lead to dissatisfaction (Weaven, 2009). Must-be Quality attributes are taken for granted when fulfilled but result in dissatisfaction when not fulfilled (Kearney, 1994). An example of this would be package of milk that leaks. Customers are dissatisfied when the package leaks, but when it does not leak the result is not increased customer satisfaction. Since customers expect these attributes and view them as basic, then it is unlikely that they are going to tell the company about them when asked about quality attributes.

Indifferent Quality attributes refer to aspects that are neither good nor bad, and they do not result in either customer satisfaction or customer dissatisfaction. Reverse Quality attributes

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refer to a high degree of achievement resulting in dissatisfaction and to the fact that not all customers are alike. For example, some customers prefer high-tech products, while others prefer the basic model of a product and will be dissatisfied if a product has too many extra features. Kano's model is important in this study as it facilitates an understanding and the classification of three uniquely different type of needs; i.e. basic, performance and rewarding (exciting) capturing understanding and delivering on these types of needs through product development process may help in retaining of satisfied customers.

One of the main points of assessment in the Kano model is the threshold attributes. These are basically the features that the product must have in order to meet customer demands. If this attribute is overlooked, the product is completely incomplete. If a new product is not examined using the threshold aspects, it may not be possible to enter the market. The product is being manufactured for some type of consumer base, and therefore this must be a crucial part of product innovation. Threshold attributes are simple components to a product. However, if they are not available, the product will soon leave the market due to dissatisfaction. The attribute is either there or not. An example of a threshold attribute would be a steering wheel in a vehicle. The vehicle is no good if it is not able to be steered. This study will examine how different natures of property management services are able to achieve customer threshold attributes (Garver, 2003).

Performance attribute in Kano's model is defined as a skill, knowledge, ability, or behavioural characteristic that is associated with job performance. Performance attributes are metrics on which a company bases its business aspirations (Steven, 2010). They have an explicit purpose. Companies prioritize their investments, decisions, and efforts and explain their strategies using performance attributes. Performance attributes are those for which more is better, and a better performance attribute will improve customer satisfaction. Conversely, a weak performance attribute reduces customer satisfaction.

Jacob (1999) asserts that when customers discuss their needs, these needs will fall into the performance attributes category. Then these attributes will form the weighted needs against the product concepts that are being evaluated. The price a customer is willing to pay for a product is closely tied to performance attributes. So the higher the performance attribute, the higher the customers will be willing to pay for the product. Performance attributes also often require a trade-off analysis against cost. As customers start to rate attributes as more and

more important, the company has to ask itself, "how much extra they would be willing to pay for this attribute?" And "will the increase in the price for the product for this attribute deter customers from purchasing it." Prioritization matrices can be useful in determining which attributes would provide the greatest returns on customer satisfaction. Not only does the Kano Model feature performance attributes, but additionally incorporates an "excitement" attribute as well. Excitement attributes are for the most part unforeseen by the client but may yield paramount satisfaction. Having excitement attributes can only help you, in some scenarios it is ok to not have them included. The beauty behind an excitement attribute is to spur a potential consumers' imagination, these attributes are used to help the customer discover needs that they've never thought about before (Lau, 2005).

The key behind the Kano Model is for the engineer to discover this "unknown need" and enlighten the consumer, to sort of engage that "awe effect." Having concurrent excitement attributes within a product can provide a significant competitive advantage over a rival. In a diverse product assortment, the excitement attributes act as the WOW factors and trigger impulsive wants and needs in the mind of the customer. The more the customer thinks about these amazing new ideas, the more they want it (Martzler, 2003). Out of all the attributes introduced in the Kano Model, the excitement ones are the most powerful and have the potential to lead to the highest gross profit margins. Innovation is undisputedly the catalyst in delivering these attributes to customers; you need to be able to distinguish what is an excitement today, because tomorrow it becomes a known feature and the day after it is used throughout the whole world. The model is still relevant in today's business situations, as customer satisfaction is a throughout process and does not diminish with time.

While Kano's model has undoubtedly revealed what customers need in a product, no revelation on how such needs could be achieved. It is presumed in this study, that property management services provide performance and exciting attributes that lead to ultimate customer satisfaction or dissatisfaction. This will however be explored in the study in pursuit of establishing how in-house, outsourcing and hybrid property management services affect customer satisfaction.

## 2.3 The concept of property management and customer satisfaction

Property management is the operation, control of (usually on behalf of an owner), and oversight of commercial, industrial or residential real estate as used in its most broad terms. (Bairne, 2006). Management indicates a need to be cared for, monitored and accountability given for its usable life and condition. This is much akin to the role of management in any business. Property management involves the processes, systems and manpower required to manage the life cycle of all acquired property as defined above including acquisition, control, accountability, responsibility, maintenance, utilization, and disposition. Duties of property management generally will include a minimum of these basic primary tasks. (Bairne,2006) examined various services that typical property management team should offer, this include ; Letting of vacant spaces, repair and maintenance of buildings, rent collection, supervision of support services as well as solving of internal conflicts between tenants in the office where tenants carry out their daily business and hence personal business in taken care of.

Like any other business, property management services should provide client's expectation based on what is perceived by the client as basics and behold the basic i.e. the product exciting characteristic. According to Baldwin, (2003), managing property is not a light business and should be taken seriously. Baldwin considers purchasing a home, a business premise, land or a shopping centre a business whose success is based on ability to manage it. Among the basic business skills that property management services should provide to effectively satisfy customer and ultimately make profits include; monitoring cash flow , controlling expenses , filing tax returns, working with local state and federal bureaucracies , tenants  rights, disclosures , maintenance and repair, legal matter, finding reliable supplier and marketing , advertising , public relations , accounting and dealing with people.

Customer satisfaction is directly concerned with property management's service ability to deal with people. Matzler (2003) indentifies dealing with people in property management as the greatest challenge. If property management services fail to effectively deal with people, most deals prove to be bad in one way or another. On other hand dealing with people effectively leads to little problems in property management business. Either way, the way people react to property management style can have significant impact on entrepreneur's loss or profits.

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Quality of a property management has often been equated with service quality. As part of its strategic positioning process, a company must choose its customer service strategy; and developing management excellence is an important option through which customer satisfaction can be achieved (Kearney, 1994) Consistent service at the appropriate level is the natural output of a strategically focused, well-designed and well-run management service. Such a service has extraordinary power in achieving goals such as high-quality service despite some cost constraints or low cost despite some service constraints. The property management can be differentiated to produce its target service level (Byrnes, 1987). The close relationship between property management and customer service, and its effects on a firm's competitiveness dictate that companies handle their management function prudently so as to achieve its full potential as a source of competitive advantage. For the purposes of this study, three natures of property management services are considered. These include outsourcing, in-house and hybrid (mixed mode) property management approaches.

## 2.4 Outsourced property management approach

Outsourcing is the process of contracting a business function to someone else (Eldred, 2012). Outsourcing is the process of an organization or person contracting a company or person to do a particular function that is considered non-core. Two organizations may enter into a contractual agreement involving an exchange of services and payments. Outsourcing thereby helps the firms to perform well in their core competencies and thus mitigating rise of skill or expertise shortage in the areas where they want to outsource.

Of the many factors that may act as driving forces behind outsourcing, globalization of business has been viewed by many (Byrne, 1987) as the most prominent. The continued growth in global markets and foreign sourcing has placed increasing demands on the property management service, consequently; it has led to more complex supply chains (Bradley, 1994) and has involved more. The complexities and costs of operating business environment have also prompted many of its potential adopters to supplement their own resources and expertise by using sources outside their corporate structure.

Trunick (1989) suggests emerging technology and versatility of third parties as two other important drivers of outsourcing. Since it would be time consuming and expensive to develop and implement new technologies in-house, firms can easily employ those of a third-party. On

the other hand, versatility of the third parties enables them to provide an improvement in control, technology, and location, turning fixed costs into variable costs. They have the ability to reconfigure the management system to adjust to changing markets or technological advances. Small companies tend to be more interested in third-party use, Maltz, (1994) since they are in greater need for expertise and assistance in the area of technology (Harrington, 1995).

The positive and negative of outsourcing have been addressed by several research studies from economic, value chain, strategic contractual logistics or competitiveness (Foster, 1990). Griswold argues in favour of outsourcing while admitting that there could be some economic disruption as a result, as it is inevitable in most productivity initiatives.

A survey by Eldred (2012) found that the CEOs of third-party property management companies perceived growing customer interest in outsourcing as the top industry dynamics. This awareness of contract management role has been instrumental in compelling the property managers to learn to adapt to this new intrusion into their territory (Foster 1990). Since firms can often replicate or improve on a competitor's offering with relatively little difficulty, gaining sustainable advantage through customer service differentiation is rare. Outsourcing can contribute to profits by enabling users to gain competitive advantage, adding measurable value to products, enhancing customer service, assisting in opening new markets, and providing dedicated resources (Foster,1990).Third party property managers can enhance value creation for customers leading them to become more competitive and profitable through speedy and superior services.

Value creation involves the understanding of the dynamic interaction within the customer's supply chain (Griswold, 2001). One of the most important reasons for employing third-party logistics providers is their ability to provide their clients with expertise and experience that otherwise would be difficult to acquire, or costly to have in-house (Willium, 2000). Their expertise gained from working with other clients allows users to benchmark against other companies and may lead to opportunities to lower costs and improve on customer service. It is believed that a contract property management with national and regional expertise can even provide a customer with a local image even though that company may have no local presence in assets and management employees (Bradley, 1994,) with the contract management firms as

their advisors and innovators, companies can gain since the former "add value that translates to profit" (Foster, 1990).

At the strategic or management level, companies lacking sophisticated information systems might look to outside sources for database management techniques used in forecasting or for handling the information flow loop. Use of contract management enables firms to spend more time to pursue strategic planning and management issues, and focus on their core business competency, rather than on logistics (Foster, 1990). Current economic conditions have created the dual phenomenon of downsizing and outsourcing. Corporations are reducing staff to save costs, and hiring service providers or outsourcing to take up the slack. By outsourcing a corporate real estate department can continue to provide essential services and still remain responsive to the corporations real estate needs. Outsourcing allows property owners to save money in hiring and training costs.

According to Bairne, (2006), some of the client needs to be addressed by property management services; there is the need to adopt technology. Technology is changing rapidly that buildings that are not properly wired to accommodate new technology become obsolete. In outsourcing, Bairne, (2006) asserts that outsourced property managers are facilitators of owner's interest. As an agent for the owner, the property manager must work within the owner's guidelines, goals and objectives. In that case , it is only imperative that the manager understands what the owners wants to achieve , which in most case is realising the most amount of income while preserving the value of the property .

Occasionally, as Edred (2012) further observes, a short sighted owner will direct property manager to operate a property so as to extract every possible dollar from the property. This direction may not actually be expressed or even tacktly admitted, but it occurs when an owner demands frequent payments of accumulated cash, refuses to make repairs, except those necessary to keep the property and pays bills and even taxes at the last possible minute. Such situations, which at times outsourced property management services may not be in a position to fulfil them may be to the detriment of the client and consequently affect customer satisfaction in the negative way.

William (2000) underscored the importance of property managers in customer satisfaction, Chiu indicated that residents are the customers and even the bosses of outsourced services. They therefore pay monthly management fees for the management services provided by the outsourced companies. Management companies then provide the level of service agreed upon by the residents. As in other industries, good service for property management will bring satisfaction to customers. Chin further noted that customer satisfaction is a major indicator of quality service as well as tool to bring in more business. In a competitive business environment, good manners, timely service and personal attention is almost a must for all service sectors to retain customers.

In order to serve customers well, Williums (2000) noted that outsourced property management has its own uniqueness in the service sector. Residents are not only the customers of management; they are also the ones being managed. The management companies often represent the owners to manage the estate in order to keep the estate in order. Whether residents like it or not, the managing company has to manage the building according to the terms of the contractual agreement in order to ensure a good living environment for all residents in the estate. Sometimes actions undertaken may go against the will of some residents, therefore unlike the other service industries, property management cannot always take the 'Customer is always right approach''.

Griswold, (2001) noted that providing a good living environment is a must for property management when the use of value of estate is considered. However, in order to protect the interest of owners, an orderly living environment is a concern of management service providers. Not only may the dual characteristics of residents cast a concern for management, the relationship between management and residents is also unique. In other businesses, only happy customers will continue to show up and pay for services, if a company cannot provide satisfactory services, according to the needs of its customers, after a short while of complains and negotiations, customers stay away from the company. In case of property management, it is difficult to change property management companies within a short time. Both residents and the management companies are locked in situations where they have to bear each other for a long while even if they are in unhappy working relationship .Only those residents who are not satisfied with management services will continue to show up at the management office and

file complaint after complaint. This presents a double situation within which outsourced management services should provide and still afford overall customer satisfaction.

## 2.5 In-house property management approach

In- house property management has been defined as a kind of management whereby an organization or land lord manages property using the already existing resources or employees within the organization Baldwin, (2003). In most cases, the process involves hiring specialists to fill in temporary needs, or to train already existing staff in order to be able to perform different tasks, that otherwise would have been outsourced. Authors arguing in favour of in-house property management, indicate that it reduces personnel problems, does not lead to increased cost of operations, facilitates keeping of quality and efficiently available staff in an organization provides better service and lowers costs.

Weaven, (2009) argues that in today's security- conscious society, organizations do not really want to rely on an outside company to manage and monitor their resources or other departments. They do not want contractors to have special rules that pertain to their property. Dillon argues that though contractors are reputable, they may represent just another layer of potential miscommunication. He advocated for development of traits within the organization that could see effective delivery of quality work.

Willium (2000) underscored the reasons as to why companies choose to have in-house property management as opposed to outsourced property management by highlighting the issues of perceived cutting off reduced investments costs. In his argument Chiu mentioned that though direct cost of buying and repairing equipment might not be evident in the price of contracted services. All reputable contractors must factor in their price, plus profit and overhead to remain in business. In order to satisfy customers and ensure managers are doing in house management, are supposed to secure the best, most dependable and most efficient equipment possible , this could be achieved through training employees on proper equipment use to minimize down time and increase productivity . One of the reasons why some authors advocate for outsourcing is to avoid carry-off with employees during off seasons. However, (Xiaozhuang, 2011) notes that while it might be true that seasonal contract employees are not on a department's payroll, a contractor still must charge the department for every task, plus profits and overhead costs, he therefore recommends that keeping quality people on the in-

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house staff year round ensure that qualified people are available to do their jobs efficiently, rather than bringing in new employees each year.

In-house management is argued to provide better service quality by having every available employee who understands the property better and therefore able to provide superior services. (Baldwin, 2003) notes that having workers who are flexible and knowledgeable about facilities can result in quick response to the special needs of the organization. Managers can benefit from working with administrators to clearly identify standards for services.

An analysis on quality aspects of manufactured motor vehicle parts through in sourcing in a study done by (Overby, 2005) indicated Life expectancy: Exceeds L-10 life requirements, Cleanliness: 50% less foreign materials than competitive bearings, Noise and vibration: Equivalent to or quieter than competitive bearings, Roundness: 60% improvement over competitive bearings, Concentricity race-to-race: 80% improvement over competitive bearings. This qualities associated with in-sourced services increased the company sales through increased customer satisfaction.

## 2.6 Hybrid property management approach

Hybrid property management approach will for the sake of this study be defined as an approach whereby in-house and outsourced mode of property management is used. According to Bairne (2006) use of hybrid property management approach entails a number of considerations among which is the ability to understand what makes successful investments decisions. Although there are limited studies on hybrid property management approach, few studies that exist justify the need for using this method in management of commercial property.

Baldwin (2003) notes that; it is important for property owners not to leave the task of managing a property to outsourced service providers. In advocating for hybrid property management approach, Baldwin further notes that property owners make dangerous mistakes if they assume that a management company will always handle the property the way they would wish. He further notes that like any business, management firms change personnel and although some of them establish good internal controls, the people who do the work have much to do with properties success or failure. He therefore urges property owners to avoid being detached from what takes place at their properties.

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The aspect of customer satisfaction may be equated to long term effect of good or bad practice of property management. Bairne (2006) notes that sometimes property owners may equate business success to high return on investment that a company may generate in a short time and overlook aspects that may have long-term detrimental effects to the business . He therefore advises that bad property management approaches may satisfy short term needs at the sacrifice of long-term potential liabilities. This aspect is recognized by property owners who stay engaged in property management.

## 2.7 Conceptual framework

According to Kothari (2004) a conceptual framework defines the relationship between the variables important in a study. This study presents three ways in which property can be managed and relates this to customer satisfaction.



```
┌─────────────────────────────────────┐
│ In- House Management                 │
│   • Responsiveness                   │
│   • Reliability                      │
│   • Quality of communication         │
│   • Service attitude                 │
│   • Empathy                          │
│   • Quality of information           │
│   • Ethics                           │
└─────────────────────────────────────┘

┌─────────────────────────────────────┐
│ Outsource Management Services        │
│   • Responsiveness                   │
│   • Reliability                      │
│   • Quality of communication         │
│   • Service attitude                 │
│   • Empathy                          │
│   • Quality of information           │
│   • Ethics                           │
└─────────────────────────────────────┘

┌─────────────────────────────────────┐
│ Hybrid Property Management           │
│   • Responsiveness                   │
│   • Reliability                      │
│   • Quality of communication         │
│   • Service attitude                 │
│   • Empathy                          │
│   • Quality of information           │
│   • Ethics                           │
└─────────────────────────────────────┘

┌────────────────────┐
│     Customer       │
│   satisfaction     │
│                    │
│ Customer delight   │
│                    │
│ Loyalty            │
│                    │
│ Trust              │
│                    │
│ Retention          │
└────────────────────┘
```

Independent variables         Dependent variable

**Source: Author 2012**

**Figure 1: Conceptual framework**

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The conceptual framework in this study provides a conceptual view of the relationship between the independent and dependent variables of the study. The study's independent variables are three types of property management services, which include; in- house management, outsourced management and hybrid management services. The researchers view service quality parameters provided by these three types of property management with respect to; the extent to which they provide: responsiveness, reliability, Quality of communication, service attitude, empathy, quality of information and ethics. Customer satisfaction (dependent variable) is subject to the extent to which the three kinds of management services that achieve service parameters that customer may perceive to be satisfying or not satisfactory to them.

## 2.8 Summary of Literature Review

The chapter presented the literature on property management services in relation to customer satisfaction. The concept of customer satisfaction in relation to service quality has been presented in Kano theory. The theory gives a highlight of what customers need in products or services and how this is provided through provision of service that cater for customers basic needs, performance as well as exciting needs. Property management has been purely examined in business perspective and therefore the rationale for customer satisfaction. The literature has also presented in- house and outsourcing of property management services, with a brief presentation of how authors against or for the ideas argue. There is however revealing evidence that little studies comparing different property management services and customer satisfaction has been done. More of the studies carried out present the rationale for either in- house or outsourcing with no emphasis on overall implications on customer satisfaction.

The relationship between the studies major variables have been presented in the conceptual framework. The model depicts various property management services and quality parameters that they should present. These parameters are expected to bring overall customer satisfaction or dissatisfaction.

## CHAPTER THREE

## RESEARCH DESIGN AND METHODOLOGY

### 3.1 Introduction

This chapter discusses the plan that the researcher used to examine the nature of property management services in relation to customer satisfaction. The chapter presents the research methodology under the following subsections; the research design, target population, sampling procedure and sample size, research instruments, validity and reliability, data analysis procedures and ethical considerations.

### 3.2 Research design

The study adopted a descriptive research design to examine the nature of property management services and their effect on customer satisfaction. According to Mugenda, (2003) a descriptive survey design describes the facts and characteristics of a given population or area of interest. The researcher used a sample survey to gather information from part of the study's population of interest. Several high rise buildings within Nairobi's Central Business District were targeted and therefore a sample survey was best suitable in this study. Descriptive survey design provided the researcher with a glimpse of the nature of property management services in relation to customer satisfaction.

### 3.3 Target population

The study was conducted on numbered commercial buildings within Nairobi's Central Business District. Numbered buildings were selected because according to the City Council of Nairobi Planning Director, the essence of the physical numbering exercise is to facilitate e-commerce. Population of numbered buildings within the CBD as demarcated by Uhuru Highway, Haile Selassie Avenue, Moi Avenue and University Way was established by the researcher to be 102 (see Appendix III). Each building has at least a property manager whether outsourced or in-house.

## 3.4 Sampling design and sample size

This study used systematic and purposive sampling to select the respondents to participate in the study. The population to be sampled in the study included commercial High rise buildings property managers and tenants. Kothari (2004) defines sampling design as the method of selecting study units from a population so that decisions can be made about the population. It represents a working plan that specifies the population frame, sample size, sample selection, and estimation method in detail. On the other hand, sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample.

### 3.4.1 Sampling of High rise buildings

The researcher used systematic sampling to select the commercial high rise buildings to participate in the study. A required sample of 20% based on Kothari's recommendation was selected from the randomised list of high rise buildings in Nairobi Central Business District. The buildings to participate in the study were identified through;

i. Randomising the list of the High Rise buildings.

ii. Determining the sampling interval using the formulae: - $K = N/n$ where n is the sample and N is the population size.

iii. Picking every building representing $K^{th}$ element in the list until the required sample size is obtained.

These steps helped the researcher to select 20 buildings which represent 20% of the high-rise buildings in Nairobi's central business district.

### 3.4.2 Sampling of the respondents

The study respondents involved property managers and tenants of the selected buildings. Purposive sampling was used to select the managers and tenants of the selected buildings to participate in the study. A census survey was conducted so that the researcher targeted 10 property managers and 10% of their tenants based on the population in each building. The population of tenants as provided by the property managers was 58.

## 3.5 Data collection instruments

The researcher used questionnaires to gather primary data from the respondents. According to Chandran (2003), questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. They are useful in a descriptive study where there is need to quickly and easily get information from people in a non-threatening way. They provide flexibility at the creation phase in deciding how questions are administered.

## 3.5.1 Data collection procedure

The researcher sought an introduction letter from University of Nairobi, department of extra – mural studies. She then obtained consent from Nairobi city council and management of high-rise commercial buildings. After consent was obtained, she proceeded to the sampled building within which she delivered the questionnaires to targeted respondents who have been in the respective building for more than 3 years. The researcher also further held individual interviews with managers of the same building. The interview was guided by the questions on the interview schedule. Filling of questionnaires by the tenant was closely monitored so as to clarify any issues arising during the process. For respondents who were unable to fill the questionnaire at the time the researcher was undertaking the exercise, more time was allocated for them so that the researcher picked the questionnaire after two days.

## 3.6 Reliability and validity

In order to produce useful results, the researcher ensured that the questionnaire was reliable and valid. Content validity was used to examine the validity of the questionnaire. An expert opinion was sort to check the validity of the questionnaire. Reliability ensured that the questionnaire instrument has internal consistency while validity ensured that the questionnaire measures what it is intended for. The reliability of the research instrument was undertaken using test and pre-test method described in Kenya Institute of management (2009). The method was suitable for this study as the researcher had adequate time within her academic schedule under which to carry out the pre-test that requires time. The questionnaire was issued to same respondents two times. After the first administration, time was allowed to elapse, long enough to eliminate response by remembering responses given in the first round.

The scores on the two sets of measures were then correlated to obtain an estimated coefficient of reliability. The coefficient was computed using the Karl Pearson's product moment coefficient of correlation (r). The items were scored individually and aggregated to get the total score on the whole instrument for both test and pre-test administrations.

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{n\sum x^2 . (\sum x)2\} \{n\sum y^2 -)(\sum y)^2)}}$$

Where r= Reliability coefficient

　　　　n = Number of respondents

　　　　x= Total scores of test administration

　　　　y= Total score of retest administration

The higher the value of r, the higher the reliability of the research instrument used.

If the reliability coefficient of the research instrument is above 0.80, as recommended by McMillan, (2001) then the instrument will be considered reliable enough.


## 3.7 Ethical considerations

For the purpose of this study, permission to carry out the study was sought from relevant administrative authorities in city council of Nairobi as well as the managers of the buildings identified to participate in the study. The researcher also assured confidentiality to the respondents and affirmed that the study was made for purposes of accomplishing academic goals. The researcher acknowledged all sources of information from other scholars.

## 3.8 Data Analysis techniques

Both quantitative and qualitative techniques were used to undertake data analysis. This entailed generation of descriptive statistics as well as inferential statistics after data collection, estimation of population parameters from the statistics, and making of inferences based on the statistical findings. Frequency and percentage distributions were used for descriptive statitistics while a correlation analysis was done to establish the extent of relationships for various property management approaches. The following general rules were used to interpret the correlation coefficient values obtained.

| -1 | Perfect negative relationship between the variables |
| -0.10 | Almost no relationship |
| 0 | No relationship between the variables |
| 0.02-0.09 | Very weak relationship |
| 0.10-0.29 | Weak relationship |
| 0.30-0.49 | Moderately weak relationship |
| 0.50 | Moderate relationships |
| 0.50-0.60 | Moderately strong relationship |
| 0.70-0.89 | Strong relationship |
| 0.98-0.98 | Very strong relationship |
| 0.99 | Almost perfect relationship |
| +1 | Perfect positive relationship between the variables |

The process of data analysis was accomplished with help of Statistical package for social sciences (SPSS). Data was presented in tables and interpretations and discussions made based on research objectives.

## 3.9 Operationalization of variables

**Table 1: Variable operationalization table**

| VARIABLE | TYPE OF VARIABLE | INDICATORS | MEASUREMENT | SCALE OF MEASUREMENT | TOOL OF ANALYSIS |
|---|---|---|---|---|---|
| In house property management approach | Dependent | • Responsiveness<br>• Reliability<br>• Quality of communication<br>• Service attitude<br>• Empathy<br>• Quality of information<br>• Ethics | Number of customer complaints Efficiency in delivery of services Accuracy of records Effectiveness of messages communicated | Ordinal | Descriptive |
| Outsourced property management approach | Dependent | • Responsiveness<br>• Reliability<br>• Quality of communication<br>• Service attitude<br>• Empathy<br>• Quality of information<br>• Ethics | Number of customer complaints Efficiency in delivery of services Accuracy of records Effectiveness of messages communicated | Ordinal | Descriptive |
| Hybrid ( Mixed mode) property management approach | Dependent | • Responsiveness<br>• Reliability<br>• Quality of communication<br>• Service attitude<br>• Empathy<br>• Quality of information<br>• Ethics | Number of customer complaints Efficiency in delivery of services Accuracy of records Effectiveness of messages communicated | Ordinal Ratio | Descriptive |
| Customer satisfaction | Independent | • Accessibility<br>• Usability<br>• Compatibility<br>• Immediate positive effect<br>• Security and trustworthiness | Number of tenant expressing delight for management services provided Tenant preferring to lease in a particular building ( Loyalty ) Level of trust between tenants and management team Number of tenant renewing their lease periods | Nominal ordinal | Descriptive |

# CHAPTER FOUR

## DATA ANALYSIS, INTERPRETATION AND PRESENTATION

### 4.1 Introduction

This chapter presents the study findings on property management approach and customer satisfaction within commercial high rise buildings in Nairobi's Central Business District. The study focussed on establishing a comparison between in-house, outsourced property management and hybrid (mixed mode property management approaches). The chapter has been sectioned into background information and rating of different modes of property management as per property managers and tenants opinions.

### 4.2 Background information

The respondent's background information demonstrated the length of time that they had either been tenants or property managers in their respective buildings as well as the kind of management approach used in the premises of reference.

### 4.2.1 Pilot test scores

The research instrument was taken through a test – retest procedure and the reliability computed using Karl Pearson's product moment coefficient of correlation (r) discussed in chapter three above. The findings of the test scores and the resulting reliability coefficient are presented in table 2 below.

**Table 2: Pilot test results**

| First administration (x) | 85 | 88 | 80 | 86 | 90 | 87 |
|---|---|---|---|---|---|---|
| Second administration (y) | 85 | 89 | 88 | 87 | 92 | 90 |
| Correlation coefficient (r) | 1.00 | | | | | |
| Reliability of the instrument | Very reliable | | | | | |

## 4.2.2. Response rate

The response rate for both property managers and tenants has been presented on tables 3 below.

**Table 3: Response rate**

| Sample category | Sample size | Responded | Did not response | Response rate |
|---|---|---|---|---|
| Property managers | 10 | 10 | 0 | 100% |
| Tenants | 58 | 33 | 25 | 56.9% |

The response rate for property managers was 100%, while that of tenants was 56.9%. This represented an above 50% required response rate which was adequate enough to represent the study phenomenon.

## 4.2.3 Respondents demographic information

The study targeted 10 property managers and 58 tenants based on the total population of commercial high rise buildings in Nairobi Central Business District as well as the number of tenants in each building.

**Table 4: Background information about property managers**

| Background information about property managers | | Frequency | Percentage% |
|---|---|---|---|
| Length of operation as property manager | 3-5 years | 2 | 20.0% |
| | 5-10 years | 7 | 70.0% |
| | 10-15 years | 0 | 0.0% |
| | Over 15 years | 1 | 10.0% |
| | Total | 10 | 100.0% |
| Kind of management services provided in the building | Outsourced management approach | 3 | 30.0% |
| | In- house management approach | 3 | 30.0% |
| | Hybrid ( Mixed mode) management approach | 4 | 40.0% |
| | Total | 10 | 100.0% |

Majority (70%) of property managers examined in the study had working experience of 5-10 years with minority having 3-5 years of experience. This could indicate that property managers had adequate experience as far as property management approach they used and

customer satisfaction was concerned. The property managers were distributed based on the type of management approaches in their building.

## 4.3 Property management approaches in relation to customer satisfaction

Property management approaches in relation to customer satisfaction study was undertaken through a comparative analysis of different service parameters expected from outsourcing, in-house and mixed mode property management approaches. These parameters included responsiveness, reliability, quality of communication, service attitude, empathy, quality of information and ethics exhibited to customers. Respondents' customers and service providers were asked to indicate their levels of agreement with the aforementioned service parameters in each property management approach. A comparative analysis on average responses for each service parameter under the three property management approaches was undertaken and discussions made. The study findings have been presented and discussed below.

## 4.3.1 Outsource property management approach in relation to customer satisfaction

Eldred, (2012) defines outsourcing as the process of contracting a business function to someone else. Eldred further noted that outsourcing enabled companies to perform well in their non-core competence and further benefit from expertise of the outsourced service providers. In this study, outsourcing was expected to bring about a certain level of customer satisfaction mentions in the introductory part of 4.2. The study findings on different level of service quality parameters have been presented in appendix V.

The level of responsiveness as established in the assertions; property management team was more responsive to customer needs and response to customer complaints. The finding on this assertion based on outsourced property management approach indicated that 100% of respondents agreed with the assertions that in outsourced property management approach, property management team was more responsive and quickly responded to customer needs. Concerning reliability of services provided, outsourcing was found to elicit 100% strongly agreement from respondents rating on the assertion that management team responded quickly to customer needs, and provision of up to date information.

Quality of information as examined in the assertions brought about effectiveness in addressing customer needs, and that there was expedient communication concerning any service delays from the management. Effectiveness on quality of communication elicited

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100% strong agreement from the tenants, while expedient communication concerning service delays elicited 81.8% strong agreement from majority of respondents. The overall indication was that customers felt satisfied with the quality of information provided by outsourced property management approach.

Customer perceptions about service attitude  was established in the assertions that services provided by property management services was that of courtesy and customer centred, the level  of importance being attached to customers by management and improvement of management operations based on customer views. Results indicated that 81.8% majority of respondents indicated agreement with the assertion that service provided by outsourced management approach was that of courtesy and customer centred.  Majority (72.7%) of respondents strongly agreed with the assertion that day to day operation took into account customer views and improved on them. The findings on service attitude provided by outsourced property management services reflect that many customers are satisfied by outsourced property management approach.

Another indicator of customer satisfaction was the level of empathy provided by different property management approaches. In the assertion, the management has strong compassion for work and customer complaints, 54.5% of the respondents strongly agreed with the assertion while 45.5% agreed with the assertion. A slight difference existed between those who strongly agreed and agreed with the assertion. Under quality of information, there was 100% agreement among customers on the assertion that management services provided value for money and there was high efficiency in outsourced management services.

Professionalism in property management was examined through respondents rating on the view of level of professional ethics practiced by different property management approaches. Outsourcing brought out 100% strong agreement with the assertion that tenants had not witnessed discrimination in the way services were provided in outsourced property management approaches. On the level of trust between management team and customers, 81.8% strongly agreed with the assertion that there was high level of trust between management team and customer. It was however noted that some respondents forming minority on the response were neutral on this assertion. One could therefore conclude that many tenants have reasonably high level of trust for outsourced property management services.

**Table 5: Property managers' opinion on outsourced property management approach**

| Property managers opinion about outsourced property management approach | | Frequency | Percentage % |
|---|---|---|---|
| | Strongly Agree | 3 | 100.0% |
| | Agree | 0 | 0.0% |
| Reduced tenant complaints | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Strongly Agree | 3 | 100.0% |
| | Agree | 0 | 0.0% |
| Quick response to tenant needs | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Strongly Agree | 3 | 100.0% |
| Provision of up to date information as required by the tenant | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Strongly Agree | 3 | 100.0% |
| Good working relationship between tenants and management team | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Strongly Agree | 3 | 100.0% |
| | Agree | 0 | 0.0% |
| Upholding property management professional ethics | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | | 3 | 100% |

Property managers in outsourced property management approach represented a similar response as provided by tenants. Parameters of customer satisfaction under outsourced, in-house and property management approaches examined in this study included; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated.

Under outsourced property management approach, a strong agreement among all property managers was exhibited on the assertions that; there is reduced customer complaints, there was quick response to customer needs, there was provision of up to date information as required by tenants, there was good working relationship between tenants and management team and that the management team upheld professional ethics for property management.

**Table 6: Correlation analysis on outsourced property management parameters and customer satisfaction**

| | | Responsiveness | Reliability | Quality of communication | Service attitude | Empathy | Professionalism |
|---|---|---|---|---|---|---|---|
| Responsiveness | Pearson Correlation | 1 | | | | | |
| | Sig. (2-tailed) | | | | | | |
| | N | 11 | | | | | |
| Reliability | Pearson Correlation | .392 | 1 | | | | |
| | Sig. (2-tailed) | .233 | | | | | |
| | N | 11 | 11 | | | | |
| Quality of communication | Pearson Correlation | .624* | .917** | 1 | | | |
| | Sig. (2-tailed) | .040 | .000 | | | | |
| | N | 11 | 11 | 11 | | | |
| Service attitude | Pearson Correlation | .430 | .633* | .690* | 1 | | |
| | Sig. (2-tailed) | .186 | .037 | .019 | | | |
| | N | 11 | 11 | 11 | 11 | | |
| Empathy | Pearson Correlation | .064 | .094 | .103 | .696* | 1 | |
| | Sig. (2-tailed) | .851 | .783 | .763 | .017 | | |
| | N | 11 | 11 | 11 | 11 | 11 | |
| Professionalism | Pearson Correlation | .289 | .425 | .463 | .671* | .833** | 1 |
| | Sig. (2-tailed) | .389 | .193 | .152 | .024 | .001 | |
| | N | 11 | 11 | 11 | 11 | 11 | 11 |

* Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

A correlation analysis was undertaken to determine the interrelationship between service parameters and customer satisfaction in different property management approaches. An aggregate value for all significant correlations was obtained to get the overall correlation coefficients for each approach. Under outsourced property management approach, quality of communication was found to have moderately strong relationship with responsiveness with a correlation coefficient of 0.624, and a very strong relationship with reliability 0.917).

Service attitude related moderately strong with reliability and quality of communication, reflecting 0.633 and 0.690 correlation coefficients respectively. Empathy and service attitude reflected a moderately strong correlation of 0.671, while professionalism and empathy

reflected a strong relationship. The aggregate correlation coefficient for outsourced property management approach was 0.98 reflecting a perfectly positive relationship between the variables. This implied service parameters for outsourced property management service perfectly interrelated with the level of customer satisfaction.

### 4.3.2 In-house property management approach in relation to customer satisfaction

In-house property management was in the literature defined as a kind of management whereby an organization or landlord manages property using the already existing resources or employees within the organization (Baldwin, 2003). Rationale for in-house property management has been that it reduces personnel problems, does not lead to increased cost of operations, facilitates keeping of quality and efficiently available staff in an organization as well as provide better service and lowers costs. The argument of efficient and provision of better services is particularly important in this study as it facilitated an understanding on the extent of customer satisfaction through in-house property management approach. The findings are presented in appendix VI.

The level of responsiveness under the assertions property management team was more responsive to customer needs indicated a disagreement by 78.6% of respondents. Minority (21.4%) of respondents disagreed with this assertion.

Concerning reliability of services provided in-house was found to elicit 78.6% majority disagreement on the assertion that management team responded quickly to customer needs, and provision of up to date information. Twenty-one percent of the respondents strongly disagreed with the assertion. The overall judgement could therefore mean that in-house property management has not considered responsive to customer needs.

Quality of information was examined in the assertions, quality of communication brought about effectiveness in addressing customer needs, and that there was expedient communication concerning any service delays from the management. Effectiveness on quality of communication elicited 100% strong disagreement from the tenants, while expedient communication concerning service delays elicited 57.1% strong disagreement and 42.9% disagreement from the respondents. The overall indication was that customers did not feel satisfied by quality of information provided under in- house property management approach.

Customer perceptions about service attitude was established in the assertions that services provided by property management services was that of courtesy and customer centred, the level of importance being attached to customers by management and improvement of management operations based on customer views. A neutral, disagreement and strong disagreement opinions by 35.7%, 42.9% and 21.4% of the respondents were established on the assertions that services provided was that of courtesy and customer centred. A majority (64.3%) disagreement was established in the assertion that day to day operations took into account customer views and improved on them. The findings on service attitude provided by in-house property management approach reflected dissatisfaction in the way customers felt about the services provided. Another indicator of customer satisfaction was the level of empathy provided by different property management approaches. In the assertion, the management has strong compassion for work and customer complaints, 21.4% of the respondents were neutral while 78.6% strongly disagreed with the assertion.

Under quality of services, there was 42.9% disagreement on the assertion that management services provided value for money and 57.1% strong disagreement. A similar response was elicited on the assertions that "we have high efficiency in outsourced management services with 42.9% disagreeing with the assertion while 57.1% strongly disagreed. This could clearly indicate that customers were not satisfied with in-house property management services.

Professionalism in property management was examined through respondents rating on the view of level of professional ethics practiced by different property management approaches. In-house property management approach elicited a 64.3% majority response on the assertion that tenants had not witnessed discrimination in the way services were provided. A neutral opinion of 42.9% and 57.1% majority disagreement was established on the assertion that there was high level of trust between the management team and customers.

**Table 7: Property manager's opinion about in-house property management approach**

| Property managers opinion about in house – property management approach | | Frequency | Percentage % |
|---|---|---|---|
| Reduced tenant complaints | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 1 | 25.0% |
| | Disagree | 3 | 75.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Quick response to tenant needs | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 1 | 25.0% |
| | Disagree | 3 | 75.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Provision of up to date information as required by the tenant | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 3 | 75.0% |
| | Disagree | 1 | 25.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Good working relationship between tenants and management team | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 2 | 50.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 2 | 50.0% |
| | **Total** | **4** | **100.0%** |
| Upholding property management professional ethics | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 4 | 100.0% |
| | **Total** | **4** | **100.0%** |
| Delivery of quality services | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 3 | 75.0% |
| | Strongly Disagree | 1 | 25.0% |
| | **Total** | **4** | **100.0%** |

Property managers in in-house property management approach represented an almost similar response as provided by tenants under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses under in-house property management approach elicited different opinions culminating to negative customer satisfaction.

On the assertion, in-house management approach reduced tenant complaints, 25% of respondents were neutral with the assertion, while 75% strongly disagreed. A neutral response of 25% and disagree by 75% majority was also elicited on the assertion that in – house property management approach elicited quick response to tenants needs. Majority of respondents (75%) were neutral on the assertion that in-house property management provided up to date information as required by the tenant. On good working relationship between the

tenants and management team, 50% of the respondents strongly disagreed with the assertion while 50% were neutral on the assertion.

There was 100% strong disagreement among respondents that property management ethics were upheld under in-house property management approach. Seventy-five percent of respondents strongly disagreed with the assertions that there was delivery of quality services under in- house property management approach. The findings that in-house property management seem to bring about negative customer satisfaction disagrees with Baldwin, (2003) observations that in-house management provided better quality service by the virtue of having employees ever available. It further concludes that better understanding about a property may not necessarily mean that employees are going to deliver good performance attributes about services that Steven (2010) notes that are important for customer satisfaction.

**Table 8: Correlation analysis on in-house property management approach**

| | | Responsiveness | Reliability | Quality of communication | Service attitude | Empathy | Professionalism |
|---|---|---|---|---|---|---|---|
| Responsiveness | Pearson Correlation | 1 | | | | | |
| | Sig. (2-tailed) | | | | | | |
| | N | 14 | | | | | |
| Reliability | Pearson Correlation | .499 | 1 | | | | |
| | Sig. (2-tailed) | .069 | | | | | |
| | N | 14 | 14 | | | | |
| Quality of communication | Pearson Correlation | -.383 | -.030 | 1 | | | |
| | Sig. (2-tailed) | .177 | .918 | | | | |
| | N | 14 | 14 | 14 | | | |
| Service attitude | Pearson Correlation | .469 | .966$^{**}$ | .000 | 1 | | |
| | Sig. (2-tailed) | .091 | .000 | 1.000 | | | |
| | N | 14 | 14 | 14 | 14 | | |
| Empathy | Pearson Correlation | .182 | -.307 | .433 | -.318 | 1 | |
| | Sig. (2-tailed) | .533 | .285 | .122 | .268 | | |
| | N | 14 | 14 | 14 | 14 | 14 | |
| Professionalism | Pearson Correlation | -.462 | -.323 | -.284 | -.174 | -.683$^{**}$ | 1 |
| | Sig. (2-tailed) | .096 | .259 | .325 | .552 | .007 | |
| | N | 14 | 14 | 14 | 14 | 14 | 14 |

**. Correlation is significant at the 0.01 level (2-tailed).

Under in-house property management, service attitude was found to strongly correlate with reliability a correlation coefficient of 0.966. Other relationship established was between professionalism and empathy which yielded a correlation coefficient of -0.683 indicating moderately negative relation. All other parameters did not show any influence on customer satisfaction. The overall correlation coefficient for in-house property management was 0.183 meaning that this kind of property management approach had yielded a weak relationship with customer satisfaction.

### 4.3.3 Hybrid (mixed mode) property management approach in relation to customer satisfaction

Hybrid (mixed mode) of property management entails a combination of both in-house and outsourced property management approach. Studies that justify the need for hybrid property management approach do it under the premise that complete trust should not be given to outsourced company and therefore the need for property owners to partners with outsourced company. By so doing, the study's argues that this will lead to customer satisfaction and adequately address the landlord's needs. This study established the extent of customer satisfaction under mixed-mode property management presented in appendix vii.

The level of responsiveness under the assertions property management team was more responsive to customer needs indicated an agreement by 100% of the respondents. Concerning reliability of services provided, mixed mode property management approach was found to elicit 100% neutral response from respondents on the assertion that management team responded quickly to customer need. Provision of up to date information under mixed mode property management approach got 100% agreement from the respondents.

Quality of information was examined in the assertions, quality of communication brought about effectiveness in addressing customer needs, and that there was expedient communication concerning any service delays from the management. Effectiveness on quality of communication elicited 75% neutral response from majority of respondents and 25% agreement minority of respondents. Expedient communication concerning service delays elicited 57.1% strong disagreement and 42.9% disagreement from the respondents.

From the findings, the overall results on customer satisfaction indicate that there is no clear understanding on whether or not customer are satisfied with mixed mode of property

management approach . Under service attitude, there was 100% neutral response on the assertion that service provided was that of was of courtesy and customer centred. Fifty percent of respondents were neutral on the assertion that the management team strongly upheld the importance of customers. Seventy-five percent of respondents agreed with the assertion that the improvement of daily operations incorporated customer views. The findings on service attitude provided by mixed mode property management approach show partial satisfaction among tenant with response providing non-conclusive responses on how they feel about the mixed mode property management approaches.

Another indicator of customer satisfaction was the level of empathy provided by different property management approaches. In the assertion, the management has strong compassion for work and customer complaints, 75% of respondents agreed with the assertion while 25% being neutral. Under quality of services, there was 100% neutral response on the assertion that management services provided value for money. Similar response was elicited on the assertions that "we have high efficiency in outsourced management services with 42.9% disagreeing with the assertion while 57.1% strongly disagreed. This could clearly indicate that customers were not satisfied with in-house property management services. Professionalism in property management was examined through respondents rating on the view of level of professional ethics practiced by different property management approaches. Seventy-five percent of respondents indicated 100% agreement with the assertion that they had not witnessed discrimination in the way services were provided.

**Table 9: Property manager's opinion about mixed mode (Hybrid) property management approach**

| Property managers opinion about in hybrid- mixed mode management approach | | Frequency | Percentage % |
|---|---|---|---|
| Reduced tenant complaints | Strongly Agree | 0 | 0.0% |
| | Agree | 4 | 100.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Quick response to tenant needs | Strongly Agree | 0 | 0.0% |
| | Agree | 1 | 25.0% |
| | Neutral | 3 | 75.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Provision of up to date information as required by the tenant | Strongly Agree | 0 | 0.0% |
| | Agree | 3 | 75.0% |
| | Neutral | 1 | 25.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100.0%** |
| Good working relationship between tenants and management team | Strongly Agree | 0 | 0.0% |
| | Agree | 1 | 25.0% |
| | Neutral | 3 | 75.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100%** |
| Upholding property management professional ethics | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 4 | 100.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100%** |
| Delivery of quality services | Strongly Agree | 4 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **4** | **100%** |

Property managers under mixed mode management approach represented different opinions to reflect the level of customer satisfaction under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses elicited could not provide a conclusive evidence of whether or not customers were satisfied.

On the assertion, mixed mode management approach reduced tenant complaints, 100% of respondents agreed with the assertion, a neutral majority response of 75% was elicited from the assertion that mixed mode property management provided quick response to tenants needs. Majority of respondents (75%) were neutral on that there was provision of up-to-date information as required by tenants. On good working relationship between the tenants and management team, majority of respondents (75%) were neutral on the assertion. There was 100% neutral response on the assertion that property management professional ethics were upheld under mixed mode property management approach. All property managers strongly agreed on delivery of quality of services under mixed mode property management approach.

**Table 10: Correlation analysis on mixed mode property management approach**

| | | Reliability | Quality of communication | Service attitude | Empathy | Professionalism | Responsiveness |
|---|---|---|---|---|---|---|---|
| Reliability | Pearson Correlation | 1 | | | | | |
| | Sig. (2-tailed) | | | | | | |
| | N | 8 | | | | | |
| Quality of communication | Pearson Correlation | -.899** | 1 | | | | |
| | Sig. (2-tailed) | .002 | | | | | |
| | N | 8 | 8 | | | | |
| Service attitude | Pearson Correlation | -.260 | .114 | 1 | | | |
| | Sig. (2-tailed) | .534 | .788 | | | | |
| | N | 8 | 8 | 8 | | | |
| Empathy | Pearson Correlation | -.306 | .278 | -.582 | .400 | | |
| | Sig. (2-tailed) | .461 | .504 | .130 | .326 | | |
| | N | 8 | 8 | 8 | 8 | | |
| Professionalism | Pearson Correlation | .625 | -.435 | -.303 | -.771* | 1 | |
| | Sig. (2-tailed) | .098 | .282 | .466 | .025 | | |
| | N | 8 | 8 | 8 | 8 | 8 | |
| Responsiveness | Pearson Correlation | .296 | -.078 | .098 | -.415 | .537 | 1 |
| | Sig. (2-tailed) | .476 | .855 | .818 | .307 | .169 | |
| | N | 8 | 8 | 8 | 8 | 8 | 8 |

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Under mixed mode property management approach a negative strong relationship was obtained between quality of communication and reliability (-0.899) as well as professionalism and empathy. The overall correlation coefficient was -0.865 indicating a strong negative relationship between mixed mode property management approaches and customer satisfaction.

**Table 11: Managers opinion on implications of property management approaches**

| Managers opinion on implication of property management approaches | | Frequency | Percentage % |
|---|---|---|---|
| Outsourced Property management approaches | Yes | 5 | 100.0% |
| | No | 0 | 0.0% |
| | Total | 5 | 100.0% |
| In- house Property management approaches | Yes | 0 | 0.0% |
| | No | 7 | 100.0% |
| | Total | 7 | 100.0% |
| Hybrid (Mixed mode) Property management approaches | Yes | 3 | 75.0% |
| | No | 1 | 25.0% |
| | Total | 4 | 100.0% |

Property managers were asked to indicate their opinion on the property management approaches that brought out the best in terms of customer satisfaction. The findings were presented on table 11 above. There was 100% confirmation from property managers that outsourced management approach brought about the best in terms of customer satisfaction. In-house property management approach was unconfirmed by 100% majority of respondents. Hybrid (mixed mode) property management approaches was confirmed by 75% of property manager while 25% did not confirm.

### 4.4. Different management approaches and rating customer satisfactions

A comparative analysis of different service parameters under the three property management approaches was undertaken. The responses in the three property management approaches that elicited a positive opinion (agreement) on the service provision parameters was used to rate the different parameters under each property management approach. In case a given parameter has 2 or more questions under it the average highest score was obtained to give the rating for that particular service parameter. Responses that were neutral were divided into 2 so that one half is considered negative while the other was considered positive. The results were presented and discussed in the table below.

**Table 12: Overall rating for service parameters under different management approaches**

|  | Outsourced | In- house | Mixed mode |
| --- | --- | --- | --- |
| Responsiveness | 100% | 0% | 100% |
| Reliability | 100% | 0% | 50% |
| Quality of communication | 91% | 0% | 100% |
| Service attitude | 78% | 18% | 50% |
| Empathy | 78% | 0% | 63% |
| Ethics | 91% | 39% | 75% |
| Average score | 90% | 10% | 73% |

Outsourcing was highly scored as far as service parameters expected to lead to customer satisfaction as indicated by table 12 above. Mixed mode property management approach received second majority rating while in-house management was the least. One could therefore conclude that outsourcing property management approach is the property management approach that elicits the highest level of customer satisfaction.

### 4.4.1 Summary for correlation analysis results

**Table 13: Summary for correlation analysis results**

| Property management approach | Correlation coefficient n | Nature of relationship with customer satisfaction |
| --- | --- | --- |
| Outsourced | 0.98 | Perfectly positive relationship |
| In- house | 0.183 | Weak relationship |
| Mixed Mode ( hybrid ) | -0.865 | Strong negative relationship |

The findings on the correlation results indicated that there was a perfectly positive relationship between outsourced property management approach and customer satisfaction with highest correlation coefficient of 0.98.There was a weak relationship between in- house property management approach and customer satisfaction with a correlation coefficient of 0.183. Mixed mode property management approach yielded strong negative relationship. It can therefore be concluded that the more an organization adopts outsourced property management services, the more is likely to satisfy customer. In-house property management service is likely to have little influence on property management while the partnership between in-house and outsourced property management approaches is likely to affect negatively the level of customer satisfaction.

# CHAPTER FIVE

# SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

This chapter discusses the summary of the findings on the study property management approaches and it's relation to customer satisfaction. The study sought to establish the relationship between outsourcing, in-house and mixed mode property management approaches on customer satisfaction. This chapter is sectioned into summary of findings, conclusion and recommendations.

## 5.2 Summary of findings

The summary of the findings provides a highlight of key observations of the study and has been sub sectioned into background information and rating on different property management approaches in relation to customer satisfaction.

### 5.2.1 Background information

The response rate for property managers was 100%, while that of tenants was 82.5%. Majority (70%) of property managers examined in the study had working experience of 5-10 years with minority having 3-5 years of experience. The property managers as well as tenants were distributed based on the type of management approaches in their building. The distribution was as follows; 3(30%) managers from outsourced management approach, 3(30%) from in-house management approach and 4(60%) from mixed mode property management approaches. Likewise tenants (customers) were from outsourced (11 (33.3%) in–house 14(42%) and mixed mode (8 (24.7%).

### 5.3 Property management approaches in relation to customer satisfaction

Property management approaches in relation to customer satisfaction study was undertaken through a comparative analysis of different service parameters expected from outsourcing, in-house and mixed mode property management approaches. These parameters included responsiveness, reliability, quality of communication, service attitude, empathy, quality of information and ethics exhibited to customers. The summary of the findings and the discussions have been presented in table 4.15 below.

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**Table 14 : Summary of findings**

| Objective | Findings | Comments |
|---|---|---|
| The effect of Outsourced property management approach in relation to customer satisfaction | A strong agreement among the respondents was exhibited on various service parameters with average rating on customer satisfaction being 90%. Hundred percent of the respondents agreed with the assertions that in outsourced property management, property management team was more responsive and quickly responded to customer needs. A correlation coefficient of 0.98 indicates a strong positive relationship. | There is high level of customer satisfaction under outsourced property management |
| The effect of in-house property management approach in relation to customer satisfaction | Under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses under in- house property management approach elicited different opinions culminating to low level of customer satisfaction. The coefficient results obtained under in-house property management approach generated a 0.183 value indicating a weak relationship with customer satisfaction. | In – house property management approach is seemingly less preferable among customers and yield low level of customer satisfaction |
| The effect of Mixed Mode (a combination of outsourced and in-house) property management approach in relation to customer satisfaction | Under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses elicited could not provide a conclusive evidence of whether or not customers were satisfied. The average rating for the parameters under examination was 73% agreement indicating customer satisfaction. The correlation coefficient value was -0.865 indicating a strong negative relationship. | Mixed mode property management approach may not necessarily increase the level of customer satisfaction. Negative correlation co-efficiency implies that many partnerships may lead to decreased quality of service rather than increase and this leads to decreased customer satisfaction. |

### 5.3.1 Outsourced property management approach in relation to customer satisfaction

Outsourcing was found to elicit 100% strongly agreement from respondents rating on the assertion that management team responded quickly to customer needs, and provision of up to date information. Effectiveness on quality of communication elicited 100% strong agreement from the tenants, while expedient communication concerning service delays elicited 81.8% strong agreement from majority of respondents.

On service attitude, 81.8% majority of respondents indicated agreement with the assertion that service provided by outsourced management approach was that of courtesy and customer centred. Majority of respondents (72.7%) strongly agreed with the assertion that day to day operation took into account customer views and improved on them. Level of empathy indicated that the management had strong compassion for work and customer complaints. 54.5% of the respondents strongly agreed with the assertion, 45.5% agreed with the assertion. There was 100% agreement among customers on the assertion that management services provided value for money and there was high efficiency in outsourced management services.

Under professionalism, outsourcing brought out 100% strong agreement with the assertion that tenants had not witnessed discrimination in the way services were provided in outsourced property management approaches and 81.8% majority rating agreed with the assertion that there was high level of trust between management team and customer satisfaction. Property managers in outsourced property management approach represented a similar response as provided by tenants.

Outsourced property management services were found to bring about service parameters that led to customer satisfaction. These agrees with study by Eldred (2012) where he states that the CEOs of third-party property management companies perceived growing customer interest in outsourcing as the top industry dynamics . It further concurs with Griswold (2001) on value creation through utilization of outsourced services. Griswold argues that outsourcing provided clients with expertise and experience that would otherwise be difficult to acquire in-house.

### 5.3.2 In-house property management approach in relation to customer satisfaction

In-house property management was found to elicit poor customer satisfaction as per respondent's opinion. The level of responsiveness under the assertions property management

team was more responsive to customer needs indicated a disagreement by 78.6%. Concerning reliability of services provided in-house was found to elicit 78.6% disagreement on the assertion that management team responded quickly to customer needs.

Under quality of information, effectiveness on quality of communication elicited 100% strong disagreement from the tenants, while expedient communication concerning service delays elicited 57.1% strong disagreement and 42.9% disagreement from the respondents. Customer perception results indicated a neutral, disagreement and strong disagreement opinions by 35.7%, 42.9% and 21.4% of the respondents. These were established on the assertions that services provided was that of courtesy and customer centred. A majority (64.3%) disagreement was established in the assertion that day to day operations took into account customer views and improved on them. The findings on service attitude provided by in- house property management approach reflected dissatisfaction in the way customers felt about the services provided.

Empathy level provided by different property management approaches indicated a neutral opinion on the assertion that management has compassion for work and customer complaints. Under quality of services, there was 42.9% disagreement on the assertion that management services provided value for money and 57.1% strong disagreement. A similar response was elicited on the assertions that "we have high efficiency in outsourced management services with 42.9% disagreeing with the assertion while 57.1% strong disagreed. This could clearly indicate that customers were not satisfied with in-house property management services.

In-house property management approach elicited a 64.3% majority response on the assertion that tenants had not witnessed discrimination in the way services were provided. A neutral opinion of 42.9% and 57.1% majority disagreement was established on the assertion that there was high level of trust between the management team and customers. Property managers in in-house property management approach represented an almost similar response as provided by tenants under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses under in-house property management approach elicited different opinions culminating to negative customer satisfaction.

The overall judgement for in-house property management is that it brings very little level of customer satisfaction. The results are contrary to literature discussions by Weaven (2009) who argues that in today's security conscious society, organizations do not really want to rely on outside company to manage or monitor their resources or other departments and therefore would rely on in house management which according to (William (2000) reduces investments costs and reduces employee turnover.

### 5.3.3 Hybrid (mixed mode) property management approach in relation to customer satisfaction

The level of responsiveness under the assertions property management team was more responsive to customer needs indicated an agreement by 100% of the respondents on the assertion property management team is more responsive to customer needs. Concerning reliability of services provided, mixed mode property management approach was found to elicit 100% neutral response from respondents on the assertion that management team responded quickly to customer need. Provision of up to date information under mixed mode property management approach got 100% agreement from the respondents.

Under quality of information, effectiveness on quality of communication elicited 75% neutral response from majority of respondents. Expedient communication concerning service delays elicited 57.1% strong disagreement and 42.9% disagreement from the respondents. Under service attitude, there was 100% neutral response on the assertion that service provided was that of courtesy and customer centred. Fifty percent of respondents were neutral on the assertion that the management team strongly upheld the importance of customers. Majority of the tenants (75%) agreed with the assertion that the improvement of daily operations incorporated customer views.

Under level of empathy, 75% of respondents agreed with the assertion on management compassion. Under quality of services, there was 100% neutral response on the assertion that management services provided value for money. Similar response was elicited on the assertions regarding high efficiency in outsourced management services with 42.9% disagreeing with the assertion while 57.1% strong disagreed. Respondent's rating on the view of level of professional ethics practiced under mixed mode property management approach indicated 100% agreement with the assertion that tenants had not witnessed discrimination in the way services were provided.

Property managers under mixed mode management approach represented different opinions to reflect the level of customer satisfaction. The opinions were reflected under parameters; number of customer complaints, efficiency in delivery of services, accuracy of records and effectiveness of messages communicated. Responses elicited could not provide a conclusive evidence of whether or not customers were satisfied. Outsourcing was highly scored as far as service parameters expected to lead to customer satisfaction was concerned. Mixed mode property management approach received second majority rating while in-house property management was the least. One could therefore conclude that outsourcing property management approach is the property management approach that elicits the highest level of customer satisfaction.

Mixed mode (hybrid) property management was considered important by (Baldwin, 2003) on the premise that it is a mistake for property owners to completely delegate the duty of property management to outsourced company. Though it is not clear whether the partnership was to benefit the customer or property owner, the concerns of Garver (2003) in Kano Model of customer satisfaction attributes remain important considerations for businesses if at all property owners are to gainfully enjoy long-term business due to customer satisfaction. To some extent the results indicate that mixed mode property management approach brings down the level of customer satisfaction. This would therefore indicate that the partnership advocated by Baldwin (2003) is that which considers the interest of property owner overlooking that of the customer.

## 5.4 Conclusion

From the study findings in property management approach in relation to customer satisfaction, it can be concluded that different property management approaches are prominently existent among High–rise buildings in Nairobi's Central Business District. The approaches used can be either outsourced, in–house, or mixed mode property management methods. The choice of the kind of property management approach used is determined by various reasons which among them include, need for expertise knowledge, strategy to control cost and reduce employees' turnover and customer satisfaction.

Though it is not clear the extent to which competition among property owners compel them towards customer satisfaction, many customers seem to clearly understand the service parameters that they expect from different property management approaches. Regardless of

the approach used, customers expect the service provided to empress responsiveness, be reliable, provide quality information, yield positive attitudes and good working relations, be emphatic about customer needs, and exercise professionalism in the service delivery.

Outsourcing yielded the highest rating as far customer satisfaction is concerned. This finding concurs with literature review on drivers of outsourcing in the sense that it facilitates value creation and use of expertise that other management approaches may not apply. In- house property management yielded the least rating as far as customer satisfaction was concerned. This disagreed with the literature discussion that in-house ensured efficiency in service delivery as well as ensuring steady performance through an all year round availability of employees. Mixed mode (hybrid property management approach) was second in the rating concerning customer satisfaction. This was probably because of constant interactions between the management team and landlord as far as property management was concerned. However, there is likelihood that the interaction could sometimes act as setback towards effective customer satisfaction in provision of management services.

## 5.5 Recommendations

After successful completion of the study "property management approaches and their relation to customer satisfaction, the researcher made the following recommendations.

i.   In order for property owners to attain maximum level of customer satisfaction, outsourcing is an important strategy to adopt so as to make use of expertise knowledge that will add value to property management services.

ii.  There is need to undertake in-house property managers through a training in customer satisfaction parameter in order to increase the level of customer satisfaction under in-house property management approach.

iii. It is not just enough for landlords to partner with outsourced companies in management of property. The partnership should be geared towards a common goal of increasing the level of customer satisfaction. Differences in partnership goals tend to reduce the value of services provided.

## 5.5.1 Recommendation for further studies

A further study should be undertaken to establish the factors affecting choice of property management approaches among property owners.

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30th May, 2012
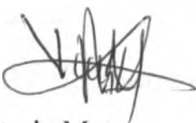
Town Clerk

City council of Nairobi

**Nairobi**

Dear Sir / Madam,

**RE: PERMISSION TO COLLECT DATA FOR ACADEMIC RESEARCH**

I am a master's student in Nairobi University taking a course in project management. As a requirement of my degree, I am supposed to carry out a research study intended to solve a problem within my area of specialization. I therefore intend to carry out a study on "Nature of property management services and customer satisfaction in high rise buildings, in Nairobi's Central Business District. The information provided will solely be used to accomplish this academic goal. I therefore request you to allow me to gather information on projects within your area of jurisdiction.

Yours Faithfully,

Victoria Mutunga

Questionnaire for Tenants

## RE: INTRODUCTION

Dear Respondent,

This questionnaire is aimed at gathering primary data on property management services and their effect on customer satisfaction. You are kindly requested to fill in the questions depending on the instructions given. The information you provide will be treated with utmost confidentiality and will be used for the purpose of accomplishing academic goals. Do not include your name anywhere in the questionnaire. Note that there are no wrong or right answers.

## PART A:  Background information

1. How long have you been a tenant in this building?
   a. 3-5 years ☐
   b. 5-10 Years ☐
   c. 10-15 years ☐
   d. Over 15 years ☐
2. Please indicate the kind of management services provided in your building?
   a. Managed by externally contracted property managers ☐ (to sec B ( a)
   b. Managed by  the owner or employees of the owner of the property ☐ ( Go to sec B ( b)
   c. Managed by partnership between the owner/employees and contractors of the building ( Go to sec B ( c) ☐

## PART B: Nature of property management services and customer satisfaction.

The following statements indicate statements related to nature of property management services and customer satisfaction. Kindly indicate your level of agreement with the statements provided. Use ; 1- Strongly agree ( SA),  2- Agree (A) 3- Neutral (N), 4- Disagree (D), 5- Strongly Disagree (SD)

| Statement | 1-SA | 2- A | 3- N | 4-D | SD |
|---|---|---|---|---|---|
| a) Outsourced property management services | | | | | |
| 1. Property management team is more responsive to customer needs | | | | | |
| 2. Management team respondents quickly to customer requests / demands | | | | | |
| 3. Information provided by the management team is always up to date | | | | | |
| 4. Tenants and property management team have good working relationship | | | | | |
| 5. Quality communication brings about effectiveness in addressing customer needs | | | | | |
| 6. There is expedient communication concerning any service delays from the management team | | | | | |
| 7. The service provided is that of courtesy and customer centred | | | | | |
| 8. The management team strongly upholds the importance of a customer | | | | | |
| 9. Day to day business operation taken in to account customer views and improve on them | | | | | |
| 10. The management has strong compassion for work and customer complaints | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 11. Conflict of interest between landlords and professional guidelines reduce customer loyalty | | | | | |
| 12. Management services provided offer value for money | | | | | |
| 13. We have high efficiency in outsourced management services | | | | | |
| 14. We have not witnessed discrimination in the way services are provided | | | | | |
| 15. There is high level of trust between the management team and customers | | | | | |
| **b) In- house property management services** | | | | | |
| 16. Property management team is more responsive to customer needs | | | | | |
| 17. Management team respondents quickly to customer requests / demands | | | | | |
| 18. Information provided by the management team is always up to date | | | | | |
| 19. Tenants and property management team have good working relationship | | | | | |
| 20. Quality communication brings about effectiveness in addressing customer needs | | | | | |

| | | | | |
|---|---|---|---|---|
| 21. There is expedient communication concerning any service delays from the management team | | | | |
| 22. The service provided is that of courtesy and customer centred | | | | |
| 23. The management team strongly upholds the importance of a customer | | | | |
| 24. Day to day business operation taken in to account customer views and improve on them | | | | |
| 25. The management has strong compassion for work and customer complaints | | | | |
| 26. Conflict of interest between landlords and professional guidelines reduce customer loyalty | | | | |
| 27. Management services provided offer value for money | | | | |
| 28. We have high efficiency in outsourced management services | | | | |
| 29. We have not witnessed discrimination in the way services are provided | | | | |
| 30. There is high level of trust between the management team and customers | | | | |

| c)A combination of outsourced and in- house property management services (Hybrid ) | | | | | |
|---|---|---|---|---|---|
| c)  Property management team is more responsive to customer needs | | | | | |
| d)  Management team respondents quickly to customer requests / demands | | | | | |
| e)  Information provided by the management team is always up to date | | | | | |
| f)  Tenants and property management team have good working relationship | | | | | |
| g)  Quality communication brings about effectiveness in addressing customer needs | | | | | |
| h)  There is expedient communication concerning any service delays from the management team | | | | | |
| i)  The service provided is that of courtesy and customer centred | | | | | |
| j)  The management team strongly upholds the importance of a customer | | | | | |
| k)  Day to day business operation taken in to account customer views and improve on them | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| l) The management has strong compassion for work and customer complaints | | | | | |
| m) Conflict of interest between landlords and professional guidelines reduce customer loyalty | | | | | |
| n) Management services provided offer value for money | | | | | |
| o) We have high efficiency in outsourced management services | | | | | |
| p) We have not witnessed discrimination in the way services are provided | | | | | |
| q) There is high level of trust between the management team and customers | | | | | |

**End**

**Thank you for your cooperation.**

**Interview for property Managers**

**Dear Respondent**

This interview is being conducted to obtain your input on property management approach and it's relation to customer satisfaction. I am specifically interested in the way outsourced property management, in-house property management and hybrid (mixed model) property management approach relate to customer satisfaction in terms of responsiveness, reliability, quality of communication, service attitude, empathy, quality of information and professional ethics. I will compile a report which will contain all views without reference to individuals. I therefore kindly request you to answer the questions to the best of your capability.

**PART A:  Background information**

1. How long have you been a property manager in this building?

    e.   3-5 years  ☐
    f.   5-10 Years  ☐
    g.   10-15 years  ☐
    h.   Over 15 years  ☐

2. Please indicate the kind of management services provided in your building?

    Managed by externally contracted property managers ☐ (to question (3 and (4)

    Managed by the owner or employees of the owner of the property ☐ (Go to question 3 and 5) Managed by partnership between the owner/employees and contractors of the building ☐ (Go to question 3 and 6)

3. Do you think the following property management approaches bring out the best in terms of customer satisfaction?

| Property management approaches | | Comment |
|---|---|---|
| Outsourced | Yes...............................1 | |
| | No..................................2 | |
| In- house | Yes...............................1 | |
| | No..................................2 | |
| Hybrid ( Mixed mode ) | Yes...............................1 | |
| | No..................................2 | |

4. To what extent do you agree that outsourced property management approach has attained the following aspects in customer satisfaction? Kindly indicate your level of agreement with the statements provided. Use ; 1- Strongly agree ( SA), 2- Agree (A) 3- Neutral (N), 4- Disagree (D), 5- Strongly Disagree (SD)

| Statement | 1-SA | 2- A | 3- N | 4-D | SD |
|---|---|---|---|---|---|
| **Outsourced property management services** | | | | | |
| a. Reduced tenant complaints | | | | | |
| b. Quick response to tenant needs | | | | | |
| c. Provision of up to date information as required by the tenant | | | | | |
| d. Good working relationship between tenants and management team | | | | | |
| e. Upholding property management professional ethics | | | | | |
| f. Delivery of quality services | | | | | |

Briefly comment on your answer

...................................................................................................................

...................................................................................................................

...................................................................................................................

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5. To what extent do you agree that in- house property management approach has attained the following aspects in customer satisfaction?

| Statement | 1-SA | 2- A | 3- N | 4-D | SD |
|---|---|---|---|---|---|
| In – house property management | | | | | |
| a.  Reduced tenant complaints | | | | | |
| b.  Quick response to tenant needs | | | | | |
| c.  Provision of up to date information as required by the tenant | | | | | |
| d.  Good working relationship between tenants and management team | | | | | |
| e.  Upholding property management professional ethics | | | | | |
| f.  Delivery of quality services | | | | | |

Briefly comment on your opinion

................................................................................................................

................................................................................................................

................................................................................................................

................................................................................................................

6. To what extent do you agree that in- house property management approach has attained the following aspects in customer satisfaction?

| Statement | 1-SA | 2- A | 3- N | 4-D | SD |
|---|---|---|---|---|---|
| Hybrid –property management approach | | | | | |
| a. Reduced tenant complaints | | | | | |
| b. Quick response to tenant needs | | | | | |
| c. Provision of up to date information as required by the tenant | | | | | |
| d. Good working relationship between tenants and management team | | | | | |
| e. Upholding property management professional ethics | | | | | |
| f. Delivery of quality services | | | | | |

Briefly comment on your opinion

..................................................................................................................

..................................................................................................................

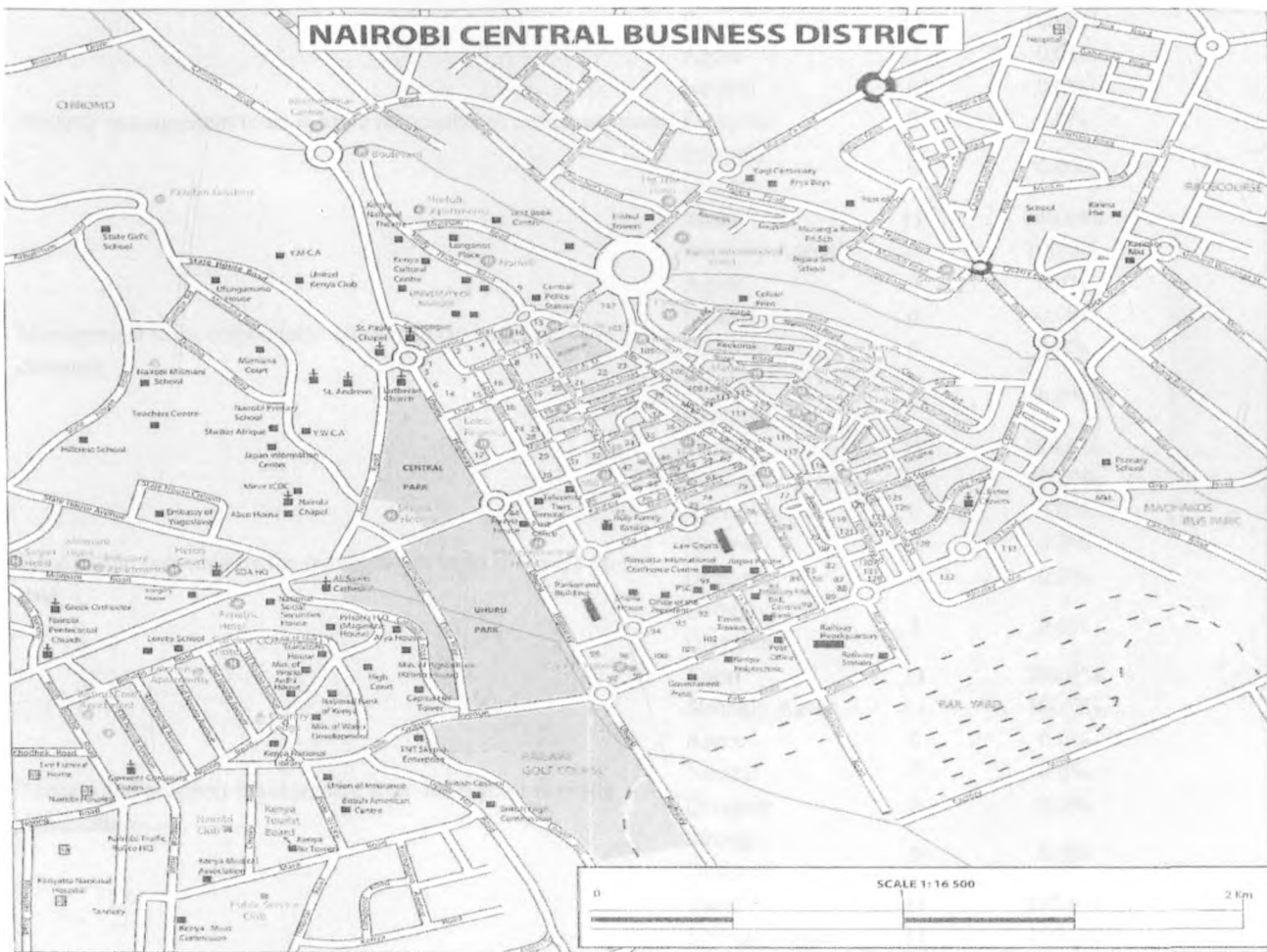..................................................................................................................

**End**

**Thank you**

# Appendix IV

## List of high rise building in Nairobi Central Business District



NAIROBI CENTRAL BUSINESS DISTRICT

SCALE 1:16 500

**Numbered Buildings**

1. Posta Co-op Headquarters
2. Ambank Towers
3. Anniversary Towers
4. College House
5. Highway Towers
6. View park Towers
7. Maendeleo House
8. Rattansi Ed. Trust Building
9. Lilian towers
10. Kingsway Mansion
11. Mombasa House
12. Malika House
13. Campus Towers
14. Utalii House
15. Kenindia House
16. Uniafric House
17. Nyati House
18. Nationwide House
19. Jubilee House
20. India House
21. Fourways Towers
22. Garden Chambers
23. Hajee Mansion
24. Warren House
25. Caltex House
26. Olympic House
27. Barclays Plaza

28. Chai House
29. Chester House
30. Kipande House
31. Rehani House
32. African Heritage Building
33. Hughes Building
34. ICEA Building
35. Bank of India Building
36. Grindlays Building
37. Nanak House
38. Kenwood House
39. Elite Arcade
40. Royalty House
41. Shariff House
42. Woolworth Building
43. Nairobi House
44. Prov. Comm. House
45. Sirona House
46. Bruce House
47. Phoenix House
48. Standard Building
49. Old Standard Bank Bldg
50. Westminster House
51. Kimathi House
52. Bank House
53. Nairobi Sports House
54. Elite House

55. Eagle House
56. Savings House
57. Union Towers
58. New Stanley House
59. Corner House
60. IPS Building
61. Queensway House
62. Esso House
63. Prudential Assurance Hse
64. Consolidated House
65. City House
66. Town House
67. Commercial Bank Bldg
68. Hamilton House
69. Fedha Towers
70. Jubilee Place
71. Jubilee insurance House
72. City Hall Annexe
73. Cotts House
74. Silopark House
75. International House
76. Re insurance plaza
77. Kencom House
78. Uchumi House
79. Shankardass House
80. Cargen House
81. Electricity House

82. Agriculture House
83. Jeevan Bharati House
84. National Bank Building
85. Bima House
86. NHC House
87. Pioneer House
88. American Embassy
89. Gateway House
90. Extelcoms House
91. Public Map Office
92. Marshall House
93. Shell B P House
94. Embassy House
95. Continental Bank Bldg
96. St John House
97. Harambee Plaza
98. Ufansi House
99. Protection House
100. Connaught House
101. Comcraft House
102. Agip House
103. Peponi House
104. Twiga Towers
105. Arcade House
106. IBEA House
107. Nation House
108. Princess House

109. Braidwood House
110. Pop in Building
111. E.A Building Society Hse
112. Old Mutual Building
113. Imenti House
114. Nairobi Cycle Mart Hse
115. Choitram Building
116. Brighton House
117. Commonwealth House
118. Stanbank House
119. Diamond Trust House
120. Sunglora House
121. Gill House
122. Hermes House
123. Biblia House
124. Quran House
125. Kenchic House
126. Mihani House
127. Information House
128. Finlay House
129. Development House
130. Church House
131. Ragil House
132. Kahawa House
133. Wakulima House

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# Appendix V

## Customer's opinion on outsourced property management approach

| Tenants opinion about outsourced property management approach | | Frequency | Percentage % |
|---|---|---|---|
| Property management team is more responsive to customer needs | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| Management team respondents quickly to customer requests / demands | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| Information provided by the management team is always up to date | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| Tenants and property management team have good working relationship | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| Quality communication brings about effectiveness in addressing customer needs | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| There is expedient communication concerning any service delays from the management | Strongly Agree | 9 | 81.8% |
| | Agree | 2 | 18.2% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| The service provided is that of courtesy and customer centred | Strongly Agree | 9 | 81.8% |
| | Agree | 2 | 18.2% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |

| | | | |
|---|---|---|---|
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 9 | 81.8% |
| | Agree | 2 | 18.2% |
| The management team strongly upholds the importance of a customer | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 8 | 72.7% |
| | Agree | 3 | 27.3% |
| Day to day business operation taken in to account customer views and improve on them | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 6 | 54.5% |
| | Agree | 3 | 27.3% |
| The management has strong compassion for work and customer complaints | Neutral | 2 | 18.2% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 6 | 54.5% |
| | Agree | 5 | 45.5% |
| Conflict of interest between landlords and professional guidelines reduce customer loyalty | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| Management services provided offer value for money | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| We have high efficiency in outsourced management services | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **11** | **100.0%** |
| | Strongly Agree | 11 | 100.0% |
| | Agree | 0 | 0.0% |
| We have not witnessed discrimination in the way services are provided | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |

| There is high level of trust between the management team and customers | Total | 11 | 100.0% |
|---|---|---|---|
| | Strongly Agree | 9 | 81.8% |
| | Agree | 0 | 0.0% |
| | Neutral | 2 | 18.2% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Total | 11 | 100.0% |

## Appendix VI
## In-House Property Management

|  |  | Frequency | Percentage % |
|---|---|---|---|
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Property management team is more responsive to | Neutral | 0 | 0.0% |
| customer needs | Disagree | 11 | 78.6% |
|  | Strongly Disagree | 3 | 21.4% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Management team respondents quickly to customer | Neutral | 0 | 0.0% |
| requests / demands | Disagree | 11 | 78.6% |
|  | Strongly Disagree | 3 | 21.4% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Information provided by the management team is | Neutral | 0 | 0.0% |
| always up to date | Disagree | 6 | 42.9% |
|  | Strongly Disagree | 8 | 57.1% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Tenants and property management team have good | Neutral | 6 | 42.9% |
| working | Disagree | 0 | 0.0% |
|  | Strongly Disagree | 8 | 57.1% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Quality communication brings about effectiveness in | Neutral | 0 | 0.0% |
| addressing customer needs | Disagree | 14 | 100.0% |
|  | Strongly Disagree | 0 | 0.0% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| There is expedient communication concerning any | Neutral | 0 | 0.0% |
| service delays from the management | Disagree | 6 | 42.9% |
|  | Strongly Disagree | 8 | 57.1% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| The service provided is that of courtesy and customer | Neutral | 5 | 35.7% |
| centred | Disagree | 6 | 42.9% |
|  | Strongly Disagree | 3 | 21.4% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| The management team strongly upholds the importance | Neutral | 6 | 42.9% |
| of a customer | Disagree | 3 | 21.4% |
|  | Strongly Disagree | 5 | 35.7% |
|  | Total | 14 | 100.0% |
|  | Strongly Agree | 0 | 0.0% |
|  | Agree | 0 | 0.0% |
| Day to day business operation taken in to account | Neutral | 0 | 0.0% |
| customer views and improve on them | Disagree | 9 | 64.3% |
|  | Strongly Disagree | 5 | 35.7% |
|  | Total | 14 | 100.0% |

| | | | |
|---|---|---|---|
| The management has strong compassion for work and customer complaints | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 3 | 21.4% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 11 | 78.6% |
| | Total | 14 | 100.0% |
| Conflict of interest between landlords and professional guidelines reduce customer loyalty | Strongly Agree | 6 | 42.9% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 3 | 21.4% |
| | Strongly Disagree | 5 | 35.7% |
| | Total | 14 | 100.0% |
| Management services provided offer value for money | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 6 | 42.9% |
| | Strongly Disagree | 8 | 57.1% |
| | Total | 14 | 100.0% |
| We have high efficiency in outsourced management services | Strongly Agree | 0 | 0.0% |
| | Agree | 6 | 42.9% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 8 | 57.1% |
| | Total | 14 | 100.0% |
| We have not witnessed discrimination in the way services are provided | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 9 | 64.3% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 5 | 35.7% |
| | Total | 14 | 100.0% |
| There is high level of trust between the management team and customers | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 6 | 42.9% |
| | Disagree | 8 | 57.1% |
| | Strongly Disagree | 0 | 0.0% |
| | Total | 14 | 100.0% |

# Appendix VII

## Mixed Mode Property Management Approach

| Tenants opinion about mixed mode – property management approach | | Freque ncy | Percentage % |
|---|---|---|---|
| Property management team is more responsive to customer needs | Strongly Agree | 0 | 0.0% |
| | Agree | 8 | 100.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| Management team respondents quickly to customer requests / demands | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 8 | 100.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| Information provided by the management team is always up to date | Strongly Agree | 0 | 0.0% |
| | Agree | 8 | 100.0% |
| | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | Total | 8 | 100.0% |
| Tenants and property management team have good working relationship | Strongly Agree | 0 | 0.0% |
| | Agree | 4 | 50.0% |
| | Neutral | 4 | 50.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| Quality communication brings about effectiveness in addressing customer needs | Strongly Agree | 0 | 0.0% |
| | Agree | 2 | 25.0% |
| | Neutral | 6 | 75.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| There is expedient communication concerning any service delays from the management | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 8 | 100.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| The service provided is that of courtesy and customer centred | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| | Neutral | 8 | 100.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| The management team strongly upholds the importance of a customer | Strongly Agree | 0 | 0.0% |
| | Agree | 4 | 50.0% |
| | Neutral | 4 | 50.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| Day to day business operation taken in to account customer views and improve on them | Strongly Agree | 0 | 0.0% |
| | Agree | 6 | 75.0% |
| | Neutral | 2 | 25.0% |
| | Disagree | 0 | 0.0% |

| | | | |
|---|---|---|---|
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 0 | 0.0% |
| | Agree | 6 | 75.0% |
| The management has strong compassion for work and customer complaints | Neutral | 2 | 25.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 2 | 25.0% |
| | Agree | 6 | 75.0% |
| Conflict of interest between landlords and professional guidelines reduce customer loyalty | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 0 | 0.0% |
| | Agree | 0 | 0.0% |
| Management services provided offer value for money | Neutral | 8 | 100.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 0 | 0.0% |
| | Agree | 4 | 50.0% |
| We have high efficiency in outsourced management services | Neutral | 4 | 50.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 0 | 0.0% |
| | Agree | 8 | 100.0% |
| We have not witnessed discrimination in the way services are provided | Neutral | 0 | 0.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |
| | Strongly Agree | 0 | 0.0% |
| | Agree | 2 | 25.0% |
| There is high level of trust between the management team and customers | Neutral | 6 | 75.0% |
| | Disagree | 0 | 0.0% |
| | Strongly Disagree | 0 | 0.0% |
| | **Total** | **8** | **100.0%** |