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Establishment of Critical Success Factors for Organizations Managing High-rise Residential Buildings: A Review

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Abstract
Disputes between residents and the organization managing their high-rise residential building sometimes remain unresolved problems. Satisfactory Critical Success Factors (CSFs) will ensure successful competitive performance for the organization. Therefore, this paper aims to determine the most critical factors for the success of organizations in non-low cost high-rise residential buildings. Based on comprehensive analyses from previous research, this study proposes five (5) CSFs for organizations managing high-rise residential buildings. Findings will be expected to assist organizations managing high-rise residential buildings, specifically in non-low cost residential building in evaluating their performance.

Keywords: Critical Success Factors (CSFs), Management Corporation (MC), Facilities Management (FM), High-Rise Residential Buildings, Multi-Owned Housing

Introduction
High-rise residential building living is unlike that in a freestanding house. The actions, activities and attitudes of residents and the management can have significant living and environmental impacts on the satisfaction and enjoyment of others (Muhamad Ariff, 2011). The main difference in high-rise living as compared to that in landed property is the need for residents to set up a management body, in lieu of a residents’ association, as enacted by the Strata Management Act 2013, to regulate and manage all the facilities and amenities together with the common areas (Musa, et al., 2015) such as parking areas, lighting and other common facilities provided by the developer.

Disputes between the residents and the management organizations in high-rise residential buildings remain as unresolved problems since decades ago. These disputes have been examined from a variety of perspectives including psychology (Fisher & Mcphail, 2014), sociology (Guilding, Bradley, & Guilding, 2014), economic (Lam, 2012), and others. (Ta, 2006) believed that social harmony among residents and the management organization is the
foundation to solve many problems in high-rise housing. This statement is emphasized by (Durham, 2016) which claimed that in order to achieve harmony and reduce the tensions in high-rise housing communal living, all parties: residents and the management organizations should have regular communication, thus the performance of the organization should be measured.

To date, various performance measurements on organizations have been done (Wan Yusoff, Ismail, & Newell, 2008; Sheng & Martin, 2013; Lok, 2013; Ikediashi, 2014; Douglas, 2016; Ho & Liusman, 2016) but there is limited studies conducted on the critical success factors (CSFs) of the management organizations that manage the high-rise residential buildings in the Malaysian perspective.

Several researchers (Zawawi, Kamaruzzaman, Ithnin, & Zulkarnain, 2011; Tan, Shen, Lu, & Yam, 2014; Ganisen, Mohammed, Nesan, & Kanniyapan, 2015) believe that CSFs approach is an appropriate method for improving business processes by identifying the key areas where “things must go right” for the business to flourish (Alexander, 1996). Alexander (1996) contended that if results in these areas are not adequate, the organization’s efforts for the period will be less than desired.

A considerable amount of literature has been published on the CSFs for management organizations in high-rise residential building including studies on financial factor (Che Ani, Mustafa, Tahir, Tawil, & Ramly, 2011; Ali, et al., 2016; Ali, Kamaruzzaman, Sulaiman, & Cheong Peng, 2016), human factor (Ariff, 2011), outsourcing factor (Douglas, 2016), and knowledge factor (Talib, 2013). Undoubtedly, more comprehensive CSFs approaches need to be studied as stated by earlier researcher; Handy, (1976) who believes the effectiveness of an organization not only hinges on products or service delivery, but also on social environmental performance as well. Alexander (1996), in his book which he wrote that social and environmental indicators should be taken into consideration for an organization to be successful. Therefore, this research iterates that more extended studies are needed to introduce more comprehensive CSFs approaches on effectiveness of management organizations. Thus, this paper highlights CSFs underpinning management organizational performance in managing high-rise residential buildings in the Malaysian context.

**Concept of CSFs**
The first serious discussions and analyses of CSFs emerged during the 1970s with Rochart (1979) who he found that in any business, a few key areas where “things must go right” should be considered by a company or organization in order to flourish. If results of these areas were not adequate, the organization’s efforts for the period will be less than desired. Therefore, the CSFs are the activity areas that should receive constant and careful attention from the management. Other researchers (Aueaungkul, 2013; Yang, Shen, Ho, Drew, & Chan, 2009) highlighted that the stakeholders should address and practice those most critical areas of managerial planning and action in order to ensure effective management. Chan, Ho, & Tam, (2001) and Jefferies, Gamesan, & Rowlinson, (2002) have all used this method as a means to improve the performance of the management process. Meanwhile Kalumbu, Mutingi, & Mbohwa, (2016) reported that the CSFs concept is the appropriate research tool to help management prioritise key areas to ensure
success under the constraints of time, cost and resources. In this research, CSFs are viewed as those key activities and practices of accomplishment for an organization to achieve high quality performance. Therefore it is essential for the management to identify a smaller set of vital factors among the many determinants affecting an organization’s performance as it could be seen as one of the many ways to improve the effectiveness of project delivery success (Zawawi et al., 2011). In FM organizational context such as in managing high-rise residential buildings, Zulkarnain, Zawawi, Rahman, & Mustafa (2011) suggested the use of CSFs to upgrade the maintenance management system practiced. Mukelas, Zawawi, Kamaruzzaman, Ithnin, & Zulkarnain, (2012) claimed CSFs will reduce the probability of failure during the execution of the project when all risks are well managed. From this statement, CSFs are important areas of activity that must be performed well if the organization in high-rise residential buildings aims to identify the cause of failure as well as to achieve and improve their missions, objectives or goals in implementing efficient management.

Identification of Successful CSFs

In the previous section, this paper has explained the concept of CSFs as vital key areas for any organization to sustain their business especially in this paper’s context, which is the management of high-rise residential buildings. If the outcome of the areas are not satisfactory, the organization is considered as ineffective and has failed to meet the residents’ expectation. In this section, different CSFs addressed by different researchers are introduced for the sake of reviewing the factors.

<table>
<thead>
<tr>
<th>AUTHORS</th>
<th>Country</th>
<th>Building</th>
<th>Area/Scope</th>
<th>Critical Success Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yau, Chi Wing Ho, &amp;</td>
<td>Hong Kong</td>
<td>Residential house</td>
<td>Property Management</td>
<td>Staff training</td>
</tr>
<tr>
<td>Li, (2017)</td>
<td></td>
<td></td>
<td>Agent</td>
<td></td>
</tr>
<tr>
<td>Kalumba, Mutingi,</td>
<td>Namibia</td>
<td>Local government building</td>
<td>Building</td>
<td>Top management support, familiarity with the local building maintenance practice, familiarity with the maintenance related plans, maintenance policy, quality standards &amp; resources, employee training, computerized maintenance management systems.</td>
</tr>
<tr>
<td>Mbohwa (2016)</td>
<td></td>
<td></td>
<td>Maintenance</td>
<td></td>
</tr>
<tr>
<td>Tan, Shen, Langston,</td>
<td>Hong Kong</td>
<td>General building</td>
<td>Building</td>
<td>Quality of maintenance services and management, certification, people &amp; relationship</td>
</tr>
<tr>
<td>Lu, Yam (2014)</td>
<td></td>
<td></td>
<td>Maintenance</td>
<td></td>
</tr>
<tr>
<td>Tucker, Turley,</td>
<td>United Kingdom</td>
<td>Social housing</td>
<td>Building</td>
<td>Stakeholder opinion, value for money, service standards, performance, continuous</td>
</tr>
<tr>
<td>Holgate (2014)</td>
<td></td>
<td></td>
<td>Maintenance</td>
<td>improvement</td>
</tr>
<tr>
<td>Ganisen,</td>
<td>Malaysia</td>
<td>Low cost</td>
<td>Building</td>
<td>Workforce development and training, clear</td>
</tr>
</tbody>
</table>
Mohammed, Jawahr, Nesan, Kanniyapan (2015) investigated the Housing Maintenance goals and objectives, effective monitoring and feedback, project team competence, dedicated resources, management planning, taking account past experience, good interdepartmental communication, education on new technologies, clients expectations.

Managing high-rise residential buildings is a service industry. The organizations should measure their performance in service form in order to meet residents’ expectation (Rahman, Hussain, Uddin, & Islam, 2015). The CSFs approach by organizations managing high-rise residential buildings is still scarce. Most of the CSFs studies on managing building focuses on building maintenance. Conversely, there is a plethora of literature on CSFs by organizations managing construction projects (Allen, Alleyne, Farmer, McRae, & Turner, 2014; Babatunde, Opawole, & Akinsiku, 2012; Kyei, Chan, Javed, & Ameyaw, 2017; Gudiene, Banaitis, Podvezko, & Banaitiene, 2014; Chileshe & John Kikwasi, 2014). In 2016, Fatemi initiated a study on CSFs by organizations in various type of service industries. He attempted to list CSFs from 11 researchers worldwide. However, this paper only reviewed CSFs pertaining to organizations in managing high-rise residential buildings only.

Yau, Ho, & Li, (2017) only identified staff training as the key area of success for property management agents who manage high-rise residential buildings in Hong Kong. On the other hand, a study done by Tan, Shen, Langston, Lu, Yam (2014) on building maintenance contractors in Hong Kong found that the quality of maintenance services and management, certification and people & relationship were the most vital factors for the success of their case study organizations. In Namibia, Kalumba, Mutingi, Mbohwa (2016) addressed top management support, familiarity with the local building maintenance practice, familiarity with the maintenance related plans, maintenance policy, quality standards & resources, employee training and computerized maintenance management systems as the key areas for an organization’s success. Tucker, Turley, Holgate (2014) claimed from their study that stakeholder opinion, value for money, service standards, performance, and continuous improvement are vital areas that need to be given serious consideration in sustaining the apartment business of the organizations. In the Malaysian context, Ganisen, Mohammed, Nesan, Kanniyapan (2015) researched on low cost high-rise residential buildings in which they listed workforce development and training, clear goals and objectives, effective monitoring and feedback, project team competence, dedicated resources, management planning, taking into account past experience, good inter-departmental communication, education on new technologies, and clients’ expectations as being the most critical factors to be taken into consideration to ensure success in managing and maintaining the organizations’ management.

From literature, this paper has extracted the most important key areas for successful and efficient management organizations and categorized those under four (4) main factors which are financial, customers or residents base, internal process, and learning and growth. These main factors underpin the Balanced Scorecard (BSC) performance measurement, developed by Kaplan & Norton (1996). The BSC was developed as a response to the traditional performance
measurement which focused only on financial measurements. Organizations were searching for ways to incorporate intangibles aspects such as quality management, customer retention, internal organizational processes, research and development, and innovation into their regular performance evaluation for a more balanced view of the business. In early 2000s, Amaratunga (2001) was the first researcher who applied the BSC variables in organizations managing service quality after the building been occupied. Similar variables have been used by Douglas (2016), and Alias et al. (2014) in the same area. Each of these main factors will be explained below for better understanding.

**Financial Factors**

Financial implications in management differ according to type of organization. In public organizations, financial success is measured on the effectiveness or efficiencies in meeting the needs of the public whilst in private organizations, financial implications are measured in terms of profit returns (Procurement Executives’ Association, 1998). Amaratunga (2001) found from her studies that in monitoring financial efficiency of business processes in an organization, the cost and performance were reviewed based on data collected. From this, the targeted processes that need to be improved can be determined. She further identified through the case studies on facilities management organizations that financial implications not only consist of cost efficiency, but also include asset utilization strategies, procurement and purchasing strategies, financial resource management, and profitability.

**Customers or Residents Base**

Studies by Ho & Gao, (2013) revealed that what drives the residents to be more satisfied are the key elements for most of the apartment business enterprises. Meanwhile, Rahman, Hussain, Uddin, & Islam, (2015) proved a strong relationship between residential satisfaction and performance of organizations in their studies as a key area. To meet the residents’ satisfaction, clear understanding of residents’ expectation is crucial in order for the organization to provide quality service delivery. By doing this, the organization could monitor their performance on delivering quality service and can also identify optimal costs of minimizing service quality gaps, and prioritizing which key area to focus on.

**Internal Process**

Facilities management (FM) is a service industry and customer feedback is the indicator of the performance of the organization (Alexander, 1996). Therefore, the internal process is one of critical success factors which the organization needs to analyze their customers’ requirements through delivery of service including identification of capabilities and resources which they need to upgrade. This process includes short and long term objectives as well as incorporating innovative process development in order to improve stimulation. Amaratunga, (2001) highlighted that the measures should focus on what the organization should excel at for the organization’s strategy to succeed and this will give the greatest impact on customer satisfaction while achieving the organization’s objectives.
Learning and Growth
In order for the organization to survive in the long run, they must consider what to maintain, develop the know-how required for understanding the customer needs, and also sustain the necessary efficiency and productivity of the process (Procurement Executives' Association, 1998). These key areas will be successful if employees are adequately skilled and motivated, supplied with accurate and timely information, lessons learnt, as well as systematic and organized computerized systems to support accomplishment of the organization’s goals.

Conclusion
CSFs approach in organizations managing high-rise residential buildings is still scarce. Most of the literature on CSFs in that kind of service focused on building maintenance aspects. This paper proposes four (4) CSFs approach in organizations managing high-rise residential buildings in the Malaysian context, specifically on non-low cost residential buildings. These CSFs can act as a guide for this kind of organizations which has plans to improve their performance to understand the critical areas for successful management so as to meet the residents’ expectation, thus, creating harmonious communal living.

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