



BEST DISSERTATION

最佳碩士論文

The Applicability of Mediation Concepts and Skills to Housing Management

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Introduction

In Hong Kong, there are so many different types of community disputes which are related to housing management. Sometimes the complaints are trivial, such as causing nuisance to the premises nearby, and sometimes the misconduct is quite serious, like be in breach of covenant or legislation. Since dispute may be easily arisen between the owners in the multi-storey building, especially in the high density of living environment in Hong Kong, therefore, one of the day-to-day works of housing managers involved dispute resolution. However, housing managers should not only aim to resolve the disputes effectively, but should also pay attention to the maintaining a long-term relationship between the residents and the housing managers themselves, where maintenance of the long-term relationship between the disputing parties is one of the important tasks of mediators and thus there is a *prima facie* interrelated relationship between mediation and housing management and the relationship is therefore important. In this connection, through empirical study, literature

review and in-depth interviews, this dissertation will evaluate the applicability of mediation concepts and skills to housing management by comparing their similarities and dissimilarities.

The goal of this dissertation is to evaluate the applicability of mediation concepts and skills to housing management. Accordingly, the objectives of this dissertation are set as follows:—

- To review the empirical background of the development of mediation and housing management in Hong Kong to identify the reasons for exploring the possibility of applying mediation skills in housing management;
- To conduct a conceptual literature review to understand the concepts and skills of mediation and those of housing management related to dispute resolution;
- To established a comparative framework between mediators and housing managers in dispute resolution;
- To investigate the similarities and dissimilarities between mediators and housing managers in dispute resolution;
- To conclude the applicability of mediation concepts and skills to housing management.

Empirical Context

In view of the changing society, policy and political environment, housing managers face different challenges at different stages. Having experienced the captioned changes, Yuen (2011) suggested that there are changes for housing managers in the job nature as well as their role and responsibilities. Housing managers are required to provide service that fits the needs and expectations to

the residents (Cairncross, 1997; Yuen 2011) due to the increasing customer participation, which makes customer service the most important factor in housing management. Besides, the changes of the mode of ownership and the erection of large scale housing estates in order to deal with the needs of home ownership and living quality by the residents turns the housing managers from mere rent collectors to a professional housing manager, who can deal with different aspect in housing management. Therefore, housing managers are required to equip with the wide range of skills to deal with the complexity of housing management work effectively (Yuen, 2009; Yuen, 2011).

Nowadays, another challenge for the housing managers is the increasing disputes between the residents of the building, thus, the role of housing managers in complaint handling and dispute resolution is therefore important and the skills in resolving disputes between two individuals effectively is as importance as the maintenance of long-term relationship in order to achieve the goal of provision of overall living environment.

Conceptual Context

Introduction of Mediation

The mode of mediation was first introduced by Professor Frank Sander from Harvard Law School in 1976, where the main purpose of mediation is, with the assistance by an impartial third party, to encourage and assist the disputing parties to resolve their dispute through effective communication. (Hilmer, 2010).

Mediation Concept

This is worth to note that “mediation” is not the same as “conciliation”. Mediation is being able to resolve the dispute effectively on one hand, and on the other hand, mediation emphasizes the

maintenance of the long-term relationship between the disputing parties. According to Hilmer (2010), the features of mediation are:—

- Confidentiality
- Voluntariness
- Empowerment
- Neutrality
- Unique Solution

Mediation Skills

Negotiation skills and communication skills should be possessed by the mediators in order to help the disputing parties to achieve a mutually agreeable outcome (Kong, 2004; Cheng, 2009; Hilmer, 2010):—

Negotiation Skills

Fisher, Ury and Patton (1992) suggested a system of principled negotiation, which is also known as the “Harvard Negotiation System”. This system suggests the interest-based negotiation and the methods are as follows:—

- Don't Bargain Over Position
- Separate the People from the Problem
- Focus on Interest, Not Positions
- Invent Options for Mutual Gain
- Insist on Using Objective Criteria

Communication Skills

Negotiation involves communication, where communication means a message sent from one person to another by means of verbal, body language or written (Hilmer, 2010). The following communication skills are possessed by mediator:—

- Body Language
- Active Listening
- Questioning

- Reality Test
- Reframing

Methodology

Through literature reviews and empirical study, the comparative framework regarding the different aspects between mediators and housing managers in dispute resolution, some similarities and dissimilarities between them has been set, four core issues and the questions for investigation were indentified in Table 1 for further analysis:—

Table 1: Questions for Analysis for 4 Core Issues in Dispute Resolution

Core Issues	Questions for Analysis
Goal of Negotiation	<ul style="list-style-type: none"> • The importance for maintenance of long-term relationship in the eyes of housing managers?
Role and characteristics in dispute resolution	<ul style="list-style-type: none"> • Mindset of Housing Managers <ul style="list-style-type: none"> – Level of acceptance to change their role from conciliator to facilitator? • Practical Constraint <ul style="list-style-type: none"> – To what extent the housing managers can be benefited from the characteristic of mediation, e.g. the possibility to maintain confidentiality, independence and neutrality during the dispute resolution process?
Skills in Dispute Resolution	<ul style="list-style-type: none"> • Training, is there any training to housing managers? <ul style="list-style-type: none"> – Negotiation skills? – Communication skills?
Institutional Setting	<ul style="list-style-type: none"> • Constraint of legal requirement <ul style="list-style-type: none"> – Is there any possible <i>ultra vires</i> act?

Data were collected by way of interviews with different groups of housing management practitioners and laymen is to examine the knowledge of mediation and to collect the view of housing management practitioners in provision of mediation service to their clients, the training of mediation skills in dealing with the neighbourhood disputes, and the view of an armature in the effectiveness of the provision of mediation service by housing management practitioners.

Findings and Analysis

The types of dispute resolution in housing management context can be divided into two main aspects, namely (i) disputes between residents and residents (Residents vs Residents) and (ii) disputes between housing managers and residents (Housing Manager vs Residents). The following are the summaries on the findings and the analysis on the captioned core issues:—

Goal of Negotiation

There are some similarities and dissimilarities between mediators and housing managers in the goal of negotiation in different aspects of dispute resolution. This is quite similar to those housing managers in handling dispute between residents and residents, where the goal of negotiation is having mutual respect and common goal of improving the living condition for the residents in order to turn the houses into home and maintain a harmony living environment (Chan, 2006).

However, the goal of negotiation for housing managers in the case of dispute between housing managers and residents is dissimilar with the mediators, where housing managers aimed at rectifying the wrong-doing act done by the residents (Merry & Kent, 2010). In this case, the aim of negotiation is to execute the legal document

that all residents must be complied with, where argue with the residents in question during the negotiation process is unavoidable.

As introduced, the ultimate goal of dispute resolution of mediation is the “maintenance of long-term” relationship between the disputing parties, thus, the analysis on the importance for the maintenance of long-term relationship had been conducted to see if housing managers also think that the aforesaid goal is important in different aspects of dispute resolution process.

Residents vs Residents

This is obvious that the goal for both mediators and housing managers is to resolve the dispute effectively and successfully. Majority of the housing management practitioners shared that their goal in dispute resolution is to resolve the dispute effectively and successfully. However, only few interviewees shared that one of their goals is the “maintenance of long-term relationship” because they think that when dispute occurs, relationship has already been broken and is hardly maintained.

In contrast, majority of the laymen think that the maintenance of long-term relationship is an important element because living at residential estate is not same as living in hotel that the neighbour in question will always be their neighbour until any of them moves out, thus, the element is important for minimizing the embarrassment when they meet each other. The captioned findings show that even the housing management practitioners think that the maintenance of long-term relationship is not the most important element during the dispute resolution process, but this is important in the eyes of the laymen.

Housing Managers vs Residents

When the same questions come to the dispute between the housing managers and residents, the answer is quite similar. Although majority of interviewees of housing management practitioners think that the goal of negotiation in the course of dispute between the residents is to force the wrong-doer to rectify the wrongful act, such as dismantle of UBW in order to comply with the DMC, they think that maintaining the long term relationship with the residents as far as possible is essential because once the resident has adverse feeling on the management company, the result may be a serious one.

Role and Characteristics in Dispute Resolution

The role and characteristics for housing managers in the dispute resolution between housing managers and residents is totally different from the mediator. In this case, the role of housing manager is one of the disputing parties who aim to win the case and force the wrong-doer to rectify the wrongful act soonest possible. The characteristic of housing managers in this type of dispute resolution is that they must act carefully in order to avoid the “backfire” from other residents.

Further views were collected to analyze the “role and characteristics in dispute resolution” based on (i) the “mindset of housing managers”, where to what extent the housing managers would like to accept to change their role from conciliator to facilitator and (ii) the “practical constraint”, where to what extent the housing managers can be benefited from the characteristic of mediation process.

Residents vs Residents

The mindset of majority of the housing management practitioners are unable to change from conciliator to mediator when handling dispute between residents and residents although the majority thinks that the elements of mediation may apply to housing management, however, some practical constraints make some of the elements hard to be applied to housing management in dispute resolutions, especially one of the core elements, namely “confidentiality”.

Housing Managers vs Residents

The mindset of housing managers in the dispute with residents is irrelevant because housing managers are acting as negotiator in this scenario instead of conciliator or mediator. Besides, some constraints make some of the core elements practically inapplicable to housing management in the dispute between housing managers and residents.

Skills in Dispute Resolution

The skills of mediators and housing managers in the course of dispute resolution are basically not alike. Finding shows that majority of the housing management practitioners emphasize on communication skill and negotiation skill as a mediator does. However, the knowledge on the communication and negotiation skills of the aforesaid majority are not sufficient enough.

In fact, there is no other means to improve the skills except the provision of proper training, thus, the question for analysis is “training”, where the most important trainings of mediators are the training of (i) negotiation skills and (ii) communication skills. The interviewees were divided into three different groups of the housing management practitioners as follows:—

Experience Practitioners without Relevant Academic Qualification

Majority of the interviewees did not receive any training on either the communication skills or negotiation skills from the company that they are working or worked for. This result indicates that most of the management company does not emphasize on the aforesaid skills and therefore does not provide any relevant training to their employees.

Students / Graduates of Housing Management Courses

Completion of the following programme and the Practical Experience Requirement (PER) can be recognized as chartered members of HKIH and CIH. However, not all of the captioned institutions provide training on mediation skill, especially the communication skills and negotiation skills to the students:—

Table 2: Provision of Mediation Training in Different Institutions

Programme	Modules Related to Communication and Negotiation Skills
ProDip HM	Yes:— communication and negotiation skills in “ <i>Customer Services and Relations</i> ”
MHousMan	Yes:— (1) Communication, negotiation and mediation skills in “ <i>Workshop of Communication Skills</i> ” (2) Mediation in “ <i>Alternative dispute resolution</i> ” (Optional Course)
BSocSc APM	Not specified
BAHS	No – Only provide customer service skills in “ <i>Customer Service & Consumer Satisfaction for Housing Managers</i> ”
MAHS	Yes, but all of the courses are optional courses:— (1) Communication skills in “ <i>Professional Communication Skills</i> ” (2) Mediation in “ <i>Dispute Resolution in Theory and Practice</i> ”
BAHM	Not specified

Sources: Web-sites of HKIH, CIH APB, HKU, HKU SPACE, CityU, PolyU SPEED

The captioned Table 2 shows that only 2 out of 6 programmes provide communication and negotiation skills training as compulsory course. This finding suggests that institutes pay less

attention to the importance of mediation in the housing management field and provide few academic trainings to the housing managers.

Registered Professional Housing Managers (RPHM)

Research has been done to see if any requirement in the PER in obtaining mediation or related training, and if any post qualification training on mediation has been provided by the institutes of housing management industry. However, there is no formal requirement in obtaining CPD with communication, negotiation or mediation skills training. Besides, HKIH and CIH organize CPD seminars for their members from time to time, however, none of the interviewees of housing management practitioners in this group attended any and neither of the aforesaid interviewees attended any courses related to mediation to fulfill the CPD requirement. This finding suggests that the institutes do not emphasize on the importance on mediation training to their members and are therefore not providing the relevant training to their members.

Institutional Setting

Both Building Management Ordinance (BMO) and Deed of Mutual Covenant (DMC) set out the legal requirement for housing management field and the housing managers are required to act in accordance to the aforesaid instruments, failure to do so will cause ultra vires. In a nutshell, the “constraint of legal requirement” for housing managers is that they can only use the resources of the building in the maintenance and management of common area of the building and any of their decision must comply with the provision in DMC and BMO. The findings suggest that the housing managers strictly followed the aforesaid rule when handling disputes between themselves and the residents. However, when they handle the disputes between residents and residents, some of the housing managers may not strictly follow the aforesaid rule but using minimal

resources of the building to solve the dispute in order to avoid further complaint made by the disputing parties.

Conclusion and Recommendations

Most of the mediation concepts are NOT APPLICABLE to housing management because of the legal and practical constraints so that the role of housing managers in dispute resolution cannot be changed to mediators. Nevertheless, we concluded that the mediation skills, especially the communication and negotiation skills are APPLICABLE to housing management and are important during the course of dispute resolution. Besides, the legal knowledge on the application of the major legal instruments in housing management industry, i.e. BMO and DMC is important for housing managers and they must be familiar with the aforesaid documents in order to avoid any ultra vires act or decision during the course of dispute resolution.

Base on the captioned findings, the applicability of mediation concepts and skills to housing management in different aspects of dispute resolution are concluded in the following table:—

Issues	Type of Dispute	Residents vs Residents	Housing Managers vs Residents
Goal of Negotiation		May Applicable	Applicable
Role and Characteristics in Dispute Resolution		Not Applicable	Not Applicable
Skills in Dispute Resolutions		Applicable	Applicable
Institutional Setting		Not Applicable	May Applicable

Based on the findings, the mediation concepts are NOT APPLICABLE to housing management. There are some practical and legal constraints on the application of some key concepts of mediation to housing management. One of the examples is “confidentiality”, where mediators believe that the parties are willing to talk because of the confidentiality. However, it is impractical for the housing managers to ask the residents to sign an agreement which include confidentiality clause prior to handle the dispute.

Having said that the mediation concepts are not applicable to housing management, the mediation skills, especially the communication and negotiation skills are important and are APPLICABLE to housing management, where the aforesaid skills are useful for housing managers in the two types of dispute in their day-to-day work and the complaint handling skills can be enhanced.

Recommendations

The trainings to housing management practitioners in respect of the communication and negotiation skills are found not enough. Thus, recommendations are therefore advised to the tentative training provider as follows:—

Management Companies

One of the major tasks for the human resources department of a company is the provision of on-the-job-training to the employees so that the employees can develop continuous learning and have positive contributions to the company (Mak, 2006, pp.150-151). Nowadays, the management companies highly focus on the provision of the on-the-job-training to the housing management practitioners. The housing management companies are recommended to provide the on-the-job-training to their employees so that they can enhance their knowledge in the communication and negotiation skills in order to apply those skills in the dispute resolution process at their daily works by engaging the trainers from the recognized institutions, or provide sponsorship to their employees to attend the mediation training courses organized by the recognized institutions that organize the mediation training courses on a regular basis.

Academic Institutions Offering Programmes of Housing Management

Academic training is one of the effective ways to provide the students with the knowledge in a particular area. Thus, this is recommended to include the communication and negotiation skills training course in the syllabus of all academic institutions as one of the compulsory courses. In designing the syllabus, reference can be made for the training courses of mediators and select those topics on the communication and negotiation skills trainings.

HKIH and CIH

As the leading trade institutes of housing management field in Hong Kong, both HKIH and CIH are responsible for the vetting of housing management practitioners to see whether the practitioner is eligible to be recognized as chartered members of the institutes, and providing post qualification training to their members from time to time with an aim to further enhance the knowledge of their members in all aspects. Thus, this is recommended to include communication and negotiation skills as one of the PER requirements so that the housing management practitioners are required to obtain the relevant skills prior to become a chartered member of the institutes. Besides, communication or negotiation skills are also recommended to include in the CPD requirement and the skills may be delivered to the members as post-qualification training.

Conclusion

The objective in dispute resolution of housing managers and mediators are similar, however, the ultimate goals, approaches or skills are not the same. After the study on the applicability of mediation concepts and skills to housing management, we concluded that the mediation concepts are NOT APPLICABLE to housing management due to the legal and practical constraints in which the role of housing managers in dispute resolution cannot be changed to mediators, whereas their original role, i.e. conciliator should be retained. Nevertheless, we concluded that the mediation skills, i.e. the communication and negotiation skills are APPLICABLE to housing management and are important during the course of dispute resolution. Besides, the legal knowledge on the major legal instruments in housing management field, i.e. the BMO and DMC are important for housing managers.

To achieve the best outcome of dispute resolution, housing managers should act as conciliator as what they are doing but the improvements on communication and negotiation skills are required. Therefore, recommendations are made to the management companies, academic institutions and trade institutes for provision of relevant trainings to the practitioners in order to resolve the disputes in the estates effectively, so that the goal of improving the living conditions in order to turn house into home can be achieved and the harmony between neighbourhoods can be maintained.

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Who Killed the Electric Car in Hong Kong?

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Introduction

Petrol is identified as an unsustainable resource and diesel car is one of the major sources which causing air pollution in Hong Kong. However, it is regret that we still highly depend on the petrol and diesel car nowadays. Also, evidences showed us that diesel car generate major carbon monoxide in Hong Kong which can lead to impaired vision, disturbed coordination and eventually death. Electric Car was found as a solution for the captioned problems. Electric cars release almost no air pollutants at the place where they are operated and it is not powered by petrol.

I believe we can not promote EV in Hong Kong successfully unless we strategically tackle with the root cause. If we do not deal with the key obstacle first, the EV development in Hong Kong would not has breakthrough dramatically. This research could help the government to review and rectify their EV promotion policy. We need change; we need sustainable energy and transport tool before it is too late.

Objective and Methodology:

This research would like to find out the root causes for the failure of EV development in Hong Kong by

- 1) Interviewing the managing director of EV power Limited, Mr. Lawrence Chan
- 2) Interviewing EV Hotline Centre Inspector, Mr. C.Y. Luk from EMSD.
- 3) Interviewing 100 drivers

Literature Review

“Who Killed the Electric Car?” Documentary film

A documentary film called “Who Killed the Electric Car?” in 2006 explored some phenomena in the United States like the creation, limited commercialization, and subsequent destruction of the battery electric vehicle. The film also concluded the various roles in limiting the adoption and development of EV including car manufacture companies, the oil companies, local government (the Californian government), consumers, EV competitor (hydrogen vehicles), EV batteries and the US Federal government. The documentary was nominated by the Writer’s Guild for Best Documentary of 2006. The film also received nominations from The Broadcast Critics Awards and The Environmental Media Awards for Best

Documentary of 2006. The film won the audience award at the Canberra International Film Festival and won a special jury prize at the Mountain Film Festival.

Qualitative Interview – Obstacles for Promoting EV in Hong Kong

Interview the Managing Director of EV Power Limited

In order to have better understandings to the daily difficulties for the government and the private sector on promoting electric car, interviews were conducted to understand the promotion effort of Hong Kong Government and commercial sectors and their perceptions of electric cars. Qualitative interview into industry experts and government representative were conducted to understand the issues and to gather insights for “who killed the electric cars in Hong Kong?”.

Firstly, I have interviewed the managing director Mr Lawrence Chan from Hong Kong EV Power Limited which is one of the earliest pioneer companies focus on providing Hong Kong Electric Vehicle Charging solution and services. During the interview, we discussed the status of the electric car industry in Hong Kong; we also looked into the details of the constraints for promoting Electric Car in Hong Kong and what role should be played by the government in the area. Finally, Mr Chan expressed his view on the future development of the Electric Car in Hong Kong.

Mr Chan emphasized that the current technology of electric car still could not satisfy for long travel. In general speaking, there are two ways to charge the batteries of electric cars. Firstly, standard charging (slow charging) means connecting the plug to a socket for around five to eight hours, after which the car could be ready to drive for 100 to 150 kilometers before it needs another

recharge. Secondly, it is also possible to use a quick charger (fast charging), and the battery can get 80 percent charged after only 10-20 minutes. It's unintuitive, but quick chargers are sometimes not more convenient than regular ones, and building more of them also might not be feasible anyway which given the dearth of EVs in Hong Kong. Quick chargers require a lot more electricity. For a residential building, its infrastructure and design is only capable for the use of the socket with 15 amperes. However, a quick charger will need 100 to 200 amperes, and that is a difference of 10 times, estimating setting up a quick charger minimum expense not less than \$1 million. Therefore, the fast charger is not available to install in those existing residential building, as the original designs for the electric loading of the car park is not design for 100 amperes.

Mr. Chan said that “it is totally not acceptable for the drivers who need to wait six to eight hours to recharge his electric car, especially for the people who needs to travel long distant and travel frequently.” If the technology of the electric car charging infrastructure or battery do not solve the problem of time consuming for recharge, it will turn down many drivers for buying an EV.

“Lack of both quick charger and standard charger are the second fatal reason for constraining the development of Electric Car in Hong Kong” Mr Chan said. He pointed out that there is less than one percent of residential building successfully installed electric car charger so far. The fact that extremely low installation ratio for electric car charger in residential building is the key and critical factor killing the development of electric in Hong Kong. “Although it is quite a lot of electric car charger was installed in public carpark and commercial building, drivers could not charge its electric car at shopping mall or government charging location everyday. What if your cars battery is running out shortly and the commercial

and government car park keep fully occupied?" Mr Chan argued. If you are a driver, it is the most secure to fully charge your electric car before you drive it out. The electric car could be only promoted unless the electric car charger could become popular in residential building.

Mr Chan emphasized that lack of electric car charger is the most critical and fundamental obstacle for promoting electric car in Hong Kong. It is a form of a change in driving mindset. If drivers cannot charge their car at home, they need to change their habits. They have to think about the time and place for charging. They have to calculate how long their batteries will last, and always plan ahead to reserve a couple of hours to charge the batteries. They may not be able to drive as freely because it's important to carefully monitor their routes. Once they calculate wrongly, the battery will run out of energy and their electric car will just stall. Mr Chan said many drivers approached him to seek for assistant to install electric charger at their home car park space. However, nearly most of them were failed due to the objection from the owner committee and property management company. Mr Chan regrets that many of the electric car enthusiasts simply give up buying electric car because they cannot install electric car charger at home. Finally Mr Chan concluded this point by the case of I-phone. "If you want to buy an intellectual cell which is much better than the existing on the market, however you could only re-charge it in 7-Eleven. Will you buy it?" Mr Chan argued.

In short, Mr Chan summarised that the limitation of the battery technology and lack of charger in residential building are two major obstacles for promoting Electric Car in Hong Kong.

When asking whether the work from the government regard to promote Electric Car is sufficient or not, Mr Chan express his appreciation

on the effort which put by the government on introducing various electric car model to Hong Kong market. "Actually, the Hong Kong government did a really great job for introducing electric car. Don't forget we are using right-steering system in Hong Kong!" Mr Chan said. The market of right-steering car was already very small. The market of right-steering electric car is much smaller. Most of the electric car manufactures do not have interest to produce right-steering electric car. Also, as the Hong Kong market is too small, most of the right-steering electric car producer will not actively export the car to Hong Kong. If no negotiation from the government with those car manufactures, it is not possible to introduce the model from Mitsubishi, Tesla and Nissan.

When asking if the subsidy from the government is enough or not, Mr Chan said "Although government waives some of the taxes that usually apply to car purchases for EVs, they are still a lot more expensive than diesel cars. For example, a Mitsubishi's i-MiEV, one of EVs available in Hong Kong, costs \$395,000."

Mr Chan argued that many countries are facing a similar situation with Hong Kong which is that the price of a car is too high. Mr Chan pointed out that "even though government waived the first registration tax of Electric Car, but you still have to pay three times more than a diesel car. Not many individuals can afford it; unless they are really want to be environmentally friendly and very rich.

Mr Chan also commented the policy of granting concessions on Gross Floor Areas (GFA) for those car parks which install electric charger in new building. Originally, it is a very good policy to promote electric car charger, the developer must install electric car charger for maximizing the GFA. The government only requires the developer to put the basic infrastructure (including power supply and electrical wiring) in place at the building

construction stage; however, the reality is that the developers only build the very basic infrastructure which is just simply wiring an electric cable without socket. The car park owner needs to pay for build its own electric car charging system by their expense which is around \$30,000. Mr Chan argues that “developer can make big money by this policy but they only provide an electric cable, what’s a shame! The amount \$30,000 is not cheap for many drivers, as it is able to buy a good second hand diesel car already.”

Apart from that Mr Chan criticized the first batch of new building which equip with basic charging infrastructure could be fastest granted the occupation permit from Building Department on 2015. “There are still three years to go, it takes too long” Mr Chan argued. Also, for the existing residential building, Mr Chan criticized that charger installation in the existing residential building is the most important factor to promote electric car, however, he regrets that the government put no effort on this critical area. Finally, Mr Chan summarized that Hong Kong Government actively and successfully on the job of introducing electric car model to Hong Kong, but it did quite bad on the area of promoting electric car and offering incentive to the drivers to buy electric car. Mr Chan said “we see the promise in the development of EVs from the government. But there simply are not as many electric cars as we would like and expect to see — due to simple availability, technological bottlenecks, insufficient infrastructure, a reluctance to adjust driving habits and insufficient of government incentive and education. But he remains optimistic that start from 2015, polluting cars will be phased out, and electric car will gradually become the new norm on Hong Kong’s roads. “Although it takes time, it is worth.” Mr Chan said.

Interview the inspector of Electrical and Mechanical Services Department (EMSD) EV Hotline Centre

In order to promote the establishment of electric car charging facilities in private commercial and residential properties, the Hong Kong government-EMSD has launched a hotline EV service to provide a one-stop shop telephone technical support to assist those seeking to set charger up at their car park space.

To have a better understand toward the government’s attitude on the EV development in Hong Kong, I have interviewed the in-charge of the EV hotline Center — Inspector C.Y. Luk from EMSD.

During the interview, Mr Luk told me that actually the government already did what it should do for promoting EVs in last few years. He pointed out that when people worried about the safety of the EVs, government’s issued “Technical Guidelines on Charging Facilities for Electric Vehicles” on July 2011 in order to standardize the statutory requirements and general guidelines for installation of EV charging facilities in Hong Kong. When the driver complaints the choice of EVs in Hong Kong is too limit, the government then actively explore with different EV manufacturers for importing their EVs to Hong Kong.

For financial incentive to promote EVs, the government set up the “Pilot Green Transport Fund” to sponsor the research industry to study the EVs technology in Hong Kong and the born of “My Car” from HK Polytechnic University is also sponsored by the fund. In order to build more EV chargers, the developer could grant the gross floor area concession for new built car parks if the car parks equip with the infrastructure and conditions for EV charging. Mr Luk also pointed out that the government waived the first registration fee for all new EV now which aim to help the drivers to reduce its cost to buy an EV.

When asking what the most important obstacles for promoting EVs in Hong Kong, Mr Luk said “Three main obstacles we can clearly identify now. Firstly, historical legal issue for using EVs on highway. Secondly, it is too expensive for buying an EV. Thirdly, lack of electric charging infrastructure especially in residential Car Park is the most important obstacles.”

Mr Luk said that EVs are powered by electric motors and do not have internal combustion engines with cylinders. Therefore, they do not meet the current requirement for use on expressways as stipulated under regulation 4(1) of Cap. 374Q. Owners of suitable EVs may however apply for expressway permits which cost \$145 each under regulations 50A of Cap. 374E. Mr Luk said that the related legislation will be amended by Legislation Council very soon, so this problem is not hard to overcome.

However, Mr Luk said that there are much more efforts need to put in the problem of high price of EVs and lack of charging infrastructure. Mr Luk agreed that although the government waived the first registration fee for EVs, the car price is still too high for individuals. He said the price of EVs is simply affected by the supply and demand, he believed the prices of EVs will gradually decrease when more manufacture produce EVs. For the problem of lack of charging infrastructure in residential building, Mr Luk said it is the most important obstacle for promoting EVs in Hong Kong and it is also the most difficult part to overcome.

Mr Luk agreed that even though how the government install EVs chargers in shopping mall and commercial building, drivers would not use EVs if they cannot charge their EV in their residential car park. However, he said that the government can really do very limit work to tackle

with the problem. “The building is not owned by the government, what could the government do if the owners object for installing the EV charger?” Mr Luk argued that.

Mr Luk said that many drivers reported to him through hotline that they cannot install electric car charger because of the objection from his buildings owner committee and property management company. Mr Luk used a recent case which he handled to elaborate his points.

He received an assistant request from Mr H, an owner of a luxury building in Happy Valley one year ago. The building is worth around \$30,000 / feet with less than 1000 units. Every owner has its own car park space. Mr H applied to install its electric car charger in his own car park space since 2010, but so far he was turned down by the property management company and owner committee five times. Mr Luk said firstly the property management company and owner committee denied Mr H's application by the reason that the installation may bring adversely outlook to the car park. Secondly, Mr H's application was denied by the reason of unclear regulation from the government. Thirdly the denied reason is the legal problem that “selling electricity from property management company is not allowed”. Forth reason is the electric loading and stability for the building may be affected by the charger. Fifth reason is that the cable of the EV charger will access several other car park spaces which Mr H should grant the permit from the owners for the affected car park space.

Mr Luk said that Mr H applied for the installation two years already, EMSD, Hong Kong Electric Company; Environmental Protection Department also put effort to solve those problems which were raised by the property management company and owner committee. Finally, Mr H solved all

the problems mentioned and granted the permit from the owner of affected car park space on the early of 2012. However, Mr Luk regrets that Mr H's application was still denied by the reason of "some parts of the charger may need to access the common area of the building which should be approved by all owners in the general meeting." Six months passed, the property management company and owner committee still did not raise general meeting to discuss the request from Mr H, and there is no schedule for the caption meeting so far. "Mr H spent two years and more that \$100,000 consultation fee for designing his installation proposal, but his application result is too disappointing. Mr H is considering giving up to buy his EV now." Mr Luk said.

Mr Luk pointed out that when he discussed the installation request with the property management and owner committee, they express their doubt that the technology of electric car and charger is not mature enough and they will approve to install it unless there are some successful cases from

other residential building. Mr Luk commented that although there are many advice and guideline from the government, the property management company and owner committee just do not trust it. "If every one also needs to wait other to do first, it never could have the first one." Mr Luk said. Finally, "If we can install EV charger in residential building, EV could be more easily to promote in Hong Kong. Therefore, the cooperation from property management company and owner committee is essential and it is the most important." Mr Luk concluded.

Quantitative Interview – Interview of drivers

Data Analysis and Presentation

The general population for this study is composed of 100 drivers who obtained the driving license. The interview was conducted in the carpark of different locations among Hong Kong. The findings of the study are presented in various sections.

Section A

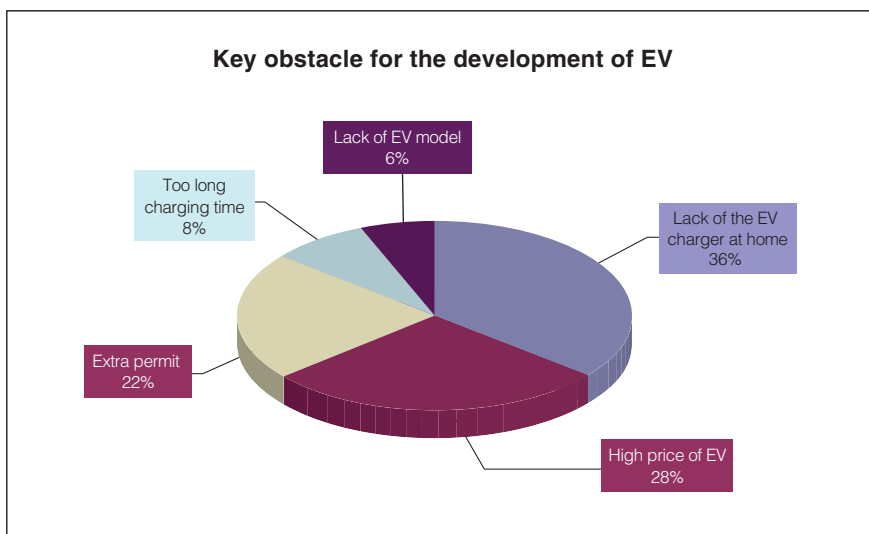
Figure 1.1. Identified Obstacles for promoting EV by drivers

Statements	5	4	3	2	1	Weighted Mean	Interpretation
Willing to buy EV if its price is below \$150,000	10	45	30	8	7	3.43	Agree
You will consider buying an EV, if you can charge your EV at your car parking space.	14	50	28	8	0	3.70	Agree
You will consider buying an EV, if no extra permit needs to grant for EV to run on high way.	6	46	36	12	0	3.46	Agree
6-8 hours recharge time is too long and reduce your interest to buy EV.	6	33	37	23	1	3.17	Agree
The fact that only 5 EV models are available on the market is not enough.	2	28	53	15	2	3.13	Agree
The development of EVs in Hong Kong is successful		6	10	78	6	2.22	Disagree

(5 = Strongly Agree / Satisfactory and 1 = Strongly Disagree / Un-Satisfactory)

Figure 1.1. presented above shows the distribution of the responses and answers of the drivers with in terms of the reason for people not buying electric car, the statements were taking reference from the literature for why people not using EVs. Drivers think the statement that lack of EV charger at home was the most important obstacles for promoting EV in Hong Kong, following with the reason of application of the additional high way permit and the outstanding high price of EVs.

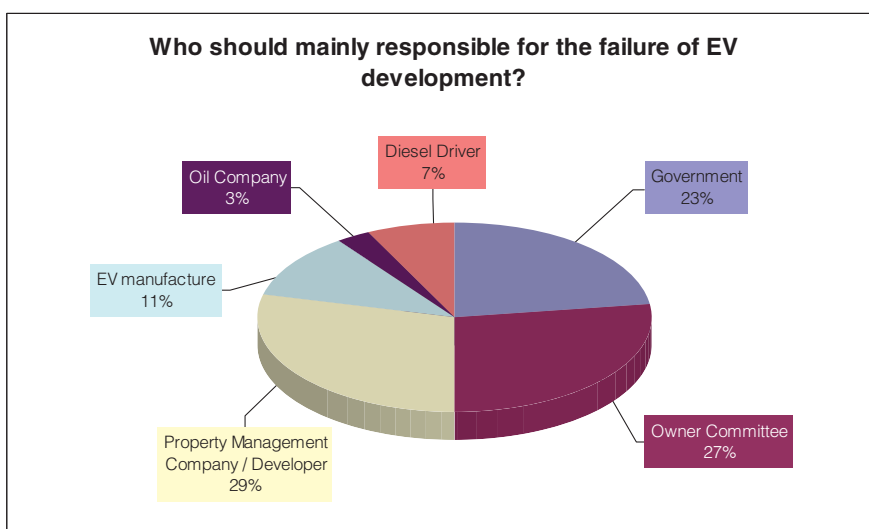
Figure 1.2. Key obstacle for the development of EV



When asking an open question, “what factors constraining the development of EVs in Hong Kong?”, the answer results from drivers is consistent with the result of session A which is that lack of the EV charger at home, outstanding high price of EV and additional permit application are the most significant obstacles for promoting EV in Hong Kong and that lack of the EV charger at home is the key.

Session B

Figure 1.3. Who killed the Electric Cars in Hong Kong?



When asking who should mainly responsible for the failure of the development of EV in Hong Kong, the answers from the drivers are out of the expectation. Surprisingly, 29 drivers and 27 drivers point out that property management Company / developer and owner committee should mainly take account into the failure of EV development in Hong Kong respectively which is weighted more important than the responsibility of the government (23%). Drivers expressed that the owner committee and property management / developer cause the EV charger installation ratio of residential building remain extremely low in Hong Kong and this is the key factor discouraging people to buy EV. Also, for the rest of parties who should mainly responsible for the failure, EV manufacture was ranked number 4 (11 drivers), diesel driver was ranked number 5 (7 drivers) and oil company was ranked 6 (3 drivers). Obviously, property management company and owner committee is "the key murderer" who killed EV in Hong Kong.

Discussion

Future of Electric Car:

Price of EV

Referring to "Secure Energy Future: Progress Report, 2012" the US President Obama's administration included advances in battery technology and battery-powered vehicles among the developments.

Obama believe that the price of the electric car in market will be drop rapidly due to the technology breakthrough and the massive production of batteries. At that point, it is expected that a 10-kilowatt-hour battery that would give an electric car a 40-mile range would cost about \$3,600 compared with \$12,000 in 2008. US government has subsidized and supported 30 new advanced battery and electric vehicle component plants that

are opening across America. Potential electric car buyer may be more affordable and acceptable buying one.

Apart from the United State, the State Council of China also published a full text of development plan for new energy automobile industry. According to the report on 9 July 2012, China is planned to support new energy automobile and related industries to issue bonds and list in and beyond China. The 7,278-word document showed the intention of the central government which actively plans to groom two to three heavy weight battery makers, each of them with a production capacity of more than 10 billion watt-hours. The nation estimated if the policy could be implemented successfully, the sales and production of pure electric vehicles and plug-in hybrid vehicles would reach 500,000 vehicles in 2015. (Chan 2012).

By the effort of US and China, it is expected that the price of EV will drop gradually in the coming years and therefore drivers will be much easier to accept to drive EV.

Amendment of Road Traffic (Expressway) Regulations (Cap. 374Q)

EVs are powered by electric motors and do not have internal combustion engines with cylinders. Owners of EVs are required to apply for expressway permits under regulations 50A of the Road Traffic (Expressway) Regulations of Cap. 374E and the permits have to be renewed annually.

In order to facilitate the use of EVs on expressways in Hong Kong, the government proposed that regulation 4(1) of Cap. 374Q should be amended to that EVs fulfil certain technical requirements could run on expressways without having to obtain expressway permits. Transport Department

consulted the leading academics on electric vehicles in Hong Kong, the Road Safety Research Committee (RSRC) of the Road Safety Council, and the Electrical and Mechanical Services Department, they also showed no objection for the regulation amendment.

The Road Safety Research Committee of the Road Safety Council and the Transport Advisory Committee has been consulted on the topic and show their support on the proposal in general. Also, Transport and Housing Bureau also agreed the use of certain types of electric vehicles (EVs) on expressways without having to obtain expressway permits. The Administration amendment's plan from the government has been

submitted to the Legislation Council for approval and it is expected those amendment could be effective from the early of 2013. Therefore, the legislation worries from electric car driver could be totally settled shortly.

Lack of Electric Car Charging Infrastructure

Lack of the Electric Car charging infrastructure is most important constraining reason which cause driver not to use Electric Car at the moment. The Government planned to install 500 standard chargers at various government car parks. It is expected that there would be around 1000 standard EV chargers for public use at the end of 2012.

Figure 2.1. The locations of the charging cover different types of buildings.

Locations	Number
Government car parks	500
Facilities under the management of The Link	50
Real Estate Investment Trust or Hong Kong Housing Authority	430
Shopping centres, offices and residential buildings	20
Total	1000

However, it is expected that those above-mentioned 1000 EV charger are still not able to meet the needs and demand of EV drivers. The government need continue to closely monitor the growth in the number of EVs and install more chargers in a timely manner especially in the residential building.

According to the survey result, drivers expressed their opinion that their residential carpark space is the most ideal place for the charging of their

electric Car. Most of the Electric Cars on the market need to take 6-8 hours for their re-charge everyday. In this sense, it is not practical and realistic for the driver to charge the electric battery at their office or shopping mall. Therefore, if the government would like to promote the Electric Car effectively, it should initially to set up EV charging station in residential building instead of commercial or public carpark space.

In respect of new buildings, through granting concessions on Gross Floor Areas for car parks, encouraging developers to put in place at the building construction stage the basic infrastructure (including power supply and electrical wiring) to facilitate future installation of EV standard charging facilities having regard to the needs of carpark users. However, it is still lack of incentive for the existing buildings to set up electric charging station. Mr Edward Yau, Secretary for the Environment announced at the Legislative Council meeting:

“We will continue to actively liaise with the property management companies to encourage owners’ organizations to install EV chargers at the car parks of their residential properties. We have already written to more than 7400 owners’ committees and owners’ corporations in Hong Kong to appeal for their support for installing EV chargers at premises under their management upon request by EV users. The Environment Bureau and the Electrical and Mechanical Services Department (EMSD) have issued a set of guidelines on the technical requirements and arrangements for setting up EV chargers. EMSD has also set up a hotline to provide information and technical support to parties interested in setting up EV chargers.”

(H.K. Legislative Council, 2011)

It is not doubtful that the management company, owners committees and owner corporation in Hong Kong were totally not attracted in setting up EV charger by a warm reminder, the establishment of a technical hotline and receiving a free installation guideline. The government should provide some financial tradeoff or subsidies to the owners of existing residential building to install electric cars charger like subsidizing policy of “Operation Building Bright” in 2009 (HKHS, 2009).

In 2009-2012, Hong Kong government collaborate with the Urban Renewal Authority (URA) and Hong Kong Housing Society (Housing Society) to launch a \$2-billion “Operation Building Bright” (the Operation) for two years to provide subsidies and one-stop technical assistance to assist owners of about 1,000 old buildings to carry out repair works, including old buildings without owners’ corporations (OCs).

The result of the subsidy policy of “Operation Building Bright” is very successful; it changed the attitude of the Owner Committee from resisting paying for check and repairs the common area to actively apply the subsidy to rectify the aging problem of their property. As at mid-February 2011, the OBB has provided assistance to owners of more than 1,900 old buildings (H.K. Development Bureau, 2011).

The case of “Operation Building Bright” could be a good lesson for the Hong Kong government for promotion of EV charger in residential building. The government could directly subsidy the owner for their installation cost of EV charger.

Role of Property Manager & Owner Committee (OC)

Referring from the case of Mr H and the driver’s survey result, we can see that property manager and owner committee play a very important role on “killing” the usage of Electric Car in Hong Kong. For the case of Mr H, we can see one significance problem which is the lack of the knowledge of electric car and electric Car infrastructure from property management company and owner committee. As discussed, the Owner Committee denied the application from Mr H, by worrying the charger will bring adverse impact to the stability of the building power supply. However, the fact is that the Electric Charger is only a socket of

15 amperes which bring nearly no impact to the power system of the building. As the installation of EV charger at existing residential building must be granted the approval from OC and get the technical support from the property manager, it is definitely the parties which the government should put more effort on it strategically.

Recommendation

To tackle with the problem regard to lack of electric car charger and outstanding high price of electric car, battery leasing program could be carried out by the government or electric power supplier which could be a fast and direct solution.

Customers' reluctance to pay more for electric cars and hard to find a re-charge points are key obstacles to the development of the fledgling industry in Hong Kong. Hong Kong government could cooperate with HKE and CLP for leasing the key component of electric car-battery, which could sharply lower the initial cost outlay for electric car buyers. As far as I am concerned, the success of this model could be the key policy increasing the popularity of the electric car. The battery alone can easily make up half of the cost of an electric car. Without the battery cost, together with the purchase subsidy and waiver of the purchase tax, an electric car will cost roughly the same as a gasoline model of the same grade.

It is not hard to imagine that drivers would be much more easy to accept the electric car if they only need to go to a convenient location like downtown or even the concierge desk at their home to swap their empty battery to a fully charged battery. This program makes drivers no longer need to wait 3-8 hours for their battery re-charge. Also, a mix of battery-swapping stations and charging locations are able to reduce the heavy capital investment. The program could shorten the time required to establish a wide

network to accommodate long trips and exempt from setting up a large number of expensive charging stations.

Furthermore, the battery is one of the most complicated components of an electric car. As such, proper battery check-up and maintenance are necessary to ensure electric cars' safety. With the task now being performed by power supply operators (CLP and HKE), car buyers will have another reason to switch to an electric car.

Conclusion

The obstacles that lack of Electric Car charger at home, outstanding high price of EV and the regulation of the legislation of Road Traffic are ranked the top three obstacles for EVs development and that lack of EV charger at home is the key.

Surprisingly, property management company and owner committee were identified by the drivers as the "top murderer" killed the development of EVs in Hong Kong. Electric Car is still a new concept to Hong Kong people, although it is recognised as the effective tool to solve the air pollution, its still long way for replacing the diesel car by EVs. However, it is optimistic for the future development of Electric Car in Hong Kong, as it is expected that the price of Electric Car will drop and the legislation of Road Traffic will be amended shortly. For the acceptance from the property management company and owner committee, I believe that they will be welcome to install the EV charger anymore when the majority of the society realized the technology and the advantages of the Electric Car. Finally I hope this paper can help Property Management Company, owner committee and drivers to eliminate their misunderstanding on the concept of the electric car and the EV charger. We should change our habit before it is too late.

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A Study on the Effect of Implementation of Statutory Minimum Wages on the Turnover Intention of Property Management Services Frontline Employees in Hong Kong

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Introduction

The Statutory Minimum Wages (SMW) came into effect in Hong Kong in May 2011 but its impacts on the property management industry is not known. It is generally believed that after the operation of the SMW, the increase in wage will improve the job satisfaction of frontline staff. Conventional wisdom suggests an inverse relationship between wage and intention to leave. Yet, in reality, turnover of frontline staff in the industry has become higher after the enforcement of the SMW. In view of this counterintuitive phenomenon, this study aims to uncover the reasons for the high turnover intention through face-to-face interviews with the frontline and management staff in the local property management sector, and understand how different factors contributing to the high turnover intention. Based on the research findings, a number of measures are suggested to reduce the turnover rates and to stabilize the work forces in the industry.

Local Property Management Industry and Statutory Minimum Wages

As of May 2011, the number of low-income employees working in property management services, security and cleaning industry reached 218,400. The hourly wages of security guards, cleaners, gardeners and carpark attendants were around \$24-\$30 immediately before the enactment of the SMW. Wage generally varies according to several basic factors:

1. Work location — As a compensation for the higher travelling and time costs, workers in properties in remote areas are rewarded with a higher salary.
2. Class or grade of property — Workers in prestigious (e.g. Grade A) office buildings, large shopping malls and luxury residential developments have a better pay because these properties require staff having special skills and a higher level of competency.
3. Employment mode — Most frontline staff are employed by service contractors. As property management services are labour-intensive, change in labour cost can have a big impact to the service contractors who always wish to keep the wage as low as possible in order to make more profit or maintain competitiveness in the tendering process. Relatively speaking, the wages of staff directly hired by the management companies are higher.
4. Company size — Large, reputable companies are more willing to offer higher wages to recruit better staff.

5. Market sector — In the public sector, property management services are often out-sourced to service contractors by tendering. Price has long been the most important criterion in tender evaluation. To make their tender bids low, contractors offer low wages to frontline workers. In the private sector, the clients have more flexibility in choosing the service contractors and thus are willing to pay more to hire higher-quality workers.
6. Job nature — Different job functions like security, cleaning, landscaping and carpark operations command different remunerations. Besides, owing to the undesirability of the work, some positions like cleaning workers who are responsible for filthier jobs have the highest hourly wages in comparison with others.
7. Work hours — As most of the frontline staff's salaries are counted by hourly rate, the working hours have a direct effect on the total wages of the employees. In Hong Kong, property management staff commonly work on a 8-hour or 12-hour shift.

Apart from these basic factors, one should be aware that property management industry is not an industry requires very specialized skills; the barrier to enter the industry is low. As such, there is a high substitutability of labour in the industry. Therefore, the average wage level of the industry is also contingent on the conditions of the whole labour market.

With the enactment of the MSW, the property management industry experiences several changes. First, the wages tend to be equal across different trades in the property management industry. To control the cost, service contractors set their wage levels just enough to fulfill the statutory requirement. As the prescribed minimum

wage applies to all trades, including the security, cleaning, carpark, landscaping services, the difference across trades becomes minimal as an effect of the MSW. Secondly, the MSW makes the recruitments for undesirable job positions more difficult. Before the SMW came into effect, salary levels had reflect workers' preferences to jobs of different natures. Some undesirable positions e.g. dirty jobs are less attractive to employees. These positions usually required higher pays to attract people. However, after the implementation of the SMW, salaries of all different trades and positions became almost the same. Employees tended to choose a more comfortable job to earn the same wage. Besides, the employers encountered difficulties in the recruitment exercise because the pay difference between an ordinary guard and a supervisor was not as big as before. This change is attributed to the fact that the SMW only increased the pays of ordinary guards but not those of supervisors. In many properties, the pay difference between the two grades could be a few hundred dollars only. As a result, experienced practitioners became reluctant to take supervisory positions as they could earn a similar salary but bear fewer responsibilities.

Lastly, the MSW increases the turnover rate of the frontline staff. According to the figures published by the Census and Statistics Department, the median of hourly rate of security guards and cleaning workers in 2009 were HK\$26.9 and HK\$26.1 respectively. After the enactment of the SMW, all these employees' salaries were adjusted upward to at least HK\$28 per hour. However, the number of job-changers in the elementary occupations which included the property management services employee increased from 69,000 in 2010 to 76,900 in 2012. Although this figure included other low-income jobs such as catering industry, it did reflect the picture of turnover in low-income jobs affected by the SMW. In fact, many property managers complained

against noticeable turnover in the security and cleaning positions in their properties.

Literature Review

As suggested in the literature, there are three main key factors, namely *pay satisfaction*, *job satisfaction*, and *organization commitment*, which influence the actual and intended turnover in various degrees.

Turnover intent and actual turnover

Turnover implies a major problem for recruitment and organizational continuity. Lum *et al.* (1998) conceptualized turnover as a psychological response which is an individual behavior. Yet, they focussed on turnover intent rather than actual turnover in their study. Moreover, Lum *et al.* (1998) believed that intention to stay or leave an organization was consistently related to actual turnover. Indeed, moderate to strong correlations between intention to quit and actual turnover had been evidenced by many previous empirical studies (e.g. Mobley *et al.*, 1978). Following the literature on job turnover, the current study adopts turnover intent, rather than actual turnover, as the dependent variable.

On the other hand, pay satisfaction, job satisfaction and organizational commitment are taken as independent variables because these variables have been intensively discussed in the literature but none of the previous studies investigated the property management industry. In this light, the impacts of these factors on turnover intent of security guards and cleaning workers are investigated in this research.

Pay satisfaction and turnover intent

Not only does pay serve as a motivator, but also a measure to keep employees staying the position in an organization (Tekleab *et al.*, 2005). Many previous studies have shown that there are four major aspects of pay satisfaction (Vandenberghe and Tremblay, 2008). These factors include satisfaction with (1) pay levels, (2) pay rises, (3) benefits, and (4) pay structure and administration. In other words, pay satisfaction is not simply affected by pay level; it depends on the pay structure and allocation as well. As highlighted by Tekleab *et al.* (2005), unfair distribution of pay or monetary rewards can result in issues of inequity that may weaken the positive effects of pay on the employees' satisfaction. There are two types of fairness which prevail in determining pay satisfaction — distributive justice and procedural justice (Tekleab *et al.*, 2005; Vandenberghe and Tremblay, 2008). Distributive justice refers to the extent of the fairness which employees consider or perceive their pay amount. As for procedural justice, it is considered as the perceived fairness of the means or methods by which the amount of salary is determined. It is a recommendation by recent studies (e.g. Tekleab *et al.*, 2005) that pay fairness should be taken in account when studying pay satisfaction because the latter is actually multidimensional. The whole picture cannot be attained if pay satisfaction is studied without considering the fairness issues (Heneman and Judge, 2000).

Moreover, Vandenberghe and Tremblay (2008) criticized previous studies on the pay satisfaction for a key limitation — ignoring the role of organization commitment as a potential and significant mediator in the relationship between the pay satisfaction and intended or actual turnover. The work of Lum *et al.* (1998) showed that pay satisfaction had both direct and indirect impacts on turnover intent in the nursing sector. Pay

satisfaction have a significant influence on staff retention but the indirect effects of pay satisfaction on the turnover imposed by organizational commitment and job satisfaction are weak as revealed by the research findings.

Job satisfaction and turnover intent

Locke (1976: 1300) defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. According to Lum *et al.* (1998), one’s job satisfaction is the most frequently studied psychological variable in the relationship between satisfaction and turnover. Lum *et al.* (1988) also emphasized the work of Price and Mueller (1981) which pointed out that job dissatisfaction had an indirect impact on turnover. Furthermore, Irvine and Evan’s (1992) study on nurses’ turnover found that there was a significant causal relationship both job satisfaction and organizational commitment and turnover intent.

There are some cited variables relating to the job satisfaction, including intrinsic aspects associated with the job content such as autonomy, respect, and recognition and extrinsic aspect associated with work environment (working condition) such as shift work, workload, working hours, safety, promotion opportunities, tangible rewards and other bonuses (Lum *et al.*, 1998; Chatzoglou *et al.*, 2011). Gieter *et al.* (2011) agreed that job satisfaction and organizational commitment both play a significant role to impact nurse’s turnover intent but argued that the shortcoming is only to focus on “average nurses” or “average employees” and neglect the individual difference, such as age and value. In the context of security guards and cleaning workers, the individual difference may have impact on the relationship between job satisfaction and turnover intent because of people in different age groups and with different working experience willing to entry to the security guard

service industry and cleaning service industry form other industries. This can cause different groups’ turnover patterns with a variety of reason. In the findings of their work on nurse turnover, Gieter *et al.* (2011) suggested that identifying different groups with a similar pattern of turnover antecedents was possible by examining the individual difference on turnover reasons and helped an organization take a consideration that some strategies only for enhancing the satisfaction were not enough.

Organizational commitment and turnover intent

Lum *et al.* (1998) defined the organizational commitment as “affective responses to the whole organization or to a company. In organizational commitment, there are three common categories studied, namely affective commitment, continuance (behavioural) commitment, and normative commitment. Affective commitment is defined as the relative strength of an individual’s identification with and involvement in a particular organization (Mowday *et al.*, 1982). It can be interpreted that commitment is affected by positive work experience and perceived justice and support in an organization. Indeed, pay satisfaction can refer how the company value and recognize employees so that they have high affection to the organization. Continuance commitment is described as ‘a structural phenomenon which occurs as a result of individual-organizational transactions and alterations in side-bets or investments over time’ (Hrebiniak and Alutto, 1972: 556). Employee cannot afford to leave as they have investment in the organization. On the other hand, normative commitment is referred to strong social ties and individual pre-deposition (Meyer and Allen, 1997). The employees with normative commitment have loyalty to the organization based on moral and perceived obligation through the socialization practices (Meyer and Allen, 1997; Meyer and Herscovitch 2001). Meyer and Allen

(1991) argued satisfaction with pay raise and benefits might be related to normative commitment as result of the reciprocity, thus creating a sense of indebtedness.

As discussed by Vandenberghe and Tremblay (2008), Meyer *et al.* (2002) showed the three components of organizational commitment have significant negative relationship with intended and actual turnover. Moreover, Lum *et al.* (1998) also pointed out that many studies showed there was a significant association between organizational commitment and turnover intent to leave. Under these studies, the satisfaction and commitment

have been reported to be negatively related to turnover intent. Meanwhile, both of two variables have positive relationship with each other.

Based on literature reviews on antecedents of turnover, we would like to ask if pay raise caused by the SMW has positive effect on the pay satisfaction to the frontline employees of property management industry and examine what extent the job satisfaction affects employees' turnover intent and how strong the impact of organizational commitment is to mediate relationship between the job satisfaction and turnover of employee. The diagram of relationships between these variable is shown in Fig 1.

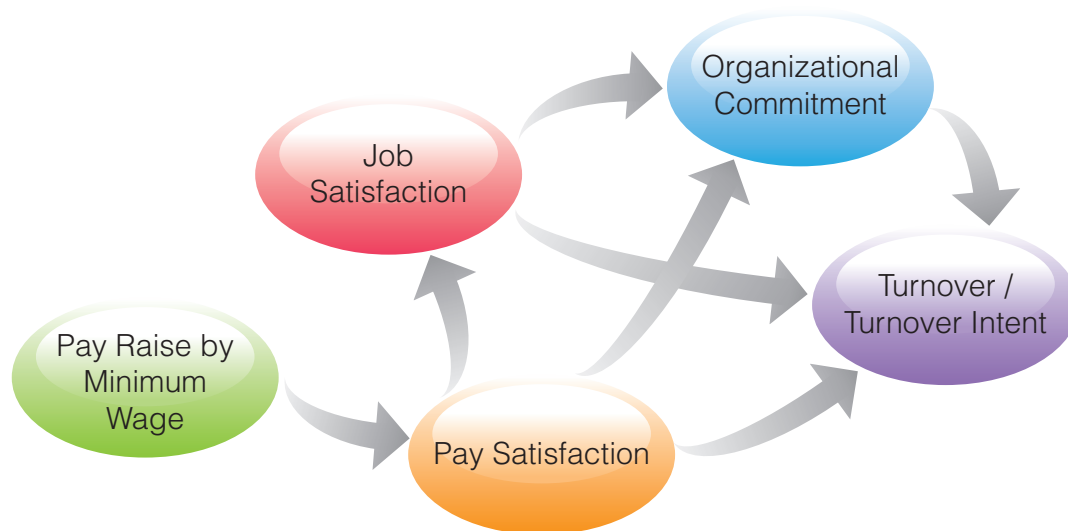


Fig. 1: Conceptual map

Methodology

To reiterate, this study intends to find out the reasons for the high turnover intention by interviewing frontline employees and management by asking them questions about the three key factors — pay satisfaction, job satisfaction and organizational commitment perspective. Then, the differences in the key factors are compared to see how they affect turnover.

Research targets

The research targets are the managerial staff and on-site frontline staff of selected property management services companies (PMSCs). For the purpose of this study, managerial staff refer to manager or above, in a PMSC. As for the frontline staff, they include security guards, cleaning workers, gardeners and carpark attendants who are supposed to be mostly affected by the SMW. In each work trade, managerial staff and on-site frontline staff in PMSCs in both public and private sectors are interviewed. For the public sectors, PMACs managing public rental estates and shopping centres run by the Hong Kong Housing Authority and the Hong Kong Housing Society are chosen; both residential and commercial sites in the private sector are studied.

Invitations are sent to a total of eight different PMSCs in this research — four different public-sector PMSCs which provide security, cleaning, landscaping and carpark operation services respectively and another four different PMSCs from the private sector. All eight PMSCs come from different companies and manage different sites. For each PMSC, one manager staff and one frontline staff are invited.

Research method

This research adopts a qualitative approach. We interviewed sixteen people from December

2012 to February 2013. All of the interviews were done in their respective working sites in Hong Kong. The language used was Cantonese and the conversations were transcribed in English. The sampling of the sixteen interviewees was done through the snowball method, i.e. by referral from property management practitioners. The sites involved in this research were located diversely in Hong Kong Island East, Yuen Long, Shatin, Tsuen Wan, Kowloon Tong and Yau Ma Tai etc.

Two sets of questions were prepared, one for management staff and the other for frontline staff. The questions were designed in open-ended questions and tailored for measuring the three key factors. The duration of the interviews spanned from 30 minutes to 45 minutes. The interviewees were also welcomed to talk about their related past experience in their employment.

Results and Findings of Interview

We find out from our interviews the following facts that contribute in explaining the phenomenon in which turnover intention increased even when wages increased:

The diminish in wage differences

Before the implementation of SMW, the wages performed as an adjustable factor to compensate the low job satisfaction or organizational commitment. In some jobs, the job satisfaction may be low because the working condition is poor, the employer than can compensate these by increasing the wages in order to attract people to fill the vacancies. It was the same case for organization commitment, if the employee is not commit to the organization, the employer may increase the wages to compensate it.

In our interviews, many frontline staff revealed that the SMW equals their wages at the same level at about HK\$28 no matter their working

conditions. They said that the working location and environment becomes a more determining factors in choosing their job and they are easy to get the same pay when switching to another job. This situation is happening across different trades and sectors.

Besides, as the pay satisfaction is a subjective feeling of the employee, even the pay rise to HK\$28 per hour, the employee may not experience an increase in satisfaction if everyone gets the same increase. The satisfaction of individual bring by the wages is usually a comparative feeling by comparing with other colleagues. For example, if A gets \$HK26/hour and B gets \$28/hour, the satisfaction of B is large; however, if both A and B gets \$28, B may feel less satisfy with the wages as B will benchmark his wages with others. This situation makes the increase in wages of the frontline staff have less positive effect on their pay satisfactory. In the meantime, the frontline staff are more eager to switch to a more pleasant position with the same pay. The turnover is thus increased.

Decrease in job satisfaction

The SMW increased the wages of frontline staff and employers need to pay extra cost, thus their expectation and requirement on their performance increase. Some sites deducted the pay or time in meal time. This situation is mostly happened in private sector but not in public sector as the cost of increase in minimum wages in public sector is absorbed by government expenditure and was not transfer to domestic tenants. In some sites, the number of manpower of frontline staff was decreased by means of cutting the number of staff or decreasing the work hour. It leads to the increase in work load of with the expectations of services increase. The increase in challenges in working environment actually decreased the job satisfaction and organizational commitment of employees. Some of these frontline staff may

want to change to a better and lesser work load position. Some of them can even switch to other trades as the wages are the same. Besides, for those staff in supervisory role, they may feel unfair to receive almost the same pay as ordinary staff. The lack of procedural justice (Vandenberghe and Tremblay, 2008; Tekleab *et al.*, 2005) in determining their wages by workload and contribution also decrease their job satisfaction.

The increase in mobility of workers

The salary range before the statutory minimum wages is around HK\$24-\$30 per hour across the four trades: security, cleaning, landscaping and carpark operation. For example, we noticed that in each wage level, say HK\$24-\$25 per hour, they are determined according to the ability of the employee, the job nature, location etc. For those receiving HK\$28-\$30, they may take a supervisory role. The differences in wage level divided the workers into two pools.

After the implementation of the SMW, the frontline staff receive almost the same pay. As a result, the workers may now switch to a job close to their home, which they may previously not consider due to the wages difference. The pools now combined into on which encourage the mobility of workers.

Conclusion and Recommendations

The pay rise had limited impact in increasing the pay satisfaction of the frontline staff. Meanwhile, the decrease in job satisfaction and organizational commitment had minimized the effect in pay increases. It explained the situation why the turnover intent increases even after pay rise. In the keen competition and strict cost control in the industry, it is less possible to increase the pay of frontline staff further beyond the SMW. However, the PMSCs may focus on increasing the job satisfaction and organizational commitment of the frontline staff.

Building communication channel between the management and frontline staff

Many frontline staff interviewed showed no mutual understanding with the management. They reflected that the management does not recognize their difficulties in handling customers' unreasonable requests and always blame the frontline staff for these unreasonable complaints. From the management point of view, they may not intend to blame the frontline staff but only want to settle the complaint and prevent them from escalating upward. The management and frontline staff can build up a communication channel by regular meetings to in order to increase normative commitment (Meyer and Allen, 1997) and social tie of the employees with their supervisors and other colleagues. Thus, the organizational commitment and job-satisfaction can increase.

Providing flexibility for staff to apply for change of work location and shifts

One of the major dissatisfaction of frontline staff and reason for changing job is the work location and shifts. The management can consider building up mechanism to provide flexibility to let frontline staff to swap the working location and shifts internally. This can decrease the burden of human resources in hiring people if the employees can stay in the company through internal post transfer. The positive work experience and support shown by the company can increase the affective commitment of the staff.

Increase training support for frontline staff

Our interview with frontline staff revealed that the widely use of computer system, and adoption of quality standards such as ISO 9001, 14001 created challenges to employees. Company can have better support and training to frontline staff so that they may find it the working conditions improve and increase their job satisfaction and decrease their intention for changing job.

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