

HR challenges in strata property management



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HUMAN resource (HR) management plays a critical role in every industry. It not only aligns people with roles but ensures talent development, operational continuity and adherence to regulatory frameworks. For well-established industries, the regulations governing HR management are typically clear and honed over time, allowing companies to build strategic, long-term plans.

However, in strata property management, HR presents unique challenges due to the relatively recent formalisation of the industry. Strata property managers are bound by both the Employment Act 1955 and the Strata Management Act 2013 (Act 757), creating a multifaceted regulatory landscape that requires skillful and adaptive navigation. Since 2018, property managers have been required to register with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), marking a significant step toward industry standardisation and professionalism.

Strata property management is distinguished by the extensive statutory duties and responsibilities outlined in Act 757, which are governed by the Valuers, Appraisers and Estate Agents Act 1981 (Act 242). These statutes clearly define the legal obligations and boundaries within which property managers must operate. In addition, the Malaysia Property Management Standards (2016) from BOVAEP set forth 11 best practices specifically for property management. These standards encompass everything from asset maintenance to community engagement, creating a well-defined scope of work and job description for property managers. Unlike many professions, strata property managers must navigate a rigorous regulatory framework, which may limit flexibility but provides clarity on expectations and responsibilities.

However, the layered regulatory environment can pose challenges, especially for HR managers tasked with recruiting and retaining talent under these conditions. For instance, these frameworks add extra procedural steps that may deter younger professionals who seek greater flexibility. Furthermore, property management companies face the dual challenge of adhering to regulatory standards while ensuring that staff remain motivated and committed to their roles despite these limitations. This lack of flexibility can hinder the implementation of dynamic, innovative HR policies, which are often essential to employee retention and morale.

Challenges beyond day-to-day work

Strata property management is often described as a thankless job, primarily due to the complexities involved in dealing with a wide range of stakeholders and the public. Managing a strata property means not only maintaining physical assets but navigating relationships with committees, management companies and residents, each with their own concerns and priorities. Property managers are frequently under pressure to balance these needs while staying within strict budget constraints. The primary HR challenge here is not task execution but the very struc-

ture of the employment term itself. Property managers typically operate under one-year contractual agreements with Joint Management Bodies (JMBs) or Management Corporations (MCs), as stipulated by Section 6 of Act 757. This one-year term is designed to provide flexibility, allowing JMBs or MCs to reassess the needs of the property and the performance of the manager. It also prevents potential abuses of power, aligning the duration of contracts with the typical lifespan of these governing bodies, which spans approximately 12 to 15 months. However, this short-term arrangement creates inherent challenges for HR and property managers alike. The one-year contract structure can discourage long-term planning, making it difficult for managers to establish comprehensive maintenance schedules

Employee retention and recruitment

or develop robust strategies for asset appreciation and facility upgrades. Property managers need time to become familiar with the specific assets and facilities they manage, as well as to build relationships with stakeholders, including residents, hotels, retail outlets and offices. For mixed-use developments, the job becomes even more complex, with engineering, legal and legacy issues often requiring months to fully understand and address. By the time property managers are well-versed in these complexities, their contracts may already be expiring, creating an inefficient cycle of learning and relearning.

Moreover, the one-year contract structure complicates strate-

gic workforce planning, particularly when employees leave mid-contract. Given the limited flexibility in altering contract terms and job scopes, HR managers find it difficult to retain talent and foster employee loyalty. The one-year contracts, while designed to protect stakeholders, inadvertently contribute to a high turnover rate, which in turn hampers the continuity of property management and often necessitates additional training and onboarding resources for new hires. For JMBs and MCs, this means a continuous cycle of recruitment, onboarding and training, impacting overall productivity and resident satisfaction.

Implications for strategic planning

For effective strata property management, a balance between short-term and long-term planning is critical. Managing charges, sinking funds and compliance requires foresight and a cohesive strategy that spans beyond a single year. However, frequent turnover within management boards disrupts continuity, making it challenging to execute long-term projects and comprehensive business plans. This instability often forces management boards to adopt short-term strategies that may satisfy immediate stakeholders but do not foster sustainable growth or address long-term infrastructure needs. The frequent changes in JMBs and MCs limit the ability to implement decisions that benefit the property and its residents over time.

These challenges are not unique to strata property management but are mirrored across

industries, including NGOs and professional bodies, where reliance on short-term contracts and board turnover disrupts continuity. However, strata property management is uniquely impacted due to the highly specialised and regulated nature of the field. The reliance on short-term employment contracts in the context of strata properties can inadvertently stifle innovation, as managers focus on immediate tasks rather than forward-thinking strategies that improve property value and resident satisfaction.

Rethinking HR policies

Addressing these HR challenges requires a fresh approach, one that balances the flexibility of short-term contracts with the need for stability and continuity. Strata property managers could benefit from longer contracts that allow for the execution of strategic, long-term plans without undermining the power and oversight of JMBs and MCs. Alternatively, implementing multi-year performance reviews rather than annual contracts could encourage managers to adopt long-term strategies while still maintaining accountability.

By addressing these HR complexities and fostering a more stable work environment, strata property management companies can improve employee retention, attract new talent and ensure better continuity in service. It is only by tackling these HR challenges head-on that the industry can fully realise its potential, providing high-quality management services that enhance property value, improve resident satisfaction and strengthen the strata property management profession.