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Property Management Leadership in Digital Era

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PROPERTY MANAGEMENT LEADERSHIP IN DIGITAL ERA

A Thesis Presented to the
Faculty of the University Honors Program
Northeastern Illinois University

In Partial Fulfillment of the Requirements
of the NEIU Honors Program for
Graduation with Honors

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ACCEPTANCE AND APPROVAL FORM

Monica Kristaly

Property Management Leadership in Digital Era

This thesis has been reviewed by the faculty of the NEIU Honors Program and is found to be in good order in content, style, and mechanical accuracy. It is accepted in partial fulfillment of the requirements of the NEIU Honors Program and graduation with honors.

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ABSTRACT

Leaders' efforts to sustain a competency advantage are tightly connected to their company's ability to implement technology innovation. Property management allows decision making and team-leading processes to unfold new shapes again and again. However, little research has examined these dynamics. This study examines the relationship between leadership styles and property management firm performance in the digital era. We focus on two leadership styles: Transactional Leadership and Transformational Leadership and propose that digitalization will moderate the relationship between different leadership styles and property management effectiveness. Using transactional and transformational leadership theories, we propose that both transformational and transactional leadership styles are positively related to the performance of property management organizations. However, with the higher level of digitalization, the relationship between transactional leadership and property management outcomes will be weakened, but the relationship between transformational leadership and property management will be strengthened. We propose to collect survey data from the property management leaders in a mid-western city and conduct regression analysis to analyze the data. The implications of this research are discussed.

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INTRODUCTION

Property management is a subsegment of the Real Estate Industry. Popularly known as landlord-ing, property management means the business of protecting and growing one's real estate investment (Turner, 2015). The effectiveness in the property management field has yet to be studied in-depth, with limited literature in this sector. However, effectiveness can be reflected in a firm's performance, which could be analyzed through the activities the business is conducting, through saving money, time, proactively using all the available recourses while generating profit.

A study analyzing Real Estate in Digital Era conducted by the National Association of Realtors in 2019 suggests that more than 90% of the home searching efforts happen with the use of internet search (NAR, 2019). The role of the utilization of all available online marketing tools falls on the senior managers or directors of property management firms. However, statistical reports only reflect the response to or from certain market elements, such as website usage, listings count and promotions, and rental rate. Behind every decision to implement a technological trend, approach new market strategies, and capture more market share, stays a leader.

Leadership, therefore, becomes not only a vital component of survival in the current real estate environment but also a form of mobilizing internal tools to meet the fast pacing and increasingly digitalized demanding audience. As defined, a leader influences people to undertake a course of action that contributes to a goal (Cutler, 2014). The guidance that a leader paves the way to achieving particular outputs, and ultimately, generating profit. This paper will create a conceptual model of the dynamic of leadership styles on a firm's performance using digitalization as a moderator.

As technological options expand firms increasingly rely on digital means to perform their work. Communication and tracking have become more automated (Jameson, 2018), and mobile use is more than a trend. Companies are relying on the use of phones, digital systems, and integrated online platforms to achieve their goals. Many of the available integrated systems are basing their functionality on technology, and the third-party vendor is becoming competitive in their products, thus creating opportunities and challenges.

The property management firms vary in terms of the utilization of information technology to facilitate operations. Only 15% of management organizations see digital transformation as being part of their core approach, and 84% of businesses are struggling with digitalization (Gale and Aarons, 2018). Also, the role of property management leadership style in increasing the performance of organizations in this industry has yet to be examined, as scholarship is lacking studies in this area.

LITERATURE REVIEW

Leadership styles

Leadership is a particular form of power (Burns, 1978). Defined as a set of skills and psychological attitudes that enable motivation toward followers, leadership is a force. Two of the first well-established leadership styles are transformational leadership and transactional leadership. In reviewing the leadership characteristics, we would be able to see how this influences the way property management firms moves and how leaders are influencing this movement. At large, we can view transformational leadership as a leadership style which enables followers to share the same vision with the leader, while

the transactional leadership is conceptually a matter of exchange (García-Morales, Lloréns-Montes, and Verdú-Jover, 2008).

A. Transformational style

Transformational leadership offers a transformation of the mindset, with the belief that if a person discovers his inner capability, he can be more productive and help the team move forward through motivation. Quoting Thomas Jefferson, leadership can be in the pursuit of happiness (Burns, 1978). The power of a leader to use his mindfulness and influence others can reach very high levels of achievement. Leaders of transformational style engage with followers at a moral level, without using the power of the position (Bass, 2008). The intent is the use of personal contribution to the organizational benefit, even though some critics argue that transformational leadership behavior cannot be assessed per se, but only its effects (Jensen and et all, 2016). Bass introduces a few characteristics of the transformational leadership styles, including charisma, inspirational motivation, intellectual stimulation, and individualized consideration.

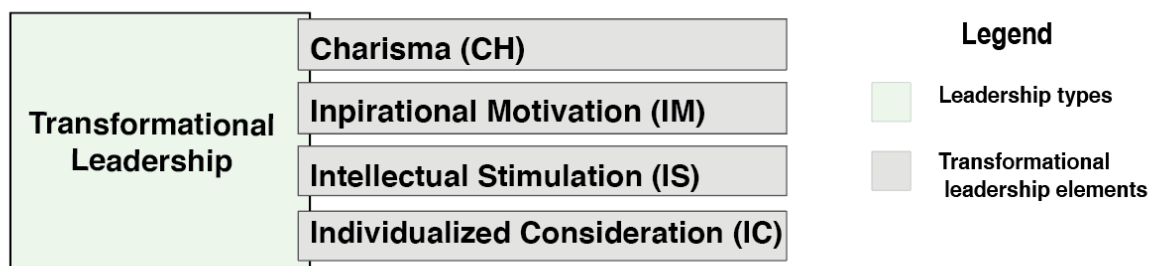


Figure 1 Transformational Leadership

Transformational leaders tend to be charismatic. In a leader, charisma is satisfying the lack of social support of employees, and “is necessary for transformational leadership, although in and of itself it is not sufficient for the process to evolve” (Miner, 2015). In terms of inspirational motivation, followers consider an inspirational leader to sense to their problems, sharing the same beliefs, becoming the voice of a group, inspiring trust, and have the capacity to act efficiently (Bass, 2008).

The third dimension of transformational leadership is intellectual stimulation. Leaders who stimulate their followers to be more creative, use different frameworks, and engage in questioning assumptions are using intellectual stimulation. In this way, the bridge between vision and reality becomes a walkable one (Bass, 2008). Finally, the component of individualized consideration reflects on the followers’ individual need for growth, and the tasks are designed to provide a learning experience, not only reach an objective goal. “New learning opportunities are created in a supportive environment” (Bass, 2008).

Ceridian is an excellent example of a service company using transformational leadership as an impactful change. Ceridian is a technology company identifying itself as a culture-driven innovation, which provides an integrated system (Dayforce) for different aspects of business operation. In 2016 Forbes published an article reflecting on how this change occurred and why. The first factor that called for improvement was the loss of funds caused by poor management, which affected the firm’s efficiency. The focus shifted from the process’s analysis to the leadership style consideration. CEO David Ossip was trying to push the *old* leadership away and incorporating a *new* leadership. The organization incorporated a new program for promoting talent, coaching, creating and

emphasizing vision, ensuring the communication channel is engaging all levels of the firm, promoting teamwork, and being active in further pursuing change. The employees took a decisive role, their feedback valued as a tool to improve, and focusing on who runs the company, not only how the company ran (Efron, 2016). Since 2016, Ceridian faced a growing trend in profits, a direct reflection of the leadership styles and technology use.

B. Transactional Leadership

Transactional leadership is a contractual state of a working relationship, and it is defined by being rewarded for tasks agreed upon. It is a defined process that can be identified through specific goals and objectives, required tasks, with the focus of improving organizational effectiveness. The quality and quantity of work are essential, but it allows followers to fulfill their own self-interest, but concentrate on the organizational overall quality control. The work contract defines the relationship between transactional leadership. It is a rather obvious relationship that is looking to benefit both parties.

This leadership style has a method of identifying defined by rewards, negative punishments, and coaching. Mainly, the transactional leadership focuses on the transfer of tasks and information between the followers and the leader for self-interest (Bass, 2008). Factors of transactional leadership are contingent reward and management by exception.

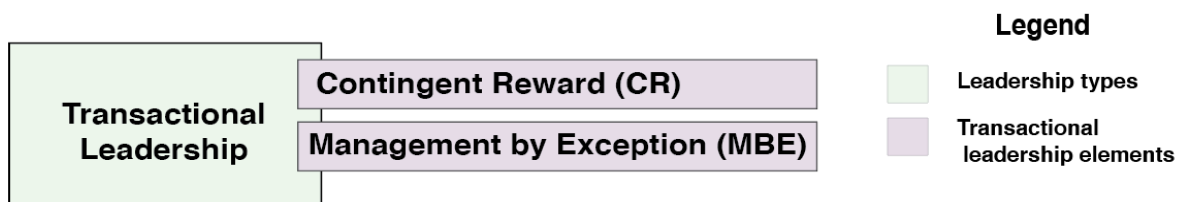


Figure 2 Transactional Leadership

The contingent reward is referring to the rewarding of employees if they achieve the desired goals (Lyndon & Rawat, 2015). The contingent reward could be of material nature, such as a bonus or a raise, or a psychological tool such is encouragement or praises. Management by exception is “the degree to which the leader takes action by intervening so that the decided standards are achieved” (Lyndon & Rawat, 2015). This factor could be active as passive, in active management by exception, the leader will take corrective actions towards employees’ mistakes, and if passive; the leader will not take any action.

Transactional leadership, through its contractual nature, engages productivity, it has an organized and clear structure, provides achievable goals, and is based on a reward scale, financial or of personal nature, such as flexible hours. An example of a transactional leader is Bill Gates, who, at the beginning of his career, consistently imposed tasks and checked on the proper execution of them. He is known to be rather strict to his subordinates and did not engage in creativity but rather in the achievement of the goals, with little concern in personal and social conventions. At the same time, he was practical and effective, and later changed his leadership style (Dailymirror, 2015).

Property Management and Digitalization

Property management is a very engaging and dynamic field. A property manager will not be bored as he or she steps into many roles throughout the day, from construction to marketing or finance (Faria, 2018). Not explicitly identified as a transactional form of leadership, property managers have a certain level of flexibility in decision making, while maintaining control over the process. Managers rely more on intuition and use of vision

than formal analysis, and it is hard to identify the decision-making process clearly (Bass, 2008). Because of this, a property manager could be identified at times more like a transformational leader.

Over the last few years, property management firms started leaning towards technology, but it is still an intensely physical process (Jameson, 2018). Many of the technological enhancements are used towards key clients critical to the business of property management because of its customer service platform. Traditionally, this field of business counts on the face-to-face strategy for operation, but it could merely be a matter of habit (Mellen, 2016). The cost of technology is coming down as the millennial population is increasing in the workforce, and they are more tech-savvy than previous generations. Usage of technology is seen as a valuable skillset nowadays because it is still an emerging aspect of the real estate industry.

Digitalization

“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.”

Bill Gates

Only a decade ago, the digitalization of the real estate industry was considered in its novel stages, detecting and suspiciously keeping an eye on the evolution.

Digitalization, as we look at today, can be described as the change from analyzing paper documents, photos, films to the creation of digital work processes (Savić, 2019). This change came in waves of disruptive technological events, from online payment and bookings to solar panels and voice-recognizing devices. The communication strategy has

adapted from a traditional model to websites, blogs, social networks, emails, and it brought along a few benefits. Digitalization changed the way we do business; it changed the way we are viewing the customer, placing him or her at the center of the business purpose (Savić, 2019). Implicitly, the customers' needs are constant hanging as well.

Property management firms use various technologies to facilitate their operations and relationships. The organizations could use integrated systems such as Rent Café, or AppFolio to perform their internal and external communications, marketing, and reporting. The multi-family reporting constitutes keeping track of apartments occupied and vacant, cash flow management, taxes, and investment proposals. All of these activities were managed in the past by excel spreadsheets, but with the implementation of new software, companies can now utilize automated reporting in all business areas. The ultimate goal is to ensure that the properties are operating at their highest capacity, maintaining high-occupancy, and generating profit.

More than 80 % of prospective tenants, often referred to as prospects, are using a smartphone or tablet to search for apartments for rent (Esch, 2019). The ads posted by property management firms are chosen from different specialized sites, and the interaction is enabled online through chatbot, email, or text. This digital interaction facilitates communication for future relationships and could be entertained through digital tools. The technology aims to allow managers to focus on high-value tasks (Brien, 2018). A recent study performed by IREM (Institute of Real Estate Management) showed that more than 70% of property management firms are using software for accounting reporting, but only 18% are very satisfied with the use of it (Kirk, 2019). However, we

have to keep in mind that as of today, more than 90% of property management organizations prefer to communicate through text messaging and email.

In 2018, only 15% of the management companies included digital transformation in their core business approach (Gale & Aarons, 2018). However, digitalization did not stop or conclude its role in business operations. It appears that it is just starting. Companies have to avoid imagining a future in which only one thing changes and thinking in terms of linear change (McGrath, 2019). The magnitude of changes is happening at an overwhelming rate, and the leaders have to be attentive and prepared. This study seeks to define the relationship between leadership styles in property management and firm performance in the context of digitalization.

THEORIES AND PROPOSITIONS

Transformational leadership is suggested to positively correlate to effectiveness, across different contexts (Lowe, Kroeck, and Sivasubramanian, 1996). This form of leadership is concerned with “emotions, values, ethics, standards, and long-term goals” (Northouse, 2019), which lead to a higher level of motivation.

The first factor of transformational leadership, charisma is being exercised by the drive to achieve more, to fulfill the bigger picture. The transformational leader acts as a model and has a creative vision. A charismatic leader is self-motivated to reach self-actualization, which is the highest need from Maslow’s pyramid of needs and is self-confident, providing followers with charismatic effects, such as motivation and obedience (Northouse, 2019). Certain charismatic leader behaviors will create an effect on followers. For example, if the leader is self-confident, he would articulate goals, which will cause an unquestionable acceptance from the followers (Northouse, 2019). This trait

of effect on employees could be of importance in property management organizations as well. If employees have the acceptance of goals, they could find it easier to fulfill their role for achievement of the goals.

A charismatic leader could be a very beneficial asset to a property management firm, as it could create teams to follow him and aim for the self-actualization of all members of the team. Herzberg's hygiene and motivation factors focused on exploring the employees' attitudes toward work. Herzberg's motivation factors showed that the highest motivation factor for employees in achievement (Cutler, 2014). The achievement also sits in the Esteem need of Maslow's hierarchy of needs, which is a need required to be fulfilled before self-actualization. A charismatic leader could contribute through his charismatic effect to stimulate employees to ascend and proceed on their personal growth. In property management, this mindset could stimulate employees to look beyond the immediate satisfaction of tasks and aim towards accomplishments.

With the inspirational motivation, the second factor of transformational leadership, the leader is communicating a future vision for the organization (Barbuto, 2005). By encouraging the creation of teams, and through emotional appeal, leaders aim to stimulate employees to do more than their own self-interest (Northouse, 2019). In property management, this aspect can be stimulating the employees through intrinsic motivation. At times, interpersonal conflicts may diminish intrinsic motivation, in which case the leader could be very important in mitigating conflict and cultivating employees' psychological resources such as confidence and efficacy, through inspirational motivation (Kim and Beehr, 2018). Creating successful deals can be challenging, yet with proper IM support, we think that employees could achieve a higher level of performance.

The third factor of transformational leadership, intellectual stimulation, is adopting new ways to look at familiar issues (Barbuto, 2005). This aspect encourages followers to be creative and innovative and challenge their beliefs and even the organizations' beliefs in dealing with issues (Northouse, 2019). In this sense, the Goal Setting Theory has been developed by Edward Locke, and it says that the levels of expectations predict goal levels (Pane Haden, 2012). In other words, setting more challenging goals would lead to a higher level of productivity.

As we see it, more challenging goals would stimulate intellectually the employees, who, in return would respond with more productive results. In property management, this relationship can be seen in stimulating lease terms and apartment rates negotiation, working out deals in certain precarious situations, which without a resolution from both parties would most likely end up in court.

Lastly, the factor of individualized consideration refers to the leader creating a supportive climate at work, where employees are listened too, being coached, and helped to grow (Northouse, 2019). Individualized consideration and intellectual stimulation have strong relevance to the effectiveness (Lowe et al., 1996). The leader acts as a mentor (Barbuto, 2005).

In a study published in the Journal of Education and Practice, it has been noted that transformational leadership has more positive outcomes, is associated with technology adoption, and has a higher desire to implement innovation (Seyal, 2015). Based on the same study, this is because the behavior of a transformative leader focuses more on vision. It is noted that "personal success without leadership ability brings only limited effectiveness" (Maxwell, 2007), which means that transformation leadership

holds a crucial turning point for empowering employees towards achieving higher firm performance. At the same time, leaders can take actions to remind employees of their tasks' importance on long-term goals. Because of these elements, we propose that:

P1: Transformational leadership is positively related to property management performance.

Transactional leadership, as a mutually rewarding exchange between a leader and followers, can continue as a relationship for as long as both parties receive the wanted benefits. To better distinguish between the traits, we will address each individually. The first factor of transactional leadership, the contingent reward is constituted by positive and negative consequences. Based on research regarding Key Predictors of Consolidated Business unit Performance, negative consequences would negatively impact the employees' performance (Howell and Avolio, 1993). This leads us to believe that implicitly, positive feedback, and rewards could positively affect employees' performance.

In the property management field, there could be opportunities to use contingent rewards, under certain conditions, such as incentives for lease renewal collection, or bonuses to increase the apartment rental rate. In some cases, however, it can be counteractive, as is applying punishments on employees who did not finish a particular task in time, without considering the emergency scenario that took priority in the employees' workday. "If followers perceive leaders as restricting their freedom of action, then it is possible that followers' motivation levels might decline" (Howell and Avolio, 1993). Besides, transactional leadership might be better suited for "stable work environment with little competition" (Seyal, 2015).

The second factor of transactional leadership, management by exception, could be looked at from two different perspectives: active and passive. In active management by exception, the leader searches and catches employees' mistakes before they happen and corrects the problem, while in passive MBE, the leader does nothing to change the mistake, until after it has been performed (Howell and Avolio, 1993). In property management, management by exception could be beneficial if used actively due to the meticulous nature of the field. If the criticism or the correction of mistake is perceived as fair, the employees would consider the performance standards clarified, and they would avoid unpleasant consequences (Howell and Avolio, 1993). This could be the case of negotiating rental rates, improving communication, and addressing maintenance requests. These actions contribute to a higher tenant retention rate, which reduces the turnover, advertising, and renting of the apartments.

If management by exception is used in a passive form could reflect in negative results that might affect not only operation but also a company's reputation. If we are to consider the flow of a prospect renter, from the point the application is submitted to the office, we can note that communication is vital. If the rental office would prove inaccurate or inconsistent information about the rental rates or amenities included, the renter might withdraw the application. Management by exception used passively, in this case, is not a proactive way to manage, as the firm would be losing business.

Adam's equity theory is discussing the employee's motivation regarding the employment benefits and rewards, and if he believes rewards and benefits should be at least equal to the amount of effort he puts into his work (Cutler, 2014). These could be placed on a scale, but in order to create this relationship a favorable one, the employees

create a list of expectations. This is not only from financial benefits and growth opportunities based on self-evaluation but also compared to other team members. The contingent reward factor of transactional leadership can become a valuable tool. Thus, we propose that

P2: Transactional leadership is positively related to property management performance.

With 93% of the property firms having a website and housing prospects rely on a very high percentage on photos that are posted online (NAR, 2019), it is evident that digitalization is not a factor that could be ignore anymore. With higher digitalization, the company becomes more automated, and more tasks become routines leading to less social interaction. Transformational leadership is tightly connected to creating relationships with employees. A highly digitalized organization tends to have less social interaction among employees. The relationship between the employees and the managers becomes critical motivators for employees and the effectiveness of their work.

By articulating the vision and emphasizing high-performance expectations, transformational leaders have been found to influence employees positively (Etim, 2018). These factors raise the motivations of the employees, as they could play a meaningful role in the achievement of the company's mission. It is believed that communicating an appealing vision for the organization creates a sense of purpose and increases enthusiasm in employees (Nielsen et al., 2019). By aligning the values of the employees with those of a leader, the organization is more likely to reach the performance expectations. This is because the employees are motivated intrinsically by the charisma of the leader. Intrinsic

motivation is led by the potential energy the employees are willing to invest in their job because they see their tasks rewarding (Nielsen et al., 2019).

Thus, we propose that:

P3: Digitalization has a positive effect on the relationship between the transformational leadership and property management performance. The higher the level of digitalization, the stronger the relationship between transformational leadership and property management performance.

On the other hand, if the digitalization is increased and transactional leadership is being used, tasks become even more structured, employees will face a clear plan, with an organized schedule, and measurable tasks. This change could lead to a robotic direction following, more routine like tasks, lack of creativity, the relationship with the superior could become rigid. The digitalization of the tasks largely replaces transactional leadership behavior. While the association between leadership style and team interaction and performance does not depend on the communication medium being used (Cortellazzo, Bruni, and Zampieri 2019), employees could experience over-reliance on the leader (Chris 2015).

The substitutes for leadership theory suggests that in an organization where the tasks are repetitive, there is a need for substitutes for leadership, which mostly make the leadership behavior unnecessary (Miner, 2015). The substitutes were classified into three different categories, substitutes, neutralizers, and enhancers. While the substitute replaces the leadership influence, the neutralizers nullify the leadership's influence, and the enhancers strengthen the relationship between leadership influence over subordinate behaviors (Wan Ismail et al., 2011).

Transactional leaders link the goals to rewards, they actively monitor their subordinates to correct any mistakes (Etim, 2018), and they use SMART objectives, as indicated by the goal theory. SMART stands for specific, measurable, achievable, relevant, and time-bound objectives (MacLeod, 2012). These targets are performance-oriented and have a clear path. But, with a high level of digitalization, the transactional leader is needed less as digital tools substitute the leadership.

For example, the leader no longer needs to manually keep track of tasks, as computerized records are completed instantaneously. Also, a neutralizer might nullify the leader's behavior, as is in the case of lease processing. Before having digital tools available, the leader would personally verify the lease process step by step, but with the digital documents and payments, the input from the leader is inexistent as the employees have to press a button and have the lease available online.

Thus, we propose that:

P4: Digitalization has a negative effect on the relationship between transactional leadership and property management performance. The higher the level of digitalization, the weaker the relationship between transactional leadership and property management.

PROPOSED METHODOLOGY

This research attempts to answer the following question: what is the impact of leadership styles on property management effectiveness in the context of digitalization of property management? We propose that both transformational and transactional leadership styles may have a positive influence on property management effectiveness. However, the relationship between different leadership styles and property management

effectiveness will vary with the introduction of digitalization in property management firms.

The data will be collected through a survey questionnaire. The survey will be composed of questions regarding leadership, property management effectiveness, and digitalization level of property management. We will reach out directly to senior managers or CEOs of property management firms throughout the city by contacting the local Association, Chicagoland Apartment Association, and the Institute of Real Estate Management. There is no eligibility requirement in terms of age and other demographic information. The survey is aiming to be completed by 100 leaders on property management firms and will use the online platform Survey Monkey.

The results will be analyzed through regression analysis.

CONCLUSION AND DISCUSSION

Property management firms, as organic organizations, are continually redefining tasks in response to market shifts. We are interested in how different leadership styles influence the performance of property management firms in the face of digitalization.

It is more proactive to adopt a leadership style that allows for this flow to occur with ease. A transformational leader can engage teams, building unified groups with high-performance standards that can effectively act in the face of unexpected. The extremely fast-changing regulations, quick communication with leads and clients, and overall emphasis on fast turnover of any requests, management by exception is almost a mandatory element. Preferred to be used in an active form, it can save time and money,

producing efficient results. However, leaders in a digitalized world need to focus not only on tasks in a property management firm but also on communication relationships as well.

Digitalization has created significant changes in the way property management firms conduct their business. New software applications are being applied towards custom relations, marketing and leasing, development, in the addition of the traditional usage in the accounting and finance department (Huebsch, 2018). Programs can be used to facilitate leads generation, tracking communication, invoice approval, task management, file sharing, work order management, accounting, budgeting and forecasting, and so forth.

These tools are becoming more affordable and easy to incorporate and is no longer a superior product but a basic expectation for driving revenue through tenant retention and new tenant acquisition. In addition, these platforms allow for automatic synch of real data with websites and applications, leading to less use of human input. This aspect is crucial from a marketing standpoint, as tenant acquisitions are the main revenue generator for a property management firm.

CONTRIBUTION

This research aims to identify the influence of digitalization in property management firms. Digitalization becomes a trend in the property management industry, will leadership behavior change accordingly? What type of leadership will have a better impact on employee behavior and firm performance? Based on transformational and transactional leadership theories, we make one of the first attempts to answer these questions. Our proposed conceptual model can serve as a tool of understanding the

implication of leadership styles on property management performance, and the impact of digitalization on this relationship.

We believe that with the increased level of digitalization, transformational leadership becomes increasingly important. Current property management leaders shall attempt to formulate a clear vision of the firm and use various transformational ways to communicate with employees and deliver the vision to the employees.

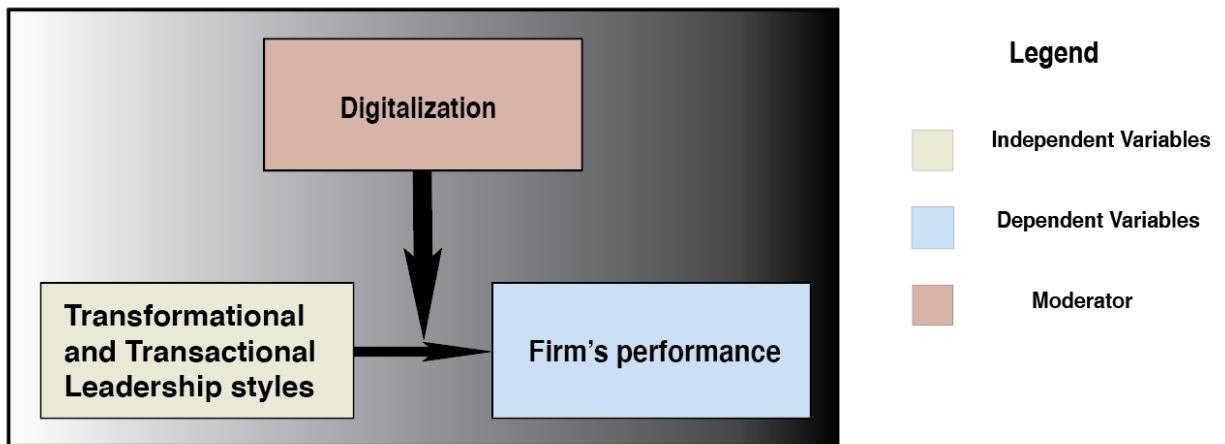


Figure 3 Conceptual Model

Future Research

Through our research, we provide a conceptual model to understand the role of leadership played in the digital era in property management. We encourage future researchers to examine the variation of the level of digitalization in the property management field. The effect of digitalization may differ in intensity, which may lead to different levels of firm performance via different mechanisms. For example, our research

focuses on the leadership style; future researchers may also examine the interaction of digitalization and employees' motivation and commitment.

The research is a conceptual framework, and future research is needed to collect data and test our propositions to provide validation. We aimed to collect the data for this data, but due to the pandemic crisis, we could not do so before we submit this thesis. Finally, digitalization is a trend in the whole business world, and we would like to encourage future researchers to collect data in other industries with increased level of digitalization to increase the generalizability of our research. Our conceptual model might be applied in various industries to understand the level of impact of digitalization on different organizational outcomes.

Practical Implications

Because transformational leadership stimulates learning, it also influences the performance positively (García-Morales et al., 2008), and transformational leaders give sufficient guidance through vision and trust to motivate subordinates (Hooigeboom & Wilderom, 2019). A senior manager in the property management field should formulate and deliver the vision of the company to inspire the employees, emphasize trust by their idealized influence, and act as mentors and empower employees through individualized consideration (Etim, 2018).

Transformational leaders are effective leaders as employees perform their work better and are more satisfied with their work (Breevaart & Zacher, 2019). Considering this level influence, it is in the property management firm's interest to find the best managers to maximize the firm's effectiveness. This means hiring a charismatic leader

who is able to inspire employees in a new way of thinking and problem solving through intellectual stimulation and individualized consideration (García-Morales et al., 2008).

This research provides a theoretical frame of leadership styles effective in property management firms in the current environment of digitalization change. This research suggests that transformational leadership becomes increasingly important with the introduction of different digital technologies in property management.

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APPENDIX

MAR 1 2020

/Institutional Review Board (IRB) - Memorandum

TO: Monica Kristaly
Qiumei Xu, PhD
Business Management/ College of Business and Management

FROM: Lisa Hollis-Sawyer, PhD
Acting IRB Chair

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DATE: March 1, 2020

SUBJECT: IRB # 19-061 "Property Management Leadership in Digital Era"

The IRB has reviewed the above referenced study and determined that it meets the criteria for exemption under the following category **§46.104 (2)** Research that only includes interactions involving educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior (including visual or auditory recording) if at least one of the following criteria is met: (i) The information obtained is recorded by the investigator in such a manner that the identity of the human subjects cannot readily be ascertained, directly or through identifiers linked to the subjects.

Determination date: March 1, 2020

This determination only applies to the activities described in the IRB application and does not apply should any changes be made.

RESEARCHER RESPONSIBILITIES AND INFORMATION	
▶	Provide subjects with the information about the research study and obtaining their consent prior to their participation in the study.
▶	Follow data safety procedures to protect subjects' information from accidental disclosure.
▶	Submit for IRB review any changes to your study that may affect the study's exempt status.
▶	Report any complaints, problems or adverse events that are related or possibly related to participation in the study.
▶	Maintain all research related records in case future verification is necessary.
▶	Maintain current CIT) certification in human subjects protection.

For questions about this determination or IRB related matters, please email irb@neiu.edu or call 773-442-4675.

INFORMED CONSENT FORM
NORTHEASTERN ILLINOIS UNIVERSITY

APPROVED BY NEIU
HUMAN SUBJECTS COMMITTEE

MAR 01 11:41 AM

DEPARTMENT of MANAGEMENT and MARKETING
PRINCIPAL INVESTIGATOR: MONICA KRISTALY
FACULTY SPONSOR: QIUMEI JANE XU

TITLE OF STUDY: Property Management Leadership in Digital Era

Key Information about this research study:

The following is a short summary of this study to help you decide whether to be a part of this study. Information that is more detailed is listed later on in this form.

- i The purpose of this research is to examine the impact of different leadership styles on the effectiveness of property management. We are also interested in whether the above relationship will change with the introduction of digitalization in the property management industry.
- i You are being invited to participate because you are in a leading role in the property management firm.
- i You will be asked to participate in a survey.
- i We expect you to be in this study for 10 minutes.
- i Participation in this study will have no direct risks.

Additional Information about this research study:

PROCEDURES INVOLVED IN THIS STUDY:

1. This research is conducted by Monica Kristaly and Qiumei Jane Xu.
2. This study will be conducted March 2020 - September 2020.
3. We expect to have 100 subjects.
4. Subjects will be asked to fill out a questionnaire composed of questions regarding leadership styles, property management effectiveness and the digitalization level of property management. The survey will be online. The survey is completed anonymously.

POSSIBLE BENEFITS:

Participating in the study is not expected to be of direct benefit to you, but the information you provide will help the researchers and practitioners in Property Management understand the impact of different leadership styles on property management effectiveness, especially with the introduction of digitalization in this industry.

POSSIBLE RISKS:

There are no anticipated risks with participating in this study.

Any possible risks will be reduced by the following actions: all email addresses collected will be destroyed after initial contact has been made. The participation in this research project is voluntary.

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The respondents may choose not to answer any question or discontinue the participation any time. The responses will be strictly confidential and anonymous . No identifiable information will be collected in the survey. Only the Leader Researcher and the co-researcher will have access to the completed surveys. All research data will be stored securely and confidentially behind redundant firewalls on a password server.

YOUR PARTICIPATION AS A RESEARCH SUBJECT:

Your participation in this study is voluntary and you may withdraw at any time. Refusal to participate or a decision to discontinue participation will not result in any penalty or loss of benefits to which you are entitled.

CONFIDENTIALITY:

Phone number will be collected just for the purpose of initial contact. Email addresses will be collected just for the purpose of recruitment and initial contact. The subject will access to the web survey via the link in the recruitment email. All phone and email information will be destroyed after initial contact has been made.

No identifiable information will be collected in the survey. Further, Survey Monkey platform allows the responses to be collected anonymously, by following the following steps: go to Collect Responses, click on Anonymous Responses and turn on. The platform also allows for the exclusion of email address, IP address, and custom data from the results of the survey, by turning on the features exclude all respondent information, and turning off the feature save IP address in results. The lead researcher and co-investigator will ensure these steps are taken prior to the survey link being sent out. No PII will identify the participant to the email and the participants are not asked to fill out their names or list the company they represent. The data will be stored online on Survey Monkey platform and in a password protected file. The data will not be shared with anyone else besides the study team. The data will be collected anonymously. and the results will be reported only in the aggregate.

The primary investigator will use laptop to do analysis. She has a secure password for the laptop. She will also use password protection software to store the data.

Publications and/or presentations that result from this study will not include subject identifiable information.

CONTACT FOR QUESTIONS:

If you have any questions regarding your participation, please feel free to contact the researcher, Monica Kristaly at mkristal@neiu.edu, the faculty advisor Qiumei (Jane) Xu q-xu@neiu.edu and we will gladly inform you. If you have any questions regarding your rights as a participant you can contact the Institutional Review Board at (773) 442-4674 or at IRB@neiu.edu.

PARTICIPANT'S CONSENT:

If you would like to participate, please read the statement below and sign the consent form.

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NORTHEASTERN ILLINOIS UNIVERSITY

MAR 1 2020

I have read the above information about the study and have been able to express questions and concerns, which have been satisfactorily responded to by the research investigator. I believe I understand the study .

Signature (Participant or Legally Authorized Representative) _____ Date

PRINT NAME (Participant or Legally Authorized Representative) _____ Date

Signature (Investigator or Person Obtaining Consent) _____ Date

PRINT NAME (Investigator or Person Obtaining Consent) _____ Date

THIS RESEARCH PROJECT/STUDY HAS BEEN REVIEWED BY NEIU'S REVIEW BOARD FOR THE PROTECTION OF HUMAN PARTICIPANTS.

Questionnaire

MAR 01 2020

Section 1:

Please provide information about the property under your management:

- 1) What is the property ratio of units won vs. unit loss__ %
- 2) What is the occupancy rate overall in within your properties__ %
- 3) What is the current tenant retention rate_%
- 4) What is the average days-to-lease an apartment at any given time of the year
- 5) What are the property management fees_%
- 6) What is the net income yearly growth__%
- 7) What is your firm's revenue growth__%

Compared to the industry average, please rate the costs of the property under your management:

	Low	Low-Average	Average	Average-High	High
8) Rent-ready costs					
9) Tenant acquisition costs (including software costs, commission, and marketing expenses)					
10) Repairs and maintenance costs					

Section 2:

Current and emerging technologies for property manager:

Does your property have a website: Yes__ No__

If Yes,

	Disagree	Somewhat Disagree	Not Sure	Somewhat Agree	Agree
11) Is your current website user-friendly and interesting?					
12) Is your current website clear?					
13) Is your current website attractive?					

	Low	Low- Average	Average	Average -High	High
14) Usage of online application, application fee payment, and lease signing					
15) The use of cloud usage (compared to in office files) is:					

	Choosing not to use	Not supported by our platform	Will use in future if time permits	Using at selected properties	Using across the board
16) Prospects could use an online appointment booking tool					

	Yardi Voyager	Buildium	Appfolio	Avail	Other	None
17) Which tenant platforms for rent payment and maintenance requests are you currently using?						

Are you currently using account software for:

	No	Will use in future if time permits	Using at selected properties	Using across the board
18) Tenants' ledger				
19) Clients and Vendor ledgers				
20) Financial statements per building or group of buildings				
21) Integrated system for internal operations such as				

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 Era
 Qiumei, Xu

Property Management in the Di i **0 1 LULU**

Yardi. or Buildium				
22) Integrated marketing system Rent Cafe, or AooFolio				

23) Are you using an application for phones and tablets for tenants' platforms?

Yes No

Section 3:

The following sections will ask about your opinions about your leadership style. Please decide how well each of the statements characterizes you:

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree
24) Concretize a clear vision for the organization's future					
25) Communicate my vision of the organization's future					
26) Make a continuous effort to generate enthusiasm for the organization's vision					
27) Have a clear sense of where I believe our organization should be in 5 years					
28) Seek to make employees accept common goals for the organization					
29) Strive to get the organization to work together in the direction of the vision					
30) Strive to clarify for the employees how they can contribute to achieve the organization's goals					

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree
31) Reward the employees' performance when they live up to my requirements					
32) Reward the employees' dependent on how well they perform their jobs					
33) Point out what employees will receive if they do what is required					
34) Let employees' effort determine received rewards					

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree
35) Give individual employees positive feedback when they perform well					
36) Actively show my appreciation of employees who do their jobs better than expected					
37) Generally, do not acknowledge individual employees' even though they perform as required					
38) Personally compliment employees when they do outstanding work					

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree
39) Give negative consequences to the employees if they perform worse than their colleagues					
40) Make sure that it has consequences for the employees if they do not consistently perform as required					
41) Take steps to deal with poor performers who do not improve					
42) Give negative consequences to my employees if they do not perform as I require					

Section 4:

Please answer the following demographic questions:

43) Age			
44) Gender	<table border="1"> <tr> <td>Male</td> <td>Female</td> </tr> </table>	Male	Female
Male	Female		

	College	University	Masters	Doctorate PhD	Professional Licenses only
45) What is your education level					

	Caucasian	Hispanic/Latino	African-America	Asian	Other
46) What is your ethnicity					

	Manager	Senior Manager	Executive	Chief
47) What is your hierarchical level in the company				

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Property Management in the Digital

Thank you for your participation!

APPROVED BY NEIU
HUMAN SUBJECTS COMMITTEE

MARO 1 2020

