Mediating Effect of HRM Practices between Service Quality and Customer Satisfaction in the Real Estate Industry in Metro Manila, Philippines: A Literature Review

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Originality: 100% • Grammarly: 98% • Plagiarism: 0%

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ABSTRACT

Human resource management (HRM) practices have been highlighted as essential for boosting organizational efficiency and keeping a competitive edge. A company’s human resource management (HRM) division is crucial in raising customer and employee satisfaction levels with its services. Studies have shown that human resource management practices simultaneously impact service
quality and customer satisfaction. Customer service excellence is also essential in evaluating client happiness. This literature review seeks to understand how clients view service quality, what factors affect customer satisfaction, and how human resource management practices mediate these effects. The sources and references came from research databases such as Google Scholar, the Open Access Directory Journals, and other websites. The review findings suggest that service quality aspects impacting customer satisfaction are crucial. It provides evidence supporting this conclusion by showing that service quality positively affects customer satisfaction. Finally, effective HRM practices significantly impact service quality and customer satisfaction. Service quality, a multifaceted idea, is crucial in determining customer satisfaction. The five dimensions of the Service Quality paradigm provide a comprehensive framework for defining and enhancing service quality, particularly in the real estate sector. Customer loyalty and satisfaction can rise by offering exceptional service in the five areas mentioned above. Businesses may boost customer loyalty and happiness by providing high-quality service in these five areas. Companies that offer excellent service and a positive customer experience are likelier to keep their current clients and attract new ones.

**Keywords** — Social Science, human resource management practices, service quality, customer satisfaction, literature review, Philippines

**INTRODUCTION**

The real estate industry is considered one of the most successful businesses in the construction world (Jackson, 2020) and is becoming borderless over time is still moving within the socio-political context of each country and with its relation to other countries as well (Yan & Ngolob, 2020). This industry encompasses a broad spectrum of property-related endeavors such as commercial, residential, agricultural, and industrial real estate development, leasing, appraisal, marketing, and management. This sector is widely spread worldwide, including the United States, United Kingdom, Canada, India, Pakistan, Africa, and New Zealand (Jackson, 2020). According to Sanita & Mutuku (2017), Asian countries have keenly interested in the European real estate industry. Chinese developers and investors have witnessed how this industry supports and promotes real estate projects as the ideal business with higher returns and robust growth. Real estate services are nearly spreading throughout the world. It is expanding
globally to compete in a single market in the country. The real estate business has evolved into an important economic engine in the Philippines, accounting for approximately 529 billion pesos in gross value added in 2021 (Real estate industry in the Philippines, 2023). The growing middle-class population and consistent remittances from overseas Filipino workers (OFWs), according to the Real estate industry in the Philippines (2023), have also increased Filipinos’ purchasing and investment power in real estate assets recently.

Maintaining a competitive advantage necessitates delivering superior services (Omar, 2020). To achieve competitiveness and consumer value, the industry must pay close attention to service quality, and service quality must be consistently delivered for customer satisfaction and business sustainability (Famiyeh et al., 2018). In addition, to survive and remain competitive, businesses must also acquire, develop, and manage world-class HRM practices (Al Shaikhly, 2017).

HRM practices are critical for firms achieving long-term success in competitive and dynamic markets (Du Plessis et al., 2015) and are viewed as management tools that contribute to an organization’s success (Ashton, 2018; Wu et al., 2021). Studies have linked human resource management (HRM) practices to service quality and customer satisfaction (Shola et al., 2017; Najam et al., 2020; Al-Tit, 2015; Khadka et al., 2017; Papademetriou et al., 2022).

The sense of fulfillment a customer receives from a product or service may lead every business to create loyal customers (Khadka et al., 2017; Dinh, 2021; Chattopadhyay, 2019). If customer satisfaction is high, business performance will also improve (Tarigan et al., 2019; Zakari et al., 2021; Eklof et al., 2020). As a result, all businesses should focus on it because it is an essential element of a successful business strategy (Ibojo et al., 2015; Khadka et al., 2017; Zhu et al., 2022). Various tools have been used to check customer satisfaction. One of these tools is maintaining high-quality service to achieve customer satisfaction. Customers are more satisfied when empathy, assurance, reliability, responsiveness, and tangibles are present (Zhu et al., 2021; Chatterjee et al., 2022; Karim, 2020; Bhuian, 2020; Zygiaris et al., 2022).

HRM practices have also been proven to affect service quality and customer satisfaction. Researchers found that employee well-being influences the degree to which HRM practices influence customer satisfaction (Suryani et al., 2018; Najam et al., 2020; Papademetriou et al., 2022). In addition, research demonstrated that HRM practices directly impact overall service quality, consumer retention, and revenue (Khassawneh et al., 2021; Elrehail et al., 2019; Hussein et al., 2023; Papademetriou et al., 2022). It has also been found that high service quality
delivery was contributed by HRM practices (Khassawneh et al., 2021), which has a direct influence on total service quality in terms of risk reduction to customers, customer retention, overall profit, productivity, and customer base (Shola et al., 2017).

Most of these alleged relationships, particularly in the Philippines’ real estate market, remain to be demonstrated in a more general context. In the Philippines context, many studies relate HRM practices and customer satisfaction banking industry, healthcare, and hospitality industry (Simbre, 2019; Lacap & Alfonso, 2022; Tayco, 2022). According to the results of these studies, the degree to which customers are satisfied is directly proportional to the quality of the service offered and the HRM practices implemented.

The gaps mentioned above in evaluating HRM practices, customer satisfaction, and service quality, primarily in the Philippine real estate market, prompted the researcher to dig more into the combination of the three variables. As a result, this study investigates the mediating effect of HRM practices on service quality and customer satisfaction in the real estate industry in Metro Manila, Philippines, specifically in Mall of Asia, Pasay City. This research output will add to the existing literature on customer satisfaction by integrating human resource practices and service quality. Knowledge of these integrated relationships would provide new theoretical insight into how HRM practices could significantly impact customer satisfaction in the real estate industry.

**OBJECTIVES OF THE STUDY**

The objective of this study is to measure the mediating effect of HRM practices between service quality and customer satisfaction, with a focus on the real estate industry, so that Filipino organizations can leverage their HR departments through HRM practices and meet or exceed international standards in order to become not only relevant but also competitive in their service niche.

**METHODOLOGY**

The literature review describes, summarizes, and critically evaluates the research problems under consideration in this study. The references and sources are scholarly books and articles that provide an overview of the topics covered by the numerous research fields. A literature review is structured and incorporates summary and analysis, often within specific conceptual categories. A summary is
a statement of the source’s essential elements. On the other hand, a synthesis is a reorganization or reshuffling of this information to inform the investigation of a research problem (Fink, 2019; Knopf, 2006).

The researchers compiled and selected pertinent literature and studies to investigate the Mediating Effect of HRM practices between service quality and customer satisfaction in the Philippines’ Real Estate sector.

RESULTS AND DISCUSSION

Human Resource Management (HRM)

Bratton et al. (2021) define HRM as a formal structure of an organization responsible for the strategies, factors, decisions, principles, functions, activities, operations, practices, and methods related to the management of staff or people at work.

Organizational culture is one of the essential factors to consider during the recruitment & outsourcing of staff (Tolbert & Hall, 2015). Adjibolasoo (2017) states that HR departments should require mandatory orientation or training to develop or instill the company’s philosophies and ethos.

According to Barratt-Pugh and Bahn (2015), the simplest method for a business to overcome stiff competition is by implementing the proper HRM practices. Human resource management has undergone a significant transformation over time, with each organization selecting to design it within the context of the immediate business environment and the broader economy (Fleisher & Bensoussan, 2015). In this way, a service company’s practices significantly determine its future within the industry. (Chowhan et al., 2016) HR responsibilities range from planning, recruitment, and evaluating application documents to leave approval and work strategy. Once the desired group of employees has been acquired, training and development become helpful. There needs to be an assurance that the new hires will automatically adapt to the organization’s culture. Goldstein et al. (2017) insisted that HR must coordinate additional training to assist workers in acquiring the skills and knowledge needed to perform effectively within the organization.

HRM Practices

HR Flows

The success of an organization starts with hiring new employees (Board, 2017). It is a critical stage in ensuring service quality. Recruitment and selection,
as defined by Coller et al. (2018), is the process through which eligible candidates can contribute toward meeting their set goals are identified. The entire recruitment procedure calls for meticulous planning from the outset. Various factors, including production levels, budget constraints, technological advancements, unemployment rates, sales growth or decline, competition, and changes in legislation, influence an organization’s recruiting trends. Wan Norhayate and Laith Rajalah (2019) recent, as well as Hewagama et al. (2019), have shown that employee performance is significantly influenced by recruitment and selection.

Training and Development

According to Nimmo & Clapham (2016), development is the gradual learning process that prepares employees for more challenging roles. Each term can stand alone despite being treated as a single concept based on training and development practice.

Regardless of the kind of business, employee development and training are essential components of the HR function. On the other hand, work performance, which ultimately contributes to the growth of the business and enhances the organization’s performance, determines an employee’s worth. Accordingly, companies perceive the meaning of staff instruction. Budgeting for employee development, education, and training can only help the return on investment. If, then again, a company puts resources into special preparation connecting with the elements of that particular association, the gamble of representative turnover is enormously diminished (Eze, 2015). Eze (2015) attributed the cause of this incident to the employee commitment model. Regarding authoritative responsibility, Eze featured the benefits of standardizing and full-of-feeling responsibilities. His research also demonstrates the adverse effects of off-site training, particularly its impact on employee turnover.

Elkhwesky et al. (2019) concurred with the attestation that preparation and advancement further develop specialist execution and consumer loyalty. Training provides workers the necessary knowledge and abilities to function within a company’s procedures and standards (Elkhwesky et al., 2019).

Rewards and Incentives

Reward and incentive programs as HR practices entail recognizing enhanced employee performance. It aids in enhancing employee morale and participation in the organization’s operations. Depending on the circumstances, businesses frequently offer monetary and non-monetary rewards to employees. In the
service industry, customer and employee satisfaction are crucial (Lee et al., 2015).

Likewise, Gunawan and Amalia (2015) viewed that compensation has a limited effect on employee performance. Other forms of motivation, such as recognition, achievement, promotion, responsibility, and job suitability, have a more significant impact.

Performance is positively correlated with rewards and incentives. Furthermore, recognition positively affects employee satisfaction. Riemer et al. (2018) and Ashraf and Bandiera (2018) define recognition as a positive verbal message or appreciation of employees’ efforts. Additionally, Coccia (2019) asserted that individuals with a financial orientation would appreciate incentives, which could positively affect their performance. Gogia and Soni (2017) stressed the importance of aligning the rewards and incentives system with the organization’s goals.

**Employee Influence**

Front-line employees had significant contributions when it came to responsibilities are concerned. Kumar et al. (2019) studied dealing with employee influence and can execute the corporate system with the assistance of monitoring and motivating factors to drive them to success. The customary work relation has been developed through transforming personnel to human resource management. It helps the organization to quantify returns on the ventures selective to HRM offices and essential business requirements to hone its organizational vision and strategy.

**Work Systems**

It is noted by Kumar et al. (2019) that a high amount of job pressure and extended working hours make it less appealing. Administrators have numerous challenges in devising available resources to creatively address these issues without jeopardizing employees’ interests.

**Service Quality Concept**

Due to its importance to a company’s bottom line, service quality has attracted much attention; according to Ali et al. (2016) and Alemnh & Gebremichael (2018), it is now a crucial strategic component for setting products and services apart from those of the competition. Numerous studies have shown the value of quality service in increasing customer retention & loyalty, customer satisfaction, responsiveness to customer orders, market share, lower production costs, and
higher return of investment (Ali, 2016; Alemneh, 2018; Ojo & Majebi Enesi, 2018).

Researchers have proposed several significant definitions of service quality as the difference between client evaluations and expectations (Othman & Abdullah, 2016; Saleh et al., 2021).

The degree to which customers’ experiences differ from the services they receive during service delivery determines the quality of the service (Nguyen et al., 2018). Further, evaluating service quality is problematic because it depends on the service results and judgments made during delivery (Othman & Abdullah, 2016).

As indicated by Lai et al. (2016), participants in the service industry can comprehend their customers through service quality. Wang et al. (2016) state that businesses can meet customers’ expectations to maintain a cordial yet mutually beneficial business relationship when they better comprehend their needs.

Several studies have shown that human interactions between personnel and customers significantly impact how customers perceive the quality of the service. Tuntirattanasoontorn (2018) found that enhancing service quality is essential for the hotel industry’s growth. Similarly, Kasiri et al. (2017) discovered that standardization and customization of services to the consumer affect service quality. On the other hand, service quality, according to Jasinskas et al. (2016), facilitates enhanced word-of-mouth communication, enhancing customer-provider relationships.

Even more so in the modern context, where exceptional service delivery is the focal point, service quality continues to be the most critical factor in a company’s success. Customer satisfaction has been identified as the actual outcome of service quality (Bansal & Taylor, 2015; Kim et al., 2015; Hapsari et al., 2016).

**Dimensions of Service Quality**

Service quality has recently aroused considerable concern amongst experts. Anwar and Abd Zebari (2015) found that varying definitions of service quality result from clients’ linkages between their expectations and what they receive from the linked service provider. Numerous studies have investigated the service quality variables with the most significant influence on actual quality assessments in service encirclement. Anwar and Surarchith (2015) state that distinguishing evidence of service quality determinants is vital for monitoring, administering, and enhancing clients’ perceived service quality. Anwar (2016) developed five measures to evaluate service quality, three original and two combined: - Tangibles - Reliability - Responsiveness - Assurance - Empathy.
Numerous businesses have extensively researched service quality parameters (Neuhofer et al., 2015). It was discovered by Zygiaris et al. (2022) and Sanita (2019) service quality and customer satisfaction have a significant positive relationship. Zygiaris et al.’s study (2022) suggests that workshops must acknowledge the characteristics of service quality that influence client satisfaction. In order to achieve exceptional results, managers in the real estate industry, according to Sanita’s (2019) research, should ensure that service quality is ongoing and sustainable. To ensure customer satisfaction, employees must offer superior customer service. Service quality has been defined in terms of the following: tangibles, reliability, responsiveness, assurance, and empathy. Several authors have revised the definitions of these variables, and the relationships between the various aspects of service quality vary from service to service.

**Tangibles**

The tangible characteristics of the service significantly influence service quality perception (Zygiaris et al., 2022). These aspects of a service’s exterior design affect how satisfied customers are from the outside. This dimension describes the physical characteristics of buildings, staff, equipment, written documents, and staff. It comprises the business’s interiors, the design and condition of all facilities and equipment, the staff’s dress, the website’s layout, signage on properties, and advertisements. Businesses employ tangibles to communicate signal and image quality (Sanita, 2019).

Tangibles are the most significant to the customer of the other five factors. It gives clients, especially new ones, visual representations of the services they can use to gauge their quality. Indeed, even while specialist organizations ordinarily utilize effects to support their standing, make consistency, and impart quality to clients, only some organizations incorporate them while building an expansive help quality procedure (Anwar & Balcioglu, 2016).

**Reliability**

According to Anwar and Ghafoor (2017), a service provider’s reliability is defined as “doing it right the first time” and providing consistent, accurate service. This is important to consider for the customer. In detail, reliability means that the company keeps its promises about things like delivery, service, resolving problems, and price policy. According to Anwar and Climis (2017), clients prefer collaborating with businesses that meet their service commitments.

Reliability is consistently and precisely delivering service (Zygjaris et al., 2022; Al-Tit, 2015). This feature is essential because all clients prefer to do...
business with companies that fulfill their commitments, and this is typically expressed to the clientele of the company. It requires explicitly accurate billing, meticulous record-keeping, and prompt service delivery. According to the study by Al-Tit (2015), greater emphasis should be placed on reliability when allocating resources because of its impact on customer satisfaction.

**Responsiveness**

It is the institution’s adaptability to its capacity to provide prompt, high-quality service throughout the period (Zygiaris et al., 2022). This aspect focuses on responding immediately and carefully to consumer requests, inquiries, and complaints (Sanita, 2019). It is also about performing the promised service consistently and accurately (Yeheyes, 2018). Waiting times for all contacts between customers and service providers must be maintained to a minimum to achieve this (Nambisan et al., 2016). It is referred to as being responsive when a business informs its clients of the time it will take to respond to their inquiries or resolve issues. Most real estate firms worldwide have a critical role in designing policies, rules, and regulations for responding to customers’ needs, wants, problems, or requests. Customers typically evaluate a business’s responsiveness by determining how long it takes and how attentively it responds to their requests, inquiries, and problems. They can develop and prosper as a result of this. To improve the welfare of the organizations and the consumers, they must implement the required policies that permit flexible and effective ways of resolving customer complaints. In order to be sustainable, businesses must also offer appropriate, well-maintained mechanisms like platforms and systems. Increasing customer satisfaction and spreading positive word of mouth will help the brand become more recognizable outside the industry. Most realtors do not offer adequate responsorial mechanisms, and those that do are frequently unable to maintain them for an extended period. In this context, Nambisan (2016) defines responsiveness as four fundamental behaviors: giving consumers special attention, prompt service, actively wanting to serve visitors, and personnel availability. These variables help organizations improve their clients’ perceptions of the value of their offerings.

**Assurance**

Businesses develop trust and inspire confidence through assurance, which refers to staff members’ experience, courtesy, and ability to alter these techniques (Vu, 2021). Because of the inherent unpredictability, this factor is essential for high-risk services (Anwar & Abdullah, 2021). Businesses that deal with
money, securities, real estate, construction, legal concerns, or medical clinics, for example, need to radiate a high level of confidence for customers to have faith in their services. Because it may be beyond their capabilities to conduct a prior review, many clients will seek feedback from previous customers. Because one client’s contentment influences the next, it is critical to give high-quality service constantly.

Additionally, assurance assesses the staff’s proficiency, politeness, and capacity for eliciting confidence and trust (Wahjudi et al., 2018; Al-Tit, 2015).

**Empathy**

Empathy means understanding another person’s feelings and the desire to respond by offering services that meet their needs, as Min et al. (2015) stated. The firm’s personalized attention or caring to its clients (Wahjudi et al., 2018; Al-Tit, 2015) requires imagining oneself in the consumer’s shoes and anticipating their needs (Murray et al., 2019). Service providers must make customers feel valued and special (Bahadur et al., 2018), and the politeness and friendliness of the staff, their comprehension of the individual requirements of the client, their particular attention, and their willingness to explain the practices and procedures that need to be followed throughout the service delivery process all foster empathy (Murray et al., 2019).

**Service Quality and Customer Satisfaction**

Diverse studies are conducted in determining service quality – comprising five dimensions of service quality – and customer satisfaction relationship.

One of these studies is conducted by Zygiaris et al. (2022), who use the SERVQUAL framework to investigate service quality and its relationship with customer satisfaction. The study’s findings indicate that empathy, dependability, certainty, responsiveness, and tangibles positively affect consumer satisfaction. Furthermore, the results indicate that identifying the aspects of service quality that influence consumer satisfaction is essential. The study’s results indicate that customers want to pay less for higher service quality since they consider it a standard service expectation. To please customers, service quality is necessary. These results imply that service businesses can increase consumer happiness by enhancing service quality. According to the same study, responsiveness positively correlates to customer satisfaction. This result is contradicted by the study by Murray et al. (2019), which states that empathy is more critical in a high-service delivery context.
Al-Tit’s (2015) Jordanian research concurs with Zygiaris et al.’s (2022) examination of service quality, customer satisfaction, and customer retention. The findings indicate that service quality positively influences customer satisfaction. The findings affirmed that customer satisfaction mediates service quality and customer retention. Even though the study has a small sample size, it suggests that businesses ought to recognize the crucial role of high-quality service in retaining customers due to customer satisfaction. This study supports Murray et al.’s (2019) contention that empathy is a more critical factor in customer satisfaction. The simple regression analysis examining the relationship between service quality, customer retention, and satisfaction revealed that all service quality aspects influence customer satisfaction. Simultaneously, tangibles, responsiveness, and empathy substantially and positively affect consumer retention, while reliability and assurance do not affect customer retention.

The results of a study conducted by Bhuian (2020), which also sought to determine the relationship between customer satisfaction and service quality, indicate that service quality, customer satisfaction, and service quality are closely related. Reliability, followed by empathy, tangibles, and responsiveness, has the most significant influence on customer satisfaction, as determined by regression analysis, in contrast to the studies above, which assert that empathy and responsiveness influence customer satisfaction more. It was also discovered that assurance could have been more effective in determining customer satisfaction and that reliability significantly impacts customer satisfaction (Fida et al., 2020; Elvira & Shpetim, 2016; Qaiser Danish et al., 2018).

Another study examining customer satisfaction, loyalty, and after-sales service quality was conducted by Wahjud et al. (2018), who believe market competition necessitates outstanding after-sales service. The study confirms that customer satisfaction and loyalty were affected by after-sales service quality in middle-upper class landed housing to 170 homeowners from four housing complexes in Surabaya, Indonesia. The structural equation modeling (SEM) analysis revealed that after-sales service quality, customer satisfaction, and loyalty are positively correlated. After-sales service quality and loyalty have direct and indirect relationships.

Another study examined the relationship between Afro-Tsion Real Estate service quality and consumer satisfaction (Yeheyes, 2018). The data was collected through a questionnaire survey of 55 Afro-Tsion Real Estate respondents. Findings revealed that reliability, responsiveness, empathy, and tangibles significantly affect customer satisfaction, whereas assurance does not. In this study, tangibles affect customer satisfaction more than the other service quality dimensions. Moreover,
it was discovered that service quality is delivered through empathy and tangible product characteristics. However, service quality fell short of assurance and dependability expectations. The study identified potential causes of substandard service delivery and intervention strategies for improving service quality. For instance, results indicate that performance feedback and evaluation are necessary to improve service quality. Based on the determinants and perceptions of customer service quality, results indicate that customer satisfaction with the company’s service is a crucial indicator.

Sanita (2019) investigates service quality and customer satisfaction in real estate. She asserts that the more exposure they have had to various real estate setups and experiences, the more complicated their views toward choosing better real estate firms for services and administration. The study revealed a significant correlation between empathy, tangibility, and dependability but none between assurance and receptivity. Among the three, reliability affects satisfaction more. A further analysis using the coefficient of determination also shows that 73.5% of the variability in the level of customer satisfaction can be explained by variations in service responsiveness: reliability, assurance, tangibility, and empathy.

**HRM Practices and Service Quality**

An organization’s human resource management (HRM) department is crucial to improving the quality of its services and ultimately influencing employee and customer satisfaction (Wang et al., 2016) and is the lifeblood of the business (Ross, 2017).

Al-Refaie (2015), Ross (2017), Wang et al. (2016), and Lee et al. (2015) investigated human resource management’s (HRM) impact on the provision of exceptional service across all industries. Most researchers have found it advantageous to concentrate their studies on the hotel industry, a dominant player in the service sector that relies solely on service provision (Khassawneh, 2018).

The previously discussed HR practices into a framework for service quality in order to establish standards that facilitate the implementation of service quality were incorporated by Madera et al. (2017). They provided several recommendations for attaining service quality. Develop a quality-focused strategic plan that functions as a change agent to facilitate transforming the organizational environment into a quality culture. The second step is to convert the individual job description into a group one using malleable, broad team activity statements. Third, attract and select candidates with prior experience in
a quality-focused organization who are likely to learn the service quality system and interpersonal skills necessary to contribute to the team’s achievement of quality. Focus on leadership, supervision, and employee mentoring in quality management as you educate senior managers on service quality tools and collaboration, the fourth step. Create quality-related communications, including bulletins, announcements, and videos. Lastly, design performance evaluation and reward systems linked to quality growth and customer satisfaction. Construct questionnaires to assess employee participation and contentment with the quality management system. Focus on workplace safety and the physical environment to enhance the work environment. The most compelling transformation of HR practices is the foundation of service quality in employment. Additionally, the development of a quality culture through HR practices and the modification of various HR practices to facilitate the achievement of organizational objectives was proposed by Madera et al. (2017).

**Customer Satisfaction**

According to Khadka and Maharjan (2017), one of the essential business instruments is customer satisfaction. It is a consumer’s evaluation of their level of contentment about their decisions to purchase and use particular goods and services (Guido, 2015). It also represents the degree of satisfaction a customer derives from a product or service based on whether their needs are met (Dinh, 2021). Customer satisfaction can be measured using a customer satisfaction survey and ratings. These tools ask consumers how they feel about a customer support interaction, purchase, or overall customer experience on a five- or seven-point scale, with responses ranging from extremely dissatisfied to highly satisfied. The average results of customer surveys can reveal whether consumers have a favorable or unfavorable opinion of a particular product or service. These responses will give businesses an indication of their average level of customer satisfaction and an image of customer loyalty that predicts the likelihood of customer referrals.

Customer satisfaction is the essential component or primary metric for measuring the success of any organization in attracting and retaining consumers (Chattopadhyay, 2019). Therefore, each business should be concerned with what its clients want. In the twenty-first century, several enterprises are launching in order to compete with one another. In the current market, it will take a little while to surpass the competition and establish a stable customer base with a vast clientele if it provides excellent products or services at competitive costs.
Satisfaction strengthens the sense of quality and encourages repeat purchases. A successful business plan must include customer satisfaction, product repurchase, and loyalty (Khadka & Maharjan, 2017).

**HRM Practices, Service Quality, and Customer Satisfaction**

Numerous pieces of research have found that HRM practices have a direct correlation to service quality as well as levels of customer satisfaction.

Suryani (2018) examined how human resource management practices impact employee and customer happiness, considering that customer satisfaction is every organization’s ultimate goal. The study finds that human resource management techniques positively and considerably impact customer satisfaction. According to Papademetriou et al.’s study from 2022, customer satisfaction is influenced by service quality and human resource management methods. Further discussion of how human resource management practices significantly impact customer satisfaction is included in the same study. The results of a different study, which advocated assessing and enhancing human resource management procedures for workers’ well-being and client satisfaction, have further reinforced it (Najam et al., 2020).

With the growth of the service industries, academics, and business management are attempting to implement best practices in production and human resource management, two functional areas of businesses. That is why the services are a contentious topic regarding specialization in academic professions. Given the importance of direct public communication in the business, studying the relationship between HRM practices and customer satisfaction is vital.

Several other studies have examined the connection between service quality and human resource management practices, according to a study that conceptualizes HRM practices and their impact on service quality in service organizations, performance appraisal, training and development, teamwork, rewards, behavior, work-life quality, customer satisfaction, and job satisfaction all influence service quality (Jogarao & Krishna, 2018). However, a separate study on human resource management by Khassawneh & Mohammad (2021) states that it has a direct effect on service quality in terms of productivity, customer base, overall profit, customer retention, and risk reduction for customers.

**Research Hypotheses and Their Justification**

This section highlights the hypotheses and why the researcher arrived at the present study’s hypothesis.
Customer expectations are compared to service performance to determine service quality: good service quality leads to customer satisfaction, which increases the firm's profitability (Suciptawati et al., 2019). According to Zygiaris et al. (2022), identifying the service quality elements that influence customer satisfaction is critical. These findings imply that service businesses can improve service quality to increase customer satisfaction. Al-Tit (2015) supports this finding by demonstrating that service quality positively impacts customer satisfaction. Another study supports the initial findings by establishing a solid relationship between service quality and customer satisfaction. A comprehensive structural equation modeling (SEM) analysis was also performed, revealing a positive relationship between after-sales service quality and customer satisfaction (Wahjudi et al., 2018).

Yeheyes (2018) discovered that four service quality dimensions, reliability, responsiveness, empathy, and tangibles, significantly impact customer satisfaction in the real estate industry. Further analysis using the coefficient of determination by Sanita (2019) also shows that variations in service responsiveness can explain 73.5% of the variability in customer satisfaction: service reliability, assurance, service tangibility, and service empathy.

**H1: Service quality is directly related to customer satisfaction in the real estate industry.**

While it is hard to identify which profile of a customer is related to customer satisfaction, various research shows that there are indeed personal profiles directly related to customer satisfaction.

According to the study of Pei et al. (2020), gender significantly moderates the relationship between customer experience and satisfaction. Companies should develop a scientific and practical sales management system that considers the impact of various situations and genders on the relationship between experience and loyalty. Furthermore, a study by Kumar Gupta and Malhotra (2016) states that the demographics of consumers play an essential role in deciding the purchase of residential real estate. Finally, based on Mridha's (2020) research, a considerable correlation exists between age, gender, marital status, and residential satisfaction. Additional investigation found that, regarding total residential satisfaction, women were more content than men, senior respondents tended to be more satisfied than younger respondents, and the “Married” group was more confident than the “Single/Never married” group. Through these findings, the researcher hypothesizes that:
Ha2: Personal variables of respondents are significantly associated with customer satisfaction in the real estate industry.

Customer satisfaction is influenced by service quality, but HRM practices must also be considered.

Numerous studies have discovered that HRM practices impact service quality and are essential for improving job satisfaction and service quality (Habtoor et al., 2016). According to a different study, in an efficient HRM system, customer satisfaction mediates the relationship between service quality, employee satisfaction, and loyalty (Decha et al., 2020).

Evaluating and improving HRM practices is suggested by Najam (2020) to enhance customer satisfaction as according to research findings, HRM practices affect customer satisfaction (Papademetriou et al., 2022; Shola et al., 2017; Habtoor et al., 2016). Through these findings, the researcher hypothesizes that:

Ha3. HRM Practices mediate the relationship between service quality and customer satisfaction.

Synthesis of the Reviewed Literature and Studies

Numerous studies have demonstrated that customer happiness is influenced by service quality and human resource management methods. Real estate is one of the most customer-focused businesses, where the quality of services provided heavily influences customer happiness. The knowledge and experience of real estate agents, the responsiveness of the brokerage, the caliber of the properties being offered, and the overall customer experience are all components of service quality in the real estate sector. Performance evaluation, training and development, teamwork, rewards, behavior, work-life balance, customer satisfaction, and job satisfaction are all aspects of HRM that impact service quality and customer satisfaction.

CONCLUSION

In conclusion, effective HRM practices significantly impact service quality and customer satisfaction. Service quality, a multifaceted idea, is crucial in determining customer satisfaction. The five dimensions of the Service Quality paradigm provide a comprehensive framework for determining and enhancing service quality, particularly in the real estate sector. Customer loyalty and satisfaction can rise by offering exceptional service in the five areas mentioned.
above. Businesses may boost customer loyalty and happiness by offering high-quality service in these five areas. Businesses that offer excellent service and a positive customer experience are likelier to keep their current clients and attract new ones.

**LITERATURE CITED**


Blackwell Handbook of the Psychology of Recruitment, Selection and Employee Retention, 1-11.


