

Study on Honesty and the Development of Real Estate

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Abstract. Since the reform and opening up, China's real estate industry has changed rapidly and vigorously that promotes the development of national economy and improve people's living standard, and real estate industry becomes a new economic growth point and national economic pillar industry in our country. But because China stays in the period of planned economy for a long time, the credit consciousness and credit morality under market economy is not strong, no matter the government, business or individual consumers, in addition, currently there is no available credit management systems in China, relevant laws and regulations construction is lagging, real estate market supervision mechanism is not sound, the integrity crisis phenomenon of real estate enterprise is serious, and real estate enterprise's credit crisis has become one of the key problems which restrict the development of the real estate enterprises. Therefore, combining with the characteristics of real estate enterprises, this paper analyzes the factors that influence the real estate enterprises integrity using explanation structure model, and put forward some proposed countermeasures on how to build the honesty for our country's real estate enterprise.

Introduction

It is the era of knowledge and science and technology, especially information. In essence, information represents considerable operational costs in the cost structure. Furthermore, the information is, in fact, a kind of "glue" flow, all the activities and structures in the whole organization are bonded together again. Coordination of the whole process of enterprise operation, customer loyalty and employee loyalty all depends on a variety of information and relevant treatment. Along with the socialist market economic system being gradually established and its development, the integrity is more and more important for the healthy operation and development of market economy in China. The integrity level of the whole society is set up based on a basic economic organizations integrity level, that is, enterprise integrity. The real estate industry, in particular, its industrial correlation is high and has strong driving force, so it is the pillar industry of national economy, integrity construction is particularly important. In the backdrop that national enterprises generally lack integrity, famous brand has become an important indicator for urban residents to choose goods, and it is also an important factor in attracting customers increasingly for mature real estate enterprises. Therefore, this paper studies the great significance of the relationship between integrity and brand loyalty based on the real estate enterprises for case.

The Harm of Dishonesty for Real Estate Enterprises

Good credibility relationship of real estate enterprises has very important practical significance to our country's current economic development. Integrity problems have been increasingly serious for real estate enterprises that cause certain harm to the economic development. Not only real estate transaction costs and the real estate enterprises are affected due to lack of integrity and the national macro-control policies are hard to play their due effects.

The harm of real estate enterprise dishonesty is mainly manifested in the following aspects:

Real Estate Transaction Costs Is Greatly Increased. The most prominent feature of market economy is to realize the resource configuration by exchange, achieving mutual economic relations; therefore transaction becomes the basic movement of market economy. But the transaction must pay for the costs of transaction object, negotiation, signing and implementation. Contract signing and implementation of course should be based on a variety of commercial laws, but it is not enough.

Real Estate Enterprise Dishonesty will Reduce the Competitiveness of Real Estate Enterprise. Enterprise competitiveness is the ability that an enterprise develops the potential market or wins over rivals, occupies the market, and develops itself to adapt to the market. It is not only the management ability, but also the comprehensive ability that an enterprise integrating all kinds of scarce resources to gain a competitive edge in the market. An enterprise can expand the market, mainly depending on its competitiveness of the enterprise, and its competitiveness mainly comes from the credibility.

Real Estate Enterprise Dishonesty will Hinder the Formation of real Estate Enterprise Culture. Enterprise honesty and enterprise culture is complementary to each other, and they are unified and indivisible. If an enterprise loses honesty, it will have serious adverse influence on the formation of enterprise culture, and even make the original corporate culture have distortion, because the enterprise lack of credibility, and must have some missing in organizational structure, management policy, ethical culture and the centripetal force of employees, and the enterprise competitiveness is weak.

The Establishment of Real Estate Enterprises Credibility Index System

Explanation structure model is a qualitative system involving the structure components and their interdependence, mutual restriction in essence and the associated conditions. Explanation structure model can be used to understand the system and accurately grasp the complicated problem. It is the basis to establish mathematical model and perform quantitative analysis. The influencing factors of real estate enterprise credibility have certain level relationship, mainly including correlation and causality, making it systematic through the explanation structure model, therefore explain structure model is introduced to make real estate enterprises credibility influencing factors being systematic. According to the sort of reachable matrix, then a hierarchical structure model can be established, as shown in Fig. 1.

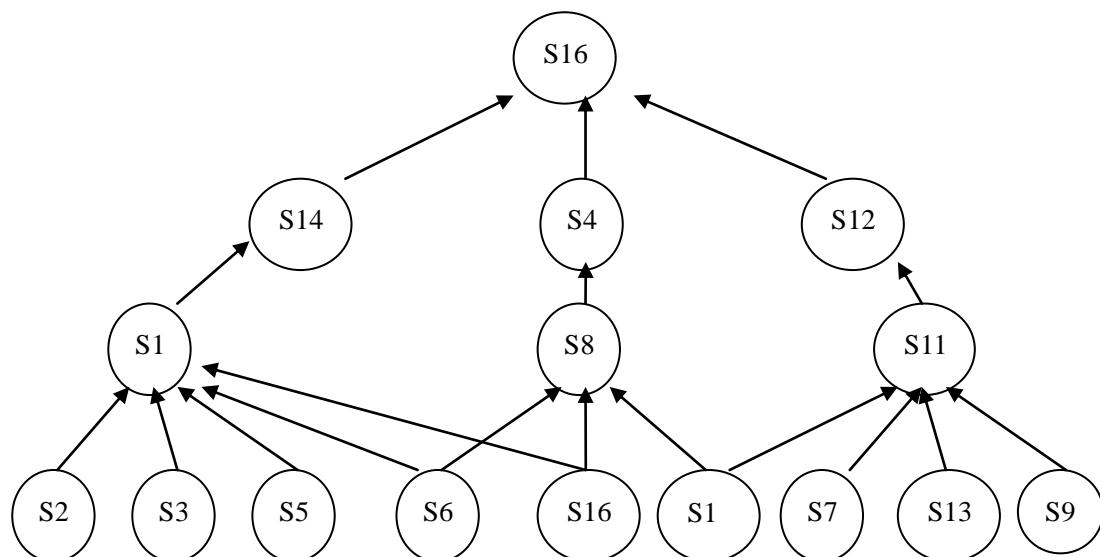


Figure 1. The hierarchical structural model of real estate enterprises credibility

Through the analysis of explanation structure model, the real estate enterprise credibility is a 4 levels hierarchical system. From the second and third level of factor analysis, the direct cause affecting the interests driver is the real estate enterprise managers, the direct factors that affect the real estate market credit system is the S8legal system, and the direct factors influencing the real estate enterprise's governance structure is the property right system S11. So when we set up the credibility index of real estate enterprises, the secondary factors can omitted, thus the real estate enterprise credibility index system is obtained, as shown in Fig. 2.

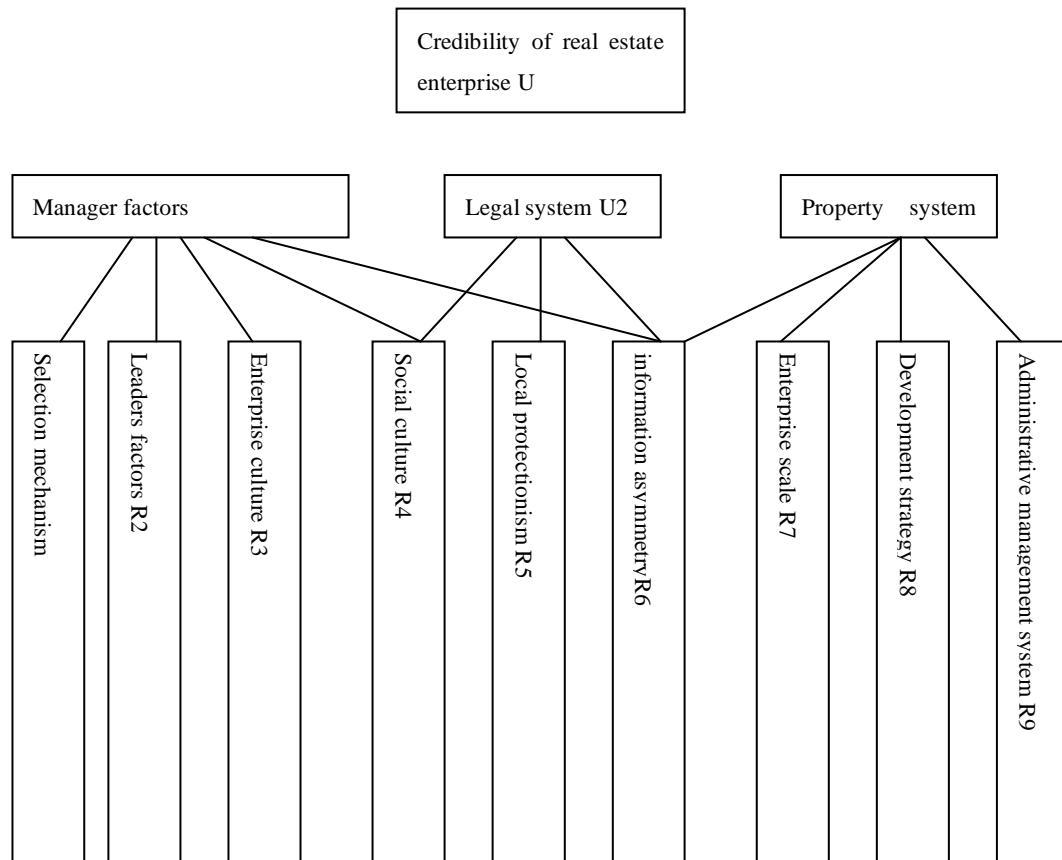


Figure 2. Credibility index system of real estate enterprises

Countermeasures and Suggestions to Improve the Credibility of Real Estate Enterprises

The direct factors influencing the real estate enterprise credibility is enterprise managers, legal system and property right system. The real estate enterprise's managers is direct decider of interest orientation, so their own character and quality directly affect the real estate enterprise honesty, and the perfect degree of legal system and property right system is the deep reason of enterprise credibility. Whether the real estate enterprise can improve their credibility depends largely on the results of these three factors and their interaction. Currently, credibility can be improved from two aspects: the micro level inside real estate enterprise macroscopic level outside the enterprise.

Internal Ways to Construct Real Estate Enterprise Credibility. Strengthen the real estate enterprise credibility consciousness training. Reputation is a powerful force, but also a kind of intangible wealth, As a boss, if he can win the trust of staff, they will naturally be more efficiency, and the consumer will trust the enterprise, then he can achieve the profits, peer trust, making the enterprise constantly grow.

(2) Strengthen the internal supervision of real estate enterprises credibility. To strengthen the internal supervision of real estate enterprise credibility, the following work of several aspects should provide the guarantee of internal supervision for real estate enterprise credibility construction.

Outer Ways to Construct the Enterprise Credibility. (1) Establish a clear property rights system. Property right is the carrier of trust and the basic premise to establish credibility, also the assurance that standardizes the system of main body credibility. Dishonesty of real estate enterprises can be summed up in this kind of behavior: only pursuing of immediate interests regardless even sacrifice in long term.

(2) Credibility is a moral issue and also a legal issue. This is caused by moral function defection, and the entire moral has its weakness, credibility has no exception. Credibility is the foundation of market economy, only the “credibility” environment can maintain the normal order of market effectively.

Conclusion

Credibility is not only an important lubricant of market economic system and it can reduce transaction costs and increase economic efficiency, but also the core competitiveness of enterprises. To grow into global excellent and successful enterprises, China's real estate enterprises must take credibility as the core values. Only taking credibility as the supreme, the real estate enterprises can have an impregnable position in the fierce international competition for one hundred years. But because our country has stayed in the period of planned economy for a long time, the government, businesses or individual consumers lack of credit awareness and credit morality under the market economy, combining with that the country has not established credit management system currently and relevant laws and regulations construction lags behind. The real estate market supervision mechanism is not sound, and the real estate enterprise credibility flaw phenomenon is serious that the credibility crisis has become one of the key problems which restrict the development of the real estate enterprises. In order to promote the sound development of real estate market, real estate enterprise credibility construction is the key and difficult problem faced by the current real estate enterprises, so how to build more scientific and reasonable index system of credibility and carry on comprehensive evaluation of credibility has very important practical significance.

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