

THE ORGANIZATION BEHAVIOR COMPONENT OF FACILITIES MANAGEMENT – BECOMING PART OF THE BUSINESS PROCESS

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Abstract

This paper discusses the results of a 2002 survey developed by Sheldon Goldstine for the International Society of Facilities Executives (ISFE) for distribution to its membership. The research focused on the importance of the Facility Function and the need to expand the role of Facility Management within a company infrastructure, by improving overall organization participation and communication in both short- and long-term facility-planning processes.

The questionnaire was distributed and managed electronically through ISFE's web site. The respondents represented a broad range of industries, with the majority being in the design, construction and real estate management sectors. Analysis of the survey indicates a need to improve communication between various departments, outsourced providers and the Facility Function. It appears that formalizing communication and responsibility relationships would improve the quality and quantity of exchanged information and the probability that individual department and corporate expectations would be met or exceeded.

As corporate and institutional strategic programs evolve to better utilize real estate in relation to organizational and strategic business goals, executive management appears to be becoming more aware of the value-added benefits derived from including real estate functions as part of an organization's business process.

Keywords: Information; perception; process; future benefits

INTRODUCTION

Corporations, institutions and government agencies are developing and implementing a variety of strategic business programs to improve real estate utilization. They have been responding to internal real estate needs and to the many changes occurring in the delivery of design, construction and real estate services. Design/build, out-tasking and outsourcing real estate functions have become commonplace.

As corporate and institutional strategic programs evolve to better utilize real estate in relation to organization and strategic business goals, executive management is becoming more aware of the need to improve communication between executive management and real estate staff. In order to increase the probability that real estate staff would receive required comprehensive short- and long-range facility planning information that is sensitive to corporate goals and strategic plans, executive management, including department leaders, would need to become involved early, during the building design and space planning process.

Implementing participative organizational concepts similar to those utilized to improve managerial functions would also likely lead to improved real estate functions. The process is complex since it will likely involve many internal department personnel as well as out-tasked and outsourced professionals. The key is to start early and to share critical information that will affect long-term facility utilization.

We anticipate that the effect would be to encourage facility designs that are more consistent with and adaptive to an organization's short- and long-term goals and strategic business plans... resulting in building designs that are more conducive to organizational change in terms of construction cost and time required to adjust to anticipated changing market and/or institutional

demand, i.e., real estate utilization programs that lead to more cost-effective operation of facilities and improved productivity from the employees who work in them.

Comparative theoretical analysis

Business and Industry has relied upon management theorists including Frederick Winslow Taylor, who formalized the principles of scientific management; Frank and Lillian Gilbreth, who developed theories on human motivation and studies on motion to improve productivity; and George Elton Mayo, famous for his Hawthorne Experiments, conducted at the Hawthorne Works of the Western Electric Company that concerned human relations and motivation theory. Mayo's research and writings on motivation, participatory management and team building influenced the development of the human relations school of management.

Abraham H. Maslow's investigations into human behavior led to his hierarchy of needs. Douglas McGregor developed two motivation models called Theory X and Y, concerning the behavior of people at work. Rensis Likert researched organization profitability, labor relations, and the use of human assets vis-à-vis management styles and systems. Frederick Herzberg contributed to organization behavior thinking through his theories on hygiene and motivation. David C. McClelland's work has provided insight into workers' need and motivation for achievement. Chris Argyris compared bureaucratic (Theory X) type organizations to humanistic (participative Theory Y) organizations with emphasis on bureaucratic values that still dominate most organizations and their impact on organizational problems.

Scientific management and participative organizational behavior theories utilized to improve employee productivity and organization performance have not been effectively applied to facility management functions in organizations vis-à-vis building design and short- and long-term building utilization.

Including real estate functions as part of an organization's "business process" and employing participative management concepts similar to those utilized to improve managerial functions could also improve real estate functions. The process would be complex since it will likely involve many internal department personnel as well as outsourced professionals, all of whom would be influenced by executive management's acceptance and promulgation of employing scientific and participative management concepts to building utilization and design.

METHODS AND TECHNIQUES

The research focused on the importance of the Facility Function and the need to expand the role of Facility Management (FM) within a company infrastructure, by improving overall organization participation and communication in both the short- and long-term facility planning processes, i.e., improving the quality and quantity of information provided to the Facility Function and outsourced consultants. We received 54 responses, approximately 20 percent of the ISFE membership. The research we completed in cooperation with the ISFE was referenced in the lead editorial in the October 2002 issue of Buildings. The study per se helps to understand the need to improve communication; however, it can also add to the body of knowledge leading to further research on improving the sustainability of buildings and their ability to better serve the short- and long-term needs of the people and equipment they house.

Our research was generally based upon "push" technology where the ISFE membership was notified by e-mail on several occasions about the intent of our survey and its location on the ISFE web site. The survey included general industry, job description, out-tasked and outsourced services and communication-related questions; these were generally scaled by yes, no and level-of-importance response options. The generalizations derived from the study indicate a need to improve the quality and quantity of information shared between the Facility Function and other organization departments; further, the study indicates a need to motivate executive management to become more involved in the facility planning process and to accept and promulgate scientific management organization behavior programs in order to more effectively plan facilities for their short- and long-term needs. The theoretical generalization concerns similar issues focused on effective communication and employing proven organizational theory concepts to the building design and space planning processes. The research, at this stage, did not include a pull review, i.e., where survey participants could select their own information sources.

Comparative research and literature

Danny Sheim-Shin Then's "Integration of facilities provision and facilities support service provision – A management process model," included in the proceedings of the CIB W70 2002 Global Symposium, discusses a need to bring "...alignment between business strategic direction, organizational structure, work processes and the enabling physical environment; the organization's strategic intent must clearly reflect the facilities dimensions in its strategic business plans."

In 1999, the International Facility Management Association (IFMA) completed a study, "Outlook on Outsourcing – Research Report #20," to identify how its members manage outsourcing within their organizations. Approximately 4,000 members were randomly contacted, resulting in 539 responses (approximately 15 percent). The IFMA outsourcing survey results indicated that out-tasking (i.e., hiring of individual, specialized vendors – architectural design, interior design, housekeeping, food services, etc.) was employed by approximately 85 percent of the respondents, while 12 percent outsourced to full-service, single-source vendors to provide packaged services. IFMA reported that 3 percent of the respondents internally manage all facility management services.

Comparing the 1999 IFMA outsourcing survey to a similar IFMA survey conducted in 1993 (referred to in the 1999 IFMA outsourcing survey) generally indicates that more facility managers are out-tasking major moves, architectural design, furniture maintenance, construction management and utilities maintenance. It has become common for an organization's executive management to encourage out-tasking and outsourcing of real estate services. Full-service real estate service provider vendors have been successfully demonstrating efficiency and offering cost-saving programs. Cost savings from out-tasking design, housekeeping, food services, grounds maintenance, etc., can also be measured as an accounting function.

In 1996, IFMA retained Gelb Consulting Group, Inc. to conduct a survey of senior managers concerning their attitudes and expectations of the facility management function. The study, "Views from the Top... Executives Evaluate the Facility Management Function," included an initial sample of 3,663 IFMA members, which was later reduced to a final sample of 626 members. Approximately 40 percent (252 responses) of the final sample returned questionnaires.

Executive respondents were concerned about reducing costs, increasing productivity and aiding competitiveness. "However, 60% think of their facilities as a cost of doing business or a resource that enables the organization to function." Other concerns deemed important include sound financial management, successful project accomplishment, accurate and timely information concerning costs, having direct communication between executive management and facility managers ("but not in boardroom meetings"), and more facility manager proactive suggestions concerning equipment, procedures, needs assessments and long-range planning.

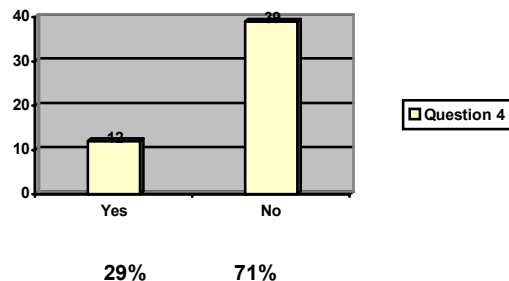
In general, the IFMA Views from the Top survey indicates that there appears to be an acceptance that facility management is in a period of evolution. "In the future, about half of all facility management departments will consist of a small core staff that relies on contract workers and vendors to meet the majority of facility management needs." The question remains about how an organization's core facility management staff will maximize their contributions by becoming more aware of short- and long-term goals and strategic business plans to more effectively respond to changing needs based on shorted business cycles and market demand.

Dan Brathal and Mark Langemo in their 2004 book, *High-Performance Facilities Management – A guide for Total Workplace Design and Management*, state in Chapter 3, *Engaging Senior Management in Facilities Management Endeavors*, "If senior management decides to make something a high priority it gets approved, funded, staffed, and accomplished! If senior management doesn't seem to care, progress will be difficult!" Brathal and Langemo go on to say, "Strategic plans for facilities management need to be carefully developed and correlated with overall strategic plans, goals, and objectives of entire organizations." Their book cites examples from companies including 3M where facility managers need the support and input from their organization's in-house staff and leadership in addition to out-tasked and outsourced service providers.

SURVEY RESULTS AND DISCUSSION

The survey respondents represent a broad range of industries, with the majority being in the design, construction and real estate management sectors. Several questions are presented below and/or discussed, with the full questionnaire being available for reference and review.

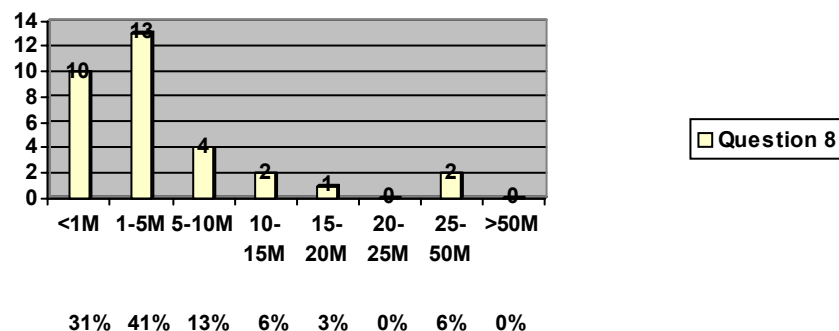
Question 4. Are you an outsourced real estate services provider serving one (or more) organization(s)?



Twenty-nine percent of the respondents reported that they are outsourced real estate service providers, serving one or more organizations. The majority of the outsourced responses were generally divided equally among Operations and Maintenance, Strategic Planning, Facility Programming, Architectural, Engineering, Facility Design, Program Management, Project Management, and Construction Management. Least represented were Real Estate Brokers and Building Contractors.

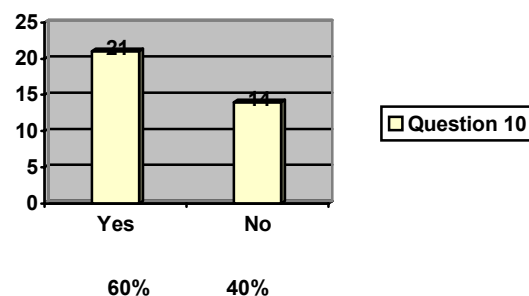
Question 5. Number of facilities managed: Total facilities managed, all responses: 4,896

Question 8. Total square feet of all facilities managed:



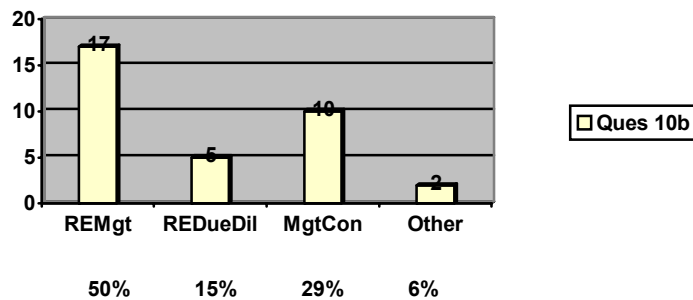
The total number of facilities managed by in-house FM respondents was 4,896, with 31% managing less than 1M sf; 41%, 1-5M sf; 13%, 5-10M sf; 6%, 10-15M sf; 3%, 15-20M sf; 0%, 20-25M sf, and 6%, 25-50M sf. Forty-nine percent of the in-house FM respondents reported that they manage facilities totally with in-house staff.

Question 10. Do you manage your real estate in-house with some assistance by outsourced real estate management services consultants?



If the answer to Question 10 is YES, please select the kinds of outsourced consultants from the following list: Real Estate Management Firms; Real Estate Due Diligence Firms; Management Consultant Firms.

- Other (please describe below):

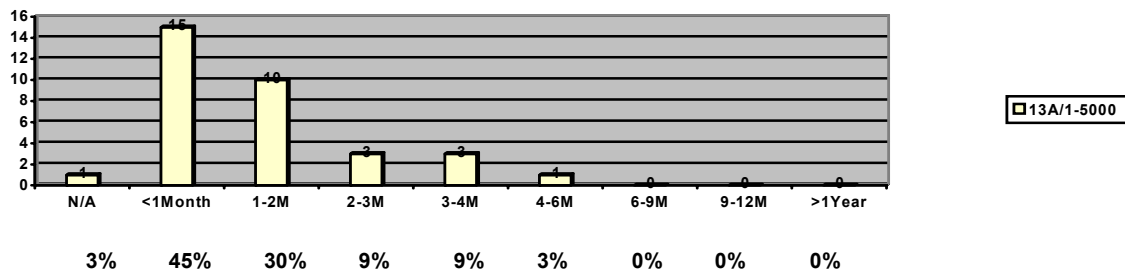


Other 2 Selections: Broker Contacts and Brokerage

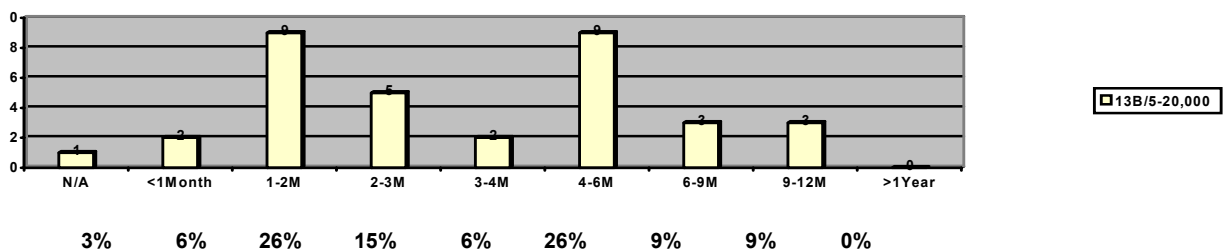
In-house FM respondents who reported that they manage real estate with some assistance by outsourced consultants gave the following responses: 50% utilize Real Estate Management Firms; 15%, Real Estate Due Diligence Firms; 29%, Management Consultant Firms, and 6%, Broker Contacts and Brokerage.

Question 13. How much lead-time do you typically receive concerning space reconfiguration within existing facilities?

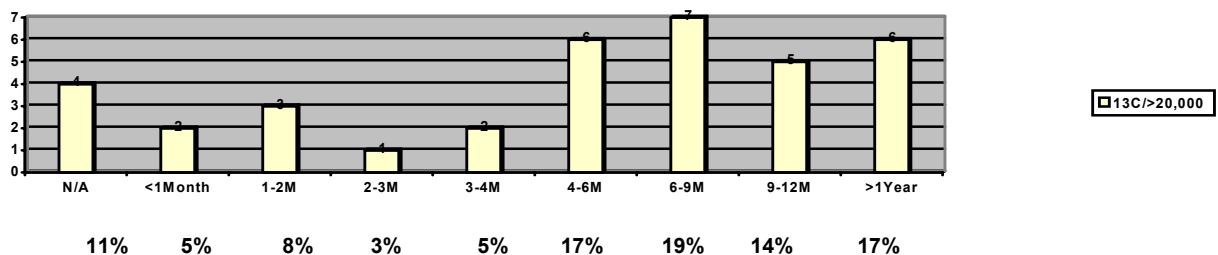
- For projects 1,000 - 5,000 Square Feet (SF):



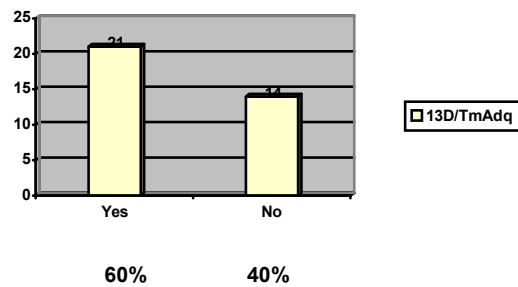
- For projects 5,000 - 20,000 SF:



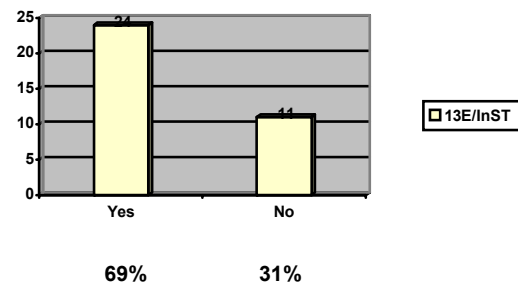
- For projects greater than 20,000 SF:



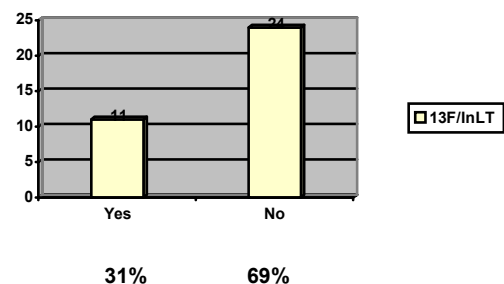
- Do you feel that the time allotted is adequate?



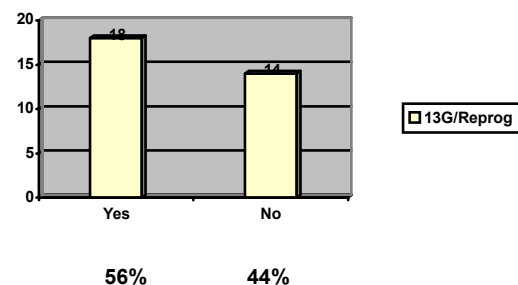
- Do you feel that you received adequate input from in-house departmental staff to meet short-term (one-year) space planning needs?



- Do you feel that you received adequate input from in-house departmental staff to meet long-term (three- to five-year) space planning needs?



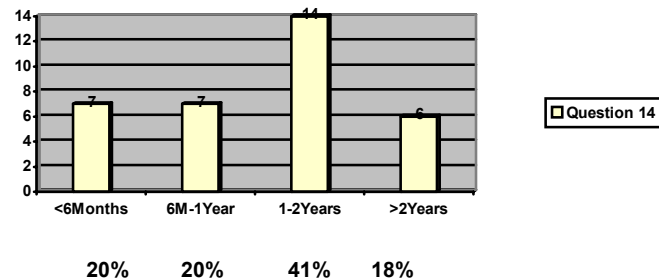
- After construction completion and occupancy, do you typically need to re-program design plans to implement major space reconfigurations to meet long-term (three- to five-year) space planning needs?



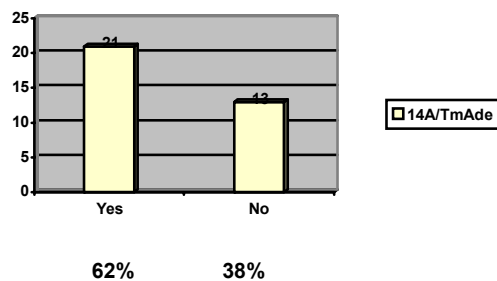
Thirty-seven percent of the in-house FM respondents reported that lead-times were not adequate for either small- or large-space reconfigurations within existing facilities. When in-house FM was asked about receiving input from other in-house departmental staff, 31% of the FM respondents indicated that input received was not adequate to meet short-term (one-year) or long-term (three- to five-year) space planning needs. Therefore, it was not unexpected that 51% of the in-house FM respondents reported that after construction completion and occupancy, they typically need

to design and implement major space reconfigurations to meet long-term occupancy needs and expectations.

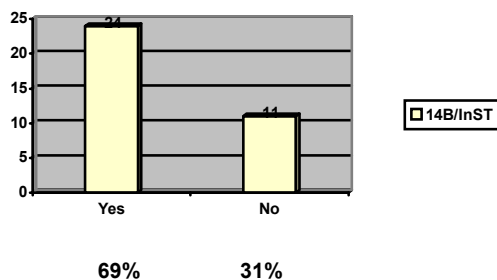
Question 14. How much lead-time do you typically receive concerning planning for new facilities or major building additions?



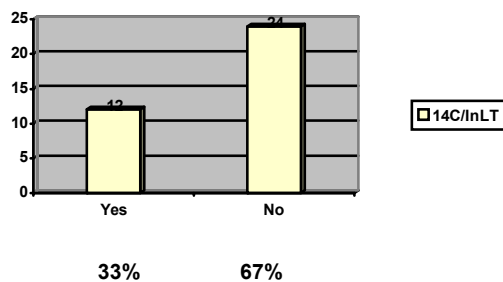
- Do you feel that the time allotted is usually adequate?



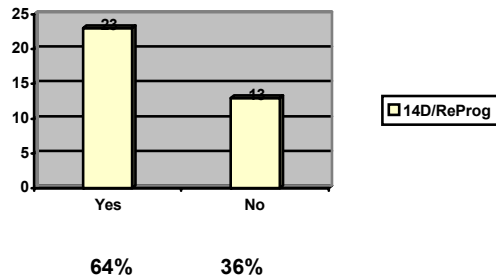
- Do you feel that you received adequate input from in-house departmental staff to meet short-term (one-year) space planning needs?



- Do you feel that you received adequate input from in-house departmental staff to meet long-term (three- to five-year) space planning needs?



- After construction completion and occupancy, do you typically need to reprogram design plans to implement major space reconfiguration to meet long-term (three- to five-year) space planning needs?



In-house FM responses to questions concerning lead-times for planning new facilities or major building additions were generally similar to responses regarding reconfigurations within existing facilities, except that 67% reported that they do not receive input from in-house departmental staff that is adequate for assessing long-term space planning requirements.

When asked to rank communication relationships vis-à-vis their importance in programming new facilities or major additions, in-house FM respondents by and large ranked Executive Management and Departmental Staff input as Very Important to Somewhat Important. Communications involving Legal Departmental Staff, Outsourced Real Estate Consultants, Architectural/Engineering Design Team, Construction Manager, General Contractor and the Mechanical and Electrical Contractor were ranked as Very Important to Neutral. None was ranked as Somewhat Unimportant or Very Unimportant.

Furthermore, when in-house FM was asked to rank the importance of various procedures in improving facility planning and communication processes -- obtaining more timely information, obtaining more complete information, obtaining more Executive Management Staff and/or Department Management Staff input in the facility programming and planning process, and improving existing in-house channels of communication -- responses ranged mostly from Very Important to Neutral.

Executive Management Issues

Issues affecting executive management acceptance and promulgation of proven scientific management and participative organizational behavior theories with regard to facility utilization and design, include the following:

- Historically, corporations and institutions have viewed buildings as a cost of doing business to house machinery and employees for the production of goods and services.
- Management tools have not been developed that could measure the effect of applying organization behavior theories to facility planning and design vis-à-vis employee productivity, organization performance and facility utilization. Part of this issue concerns the fact that benefits that could be derived from comprehensive and time-consuming facility planning efforts would not be realized until a future need or sets of needs would arise.
- Executive management and department leaders are not aware of the benefits that could be derived from sharing vital company information with facility management functions that could significantly and dramatically affect employee productivity and organization performance vis-à-vis organization goals and short- and long-term strategic business plans.
- Facility managers are not aware of the benefits that could be derived from sharing vital company information with facility management functions that could significantly and dramatically affect productivity and the organization and short- and long-term strategic business plans.
- Incentives are not in place that would influence executive management, department leaders and facility managers to collaborate and share information that would benefit an organization.

CONCLUSIONS

Analysis of the survey indicates a need to improve communication between an organization's in-house departments and outsourced providers with the Facility Function. The survey suggests that current business practices in general do not consider real estate functions to be as important as other significant business functions such as marketing and finance vis-à-vis strategic business planning. However, in order for business functions to work more efficiently, effectively, and more in concert with each other, building programming, space planning and real estate functions need to be thoroughly considered based on their individuality and relationships throughout some time frame into the future. In addition, real estate should be planned and designed to efficiently and effectively adapt to changes in an organization's strategic business plans.

Including real estate functions as part of an organization's "business process" requires more involvement by in-house facility function personnel as well as outsourced professionals. Providing more complete and accurate information will allow in-house real estate personnel to better assist Architects and other real estate professionals in developing better real estate programs, leading to improved real estate utilization and productivity. This is an organizational change/management issue that will require executive management review, acceptance and policy directives.

Executive management needs to be enlightened to the short- and long-term benefits of encouraging the Facility Function to become more involved, aware and empowered to act on meeting short- and long-term company goals and strategic business plans. Comprehensive information needs to be gathered, analyzed and applied to achieve on-target design and planning results.

ACKNOWLEDGEMENTS

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