

## Barriers to the operation of the facilities management: property management interface

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### Abstract

Facilities management (FM) is often seen as the management of cost-efficiency rather than as a method of achieving the multi-dimensional enhancement of business competitiveness. If the role of FM is to be recognised for the literally facilitating strategic mechanism that it represents, organisational structures must be constructed in an enabling rather than a disabling form. This paper argues that existing organisational structures tend to repress the need for the integration of the functional and strategic dimensions of FM, through the practice of physically separating responsibilities for the various aspects of supporting the business operation, and this is compounded by the general failure of management to look at property issues broadly. The paper proposes the existence of barriers to the operation of the facilities property management interface and suggests that an improvement in effectiveness is possible by the incorporation of facilities managers into strategy management through subordination to strategy as opposed to management.

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### Introduction: defining the FM/PM interface

In 1992, Leaman questioned the professional credentials of the facilities management profession as a whole, concluding that FM had not reached the status of being a profession in its own right at that time. In coming to this conclusion, Leaman recognised the changing nature of building management and the need to move towards strategic and knowledge-based management processes as drivers for the growth in a more strategic and enabling form of business support. His paper was shortly followed by a range of calls for a broadening of the (UK) definition of FM away from the predominantly operational and facilities-oriented "Facility management" and towards a more panoramic facilities management role. Key proponents of this change included Alexander (1992), who called for a broadening of facilities management to address HRM and IT issues, and Price and Ahklagi (1999), who proposed a definition of facilities management which made reference to business support, but not explicitly to facilities. Alongside these developments the scope of HRM and IT as components of FM emerged only to later become replaced by the more property-centric and contemporary view of FM, a form which retains a predominance of operational, facility-centric perspectives rather than strategic, business-centric issues.

Leaman's suggested move towards a more global approach to property management, involved a raising of the level of the operational aspects of property management while keeping in mind the strategic management of that operational property. Fuelled by the divide between recognised definitions of FM and professional practices occurring within organisations, also by the historical professional association of the surveyor with property issues, this later strategic dimension of property management remained (as it had been traditionally seen) as the role of the property asset manager, who would often be a general practice surveyor.

At the same time as Leaman was calling for the strategic expansion of FM, Bell (1992) also recognised that the "... breadth of role ..." made it impossible for the facilities

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manager to become a technical expert in all areas, and that the great strength of facilities management overall was the fact that it embraced so much.

In the early 1990s the position appears to have been one of an emerging facilities management profession, which was possibly too broad to enable its members to contribute fully across it or to be recognised and clearly understood by organisations coping with recession through cost minimisation and the outsourcing of non-core operations.

Successful property management appears then to remain dependent on co-operation between two or more professionals working within a general field of property and facilities. A 1999 publication by the RICS on FM and the chartered surveyor indicated, for instance, that while surveyors felt in general that they were best equipped to take on FM, there was a general acceptance of a lack of understanding about business organisations; in contrast a 1999 BIFM survey on the responsibilities of facilities managers illustrated an increasing integrative FM role; co-operation between HRM, the management of IT services and FM also appears to be a growing trend in the context of business support.

In the absence of a comprehensive and clearly recognised integrative profession, property management remained, and to a large extent appears still to continue to be, managed by two professions. Stansall (1994) looked at issues which co-operate in a fundamentally integrative way, but were rarely recognised as doing so. Even more so was their management in an integrative manner. Only now, as some organisations move from the outsourcing phase of the business support cycle to insourcing, are the integrative issues becoming collectively recognised. From this recognition comes the opportunity to review the divide between the operational and strategic dimensions of property and facilities management. In the meantime, Stansall's recommendation was for the appointment of outside consultants as a method of resolving the potential conflict which would arise between the optimisation of realisable capital value (a property management issue) and use value (an FM issue).

So, where does the divide arise, and what is the shape of the overlap? The problems with delivering integration across facilities and

property are at least twofold, when one considers the overall development of estates strategy. First, the role of consultant is nearly always specialised and, since the singular role of "property-and-facilities manager" has not yet evolved, this necessitates a constant stream of casual personnel into and out of dealings with strategic planning. Meanwhile, the diverse nature of estates planning, coupled with the divergent nature of the strategic aims of each competing contributor, makes the combination of these roles difficult. Furthermore, the issue of combining the roles rarely appears to be considered as an overly strategic managerial responsibility (Gibson, 1994).

### **The case for making the facilities/property interface overt**

Property is virtually the only element that is common to all businesses. Viewed from the perspective of cost-efficiency, without the properly organised management of facilities a competitive edge is lost. With the proper organisation of facilities, a competitive edge may be achieved (RICS, 1999). Consider Bon's (1992) suggestion that corporate real estate management (CREM) should be managed through properly designed decision support systems (DSS). Bon's representation of CREM within a decision support system is useful in defining a valuable operating and monitoring strategy, perhaps one which could be managerially common to FM and PM. However, while Bon recognises the need for co-operation between a real estate team and corporate management, his paper does not explore the sorts of unequal relationships that exist and will affect (and be affected by) the organisational status of any role.

Nevertheless, the output from the monitoring, diagnosis and evaluation stages of the CREM DSS process suggested by Bon will be determined by the respective strength of the relationship that exists between property managers and facilities managers; also between each of these independently and the corporate core. The management of the strategic interface still remains complex and a DSS approach will need to look at the integration of the PM and FM roles, and their interplay with corporate management.

## Managing the interface

The different objectives that the facilities manager (FM) and the property manager (PM) may be set or that they may set for themselves are not the only barrier to an effective interface. Other factors exist in isolation of these factors, not least the organisational structure and strategy.

A good example of an effective decision-making process would be to be certain that, where a property asset has risen in value, the increase, or part of it, could in some way be realised without detriment to the core business. How is this decision actually made with the strategically diverse barriers that exist between the two potential property professionals?

In order to understand the operation of any interface between the two property areas, it is first necessary to identify the areas of potential conflict or the barriers that may exist to the successful operation of the interface.

## Structural barriers

Krumm *et al.* (1999) called recently for the need for any organisation's property department to be aware of their capabilities, resources and needs, and that corporate awareness should exist throughout the organisation (to include the property department). They conclude that there is "... no one best solution ...", but that examples of synergy should enable the FM:PM interface to improve.

In general, it should be possible to identify any structural barriers to this interface and hence, where a relationship is not identified as a barrier, the opposite should be true. Relationships internal to an organisation are essentially class relations based not just on power and seniority but also on tradition and bias.

In a situation where the board does not contain a property director it is likely that the PM will report directly to the board. The PM may or may not be privy to information prior to long-term policy and strategic decisions being made. The FM is unlikely to report directly to the board. It may be that the FM will report to an operations manager, who himself will report to the board. In this case, there is no direct interface between the PM and FM and hence there is no opportunity for

the joint consideration of strategic and operational matters, and most notably at the same time as business strategy considerations are discussed. In such circumstances the level of strategic intelligence will differ between FM and PM too.

The new structure which has been implemented at Dublin promotes the successful interface, as it permits it to operate on an equal level through selecting subordination to overall strategy. Discussions between any PM and FM are therefore limited to the best way in which any particular pre-determined objectives may best be achieved.

## Strategic barriers

Strategic barriers form the basis of a fundamental difference between the FM and PM. It is not the methodology that is the problem but the extent to which each individual is allowed to exercise his or her natural instinct to protect the usability or value of any real estate according to his or her training. The differing objectives that traditionally divide the FM and PM are the obvious face of the strategic barrier. It is essential that in communicating the organisational strategic objectives no opportunity is given to the individual to interpret in any particular way. Instructions need to be issued in a clear, concise and unambiguous form. Both the possibilities of different interpretation and constant disagreement with regard to the organisational strategic requirements can be equally damaging in the world of business. They also fail to lead to good working practices. In strategic terms what does this actually mean? On the ground at Dublin it means empowering the FM with the proviso that he is ultimately subordinate to company strategy in the same way that any employee would be to company policy. This makes the role of the FM and PM quite similar in terms of accountability without the need for any accountability or seniority between the two.

The use of tools such as functional use analysis (Smith, 1999) in the overall value management procedure can go some way towards ensuring that a building as a finished product meets its user's requirements. In addition, Walters (1999) shows that user performance measurement can be carried out

in a similar way to investment performance. What is needed is a total strategic measurement such as that advocated by Bon (1992). The tool itself, however, will only be as successful as the documentation which instructs in its use. CREM is of no use without strategic input and it is this strategic input that presents the problematic.

### Operational barriers

Here the current airport divergent client problematic exposes the inability of any system to deal with everything that it must resolve. The question of how best to deal with the new low-fare airlines is not clear. The strategy should be that the airports must make profits but at the moment with Aer Rianta in public ownership and heading for public offering the practice is not so clear or easy. The ongoing discussions between Ryanair and Aer Rianta or indeed the owners of Luton Airport with Easy Jet may well not be resolvable in any form within the same airport.

### Professional boundaries and barriers

The RICS survey on FM and *The Chartered Surveyor* (1999) have shown the vague way in which FM is often defined and have highlighted the need for further research into ways in which client service may be first identified and then provided. Nonetheless, the RICS definition of FM was the most popular version, when a range of CIOB, BIFM, US Library of Congress and RICS FM definitions was presented for selection (RICS, 1999).

The fact that the role of the FM is not one that is generally filled by one group of professionals suggests that a vacuum exists where PMs see themselves predominantly as strategic property consultants. The RICS report also identifies the failure of the training provided to potential chartered surveyors to take full account of business practices and how their profession may involve itself at the operational level.

### Conclusion

This paper advocates the proposal put forward by Bon (1992) but with the proviso that the strategic planning and measurement be clearly defined and applied to a two-dimensional operational and strategic property operation. This would involve the central formulation of strategic aims and objectives, which may relate specifically to property, and the clear subordination of the two streams of property management to this plan. Resolution of problems that may arise, such as changing client base, should also be included in the strategy document. The barriers to the successful operation of the PM: FM interface cannot ever be completely overcome. What is important is to select a mechanism for the control and management of property which is the most strategically enabling and trouble free.

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