

AN ASSESSMENT OF THE APPROPRIATENESS OF THE DIFFERENT FACILITIES MANAGEMENT APPROACHES IN LAGOS METROPOLIS, NIGERIA

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The purpose of the study was to examine the broad three (3) Facilities management (FM) classifications in Client organizations in the study area and to determine the extent of the value-adding capabilities of the three FM procurement approaches. The classifications namely Strategic FM functions, Tactical FM functions and Operational FM functions were considered. The methods employed in the collection of data included the administration of questionnaire to client organizations' directors in the study area. The sample frame comprised the 94 FM client organizations listed in the 2014 edition of the Directory of the International Facilities Management Association (IFMA), Nigeria Chapter). The study undertook a total enumeration survey of all the listed FM organizations in Lagos Metropolis. Also, descriptive statistical techniques such as frequency distribution and Relative Importance Index (RII) were used to analyze data. The findings revealed the inherent value adding capabilities of each of the three procurement approaches. However, for the research implications, the study provided insights on the delivery of optimized value addition for Facilities Managers. The RII will direct and guide facilities managers in either effective budgeting or judicious disbursing of resources for the execution of the FM functions in line with the relative levels of importance of the underlying criteria. Also for the practical implications, insightful ideas on how to expand the overall FM service delivery at best value for money was provided. The originality of the work is such that majority of the studies on FM appear to have only examined the benefits of In house and Outsourcing approaches exclusive of the Hybrid approach; this study not only examined the three (3) approaches but also determined their value-adding capabilities.

Keywords: Facilities Management (FM), Strategic, Tactical, Operational

Introduction

Inherent in global business outfits and organizations, profit making appears to be their primary goal. In actual fact, the quest to actualize this goal tends to have resulted in the evolution of a management phenomenon called Facilities Management which also appears to help cut cost and improve technological changes. A wholesome conceptual insight into what Facilities management portends is that it has the capacity to add value to the business operations of an organization; hence, pitching them at a better competitive business advantage (Adewunmi, 2006; Oladokun, 2011; Choi, 2008; and Kamarazaly, 2007). Kamarazaly (2007) classified Facilities Management (FM) into three groups namely: strategic FM, tactical FM and operational FM. The study also posited that for purposeful competitive advantage, all organizations needed to adopt business decisions that are better. In a similar vein, Then and Akhlaghi (1990) also grouped FM into three corroborating that of the former scholar. According to Kamarazaly (2007), these FM classifications (strategic, tactical and operational) all have their focus on planning decisions, top-management decision-making processes; corporate structure, procurement policy; service delivery and quality control respectively.

Globally, it appears there have been concerns by client organizations on value adding capabilities of FM. In determining these value adding capabilities, many scholarly articles on value adding capabilities have been scanty and fragmentary. In Lagos Metropolis, Nigeria for instance, the value adding capabilities of FM approaches appear to be of much concern to client organizations. Meanwhile, on the part of researchers, there have been fragmentary studies with respect to value-adding capabilities of FM approaches.

In summary, there exists scanty empirical evidence on value adding capabilities; and it is convenient to say that studies in Nigeria have only examined benefits and challenges of In-house FM approach, benefits and challenges of outsourcing FM approach (Oladokun, 2011; Barrett, 2003; Luciani, 2005; Usther, 2004; and Adegoke and Adegoke, 2013); also, it appears that there has been fragmentary literature on the hybrid FM approach; few comparative analysis of outsourcing and in-house; only few offshore researchers (Kamaraly, 2007) compared in-house and outsourcing in developed nations; and very few studies (Adewunmi, 2012; Adegoke and Adegoke, 2013) have compared the three approaches in Africa and Nigeria in particular; hence this study.

Literature Review

Considerable bodies of literature relevant to this study appear to be scanty. Examples of the few existent ones include Usther (2004), McCarthy (1996), Luciani (2005), Curcio (2003), and Kamarazaly (2007). A number of these studies focused just on the definitions of FM approaches (Usther, 2004; Luciani, 2005). Kamarazaly (2007) only examined value adding capabilities of In house approach and Outsourcing approach. The study was carried out to the exclusion of the Hybrid approach. It is evident from these offshore studies that only one (Kamarazly, 2007) paid attention to just two of

the FM approaches in terms of their value adding capabilities; also for on-shore studies (Adewunmi, 2006; Ihediashi, Ogunlana, Bowles and Mbamali, 2012; Adewunmi, 2012; Adewunmi and Ogunba, 2006; Oladokun, Oyewole and Odebode, 2014), none of them examined the value adding potentials of these FM approaches which serves as a major concern for client organizations. In a similar study by Kamarazaly (2007), it revealed that cost reduction ,access to skills were the indicators for the choices of either approaches (In house and Outsourcing) and this was done to the exclusion of the Hybrid approach. Apart from the fact that the paper did not specifically look at the value adding capabilities of Hybrid approach, the work also lacked a robust and standardized methodological tools of analysis.

In summary, this study is therefore more significant in providing insightful evidences on the choices to make in determining which FM approach best suites their classification of services. Also this, no doubt, will ensure some degree of certainty on best practices by client organizations by their sustainable informed decision-making process.

Methodology: Data Sources and Analysis

In examining the value adding capabilities of FM approaches in Lagos Metropolis, the paper focused on individuals who are directors of client organizations. In order to have a meaningful analysis, the study carried out a total enumeration survey of directors of registered client organizations listed in the International Facilities Management Association (IFMA), 2014 directory in Lagos Metropolis. (Lagos Island, Ikeja, Apapa/Ijora and Lagos Mainland). The essence of choosing these areas is not far-fetched which includes:

- Familiarity of the researcher with the afore-mentioned areas for easy data collection.
- The choice of these areas is justified because IFMA is majorly domiciled in Lagos.

Ninety four 94 questionnaires were administered, 76 were retrieved from the FM client organizations. This represents a response rate of 80%. The method employed in the collection of data includes the administration of questionnaire to client organizations' directors in the study area. The sample frame comprised the 94 registered (financial members) FM client organizations listed in the 2014 edition of the Directory of the International Facilities Management Association (IFMA), Nigeria Chapter. The study undertook a total enumeration survey of all the listed FM organizations. Descriptive statistical techniques such as frequency distribution and Relative Importance Index (RII) were used to analyze data. The study then revealed the value adding capabilities of each of the three procurement approaches. Culling from existing literature, value adding indicators were considered for the three broad classifications of functions in the organizations in the study area; eight common indicators of the three classifications of functions were also considered to determine the value adding capabilities of the FM approaches. Under the strategic FM functions, twelve (12) val-

ue adding indicators were examined to identify the value-adding capability of each of the three FM approaches, in tactical functions, 12 indicators were examined; in operational functions, 7 indicators were also considered. The rating of the indicators by the respondents was by means of a 5-point Likert scale where 1 stands for “not at all suitable” and 5 stood for “very suitable”.

Results

In presenting the results of the questionnaire survey, the paper examined the value adding capabilities of the FM approaches for the classification of services of the listed client organizations. Again, the classifications are Strategic FM functions, Tactical FM functions and Operational FM functions. The results of the analysis are shown below:

FM client organizations’ rating of Value Adding Capabilities of FM Procurement Approaches for Strategic FM Functions

Strategic functions of the FM organizations when examined under 12 items as shown in Table 1 for the three approaches revealed that items like offering strategic advice, identification of business needs and user requirement and minimizing equipment and structural failures were highly influenced positively when outsourcing approach was adopted, with mean values of 4.16, 3.81 and 3.78 respectively whereas, items such as offering acquisition of services and provision for the present and future needs of client with a mean response of 3.33 and 3.32 respectively. The result of this relative importance index shows the suitability of the approach to the various items under the strategic function of facilities management. The level of suitability of the outsourcing approach was observed to be high in the first three ranked items and a low level of suitability of the approach is observed in the last two items of the strategic approach.

In-house FM approach when examined, is highly suitable for providing the present and future needs of the clients, ensuring the coherent view of the property is fed into the overall strategy of the organization, allowing of flexibility with mean response of 3.59, 3.45 and 3.46 respectively and has a low level of significant suitability in items like identification of business needs and user requirement and developing facilities to meet business objective under the strategic FM functions which has mean responses of 2.79 and 2.58. For the level of suitability of hybrid approach for strategic functions, it revealed reasons why it was adopted as being its ability to minimize equipment and structural failures, maximize trade staff productivity and identification of business needs and user requirement which had mean responses of 4.50, 4.50 and 4.23 respectively. From the results of the relative importance index analysis of the respondent’s indications of the 12 items, hybrid approach was observed to be of little or no level of suitability in ensuring a coherent view of the property being fed into all strategies of the organization and offering acquisition of properties having mean responses of 3.44 and 3.00 respectively. The factors as indicated by the respondents which influence their choice of FM approach was seen to be dependent on the value-adding capabilities of the approach as perceived by the respondents.

Table 1: FM client organizations' rating of Value Adding Capabilities of FM Procurement Approaches under Strategic FM Functions

VAI	OUT-SOURCING			IN-HOUSE			HYBRID		
	MR	RII	RANK	MR	RII	RANK	MR	RII	RANK
1	4.16	0.83	1 st	2.89	0.58	9 th	4.21	0.84	4 th
2	3.81	0.76	2 nd	2.79	0.56	11 th	4.23	0.85	3 rd
3	3.63	0.72	6 th	2.58	0.52	12 th	3.94	0.79	5 th
4	3.41	0.68	8 th	3.03	0.61	7 th	3.59	0.72	7 th
5	3.33	0.67	9 th	3.26	0.65	4 th	3.72	0.74	6 th
6	3.64	0.73	4 th	3.26	0.65	4 th	3.52	0.71	8 th
7	3.33	0.67	11 th	3.12	0.62	6 th	3.00	0.60	12 th
8	3.64	0.73	4 th	3.46	0.69	2 nd	3.56	0.71	8 th
9	3.33	0.67	9 th	3.45	0.69	2 nd	3.44	0.69	11 th
10	3.32	0.66	12 th	3.59	0.72	1 st	3.50	0.70	10 th
11	3.78	0.76	2 nd	3.00	0.60	8 th	4.5	0.90	1 st
12	3.48	0.70	7 th	2.88	0.58	9 th	4.5	0.90	1 st

Source: Author (2015)

Below are the items highlighted:

Items: Items (Value adding indicators) of strategic FM functions

1. Offering strategic advice
2. Identification of business needs and user requirement
3. Developing facilities to meet business objectives
4. Enhancement of competitiveness of core business
5. Corporate value enhancement
6. Service quality design
7. Offering acquisition of properties
8. Allowance of flexibility
9. Ensuring a coherent view of the property is fed into the overall strategy of the organization
10. Provisions for the present and future needs of client by arranging for space re-allocation within the existing estate
11. Minimize equipment and structural failures
12. Maximise trade staff productivity

FM client organizations' rating on Value Adding Capabilities of FM Procurement Approaches under Tactical FM Functions

Tactical FM functions when examined under the FM approaches, offering of service quality in support of business operations was rated first under the outsourcing approach which implies the outsourcing approach has a high value-adding capability and suitability in offering service quality in support of business operations with a mean response of 3.77, while in-sourcing approach has a high level of value adding capability in meeting standard needs and quality of the performance with a mean response of 4.36. Hybrid approach has a significant level of value-adding capability and suitability in establishing budgets to achieve the best value of operation over a longer term with a mean response of 4.67. Other factors in which out-sourcing approach has a high level of value capabilities and suitability are ensuring effective purchasing and contracting strategies, meeting the standard needs and quality performance with mean response of 3.77, 3.71, whereas, out-sourcing approach is somewhat suitable in maintaining the operational fitness and value of the estate by timely and adequate maintenance and reduction of facility deterioration, and also has a "not so suitable" level of suitability in minimizing equipment and structural failures. Therefore, seeing, the factors considered for a preferential choice of outsourcing approach, it was discovered that the items under this operational function are well supported by the factors, for instance such as cost reduction which is the number one factor considered when choosing approach, is essential for effective purchasing and contracting strategies. Much more, access to skills and access to information, factors also, is highly ranked when choosing this approach, it was discover influence the meeting of the standard requirement and offering of service quality rendered by the FM organizations. In-house approach also, shows a "just suitable" level of suitability and value-adding to operational function under items such as establishing budgets to achieve best value over the longer term and identifying and clearly defining all required services with mean responses of 4.29 and 4.23 respectively. In-house approach shows a level of "somewhat suitable" on items such as offering of service quality in support of business operations and ensuring an effective purchasing and contracting strategies. Hybrid approach also shows a high level of value-adding capability for indicators such as minimizing equipment and structural failures and maintaining the operational fitness and value of the estate by timely and adequate maintenance and reduction of facility deterioration and obsolescence with mean response of 3.5 each. A level of "somewhat suitable" of hybrid approach was observed on items such as establishing productive workplace and low operation and maintenance cost and organizing an effectual organizational structure that plans , schedules and measures work activity and productivity with mean responses of 3.71 and 3.57 respectively. This results further shows the reasons which supported the various preferred approach of the respondents in the various organization services.

Table 2: FM client organizations' rating on Value Adding Capabilities of FM Procurement Approaches under Tactical FM Functions

VAI	OUT-SOURCING			IN-HOUSE			HYBRID		
	MR	RII	RANK	MR	RII	RANK	MR	RII	RANK
1	3.77	0.75	1 st	2.81	0.56	11 th	4.25	0.85	4 th
2	3.71	0.74	2 nd	2.60	0.52	12 th	3.75	0.75	9 th
3	3.34	0.67	5 th	3.25	0.65	9 th	4.00	0.80	5 th
4	3.26	0.65	7 th	3.41	0.68	8 th	3.71	0.74	11 th
5	3.24	0.65	7 th	2.91	0.58	10 th	3.57	0.71	12 th
6	3.54	0.71	4 th	4.10	0.82	5 th	4.00	0.80	5 th
7	3.58	0.72	3 rd	4.36	0.87	1 st	4.00	0.80	5 th
8	3.09	0.62	9 th	4.23	0.85	3 rd	3.00	0.75	9 th
9	3.34	0.67	5 th	4.29	0.86	2 nd	4.67	0.93	1 st
10	2.88	0.58	10 th	3.59	0.72	6 th	3.5	0.88	2 nd
11	2.40	0.48	12 th	3.55	0.71	7 th	3.5	0.88	2 nd
12	2.68	0.54	11 th	4.19	0.84	4 th	4.0	0.80	5 th

Source: Author (2015)

Key/Items (Value adding indicators) of tactical FM functions

1. Offer service quality in support of business operations
2. Ensuring effective purchasing and contracting strategies
3. Improve facilities to enhance efficiencies
4. Establish productive workplace and low operating and maintenance costs
5. Organise an effectual organizational structure that plans, schedules and measure work activity and productivity
6. Provide excellent, safe, secure and healthy working environment
7. Meet the standard needs and quality of performance
8. Identify an clearly define all required services including interfaces
9. Establish a budgets to achieve best value over the longer term
10. Maintain the operational fitness and value of the estate by timely and adequate maintenance and reduction of facility deterioration and obsolescence
11. Minimize equipment and structural failures
12. Maximise trade staff productivity

FM client organizations’ rating on Value Adding Capabilities of FM Procurement Approaches under Operational FM Functions

Outsourcing approach is rated in terms of value adding to operational FM functions in items such as in providing efficient and effective project management in order to ensure operational requirements are met within specified budget and schedule with a mean response of 3.61. Other items with a significant level of value adding capability of the out-sourcing approach include monitoring and controlling integrative planning and implementation to ensure performance satisfaction, consideration of operation and maintenance needs and scope management with mean responses of 3.20, 3.20, 3.17 respectively. Outsourcing approach was observed to have a “not so suitable” level of value-adding capability on the appropriate balance of time, quality and cost. The value adding capability and suitability in-house approach was noticed to be high in appropriate balance of time, quality and cost, consideration of operation and maintenance needs and monitoring and control the integrative planning and implementation to ensure performance satisfaction, with mean responses of 4.63, 4.15, and 3.88 respectively as shown in table 11 above. In-house approach was observed to have a “somewhat suitable” level in scope management with a mean response of 3.22. The suitability level of hybrid approach to the items of property development and project management was observed to be high in the consideration of operation and maintenance needs, appropriate balance of time, quality and cost and the provision of efficient and effective project management in order to ensure operational requirements are met within specified budget and schedule with mean responses of 4.50, 4.25 and 3.40 respectively. Hybrid approach is rated “not so suitable” in scope management and in quality of project close off including assets, records, maintenance, information and warranty whose mean response are 2.50 and 2.83 respectively.

TABLE 3: FM client organizations’ rating on Value Adding Capabilities of FM Procurement Approaches under Operational FM Functions

VAI	OUT-SOURCING			IN-HOUSE			HYBRID		
	MR	RII	RANK	MR	RII	RANK	MR	RII	RANK
1	3.61	0.72	1 st	3.58	0.72	5 th	3.40	0.85	2 nd
2	3.17	0.63	4 th	3.22	0.64	7 th	2.50	0.63	6 th
3	3.08	0.62	5 th	3.83	0.77	4 th	4.20	0.84	4 th
4	3.20	0.64	2 nd	3.88	0.78	3 rd	3.60	0.72	5 th
5	2.31	0.46	7 th	4.63	0.93	1 st	4.25	0.85	2 nd
6	3.20	0.64	2 nd	4.15	0.83	2 nd	4.50	0.90	1 st
7	2.84	0.57	6 th	3.25	0.65	6 th	2.83	0.57	7 th

Source: Author (2015)

Items (Value adding indicators)

1. Provide efficient and effective project management in order to ensure operational requirements are met within specified budget and schedule.
2. Scope management.
3. Compliance with quality or specifications.
4. Monitor and control the integrative planning and implementation to ensure performance satisfaction.
5. Appropriate balance of time, quality and cost.
6. Consideration of operation and maintenance needs.
7. Quality of project close off including assets, records, maintenance, information and warranty.

Conclusion

This paper has examined the value adding capabilities of FM approaches for the classification of services in client organizations in Lagos Metropolis, Nigeria and established the indicator ratings from the respondents. The results of the analyses provided information on the value adding indicators influencing the choice of Facilities Management approach by FM client organizations. As such, client organizations would no longer have concerns on the choice of FM approach with respect to the business services. As a result of the foregoing, it is however needful to note the following:

Client organizations should adopt the outsourcing FM approach for strategic advice; in house FM approach for providing present and future needs of client by arranging for space re-allocation within the existing estate; hybrid FM approach for minimizing equipment and structural failures; and also being able to maximize trade staff productivity.

Client organizations are advised to adopt the Outsourcing FM approach which has the capability of offering service quality in support of business operations; the In house FM approach should be adopted to meet the standard needs and quality of performance in organizations; the hybrid FM approach should be adopted for establishing a budget to achieve best value over the longer term.

For client organizations operating at this level, it is recommended that the Outsourcing FM approach should be adopted for providing efficient and effective project management in order to ensure operational requirements being met within specified budget and schedule; the In house FM approach should be adopted for providing adequate balance of time, quality and cost; the Hybrid FM approach should be adopted for providing a consideration of operation and maintenance needs.

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