IFMA's Leadership and Strategy Course

IFMA

International Facility Management Association

Empowering Facility Professionals Worldwide

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We would like to thank the following dedicated subject matter experts (SMEs) who shared their time, experience and insights during the development of the IFMA FMP Credential Program.

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IFMA Credentials

About IFMA Credentials

After analyzing the work performed by facility managers, we have defined 11 competency areas. Our three world class FM credentials. — Facility Management Professional™ (FMP®), Sustainability Facility Professional® (SFP®), and Certified Facility Manager® (CFM®) — are based on these competencies.

1. The FMP is the foundational credential for FM professionals and industry suppliers looking to increase their depth-of-knowledge on the core FM topics deemed critical by employers.

2. The SFP is the leading credential for all facilities managers and like-minded professionals who are interested in the development of sustainable FM strategies.

3. The CFM is the premier certification for experienced FM professionals. A comprehensive exam assesses knowledge, skills, and proficiency across all FM competency areas.
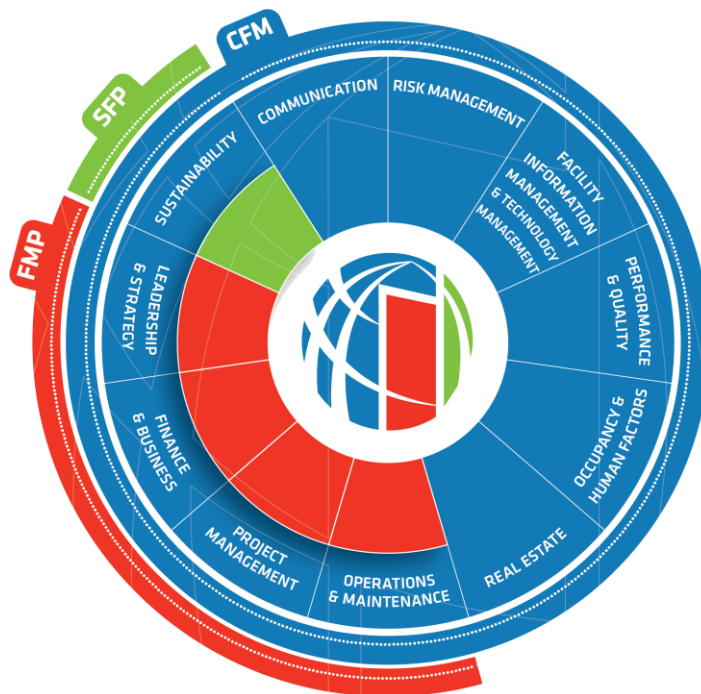
Facility Management Professional (FMP) Program

IFMA's Facility Management Professional (FMP) credential is an assessment-based certificate program. This program demonstrates the fundamentals of facility management (FM). Developed from a foundation based on IFMA's global job task analysis (GJTA), the FMP Credential Program is continuously refreshed to align with current industry standards

for FM knowledge, skills and tasks. The knowledge demanded by today's global employers is taught and tested online or in the classroom.

The four knowledge domains that the FMP Credential Program provides content and assessments on are:

- Operations and maintenance
- Project management
- Finance and business
- Leadership and strategy

This course focuses on leadership and strategy. To receive the FMP credential, successfully complete all four courses (via eLearning or instructor-led channels) and final assessments and submit an FMP application to IFMA for approval.

Course Overview

Course Audience

This course is designed for persons intending to earn their FMP credential or enhancing their FM industry professional development.

Course Chapters
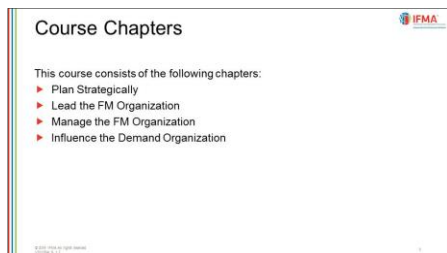
This course consists of the following chapters:

- Plan Strategically

- Lead the FM Organization
- Manage the FM Organization
- Influence the Demand Organization

Course Objectives
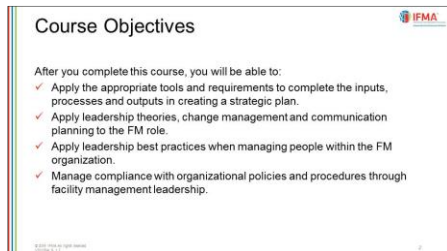
After you complete this course, you will be able to:

- Apply the appropriate tools and requirements to complete the inputs, processes and outputs in creating a strategic plan.
- Apply leadership theories, change management and communication planning to the FM role.
- Apply leadership best practices when managing people within the FM organization.
- Manage compliance with organizational policies and procedures through facility management leadership.

Course Introduction

Facility Management (FM)

FM encompasses multiple disciplines which ensure functionality of the built environment, this profession requires a broad range of knowledge and skills.

IFMA conducts a global job task analyses (GJTA) to identify task, knowledge and skill areas that are important for competent performance by facility managers. The GJTA updates the core foundation of competency areas that contain the body of knowledge for FM and FM professionals.

Role of Facility Managers as related to Leadership and Strategy

Facility managers serve in two leadership roles:

- First, they must lead the FM organization by providing guidance to staff and service providers.

- Second, they must influence the decisions and attitudes of the organization's leaders, occupants, government officials, suppliers, community leaders and business partners.

To be effective in both roles, facility managers must develop strategies to successfully carry out major initiatives and influence the decisions and attitudes of others. Effective strategies require facility managers to be able to integrate people, place and process. They must be able to align the facility portfolio and functionality with its organization's missions and available resources. They must also be innovative in order to move forward with their staff and processes to respond to the ever-changing requirements and societal expectations for the profession.

Facility managers need to be able to keep up with the emerging trend in facilities management related to environmental and social responsibility, and sustainable development.

This course on leadership and strategy is intended as a toolbox of concepts and ideas that can be applied as needed by facility managers and scaled to fit the needs of the FM organization. For example, strategic planning mentions a planning team, but in a lean organization, this team could consist of just the facility manager and the plans could likewise be very simple.

Benefits of Having Leadership Skills

Benefits for facility managers who develop leadership skills and earn a position as leaders of their staff may include the following:

- Facility managers can develop a shared vision with subordinates and extended stakeholders.

- Facility managers earn the trust and respect of superiors, equals and subordinates.

- Facility managers can allow position-based authority (i.e., position power) to remain in the background until warranted.

- Groups of subordinates may form into teams and begin to truly collaborate.

- Facility managers can integrate the efforts of the facility management organization and the entire organization into a cohesive whole.

- Facility managers can demonstrate and promote accountability, ethics, and sustainability through fair and responsible behavior.

- Facility managers and staff make time to devote to leadership development and relationship building.

The management processes of planning organizing and controlling are fundamental to an understanding of the role of facility managers as leaders. Therefore, this course discusses both leadership and management concepts.

Chapter 1: Plan Strategically

Chapter Introduction
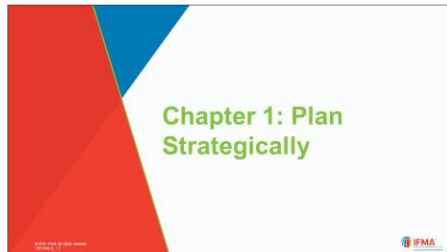
On completion of this chapter, you will be able to:

- Explain the importance and objectives of strategic planning.
- Align FM's strategic requirements to demand organization's requirements.
- Use strategic planning tools and frameworks to develop and assess a strategic plan.
- Use best practices to monitor internal and external factors that can affect facility management.
- Create a facility strategic plan.
- Obtain approval and funding for tactical plans.
- Establish performance requirements and metrics to evaluate performance success.
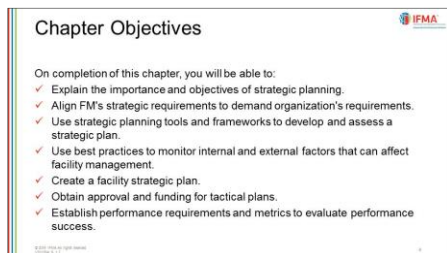
The term **demand organization** is referenced throughout this document. ISO 41011 defines demand organization as an entity which has a need and the authority to incur costs to have requirements met.

The demand organization terminology is used to bring clarity to the relationship between the parties involved by focusing on the process itself. The demand organization and the FM organization to work together to clearly define needs to meet the core business strategy and to develop FM policies and practices that will enable the core business activities of the demand organization.

Leadership and strategy have several things in common. Both are long-term, proactive endeavors and each could be omitted. Facility managers could omit leadership and just issue orders and control results through coercion; FM organizations could omit strategic planning and implement objectives as they are proposed or react to situations as they occur, allowing a "strategy" to emerge as the sum of FM activities. Because leadership and strategy are neither urgent nor required, they tend to be difficult to initiate and sustain despite their importance.

Facility managers may cite the myriad of pressures, requests, regulations and financial difficulties found in facility work as reasons they have no time to engage in the relationship building needed for leadership or strategic planning. However, having a constant focus on important, urgent matters (or worse, being distracted by unimportant matters, urgent or not) results in a self-reinforcing crisis mode of operations. While facility managers and staff need to respond to urgent matters, if that response dominates everyone's time, soon one urgent matter replaces another in a downward spiral of emergency-mindedness, increasing staff stress and lowering morale.

Rather than allowing outside forces to control the organization, deliberately devoting time to leadership and strategy puts facility managers and FM organizations in control of their own course.

Lessons

- Introduction to Strategic Planning
- Align FM's Strategic Requirements to Demand Organization's Requirements
- Develop and Implement a Strategic Planning Process

- Internal and External Factors Driving FM
- Develop a Facility Strategic Plan
- Implement Strategy Using Tactical Plans
- Defining and Evaluating Performance Requirements

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Introduction to Strategic Planning

Lesson Introduction
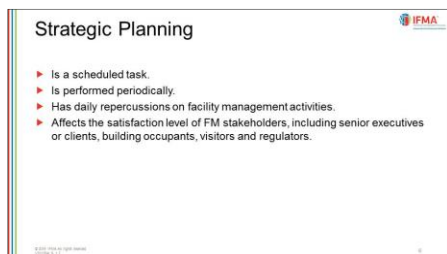
On completion of this lesson, you will be able to:

- Explain the importance and objectives of strategic planning.

This lesson consists of the following topics:

- What is a Strategy?
- Understanding the Demand Organization's Mission, Vision, Values and Culture
- Strategic Planning Overview
- Strategy Life-Cycle Model Overview

Strategic planning is a scheduled task that is performed periodically but has daily repercussions on FM activities and on the level of value demonstrated by FM as a strategic partner.

A strategic plan outlines the direction an organization means to take by defining broad, long-term, significant plans, methodologies and actions that the organization will incorporate to successfully operate. The strategic plan requires continual revalidation.

According to International Organization for Standardization (ISO), an interested party (stakeholder) is a person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity. Stakeholders want facilities that ensure productivity and success for their business. It is the primary goal of the FM organization to deliver services that meet this need. FM organizations can ensure satisfied stakeholders by identifying the demand organization's strategic objectives and subsequently forming an aligned, supporting FM strategy.

FM stakeholders include:

- Senior executives or clients, depending on whether the FM organization is an internal business unit or external service provider.
- Building landlords, occupants or visitors, such as suppliers, customers, the general community and regulators.

To be successful an FM organization needs to formulate a strategy that aligns the delivery and service plans with the FM objectives. Realistic facility strategic plans that include known and potential constraints and challenges that FM may face should be prepared. The goals and objectives of the demand organization and stakeholders should be aligned to the FM strategy. The proposed strategic objectives must be feasible, cost-effective, and demonstrate comprehension of the end-user needs.

Validated strategies are produced as strategic plans. These plans can take the form of formal published documents or informal and brief plans depending on the size of the demand organization.

Fundamental to strategic planning is the ability to turn plans into action. This is accomplished by producing and implementing tactical plans that contain enough detail to obtain approval, acquire funds and execute the tactical plan. Once implemented, tactical plans can be measured for performance using feedback to validate the strategy.

The underlying goal of facility strategic planning is to shift the FM organization from being perceived as a cost center, to being valued as a strategic partner within the demand organization.

What is a Strategy?
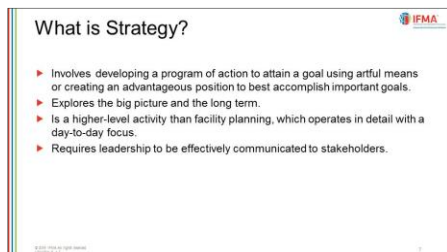
Strategy is a high level plan or program of action, created to achieve one or more goals or results.

Facility planning consists of day-to-day problem-solving or scheduling activities that generate detailed information on user requirements.

Strategy is a higher level concept and explores the big-picture and long-term needs of a demand or FM organization. Leadership is required to clearly communicate the strategic mission, vision and plan to the stakeholders and influence the decision for plan approval. The strategic plan demonstrates how the demand or FM organization intends to achieve an objective or goal for the stakeholders.

Understanding the Demand Organization's Mission, Vision, Values and Culture
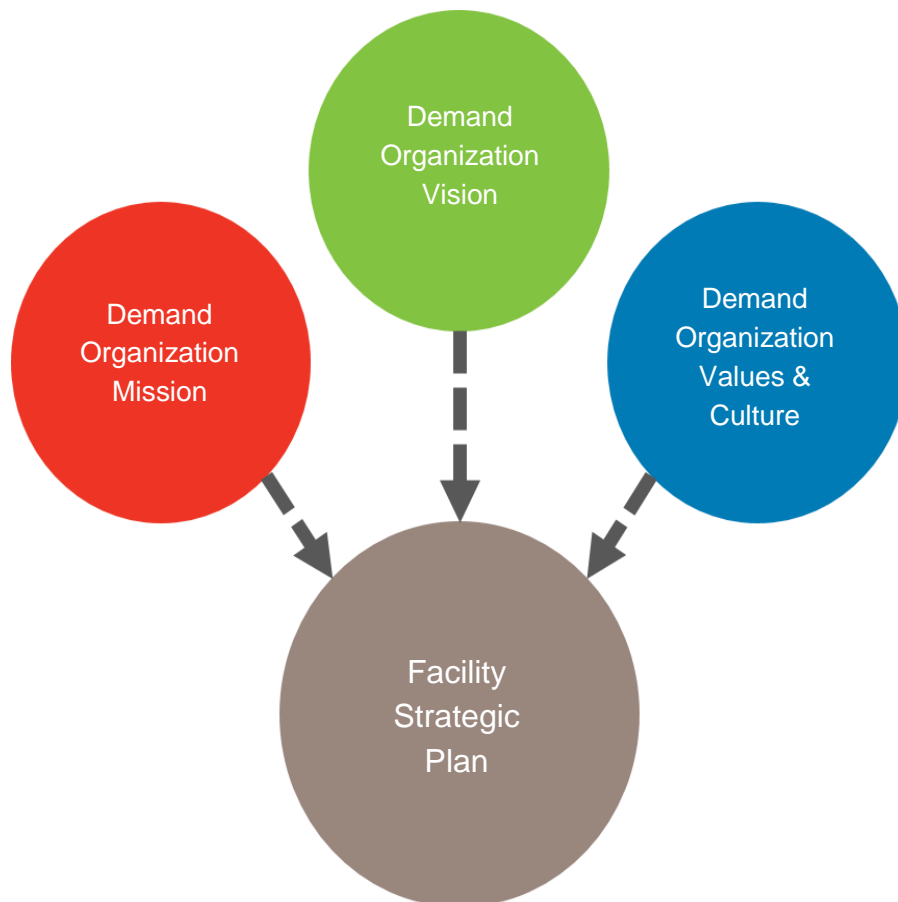
Exhibit 1-1: Demand Organization's Inputs

FM's objectives must align to the demand organization's objectives to be successful. It is integral that FM understands the core business of the demand organization.

Comprehension and application of the demand organization's mission, vision, values and culture is essential when creating strategic plans for the FM organization.

A facility manager cannot be successful without aligning the FM organization to the demand organization in all aspects of its identity and functions.

Mission, vision, values and culture can be defined as follows:

- The mission statement is a short statement that describes why the organization exists and the benefit the organization provides to its customers and stakeholders.

- The vision statement is the ultimate goal of the organization. It is where the organization wants to be in the future.

- Organizational values are collective judgments regarding the relative worth or positive behavior of decisions, priorities, or actions of members of the organization.

- Organizational culture is an expression of the character of an organization as the sum of its organizational values. Organizational culture tends to remain in place even as staff changes. The organizational culture is automatically learned or transmitted to new staff. However, culture may change if there are leadership changes or if external factors that influence an updating of the culture (e.g. new expectations from the next generation of workers or customers).

Strategic Planning Overview

Exhibit 1-2: Strategic Planning Overview Model
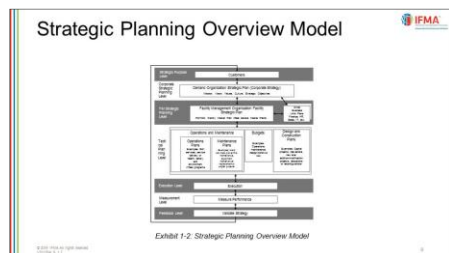
The facility strategic plan is a written document that identifies gaps in operations and maintenance. If these gaps are filled by FM, the demand organization can achieve its stated mission, objectives and future need projections. The goal of strategic planning is to develop strategic plans and turn them into action. *Exhibit 1-2* presents a strategic planning overview model, which illustrates the various levels above and below strategic planning. It is an iterative life-cycle model meaning that the final activity, Validate Strategy, feeds back to the start of the process.

Strategic Purpose Level	Customers

Corporate Strategic Planning Level

Demand Organization Strategic Plan (Corporate Strategy)

Mission, Vision, Values, Culture, Strategic Objectives

FM Strategic Planning Level

Facility Management Organization Facility Strategic Plan

Portfolio, Facility Master Plan (Real Estate Master Plans)

Other Business Units' Plans

Finance, HR, Sales, IT, etc.

Tactical Planning Level

Operations and Maintenance

Operations Plans

Examples: Soft services, service delivery or health, safety and environment (HSE) programs

Maintenance Plans

Examples: Hard services, preventive maintenance, equipment maintenance/ replacement or capital projects

Budgets

Examples: Operations, maintenance, design/construction

Design and Construction Plans

Examples: Capital projects, real estate, new site/ addition/modification projects, relocations or reconfigurations

Execution Level	Execution
Measurement Level	Measure Performance
Feedback Level	Validate Strategy

Exhibit 1-2: Strategic Planning Overview Model

Facility Strategic Plan Elements
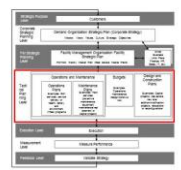
Facility strategic plan elements may include:
- A description of the organization's culture and core values
- A strategic analysis of the competitive advantages of the organization
- An analysis of existing conditions, a gap analysis and a capacity analysis
- An organizational needs assessment, which links FM strategy to demand organization's strategy
- Facility cost estimates, forecasts or life-cycle cost analysis
- Recommendations for:
  - New space/buildings
  - New service programs or revisions to existing programs
  - FM staff training
- Performance measures for strategy and tactics analysis/validation

Strategic Planning Overview Model

Strategic Planning Overview Model

Strategic Planning Overview Model

Strategic Purpose and Corporate Planning

The strategic purpose of a demand organization is to serve the needs of the stakeholders. Insight into who the stakeholders are and what their needs are, forms the basis for the demand organization's strategic plans.

Strategic plans set out the organization's long-term strategic objectives or business goals, they implicitly or explicitly express the organization's mission, vision, values and culture.

FM Strategic Planning

Each business unit or department of the demand organization may develop its own strategic plans that are aligned to the demand organization's strategy. These plans can be

simple or detailed. Senior executives/clients typically review business unit strategic plans and approve or reject them based on their alignment to the demand organization's strategy or on other factors such as feasibility, timing, outcome or budget.

FM is a business unit of the demand organization and may generate facility strategic plans and facility master plans.

A facility strategic plan is a long-term facility plan encompassing an entire portfolio of owned and/or leased space that sets strategic facility goals based on the organization's strategic objectives. In addition to real estate strategy, facility strategic plans encompass planned FM services; remote, mobile and on-site support and delivery methods; and plans to develop needed FM service capabilities. The strategic facility goals, in turn, determine short-term tactical plans, including prioritization of and funding for annual facility-related projects.

Facility strategic plan elements may include:

- A description of the organization's culture and core values
- A strategic analysis of the competitive advantages of the organization
- An analysis of existing conditions, a gap analysis and a capacity analysis
- An organizational needs assessment, which links FM strategy to demand organization's strategy
- Facility cost estimates, forecasts or life-cycle cost analysis
- Recommendations for:
  - New space/buildings
  - New service programs or revisions to existing programs
  - FM staff training
- Performance measures for strategy and tactics analysis/validation

A facility master plan, real estate master plan and campus plan are detailed long-term or mid-term sets of requirements and schedules for implementing elements of a facility strategic plan. Each is a different type of plan and serves a specific purpose, as follows.
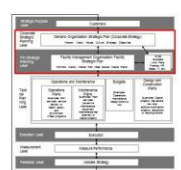
What is the Difference?

Facility Master Plan	Real Estate Master Plan	Campus Master Plan
A facility master plan relates to a single facility.	A real estate master plan relates to a portfolio of facilities in different locations.	A campus plan relates to a cluster of buildings in a single location.

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Facility master plans often contain scenarios, which are various site-specific options or recommendations proposed to enable business-driven decision making. Facility master plan scenarios may include plans for:

- Existing and proposed real estate

- Building systems and infrastructure

- Building and grounds aesthetics

- Building plan phases

- Construction estimates

- Value engineering assessments

Value engineering is a systematic approach to assessing and analyzing the user's requirements of a new asset and ensuring those requirements are met, but not exceeded. Value engineering is needed because end users typically try to justify more requirements than are truly necessary.

Tactical Planning

A tactical plan is a short-term action plan used to convert strategic plans into results. Strategic plans are implemented through the tactical plan, more than one tactical plan may be required to address one Strategic Plan. Tactical plans are short-term plans, the timing is based on the specific goal. Tactical plans typically require separate approval and funding. The term tactical plan can be a general reference to annual facility plans, project plans, service plans, delivery plans, maintenance schedules, operational plans or approved budgets.

Tactical plans may include:

- Maintenance plans such as hard services, preventive maintenance, equipment maintenance/replacement or capital projects.

- Operations plans such as soft services, service delivery or health, safety and environment (HSE) programs.

- Design and construction capital projects, real estate, new site/ addition/modification projects, relocations or reconfigurations.

- Budgets for operations, maintenance, design and construction.

Execution, Measurement and Feedback

The execution, measurement and feedback levels of the model show that producing a set of strategic and tactical plans is a step in a larger process. Tactical plans that get final approval and funding are executed in the form of projects or new/changed FM activities. During and after execution, performance measurements specified in the strategic and tactical plans are collected and analyzed. For FM projects and activities, the facility manager may present feedback to senior executives or clients to prove or disprove the validity of the strategy. The strategic planning process forms a continuous cycle that can improve upon prior results.

Strategy Life-Cycle Model Overview
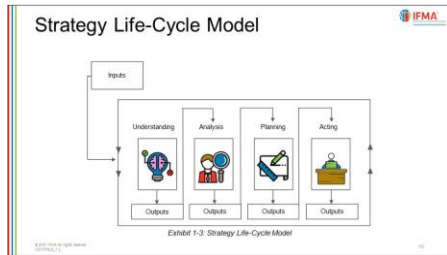
Just as the overall strategic planning process is shown as a life-cycle model, the FM organization's activities at the business unit strategic and tactical planning levels have their own life-cycle. *Exhibit 1-3* shows an overview of the strategy life cycle model used for this planning. A version of this graphic is repeated throughout the chapter to show the specific inputs, processes and outputs related to each phase.
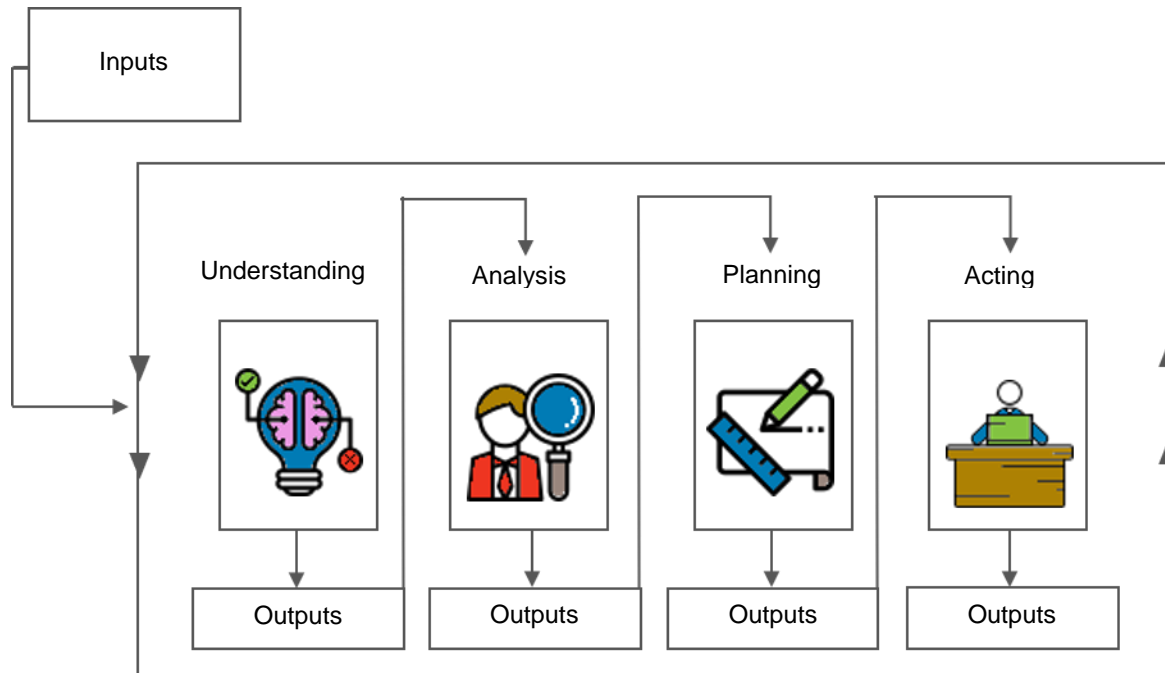
Exhibit 1-3: Strategy Life-Cycle Model

The phases of the strategy life-cycle model include:

- Understanding
- Analysis
- Planning
- Acting

Discussion Question

What is the primary driver of facility strategic planning?
A. Facility occupant requirements
B. Budget
C. Available resources, such as real estate
D. Organizational objectives

Lesson Activity

Lesson Activity

Strategic Planning Activity

Activity duration: 15 minutes.

Activity Instructions

- You will see each mission and vision statement on the slides.
- You will determine what organization the mission and vision statement are from.
- This activity will be a group discussion and there are no wrong answers.
- In your groups, you will discuss how the FM organization at each company could support the given mission or vision statement.
- When prompted, turn to the lesson activity in your guide.

Sample Mission #1

Our Mission
"To refresh the world…"
"To inspire moments of optimism and happiness…"
"To create value and make a difference…"

Sample Mission #2

Our brand mission
"is to be our customers' favorite place and way to eat and drink."

Sample Vision #1

Our Vision
"There will be a personal computer on every desk running _____ software."

Sample Vision #2

Our Vision
"To move the web forward and give web designers and developers the best tools and services in the world."

For this activity, you will:

- Review with your instructor a variety of mission and vision statements.

- Determine what organization the mission and vision statements are from.

- In groups, discuss how the FM organization at each company could support the given mission or vision statement.

Debrief

Activity Debrief

- Why is it important for the facility strategic plan to align with the demand organization's mission and vision?
- Where can you find information to define your facility strategic plan? Where can you find information to define the FM strategic plan?

Align FM's Strategic Requirements to Demand Organization's Requirements

Lesson Introduction

On completion of this lesson, you will be able to:

- Align FM's strategic requirements to demand organization's requirements.

This lesson consists of the following topics:

- Understanding Phase
- Mission and Vision
- Other Inputs Related to Aligning Strategy
- Other Processes Related to Aligning Strategy
- Other Outputs Related to Aligning Strategy
- Aligning FM Strategic Plan to the Organization's Strategic Plan

In order to prove the FM organization is an enabler of the demand organization's objectives and a value rather than just an expense, facility managers must show alignment of FM strategy and goals to the demand organization strategy and goals.
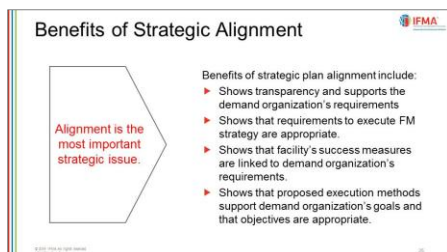
Some of the benefits that can be achieved by aligning the facility strategic plans to demand organization plans include:

- The facility's strategic plan that is transparent and clearly supports the demand organization's requirements.

- The requirements to execute the facility strategic plan, with regards to staff, resources and access to decision makers are appropriate.

- The facility's success measures are relevant to satisfying the demand organization's requirements.

- The methods proposed to execute the facility strategic plan such as outsourcing, upgrading technology and subleasing, support the demand organization's goals and objectives are seen as appropriate.

Understanding Phase

Exhibit 1-4: Strategy Life-Cycle Model (Understanding)
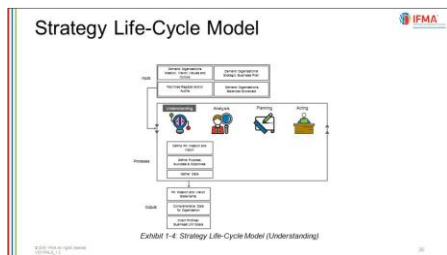
When aligning the FM organization strategy to the demand organization's strategy, the facility manager and a small planning team develop a thorough understanding of the organization's purpose and needs to determine an aligned purpose for the FM organization in terms of mission, vision, and strategy. The understanding phase of the strategy life-cycle model is presented in *Exhibit 1-4* as a way of organizing the inputs, processes, and outputs related to this phase.
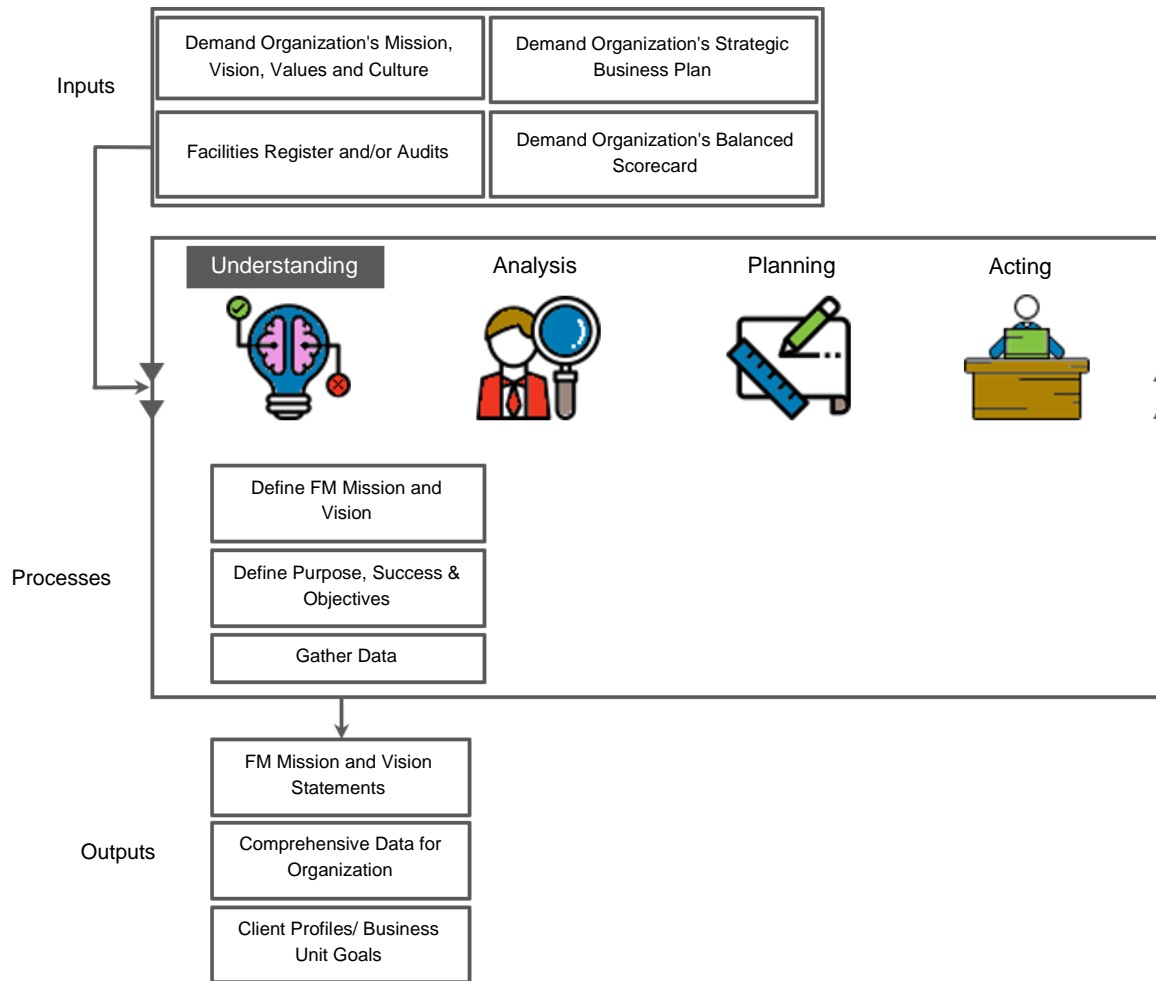
Exhibit 1-4: Strategy Life-Cycle Model (Understanding)

Each part of this phase will be discussed in more detail throughout the lesson.
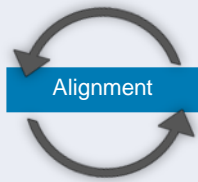
Remember, it is important that alignment happens throughout the strategic planning process.

Note that in this topic the inputs, processes and outputs related to the FM mission and vision are discussed. Following this discussion, the inputs, processes and outputs related to aligning the facility's strategic requirements to the demand organization's requirements are discussed. Remember that the outputs of one phase become the inputs for the next phase.

Mission and Vision

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Exhibit 1-1: Demand Organization's Inputs

The first of the processes within the Understanding phase is defining the FM mission and vision. This task has its own set of inputs, processes and outputs. These inputs, processes and outputs are as follows:

- Inputs include the demand organization's mission, vision, values and culture.
- Processes include defining the FM mission and vision.
- Outputs include the FM mission and vision statements.

Inputs - Demand Organization's Mission, Vision, Values and Culture
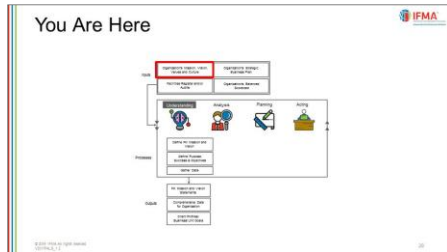
Many demand organizations have a strong mission statement that has been adopted by executives and staff and integrated into organizational values and culture. FM organizations that recognize and accept this mission will share a unity of purpose and a set of underlying principles that guide individual behavior. Facility managers use meetings with FM staff and contractors to enlighten them to the demand organization's mission.

The vision statement helps facility managers and FM organizations visualize how an organization wishes to be perceived. When FM organizations grasp these aspirations, they can design an FM strategy based on the products and services that need to be developed, the staff to hire and the expectations that need to be set.

Appreciating and adopting the demand organization's values and culture is key to successful FM strategy development, even for FM organizations that are contracted services. Kotter and Heskett, authors of *Corporate Culture and Performance*, state that strengths and weaknesses in values and culture strongly influence an organization's long-term financial success/failure. Even when organizations have many resourceful individuals who make wise choices, poor values and culture could still impede overall success. However, Kotter and Heskett's research indicates that leadership and strategy can be used to positively influence changes in culture.

Process - Define FM Mission and Vision

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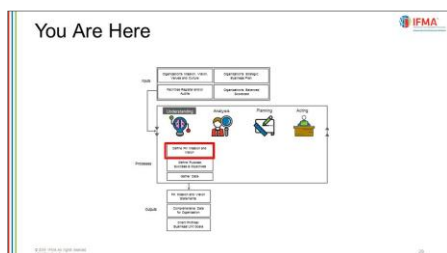
The FM organization's mission and vision are defined to complement the demand organization's mission and vision. It is important to include the FM team in the process of producing the mission and vision statement to promote commitment to the purpose. While the results matter because they provide focus and unity to the FM organization, it is important that the facility manager recognize staff involvement even if the final wording of the statements is not exactly what was envisioned.

A best practice is to conduct the process in both top-down and bottom-up order. First, facility managers could develop and distribute a white paper indicating the general direction of the FM organization. After the information is reviewed, facility managers can engage employees by bringing all FM staff together to have them generate mission and vision statements from the bottom-up.

The benefit of encouraging involvement in the process is that management and staff may accept the mission and vision statements as underlying principles to follow and they may become part of the organization's belief system. When this occurs, individuals are far more likely to govern themselves.

Two examples of FM vision statements follow:

- To be a world-class FM organization by creating intrinsic rewards for staff and a satisfying workplace environment for the demand organization.

- To be viewed as a highly successful provider of facility best practices and sustainer of the workplace environment.

Output - FM Mission Statement

FM mission statements need to be in harmony with the demand organization's mission statements, but also reflect the FM organization's own challenges, role, strengths and environment.

The FM mission statement expresses the FM organization's primary functions as seen by its internal/external stakeholders, its desired reputation, how it intends to treat its constituents and how it intends to achieve its goals.

FM mission statements are developed by considering the following elements of any mission statement:

- Principles are the character traits and values that the FM team agree are the most vital for long-term success.

- Opportunities are the FM team's strengths that provide competitive edge and ability to satisfy the needs of the demand organization.

Two examples of FM mission statements follow:

- It is the FM organization's mission to build relationships and solve problems as partners with customers, staff, contractors, suppliers and the community.

- It is the FM organization's mission to be a partner to customers who share confidence in the FM organization's abilities and commitment to provide solutions that leverage technology and maximize the capabilities of the workplace environment and infrastructure.

An optional step is to have FM team and management write individual mission statements to clarify their understanding of the FM organization's mission. Sharing these statements as a group activity can build consensus and develop shared values.

Personal mission statements are often most meaningful when the individual writes it. An example of an FM employee's personal mission statement could be "To respond to every customer call as if I were the one with that problem."

Output - FM Vision Statement
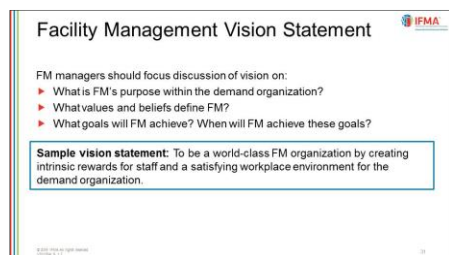
FM organizational vision statements express what the FM organization wants to and believes it can accomplish.

Facility managers focus discussion on the following components of a vision statement:

- Purpose is what FM staff agree is the reason for the FM organization's existence within the demand organization, for example, enablers of success or ability to innovate.

- Values and beliefs or business philosophies are what defines the FM organization, for example, quality organizational development or customer orientation.

- Goals are the end result that should be achieved according to FM staff.

Inputs Related to Aligning Strategy
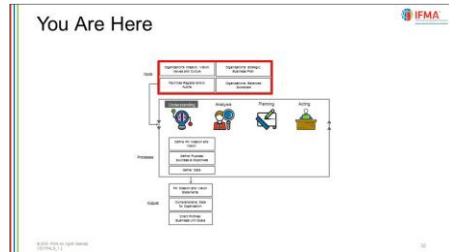
A wide variety of information is required to produce facility strategic plans. Collaborate with senior executives and business unit heads, such as, Human Resources (HR), Finance and Information Technology (IT) to collect the necessary information.

The information may include the following:

- Strategic and tactical plans and goals of other business units
- Marketing plans, inventory plans and sales forecasts by product/service
- Risk assessments
- Site-specific operating costs for occupant support services, including relocations
- Organizational policies, procedures, practices and standards, including:
    - Owning versus leasing criteria
    - Financial decision-making methods and processes
    - Cash flow impact
    - Risk, quality, contingency management policies, other major programs, certifications to management systems and/or other standards
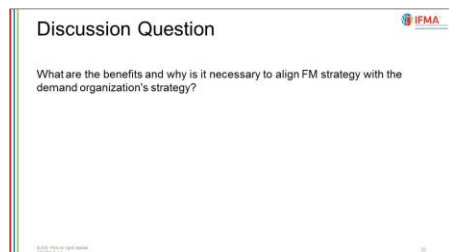
Exhibit 1-5 provides an overview of the initial inputs to facility strategy that are discussed further.

Demand Organization's Strategic Business Plan	Facilities Register and/or Audits	Demand Organization's Balanced Scorecard
• Business units' strategic plans	• Facilities register • Facilities audits	• Financial perspective • Customer perspective • Business process perspective • Innovation and learning perspective
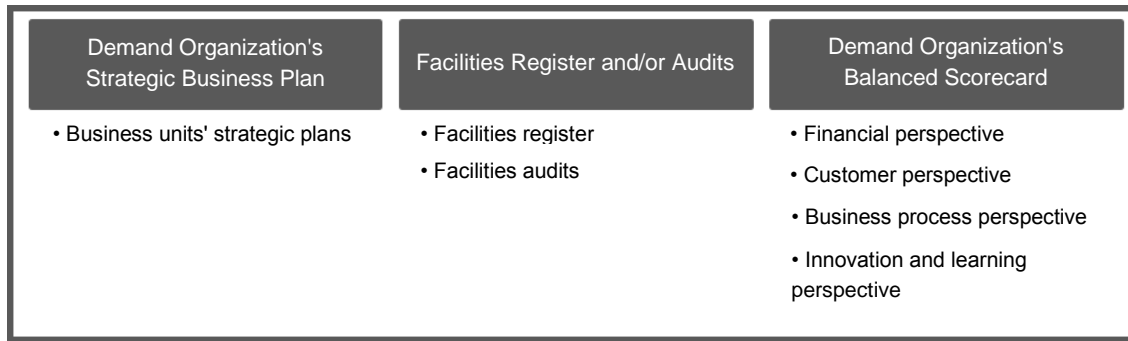
Exhibit 1-5: Inputs to Facility Strategy

Demand Organization's Strategic Business Plan

Demand organizations may have an existing strategic business plan or corporate strategy and if so, it is a direct input to creating the facility strategic plan.

The demand organization's strategic business plan spells out its perspectives on:

- Current position with respect to its financial strength, market share and profitability.
- Current and upcoming competitors and other potential market threats.
- Current business model and plans for changing the business model.
- Current and planned projects.
- Planned direction over three to five years.
- Strategic objectives and strategic requirements, that is, goals and the means to achieve them.

The organization's strategic business plan addresses current and future real estate needs at a high level, especially if facility managers have participated in organizational strategy. Facility managers and planning teams study each strategic requirement and generate a subset of requirements that can be positively affected by FM strategy. Included in this subset are requirements that imply or indirectly require facility support. The facility manager generates a set of derived requirements from these to clearly address how the FM organization will provide that support.

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A requirement is a condition or capability that is necessary for a person or team to solve a problem or fulfill an objective. Requirements usually begin with an active verb and include a method of measuring requirement fulfillment. An organization's strategic requirements form the basis for enacting the organization's strategic objectives.

Some examples of requirements for a research and development organization follow, illustrating how requirements can get more specific:

- Implement programmed renewal and upgrades of all laboratory facilities to maintain leadership in scientific applications and develop the science behind the design of the next generation of laboratory facilities. Include compliance with existing and anticipated upcoming EHS and sustainability regulations.

- Develop a 2,000-square-meter (~21,500-square-foot) expansion space to increase advanced battery development and testing capabilities.

- Install plumbed eyewash and face-wash stations at each location where the eyes or body of any person may be exposed to injurious corrosive materials, in compliance with customer requirements and specific regulations.

Business Units' Strategic Plans

The FM organization serves all business units, developing the current knowledge of each business unit's unique perspective and goals is vital.

Particularly important are business unit plans to:

- Reorganize, expand or contract
- Reconfigure space to implement new initiatives
- Change business unit leadership
- Revise budget priorities
- Ensure compliance to existing and upcoming standards/regulations
- Plan for financial, environment, and social responsibility goals

Business units may overlook informing the FM organization about changes even when the FM function is impacted. To keep the FM organization proactive and avoid the need to make last-minute reactions, facility managers can periodically request strategic plans or conduct interviews if formal plans are not available. A side benefit of this process is that it can help build relationships between participating business units.

Facilities Register/Portfolios and Audits

Two methods of gathering information on facilities are facilities registers/portfolios and facilities audits. Facilities audits may be used to update the facilities register, but a facilities audit may contain information not included in the register.

Facilities Register

A facilities register is a comprehensive list of the organization's facility assets, including buildings, grounds, infrastructure, equipment and furniture.

For each asset, facilities registers may include:

- Lease/ownership data

- Intended use or purpose of each asset

- Financial data such as depreciation schedules or estimated market value

- Relative condition and time remaining until decommissioning

- Maintenance and operation schedules and outstanding issues

- Operations and maintenance costs associated with each asset

- Data on gross, usable and rentable space

- Utility costs associated with each asset

The facilities register helps facility managers and planning teams understand the extent and status of the current facilities and their functional capabilities and limitations. As the team reviews organizational strategy, this base knowledge can help them identify gaps that currently exist between intended and actual function. This determines whether the organization's strategic direction is likely to increase or decrease these gaps.

For example, rather than assuming that a facility deficiency requires buying or leasing more space, FM organizations could satisfy a perceived need for larger facilities by rearranging how existing space is used. If an organization's strategic objective is to facilitate teamwork, the facilities register could be reviewed to see how much shared space is allocated to teams and a goal could be to revise space utilization standards to increase shared space per person by reducing individual space.

Facilities Audits

Facilities audits, or services audits, are thorough, periodic reviews that encompass all of the services and assets within a facility. Facilities audits follow a systematic process of inspecting and reporting on conditions and functional performance levels of existing facilities and FM service programs. They are more detailed, rigorous and independent than continuous performance assessments.

Facilities audits indicate if actual activity durations or costs are at variance with the standard. In addition, a facilities audit can highlight problems such as deferred maintenance backlogs and could provide data on the cost and labor involved to resolve the problem.

While facilities audits are conducted on a regular basis for operations and maintenance planning, high-level information from these reports can be used to provide data on major maintenance issues and capital investment requirements, for example:

- Should the organization increase investments to improve productivity or should it increase production capacity to meet growth objectives?

- What is the likely impact if the maintenance backlog is not eliminated?

- What are the space requirements for business unit projects and initiatives?

- Can standards be devised to measure facility utilization, for example, square meters/square feet per employee monetary unit such as dollar, of profit?

- Does current production capacity satisfy both short-term and long-term marketing objectives?

- Has training produced the desired results?

- Is attendance, problem resolutions, speed of turnaround or number of noncompliant work management center reports acceptable?

- Does the number and location of buildings support or dilute the business plan and what is the impact of relative labor costs, transportation costs and convenience level for customers and visitors?

- If an existing location/equipment requires substantial incremental investment, should the organization divest or reinvest in the property/equipment? What is the time left until compromise?

Demand Organization's Balanced Scorecard

The organization may use a balanced scorecard system to translate its strategy into action, this becomes a key input to aligning FM strategy to the demand organization strategy. The balanced scorecard is a long-term strategy implementation tool developed by Kaplan and Norton that guides staff by providing measurable goals and feedback. It balances short-versus long-term goals and objective versus subjective measures. It combines different perspectives — people, customers, processes, finance — to provide a more holistic analysis. It balances short-term and long-term goals and objective and subjective measures.

Organizations develop scorecards to categorize all goals for a given strategy and their related measurements into four perspectives:

1. Financial
2. Customer
3. Internal business process
4. Innovation and learning

While traditional business measurements are primarily financial, Kaplan and Norton's research indicates that organizational missions, visions and long-term strategies often focus on elements that cannot be measured exclusively from a financial perspective and are

therefore not being managed. Adding the other perspectives allows these factors to be measured and managed.

The four perspectives of the balanced scorecard provide:

- Methods of translating shared mission and vision into measurable goals.

- Guidance for all staff to develop plans that reflect strategy and focus change efforts.

- A way to test the validity of the cause-and-effect hypothesis that exists between strategic requirements and strategic objectives, using:

    - Performance drivers — a set of leading indicators or predictive measurements is used to show how to achieve a given outcome. These predictive measurements can be used to make course corrections while work is in progress. Performance drivers are usually specific to the business unit.

    - Outcome measures — a set of lagging indicators or results measurements is used to determine whether strategic objectives are satisfied. Outcome measures can be more generic and can be applied to multiple strategic requirements. Outcome measures are also called key success indicators.

Performance of the demand organization.

- Translates strategy into action and aligns FM and demand organization strategies

- Each perspective holds both short- & long-term goals and objective & subjective measures

- Help the demand organization measure performance - if unbalanced the demand org suffers

Financial Perspective

How to achieve financial success

Business Process Perspective

Processes to achieve success

Mission, Vision and Strategy

Customer Perspective

How do our customers see us?

Innovation and Learning Perspective

Can our employees continue to improve?

The balanced scorecard, when used correctly, provides the FM organization with information on how the demand organization is performing. A reason it is called

"balanced" is that a well-crafted scorecard highlights that a change is often balanced by an opposite reaction elsewhere in the system. For example, increasing preventive maintenance to satisfy one objective would be balanced by an increase in costs, reducing a financial perspective metric.

Exhibit 1-6 provides an example of a school system's Strategy Map. This example represents a Strategy Map, which is a highest level representation of the balanced scorecard framework, including a high-level description of the strategic objectives.
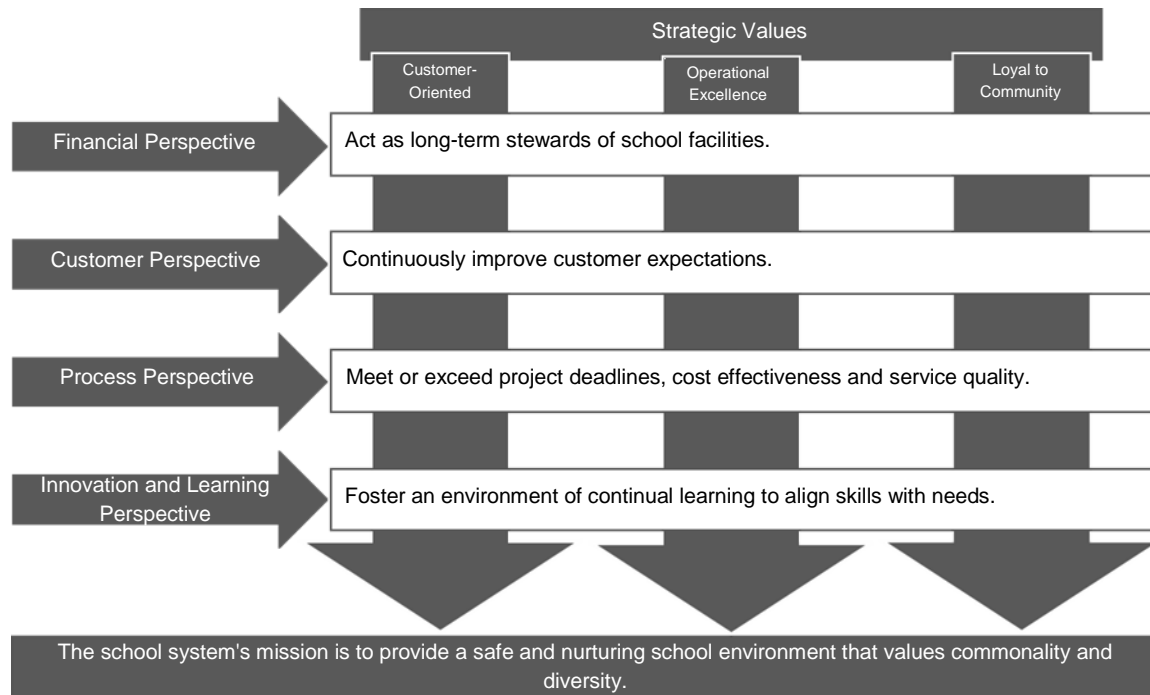
Exhibit 1-6: Example of a Strategy Map for a School System

This example will be continued later in this chapter, showing how the FM organization plans to meet this school system's objectives.
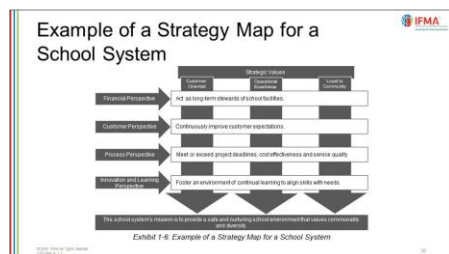
Financial Perspective

The demand organization's financial perspective provides outcome measures that serve as ultimate goals to which the FM organization and other business units' financial outcome measures should contribute.

The demand organization's financial performance drivers indicate how it intends to achieve financial success and reflect its competitive strategy, for example, delivering products at a lower cost than competitors can offer. FM organizations that understand the demand organization's competitive strategy can identify the purpose behind its financial goals and measures. The FM organization can then develop FM-specific performance drivers to indicate how to achieve these financial goals.

Customer Perspective

The customer perspective provides information on the demand organization's current and potential customers and their preferences. Facility managers use this information to understand how the demand organization creates value for its customers.

Types of customer data and FM strategy examples include the following:

- Customer segmentation indicates relative customer value. FM strategy may create spaces attractive to a given customer segment.

- Customer acquisition, retention, satisfaction, loyalty and profitability can be prioritized. The FM strategy reflects these priorities.

- Demand organizations may pursue partnerships with some customers or suppliers. FM strategy could provide virtual collaboration spaces.

The customer perspective also relates information on customer preferences:

- Customers may prioritize features, price or quality. FM strategy reflects these priorities for example, high quality requires high maintenance costs.

- Customers may prefer personal relationships or a particular purchasing experience. FM strategy could provide specialized spaces for customers.

- Customers may want the demand organization's reputation and image to reflect positively upon them. FM strategy could reinforce the brand image.

Note that the demand organization's customer perspective typically relates to external customers. However, a balanced scorecard for the FM organization may relate to external or internal customers such as building occupants.

Internal Business Process Perspective

The internal business process perspective indicates the processes the demand organization plans to use to achieve its goals.

This perspective encompasses all types of processes:

- Research and development processes of identifying new products, including FM processes to support specialized staff/equipment

- Operational processes of producing, selling and/or delivering products, including equipment maintenance and staff service programs

- Customer service processes of pre- and post-sale service, including FM-specific processes such as work request processing and responses

The balanced scorecard can improve entire processes rather than needing to address business unit processes individually. FM strategy can contribute by creating complimentary FM processes, for example, using similar business terminology, report styles, technology and tools, such as a balanced scorecard.

The balanced scorecard can also help demand organizations devise new business processes to solve strategic problems. For example, a demand organization's strategic objective may be to reduce downtime below a certain percentage. FM strategy to achieve that measured objective might be to increase the preventive maintenance frequency or inspection frequency. The downtime rate could be an outcome measure of the maintenance strategy effectiveness.

Innovation and Learning Perspective

The Four Perspectives

The four perspectives of the balanced scorecard provide:
- Methods of translating shared mission and vision into measurable goals.
- Guidance for all staff to develop plans that reflect strategy and focus change efforts.
- A way to test the validity of the cause-and-effect hypothesis that exists between strategic requirements and strategic objectives, using:
  - Performance drivers — a set of leading indicators or predictive measurements. *How do we do it?*
  - Outcome measures — a set of lagging indicators or results measurements. *Did we do it?*

The Four Perspectives (continued)

- When used correctly, provides the FM organization with information on how the demand organization is performing.
- Called "balanced" is that a well-crafted scorecard highlights that a change is often balanced by an opposite reaction elsewhere in the system.
  - For example, increasing preventive maintenance to satisfy one objective would be balanced by an increase in costs, reducing a financial perspective metric.

Demand organization strategies for innovation and learning are primarily related to increasing, maintaining or reducing production capacity, including expected changes in staffing levels, services or technologies. From these strategic goals, FM organizations can anticipate changes in capital investments, site-specific employee population and demographics, space utilization needs, maintenance requirements and operating costs.

Demand organization investments in people, equipment, facilities, systems and processes may include:

- Strategic goals for increasing the satisfaction, retention and productivity of staff. The FM strategy could include cross-training staff to proactively respond to problems outside their area.

- Technology strategies for information gathering, analysis, reporting and control, including retraining. The FM strategy could involve learner support.

- Use of the balanced scorecard to implement and measure the demand organization's strategy. The FM strategy could have scorecard measures cascade down to the FM organization's scorecard and link rewards to scorecard measures.

Processes Related to Aligning Strategy
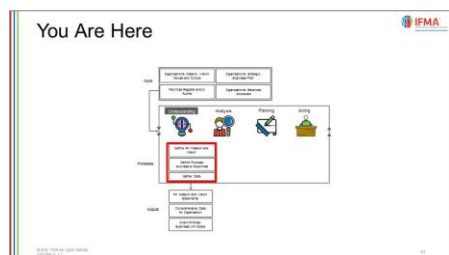
The process used to align the FM strategy to the demand organization's strategy involves individual research followed by meetings to achieve a shared understanding of the collected information. Meetings with the facility manager and team members are used to brainstorm ideas, create reports on findings, and achieve consensus on the current and future state of the demand organization and the role of the FM organization.

The main goal of this alignment process is to move from a cost-driven approach to a business-driven approach. A business-driven approach is how the FM organization can translate the expense of FM into a tangible business value, supporting the demand organization's strategy and objectives. A business-driven approach uses knowledge of the demand organization to make wise choices and set tangible goals, even when the best long-term choice is not the least costly. While cost-driven approaches are popular because they are straightforward and executives press for cost minimization, they may be disconnected from the demand organization's vision, mission and strategy.

Benefits of business-driven approaches include:

- Moving from a short-term or mid-term view taken by cost-driven approaches to a long-term view.

- Earning support of staff/contractors because business-driven approaches require participation and are clearly linked to mission and vision.

- Increasing productivity by motivating people and optimizing asset use.

- Providing unity of purpose and a sense of teamwork, enhancing organizational competitive performance.

Facility managers use a business-driven approach to define the purpose, success and objectives of FM strategic planning.
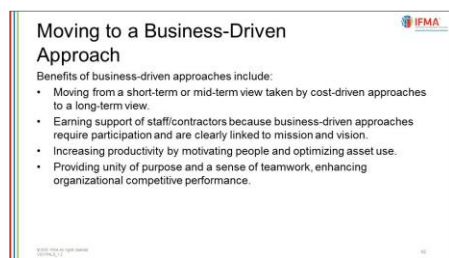
Define, Purpose, Success and Objectives

One method for aligning strategy is to define the purpose, success criteria, and objectives of the strategic plan or its components. Defining what constitutes success up front or starting with the end in mind helps facility managers and staff generate a plan to reach that goal.

A purpose can be expressed through one or more strategic objectives. The following definition of strategic objective contains an example of a purpose and shows how strategic objectives embed measurable success criteria: A strategic objective is a measurable goal that you commit to achieve by a specific date. "To be a showcase facility" might be part of a facility purpose statement. "To have at least 98 percent planned rather than corrective maintenance by the end of the year," might be an FM strategic objective.

A purpose statement is an expression of the scope and intended use or result of an activity that accounts for priorities and other assumptions or parameters.

Example phrases for purpose statements:

- "The reason to align strategy is to define the purpose..."

- "The following will discuss the..."

- "My reason for writing this is to..."

- "The purpose of this report will explain..."

Success criteria are the combination of conditions that must be met or satisfied for the project, plan or task to be considered a success. Success criteria are specific, measurable and agreed upon by stakeholders.

Success criteria might include time, cost, safety, cycle time, complaints, and the like. Some examples are:

- Reduced maintenance costs by 8%

- Reduced cycle time for completing routine maintenance by 2 hours.

- Reduce customers complaints about cleanliness or appearance by 10%

- Increased space utilization by 15%

Note that success criteria avoid specifying the means by which the criteria are to be achieved, because success could occur through various means, however if plans are executed correctly there is a higher probability of success.

Defining purpose and success are necessary group activities because participation generates buy-in and reduces chances of miscommunication or counterproductive work.

Facility managers ensure that defining these end results occurs before analysis and planning are performed so that everyone involved in these tasks has a shared expectation of results. Later analyses may reveal new strategic directions. It is important to allow the best method of accomplishing goals to be dictated by the results of research. The goals are defined from the start, but the means of achieving them are not.

Once a purpose is defined, FM organizations can focus their data-gathering activities to satisfy this purpose.

Gather Data

Facility managers and planning teams gather the demand organization and business unit data. They compile and arrange this information for later analysis. This includes eliminating redundant information, verifying values and checking that information is sufficient and complete. The basis for estimates is also clarified and, where appropriate, estimate consensus is achieved using second or third opinions.

Outputs Related to Aligning Strategy
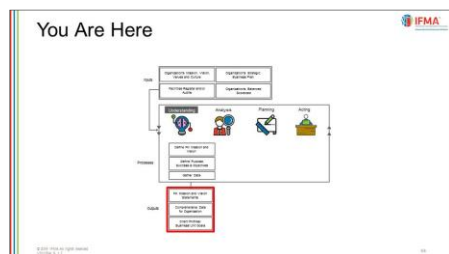
The outputs of aligning FM strategy to the demand organization's strategy may include:

- FM mission and vision statements

- Comprehensive data for the demand organization

- Client profiles/business unit goals

Comprehensive Data for the Demand Organization

The demand organization's strategic plans and other comprehensive data should indicate the demand organization's type, its competitive strategy, and the relative maturity of its products.

The demand organization's type provides FM organizations with broad FM strategy goals. Common organization types and examples of FM strategies include the following:

- **Service organizations** — service organizations focus on customers whose changing demands require short planning horizons. FM strategy could focus on rapid, organized change management.

- **Manufacturing organizations** — are made up of multiple facilities, each requiring its own site-specific strategy. The different sites have their personnel, uses, and equipment. The FM strategy should empower FM site administrators.

- **Government/academic organizations** — these organizations are highly regulated, and strategies can be reactive to public opinion, politics, customer service preferences and budgets. FM strategy could manage bureaucracy related to procurement and personnel and emphasize a solid change control system.
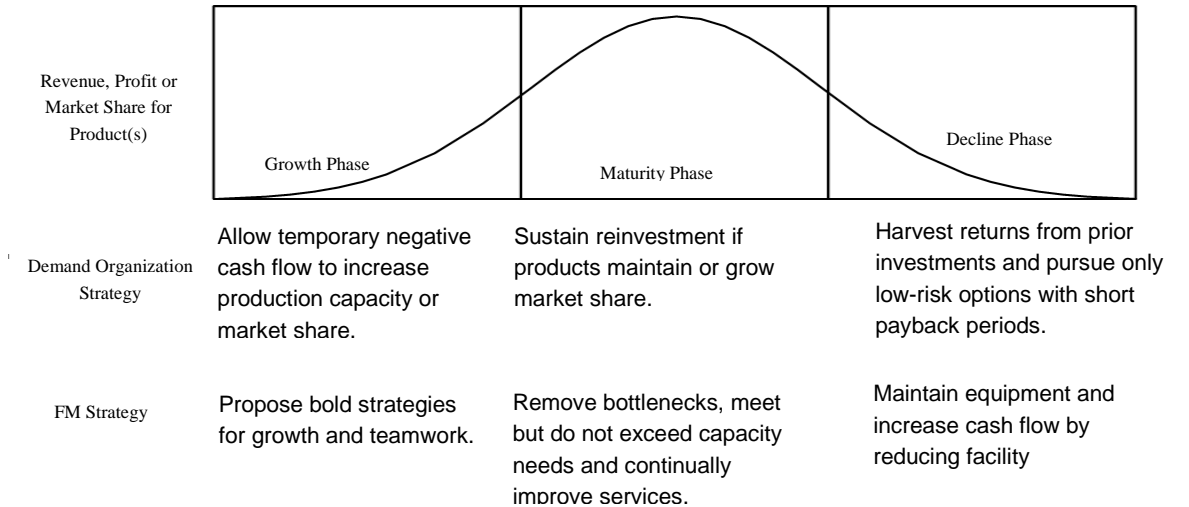
Other important business type information includes profit/nonprofit status, industry type organizational structure, and management/leadership style.

A demand organization's competitive strategy relates how it intends to succeed in a competitive environment. Michael Porter, author of *Competitive Advantage*, proposed the following generic competitive strategies:

- **Cost leadership strategy** — the demand organization pursues efficiency through economies of scale and standardization of products. FM strategies could respond by increasing outsourcing and standardizing services.

- **Differentiation strategy** — the demand organization charges a premium for actual or perceived uniqueness in a product, process or service. FM strategies could create personalized services and unique spaces.

- **Market segmentation strategy** — the demand organization finds niche market segments that are resistant to competitors due to entry barriers or the demand organization's strengths. FM strategies increase these niche strengths.

Another way to document the demand organization or business unit strategy is to determine the maturity of the demand organization's products in a product life-cycle.

Exhibit 1-7 shows a simplified product life cycle with examples of the demand organization and FM strategies.

Revenue, Profit or Market Share for Product(s)	Growth Phase	Maturity Phase	Decline Phase
Demand Organization Strategy	Allow temporary negative cash flow to increase production capacity or market share.	Sustain reinvestment if products maintain or grow market share.	Harvest returns from prior investments and pursue only low-risk options with short payback periods.
FM Strategy	Propose bold strategies for growth and teamwork.	Remove bottlenecks, meet but do not exceed capacity needs and continually improve services.	Maintain equipment and increase cash flow by reducing facility

Exhibit 1-7: Differences in Demand Organization and FM Strategy due to Product Life-Cycle Phase

Client's Profiles

Client profiles are prepared for each business unit. The profile summarizes the strategic objectives and requirements, mission, vision, and goals for each business unit or client if the FM organization is an external service provider.

Client profiles list the same types of data for each business unit or client, including the following examples:

- **Demographics** — head counts by role, organizational charts and specialists who have particular space needs for example scientists

- **Service requirements** — security or cleaning requirements

- **Facility register data** — buildings occupied, floor space used and breakdown by type, equipment and furniture

- **Budgets for facilities** — unit spending patterns on facility space and services, chargeback data or intent to change the budget

- **Culture and values** — regional variations in beliefs or work styles, service preferences, use of teams or tolerance for some methods

- **Financial data** — funding sources, approval sources, seasonal needs or trends for initiating facility projects

Aligning FM Strategic Plan to the Demand Organization's Strategic Plan

Aligning the facility's strategic plan to the demand organization's overall strategy is important to the FM organization's success. FM professionals must be able to show how the facility strategic plan adds value and supports the demand organization's strategic plan in writing.

Inputs - Demand Organization	FM Processes	Outputs - FM
- Mission, vision and culture - Strategic business plan - Facilities register and/or audits - Demand organization's balanced scorecard	- Define FM mission and vision - Define purpose, objectives and success - Gather data	- FM mission and vision statements - Comprehensive data about the organization - Client profiles/business unit goals

Exhibit 1-8: Aligning FM Strategic Plan

How to Align the Strategy

The example used in this section will outline one FM organization aligning its strategy to the demand organization's strategy. There are a variety of ways to complete this process and this course will detail common inputs, processes and outputs to strategic planning.

Sonoma County

Mission
The core mission of the Sonoma County government organization is to protect and enhance the safety, health, well-being and quality of life for all of the people of Sonoma County.[1]

Sample Demand Organization's Strategic Plan

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[1] This sample is from the Sonoma County government organization (2009).

In this example, the goals, objectives and strategies are outlined using 4 levels.

Each hierarchical level is represented as follows.

    I.   Goals

        A. Objectives

            1. Strategies

                a. Additional detail on strategies

Sonoma County's organizational goals and objectives are as follows:

    I.   Make the most efficient and effective use of current resources.

        A. Establish quantitative and qualitative **targets to measure the County's performance** in promoting the safety, health, well-being and quality of life for the residents, families and communities of Sonoma County.

    II. Enhance the County's fiscal soundness through the expansion and increased diversification of General Fund and other revenue sources.

        A. Maintain and preserve current sources of revenue.

        B. Increase current sources of revenue and **add new sources**.

    III. **Enhance the capacity** of County programs and community systems to more effectively meet the changing needs of individuals, families and communities in Sonoma County.

    IV. **Plan, procure, operate, maintain and manage Sonoma County's facilities and real estate assets** at their highest and best use, such that they provide the best value to the County.

    V. Proactively address:

        1. Unmet needs in the County's waste management and **water and wastewater treatment infrastructure**.

        2. The **failing transportation infrastructure** so that it can be maintained and operated to provide safe, reliable and accessible movement of people and goods throughout the county.

Sample: Applying Demand Organization Strategic Plan to FM's Strategic Plan
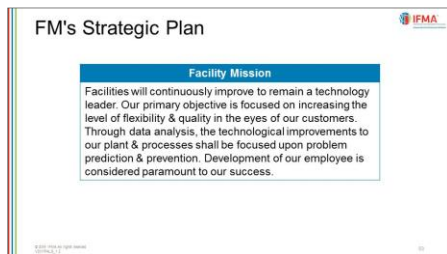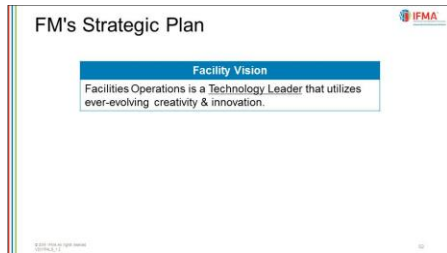
The FM organization can then create the following mission and vision in alignment with the demand organization.

Facility Vision
Facilities Operations is a <u>Technology Leader</u> that utilizes ever-evolving creativity & innovation.

Facility Mission
Facilities will continuously improve to remain a technology leader. Our primary objective is focused on increasing the level of flexibility & quality in the eyes of our customers. Through data analysis, the technological improvements to our plant & processes shall be focused upon problem prediction & prevention. Development of our employee is considered paramount to our success.

Long-Term Customer Value

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Creating the FM Balanced Scorecard

Exhibit 1-9: Sonoma County Balanced Scorecard Sample
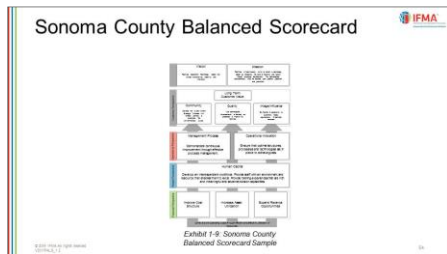
The strategic objectives for the Sonoma County FM organization are defined as follows.

- **Customer Perspective**

  - Community — develop new and grow current Strategic Alliances with vendors, partners and customers. Be environmentally aware.

  - Quality — use technological advancements to develop and improve our processes and facilities.

  - Image/Influence — be flexible and responsive to customer's needs, requirements and technical demands.

- **Operational Excellence**

  - Operations, Management, Process Innovation - demonstrate continuous improvement through effective process management.

- **People**

  - Human Capital — develop an interdependent workforce.

  - Human Capital — provide staff with an environment and resources that enables them to excel while achieving the organization's mission.

- **Financial**

  - Cost — improve cost structure.

  - Assets — increase asset utilization.

  - Revenue — expand revenue opportunities.

  - Resources — achieve lower operating costs through effective and efficient utilization of resources.

The following outlines some of the performance measurements and targets for the organization.

Perspective	Strategic Objectives
→ Customer → Operational excellence → People → Financial	→ Image - communications → Optimal technology → Training & development → Fiscal management - diversification

Measures	Targets
→ Change image of facility operations → Efficient use of technology → Provide excellent training → Align budget with strategic plan	→ Change office layout → Process targets (badges) → Establish BAS training → Increase revenue base

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Vision

Facilities Operations Technology leader that utilizes ever-evolving creativity and innovation.

Mission

Facilities will continuously strive to remain a technology leader by increasing the level of flexibility and quality through employee development. The technological advancements shall be focused upon problem prediction and prevention.

Customer Perspective

Long Term Customer Value

Community

Develop new & grow current Strategic Alliances with vendors, partners, & customers. Be environmentally aware.

Quality

Use technological Advancements to develop our processes & improve our facilities.

Image/Influence

Be flexible & responsive to customer's needs, requirements, & technical demands.

Operational Perspective

Management Process

Demonstrate continuous improvement through effective process management.

Operations Innovation

Ensure that optimal structures, processes and technologies are in place to achieve goals.

People Perspective

Human Capital

Develop an interdependent workforce. Provide staff with an environment and resource that enables them to excel. Provide training experiences that are rich and meaningful and advance division capabilities.

Financial Perspective

Improve Cost Structure

Increase Asset Utilization

Expand Revenue Opportunities

Achieve lower operating costs through efficient and effective utilization of resources.
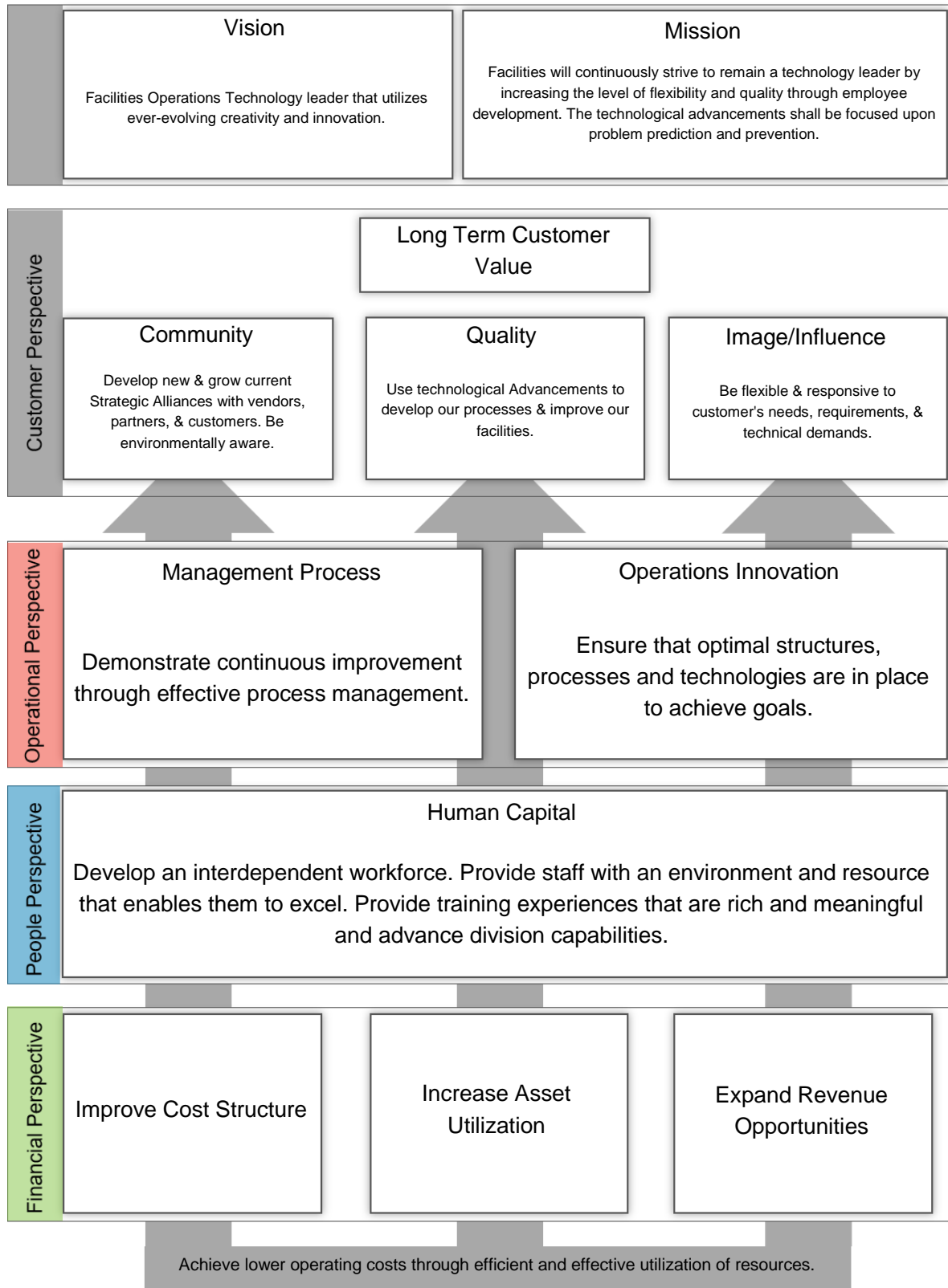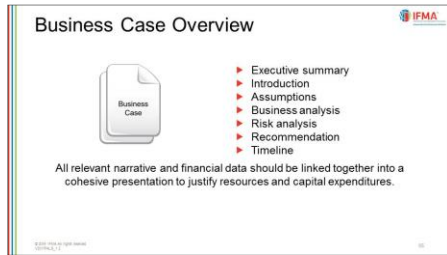
Exhibit 1-9: Sonoma County Balanced Scorecard Sample

Business Case Development Overview

Facility managers produce business cases to promote one or more objectives of the FM organization's strategic plan, present the business cases to decision makers along with a recommendation and then produce tactical plans for those business cases that are approved and funded.

A well-crafted written business case provides information about the what, when, where, how and why of the proposed initiative. All relevant narrative and financial data should be linked together into a cohesive presentation to justify resource and capital expenditures.

A business case should follow the preferred or approved organizational format and include expected elements. *Exhibit 1-10* provides a list of commonly found components, due to the diversity of the subject, this list is not prescriptive but more a general indication.

Exhibit 1-10: Common Components of a Business Case

Components	What It Provides
Executive summary	A high-level overview of the proposed initiative, including why it is necessary and key recommendations.
Introduction	A description of the current situation, the requirement for the proposed initiative and recommendation and how the effort will fulfill organizational objectives.
Assumptions	Recognition of what major assumptions are behind the proposed initiative.
Business analysis	Financial analysis results: Initial cost estimates, funding required and related expenses, projected cash flows and financial payback. Nonfinancial results: Qualitative aspects of the proposed initiative, for example; improved customer satisfaction, increased retention of tenants, improved reputation for the organization. Rationale for change: A discussion of how the solution addresses issues or opportunities. • Potential benefits, such as improved customer satisfaction or

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Components	What It Provides
	reduced maintenance costs. • Compliance with mandatory regulatory requirements, such as standards for accessible design or legislation related to health and safety at work. • What options were considered?
Goals	Meet all goals set within the business case.
Risk analysis	An overview of: • What will happen if the effort is not undertaken, also referred to as the do-nothing scenario, where the organization would be without the project. • Risks involved in the proposed initiative. • Alternative options as well as a ranking of those options demonstrating the optimum solution.
Recommendation	Content describing the recommended solution(s).
Timeline	Estimates about money, people and time that will be needed to deliver the solution and realize the benefits.

The business case follows the preferred or approved format of the organization and includes the expected elements, such as a cost-benefit analysis.

When a facility manager should develop and present a business case is discussed later in this chapter. More detailed information on how to create a business case is discussed in IFMA's Finance and Business Course.

Lesson Activity

Strategic Alignment Activity

Activity duration: 20 - 30 minutes.

Activity Instructions

- You will work in groups for this activity.
- Each group will use the example Sonoma County's balanced scorecard:
  - Determine what additional inputs are required to align success measures, demand organization's goals and objectives.
  - Determine how to ensure there is alignment between the demand organization and the FM organization.
- When prompted, begin the activity by turning to the activity in your book and discussing the listed questions.
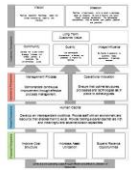

What is Needed for Alignment?

Exhibit 1-9: Sonoma County Balanced Scorecard Sample

Review the following School System's strategic objectives outlined in the example balanced scorecard in *Exhibit 1-9*. Discuss in your groups, the following questions.

1. What additional information would be useful in aligning the FM organization's strategy with the demand organization's objectives based on this balanced scorecard?

2. Evaluate the four perspectives in the example balanced scorecard. What objectives could be created by FM to support each category?

3. How can success measures be aligned in this example?

4. Once FM has determined goals that support the demand organization strategy, how does FM ensure alignment with the demand organization?

5. What are the consequences of misalignment with the demand organization strategy?

6. What are the benefits of aligning with the demand organization strategy?
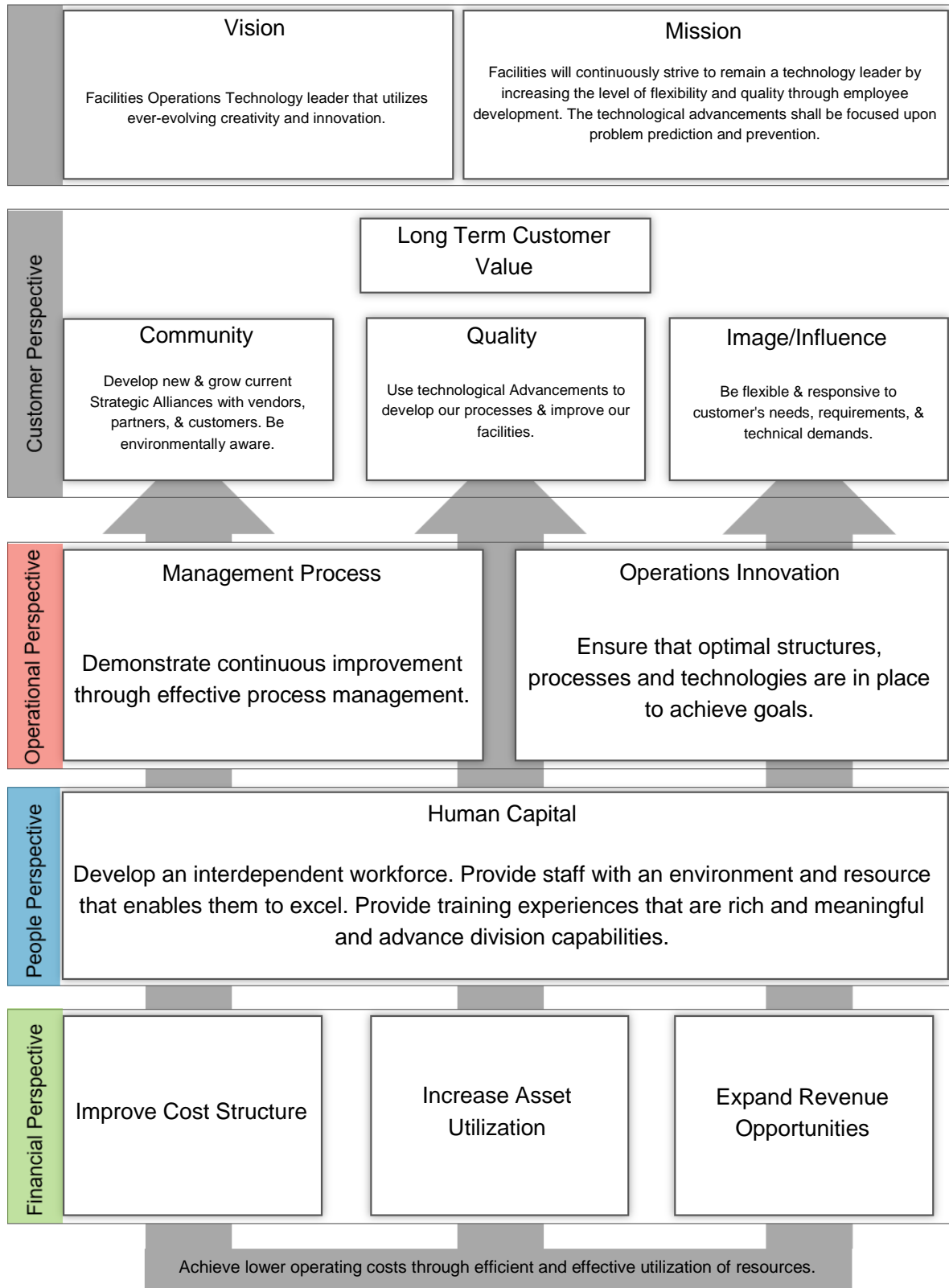
Continue to Exhibit 1-9.

IFMA™
International Facility Management Association

Vision

Facilities Operations Technology leader that utilizes ever-evolving creativity and innovation.

Mission

Facilities will continuously strive to remain a technology leader by increasing the level of flexibility and quality through employee development. The technological advancements shall be focused upon problem prediction and prevention.

Customer Perspective

Long Term Customer Value

Community

Develop new & grow current Strategic Alliances with vendors, partners, & customers. Be environmentally aware.

Quality

Use technological Advancements to develop our processes & improve our facilities.

Image/Influence

Be flexible & responsive to customer's needs, requirements, & technical demands.

Operational Perspective

Management Process

Demonstrate continuous improvement through effective process management.

Operations Innovation

Ensure that optimal structures, processes and technologies are in place to achieve goals.

People Perspective

Human Capital

Develop an interdependent workforce. Provide staff with an environment and resource that enables them to excel. Provide training experiences that are rich and meaningful and advance division capabilities.

Financial Perspective

Improve Cost Structure

Increase Asset Utilization

Expand Revenue Opportunities

Achieve lower operating costs through efficient and effective utilization of resources.

Exhibit 1-9: Sonoma County Balanced Scorecard Sample

_____

_____

_____

_____

_____

Debrief

Activity Debrief

- What are the key inputs and processes to aligning the FM and demand organization strategy?
- How does mission, vision, value and culture play a role in the alignment process?
- What data will provide important information for this process?

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Develop and Implement a Strategic Planning Process

Lesson Introduction

On completion of this lesson, you will be able to:

- Use strategic planning tools and frameworks to develop and assess a strategic plan.

This lesson consists of the following topics:

- Analysis Phase
- Inputs
- Processes
- Outputs

Developing and implementing a strategic planning process typically involves selecting and then using a set of analytical tools to:

- Assess and evaluate high-level user requirements
- Weigh the strengths and weaknesses of the FM organization
- Rank and prioritize objectives and generate one or more potential strategies

Potential strategies are usually tested for feasibility and best use of funds.

The results of this analysis may include:

- A set of strategic user requirements
- A gap analysis indicating the difference between the current versus the desired FM services and organizational assets
- A set of viable strategies from which decision makers can select and a recommended strategy

This topic presents a number of tools that can be used during the processes of strategic analysis and plan assessment. Facility managers can select the processes and tools that are appropriate for their organization and strategic planning needs.

Some of the benefits that can be achieved by developing and implementing a strategic planning process include:

- The process solicits input from key stakeholders, for example, staff, contractors, finance, occupants, etc.

- The process includes identifying milestones as well as tracking and correlating leading indicators with key success indicators.

- The process considers how to leverage (make wise use of) current capabilities and assets, for example, staff, contractors, technology and key relationships.

- The process includes assessing the feasibility of the plan.

Analysis Phase

Exhibit 1-11: Strategy Life-Cycle Model (Analysis)
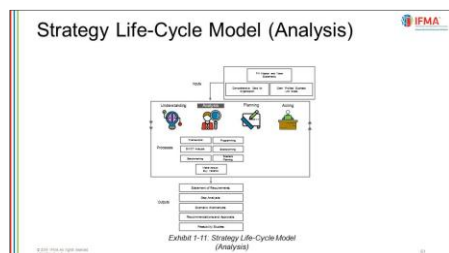
Exhibit 1-11 shows an overview of the inputs, processes and outputs of the Analysis phase within the strategy life-cycle model.
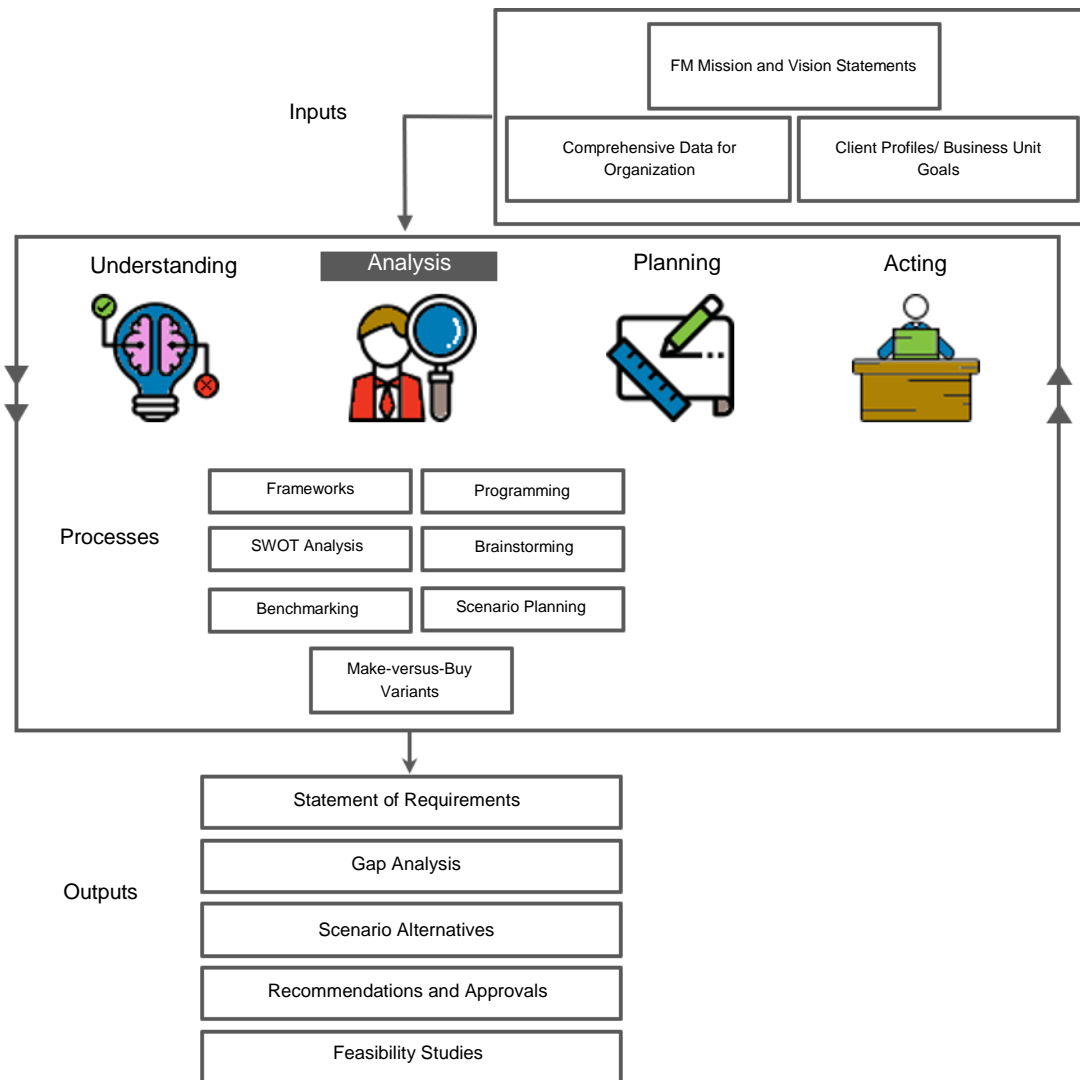
Exhibit 1-11: Strategy Life-Cycle Model (Analysis)

Each part of this phase will be discussed in more detail throughout the lesson.

Remember, it is important that alignment happens throughout the strategic planning process.
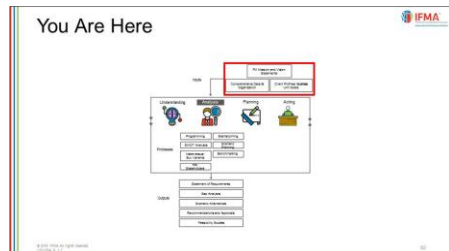
Inputs

The outputs from the Understanding phase are the inputs for the Analysis phase, including:

- FM mission and vision statements

- Comprehensive data about the organization

- Client profiles/business unit goals

Processes
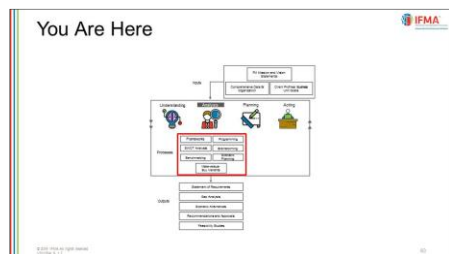
To develop and implement a strategic planning process, the FM uses methods and tools designed to identify and measure the gap between current and long-term facility requirements. With this information the FM can develop different scenarios that will allow the demand organization to evaluate the alternatives.

The process provides insight on how to balance priorities between the categories of requirements that must be addressed in the facility strategic plan. The following are examples of possible categories of requirements:

- Workforce demographics

- Research and development, operational and customer service processes

- Organizational culture and structure

- Occupant services requirements

- Government regulatory and community requirements

- Market share and position

- Technology and software

- Production capacity rates and volumes

Exhibit 1-12 provides an overview of tools and methods that can be applied to develop and implement a strategic planning process. The tools and methods are used to measure and clarify the gap between current and future FM organization requirements or to compare and analyze alternative scenarios.

Frameworks	SWOT Analysis	Scenario Planning
	• Strategic creative analysis (SCAN)	

Programming	Brainstorming	Make-versus-Buy Variants
• Strategic vs. full-scale programming • Needs assessments • Needs forecasting • Requirements analysis and negotiation • Requirements modeling	Benchmarking	• Lease-versus-own analysis • Buy/build/expand/renovate analysis • Stay/move analysis

Exhibit 1-12: Processes Available for Developing and Implementing Strategic Planning
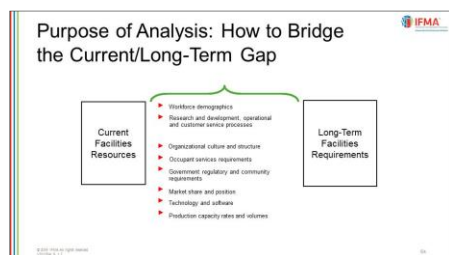
Frameworks
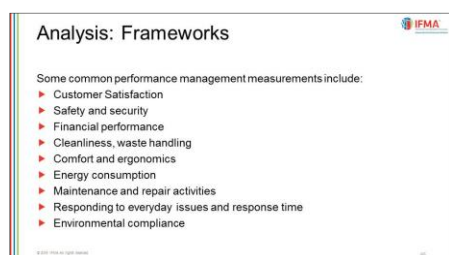
A part of the strategic planning process is to determine how the FM organization's performance will be measured. The intent is to have a performance management system framework that tracks performance, manages performance information and data, and describes:

- How the FM organization accomplishes work.

- How the facility is performing relative to defined characteristics, for example energy use, environmental quality, safety, and security.

The performance management framework must align to the facility's strategic plan and be based on FM support services, which is how FM and occupants function. Performance management measurements include:

- Customer Satisfaction

- Safety and security

- Financial performance

- Cleanliness

- Comfort and ergonomics

- Waste handling

- Energy consumption

- Maintenance and repair activities

- Responding to everyday issues and response time, including complaints about the workplace

- Environmental compliance

The performance management framework guides the facility manager on what should be measured and how to analyze data and information that defines success. The data also assists the facility manager in initiating adjustments and realignments as necessary.

The balanced scorecard is a commonly used performance management framework and is used throughout this course as an example.

Programming
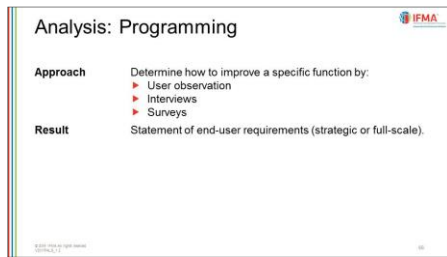
Programming is the process that defines the detailed project requirements of the end user, which is needed to meet the project objectives and general project requirements. Programming is:

- An analysis that applies user observation, interviews and surveys to identify and detail a specific function in an organization, possibly a functionality improvement. For example, when translated into a new design for a space.

- Documented as a statement of requirements.

Note that the term programming in this section is different than the term programming that is used as part of the design process.

The goal of programming is to produce a set of strategic requirements that consist of:

- Those requirements of the demand organization that the FM organization can directly influence.

- The requirements that are not explicitly stated by the demand organization but are necessary to support completion of an explicitly stated requirement. FM can indirectly influence these derived requirements.

- High-level user requirements produced through needs assessments, needs forecasting, requirements analysis, negotiation, and requirements modeling.

The resulting requirements are derived from the analysis. They move from general to specific. They account for codes or regulations and make implied requirements obvious.

Steps in programming related to development and implementation of a strategic planning process include:

- Determining whether to use strategic programming or full-scale programming

- Needs assessments

- Needs forecasting

- Requirements analysis and negotiation
- Requirements modeling

Strategic vs. Full-Scale Programming

The type of strategy document to be created has an impact on the level of detail required of programming:

- For a facility strategic plan, strategic programming is used, and a strategic statement of requirements is produced. Strategic programming or macro programming is the process of defining user needs at a high level and developing a strategic or macro statement of requirements that reflects general space requirements per person and business unit but omits schedules or detailed analyses of specific spaces/services.

- For a facility master plan, real estate master plan or campus plan, full-scale (regular) programming may be used and a statement of requirements is produced that includes detailed space standards and a schedule for tactical implementation.

Strategic programming lacks elements such as scheduling and uses many of the same steps as full-scale programming. It can be completed quickly due to the lower level of detail expected. Following the development of a facility strategic plan, if a later full-scale programming effort needs to be generated, strategic programming provides the groundwork.

Both strategic and full-scale programming help make the link between the facility's strategic plan and master plan and the demand organization's requirements transparent. Programming defines actual customer and internal stakeholder needs.

Needs Assessments

A needs assessment is the process of identifying performance requirements and the "gap" between what performance is required and what resources are available.

During a needs assessment, input is solicited from multiple stakeholders to discover and document previously unstated needs/requirements. Doing a needs assessment helps organizations learn what customers or users really need.

The needs assessment is based upon interviews, surveys and other methods of information gathering. If the user population is large, input can be limited to a statistically relevant selection of the population. Statistical relevance refers to the number of persons contacted relative to the total number but also requires that input be received from stakeholders at all levels, from executives/clients to staff and occupants/visitors.

Talking to stakeholders at all levels supports acceptance of the eventual facility strategic plan because stakeholders feel they were listened to. The data resulting from a needs assessment also helps facility managers better understand their stakeholders. For example, they may learn about new business constraints or develop a deeper understanding of the impact of culture.

It is important to engage key stakeholders throughout the strategic planning process. These individuals with a vested interest in the facility strategic plan will need to back the plan once it is complete. If facility managers do not gain buy-in and input from stakeholders from the beginning, it will be hard to get adoption and support from the demand organization once the plan is finalized. Manage stakeholder communication and expectations according to their role and engage them respectively.
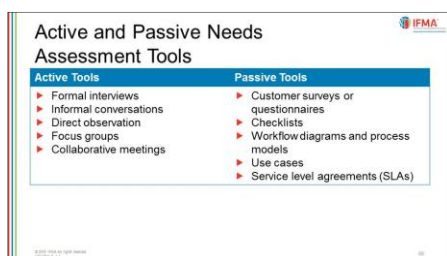
*Exhibit 1-1*3 classifies needs assessment tools as active or passive based upon the amount of interaction needed with the information provider. A best practice is to use a mix of both active and passive tools to allow for user preferences and time constraints.

Exhibit 1-13: Active and Passive Needs Assessment Tools

Active Tools	Passive Tools
• **Formal interviews** — interviewers ask a set of predefined open-ended and closed-ended questions to ensure that nothing is left assumed. Interviews tend to elicit big-picture information. • **Informal conversations** — interviewers use conversations to get a general picture and allow users to raise issues important to them. • **Direct observation** — analysts observe tasks and record the actual processes used. They ask questions to clarify their understanding. • **Focus groups** — requirements for a niche area could be discovered by assembling a select group of stakeholders. • **Collaborative meetings** — meetings for brainstorming or problem solving can be held either to get a high-level picture of requirements or to resolve conflicts between requirements.	• **Customer surveys or questionnaires** — surveys and questionnaires are useful when an issue is already well defined and the level of consensus needs to be established. • **Checklists** — checklists can be used to establish priorities or eliminate unnecessary requirements. • **Workflow diagrams and process models** — diagrams and models can be provided to users for review or requested from experts. • **Use cases** — use cases describe the interaction between people and systems and processes as a series of simple steps. Users can be asked to generate or review use cases. • **Service level agreements (SLAs)** — users can be asked to review the contents of SLAs and comment on whether the agreement addresses all relevant service requirements.

General types of needs assessments that can be conducted for the FM organization to determine the impact of proposed strategies include service program assessments, space needs assessments, competency and capacity assessments and budget constraint assessments.

- Service program assessments — facility managers conduct service program assessments to determine if hard services are adequate for satisfying facility and equipment maintenance needs and if soft services are adequate for satisfying

occupant requirements. The potential impact or likely response to proposed new or changed services can also be assessed using benchmarking data, interviews or surveys.

- Space needs assessments — the facility manager and team members conduct a space needs assessment to determine whether current facilities support the workplace strategies and have the capabilities required to implement the proposed strategy or if current building systems, structures, interiors, exteriors or grounds need to be modified or replaced.

  Space needs assessments include a variety of specialized assessments designed to measure whether proposed changes will be considered acceptable to staff or other stakeholders and, if not, whether the strategy can be modified to make changes acceptable. Types of space needs assessments and examples of changes recommended by the assessment include the following:

  - Facility interior — proposed size or layout changes to cubicles, enclosed offices, small and large meeting rooms, etc.
  - Building envelope — proposed changes to roofs, exterior walls and weatherproofing or windows.
  - Facility exterior or grounds — proposed changes to parking, recreational facilities, fences and signage.
  - Own/lease — proposed changes to lease terms and durations, changing from owning to leasing or vice versa.
  - Process — proposed changes to FM policies, procedures or practices.
  - Technology — proposed addition of new software, hardware or upgrades or new features for existing software.
  - Security — proposed cameras, motion detectors, guards or access security.

- Competency and capacity assessments — competency and capacity assessments measure the relative capabilities of FM staff or current contractors and their available capacity for implementing the proposed strategy. Capabilities include knowledge, skills and abilities, including engineering and software skills.

  The relative competency levels of staff/contractors have an impact on the longevity of facility assets due to the quality of maintenance provided, the types and the quality of services that can be offered without additional training. When capabilities or capacities are considered insufficient to implement proposed strategy, this assessment becomes an input to the budget constraint assessment to account for the cost of training or contracting.

- Budget constraint assessments — facility managers use budget constraint assessments to consider how to best deliver the products and services in a proposed strategy. Data inputs include financial analyses and competency assessments. If current staff or contractor capabilities need to be upgraded,

expanded or augmented, a budget needs assessment can determine whether it is better to invest in training or to invest in outsourcing, purchasing, contracting or partnering. The decisions are constrained by the budget, so the best decision may balance whatever training is affordable and time-feasible against some amount of contracted expertise.

Needs Forecasting

Needs forecasting is a type of long-range forecast that is similar to conducting a needs assessment except that it involves analysis of trends and makes projections over the strategic planning horizon.

Needs forecasting can determine the likely changes in:

- Number of employees and contractors per building, business unit or role.
- Capability and capacity levels of staff and long-term contractors.
- Service program requirements for hard and soft services.
- Space, equipment and furniture requirements.
- Ratio of offices to open space (cubicles).
- Any updates required to current workplace strategies.
- Need for more control over space by increasing owned space.
- Need for more flexibility by increasing leased space or providing flex space.
- Decisions on whether to renew expiring leases or change lease terms.
- Sustainability or maintainability policies for purchasing and contracting.
- Policy for acceptable vacancy and utilization rates (percent unoccupied).

A best practice is to forecast demand organization needs by deriving the forecast data from the demand organization's strategic plan. If this data is not available, an alternative option is to perform forecasting using a survey. A side benefit of surveys is that they can help generate buy-in for strategic planning objectives.

Needs forecasting can be developed for many FM services, for example, staff capability training, budget constraints, service programs or space needs. Forecasting analysis tools vary depending on the service being forecasted.

When conducting space forecasting, facility managers may be able to leverage macro-level space forecasts contained within an organization's strategic plan. Macro-level space forecasts are organization-wide forecasts that identify major strategic changes in space needs over the planning horizon, for example, whether to build or lease a larger space than necessary to meet forecasted space needs or where and when a plant should be opened or closed.

Organizations can forecast space needs by assigning category codes to staff roles. Each category code has an assigned space requirement standard, such as square meters or square feet per role and facility managers multiply the standard by the number of occupants who will occupy each role. Using this methodology, the total forecasted space requirements per business unit can be rapidly yet accurately determined. Facility managers perform a best-fit analysis to determine which business units fit best in each location before considering whether expansion or contraction is necessary. An adjacency analysis can also be completed to determine which business units have a high interaction with one another and ensure their spaces are in close proximity.

A detailed feasibility study is conducted based primarily on the matchup of available versus required space. The study avoids making decisions based on the initial cost of a facility in favor of measuring whether facility characteristics meet the business units' needs such as serviceability. This method allows the organization to make educated buy/lease decisions.

While many organizations utilize space requirement standards, some organizations are shifting away from every individual having their own personal space assigned. Instead, these organizations are creating open or unassigned work environments. This type of work environment incorporates a variety or individual and group workspaces that encourages staff to work where they are most effective, efficient, collaborative and innovative.

Requirements Analysis and Negotiation

Once a set of strategic requirements is gathered, facility managers analyze the requirements to:

- Merge redundant requirements

- Remove unnecessary requirements

- Identify gaps and add requirements to fill the gaps

- Generate derived requirements

- Ensure that all requirements are at an appropriate level of detail, for example, facility strategic plan requirements are not too detailed and address strategic issues (not tactical issues)

Once the set of requirements is complete, the facility manager and team members use leadership skills to negotiate requirements with stakeholders, balance their priorities and account for business constraints.

Prioritization can be a ranking system that ranks priorities from most to least needed or a set of broad classifications such as the following:

- **Essential** — the stakeholder cannot function without the requirement.
- **Conditional** — the stakeholder feels the requirement would enhance abilities and it is necessary if certain scenarios are selected.
- **Optional** — the stakeholder can function without the requirement and it may (or may not) add value if it is included.

Ranked or prioritized requirements help facility managers when planning strategy. Having ranked/prioritized requirements helps to determine:

- Which requirements can and cannot be omitted from plans or scenarios?
- Which requirements are immediately needed and which can be deferred?

Requirements Modeling

Various models exist that can graphically illustrate how the requirements as a whole interrelate and help verify that the requirements are complete and cohesive. Modeling tools are typically used only when the complexity of the asset or service warrants the additional time needed for modeling. Many modeling tools are software-based to simplify creation and distribution. Models help show the big picture and are generally easy to interpret, even by stakeholders with little training. A model can help reviewers decide if a strategic direction is the correct choice.

Examples of models that can be used for strategic requirements include the following:

- Bubble diagrams — adjacency diagrams that illustrate primary and secondary adjacencies between major work groups or departments. *Exhibit 1-14* shows a bubble diagram.
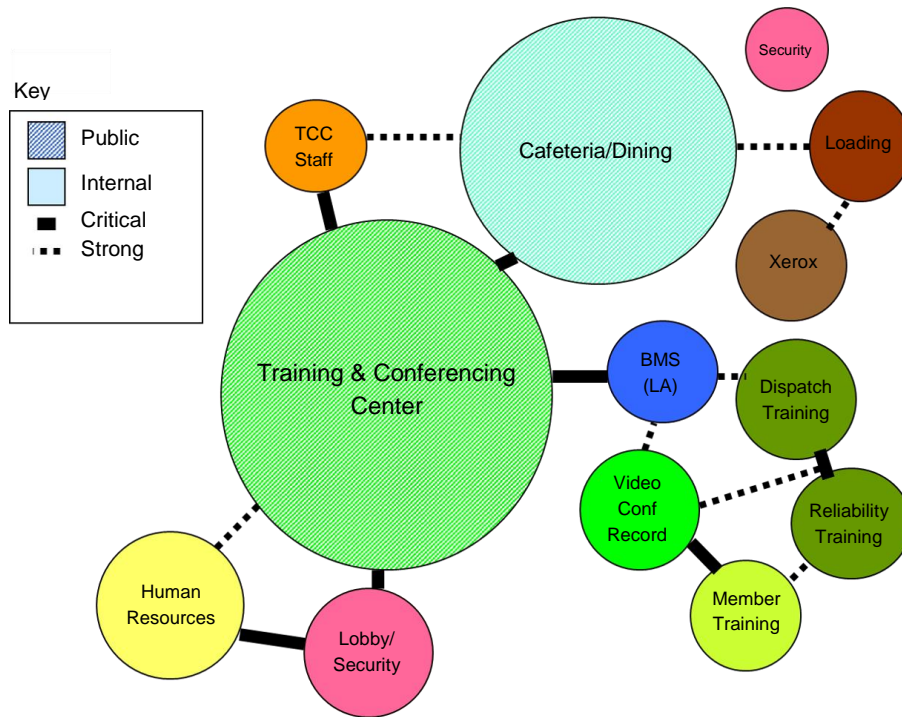
Exhibit 1-14: Bubble Diagram

- Workflow diagrams — workflow diagrams show the complete process so that users can see how they fit in the process. Users can identify inefficiencies or critical dependencies. *Exhibit 1-15* shows a workflow diagram.
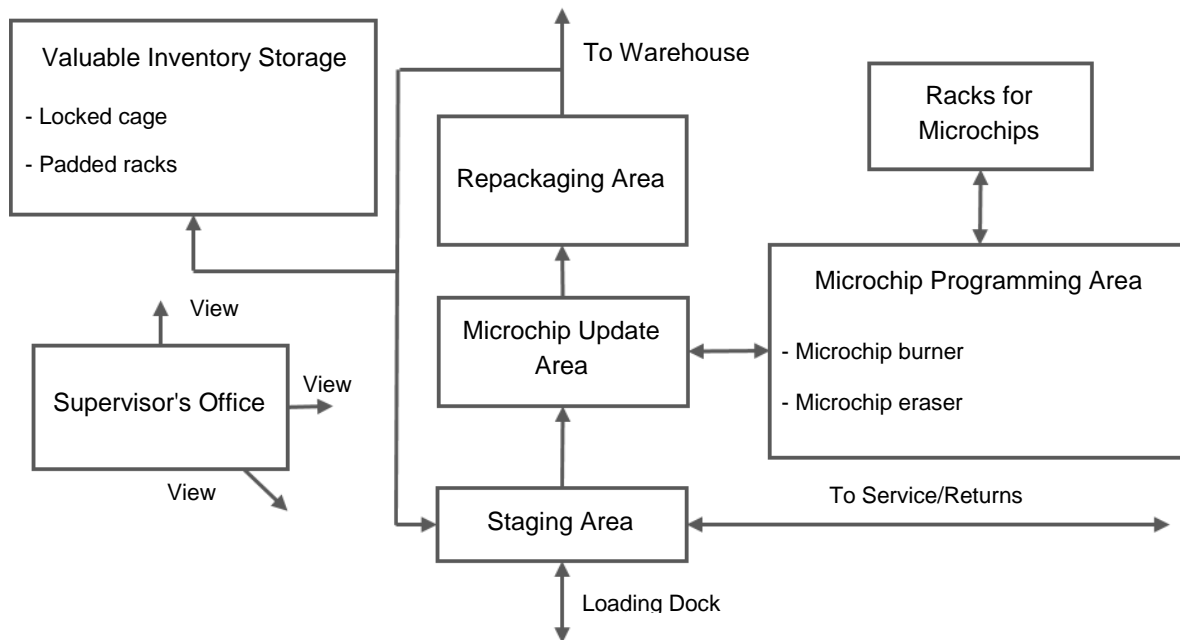
Exhibit 1-15: Workflow Diagram

- Asset life-cycle model for total cost of ownership — the asset life-cycle model is a form of integrated asset management that measures and manages a physical asset's useful life from beginning to end, including programming, design, construction, operations, maintenance, repairs and use. It also compensates for how well the required competencies are performed. Better service ensures an asset realizes the longest duration in a full life cycle.

Discussion Question

As a needs assessment tool, the formal interview is best used for which of the following purposes?
A. To gather detailed information about work processes
B. To elicit big-picture information
C. To establish priorities and eliminate redundant requirements
D. To uncover previously unsuspected issues of importance to users

SWOT Analysis

Exhibit 1-16: SWOT Analysis
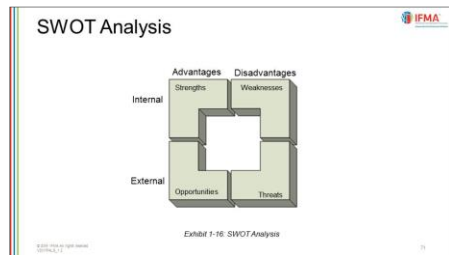
A SWOT analysis is a process in which data on the organization's current state is arranged into four categories.

Category	Example
S — Strengths	FM staff are empowered and motivated and have proven to be effective change agents.
W — Weaknesses	Retail facilities is the least profitable unit within the demand organization's profit streams.
O — Opportunities	The demand organization can enter a new market if the FM organization can build production capacity quickly.
T — Threats	Benchmarked FM organization competitor service prices are trending lower than this FM organization's costs.

Exhibit 1-16 shows how the SWOT categories are grouped to focus on advantages versus disadvantages and on internal versus external forces.

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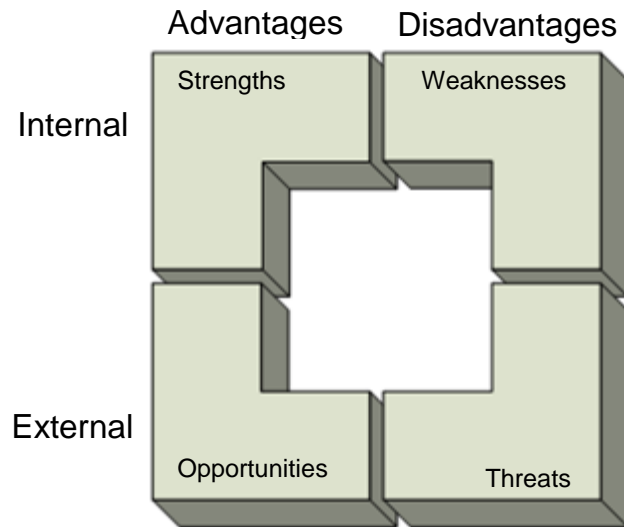
Exhibit 1-16: SWOT Analysis

A key benefit of the internal side of the SWOT analysis is that it not only focuses on fixing or mitigating weaknesses but also shows how to nurture and leverage strengths. The internal strengths and weaknesses are derived from the comprehensive data collected for the organization and from strategic or full-scale programming, including a profile of FM staff skills and facility register/portfolio data. The internal data is more reliable if some of the stakeholders interviewed are external customers and suppliers. External viewpoints add perspective, especially for weaknesses that internal stakeholders may minimize.

External opportunities and threats are observations of market trends and risk analyses. Assembling data on external forces may require environmental scanning. Environmental scanning is a systematic process of collecting and analyzing external data on market forces; competitor prices and offerings; labor pools; demographic changes; new laws, taxes and regulations; technology; changing client needs; political, environmental or social upheavals and economic conditions.

Opportunities are external advantages that can be acted upon to move the organization forward but if ignored or improperly developed can become threats. External advantages include advantages relative to competitors, new markets or other potentially positive data discovered in environmental scanning.

Threats are risks that can hold the organization back unless appropriately handled and possibly turned into opportunities. External risk is the chance that uncertain future events outside the direct control of the organization could cause monetary, productivity, profit margin or market share losses.

> Note that some threats to an organization can be internal risks or risks generated by the demand organization's actions, for example, a business expansion stretching the FM organization too thin or an outsourcing strategy threatening individuals' jobs or employment conditions.

Risk means different things to different organizations because it partly reflects the issues and challenges that each organization has experienced in the past. Note that at the strategic planning level, only high probability, high impact risks are addressed. The FM organization's risk management plan addresses all other risks.

Strategic Creative Analysis

Exhibit 1-17: SCAN Process
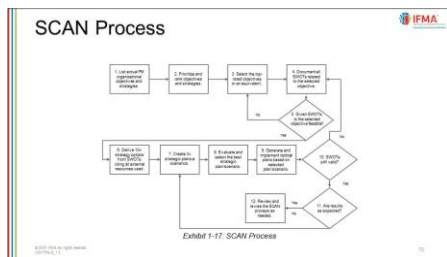
One method of implementing a SWOT analysis in strategic planning is to perform a strategic creative analysis (SCAN). SCAN analysis uses a ranking system to develop and implement the best strategic plan/strategy options. It requires facility managers to generate multiple options and then, from these options, multiple strategies.

SCAN requires facility managers to:

- Outline the FM strategic objectives
- Rank the objectives based on priority
- Determine the highest ranked objectives
- Perform a SWOT analysis on the highest ranked objectives and determine feasibility
- Develop strategy options and create strategic plans based on SWOTs
- Evaluate and implement the most feasible strategy options

SCAN also includes strategy implementation and process improvement. Therefore, the primary advantages of the SCAN process are that it is simple but complete. *Exhibit 1-17* illustrates the steps in the SCAN process.
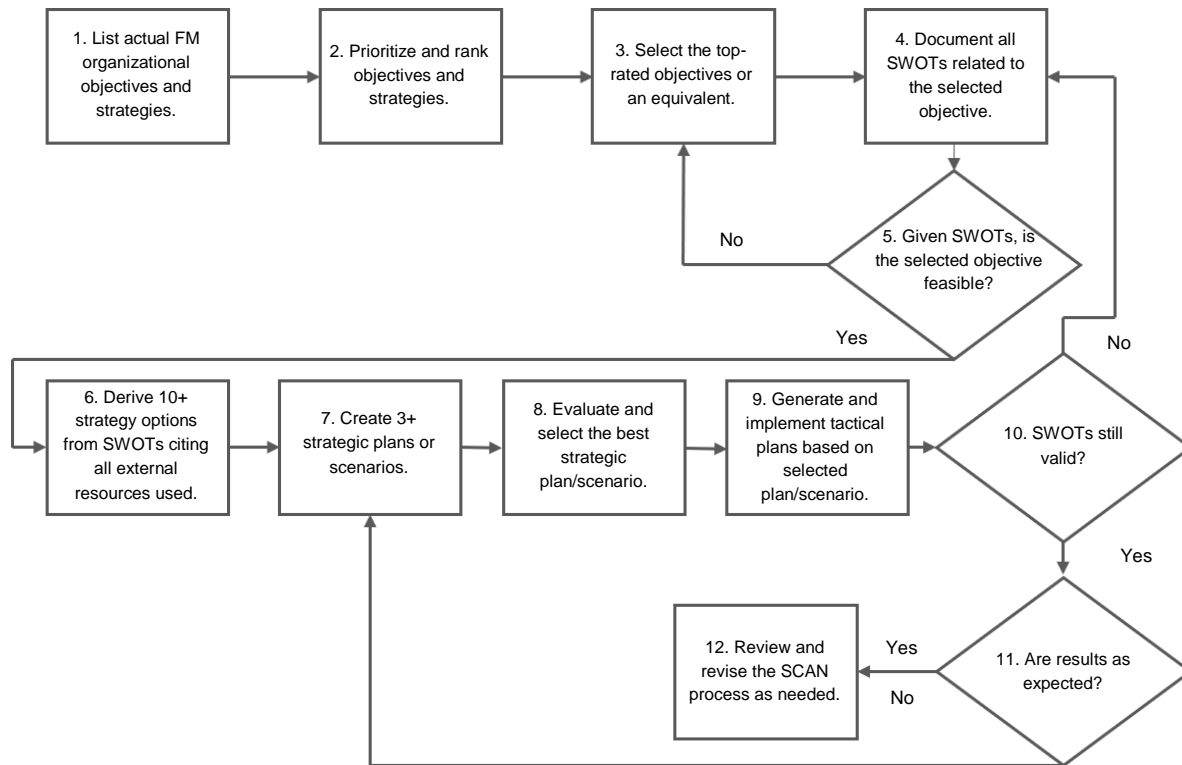
Exhibit 1-17: SCAN Process

Brainstorming
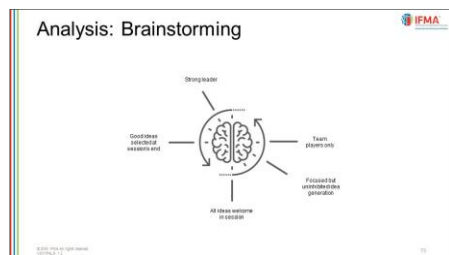
Brainstorming is an activity in which a group is assembled for creative idea generation to solve a problem or devise a strategy. The rules involve allowing all ideas to be expressed without criticism and asking all participants to provide a large quantity of ideas. Brainstorming requires a strong leader to assemble the right team and keep the meeting focused yet uninhibited. The right team consists not only of the right expertise but also includes only persons who are team players, individuals who would dominate the conversation are not selected. The results of brainstorming can be contradictory or inconsistent, so sorting out the good ideas at the end of the session is a process in itself.

Benchmarking

Benchmarking is a method of comparing performance of commodities or services against comparable practices of other organizations or the industry of the demand organization. It gathers performance, quality and financial data and information on best practices from internal historical trends or external FM organizations for comparison. Organizations can select a baseline competitor for average performance and/or they can seek out the best-in-class performance and set this as a strategic goal.

Scenario Planning

Scenario planning is a process that generates instructive simulations of potential operating conditions so that the consequences of strategic changes can be anticipated and planned for. A benefit of scenario planning is that it can reveal strategic options yet to be considered. If facility managers use scenario planning, they should measure and verify that a promising strategy is feasible by applying a variety of other analytical tools to the results.

Scenario planning is a "what if . . . and then?" process, meaning that after asking what if the market forces were X and the strategy was Y, planners ask themselves what would be the

likely initial result? Next, they ask how their competitors and customers might react and how will they respond to their competitor's actions, and so on.

The steps in scenario planning are as follows:

1. Generate a list of external forces that could affect the FM organization. The data from a SWOT analysis can be used or team members can bring in data from other sources such as headlines or an IFMA trend report.

2. Generate best, most likely, and worst-case scenarios for each potential external force that may impact the FM organization. Scenarios include estimates of profitability, cash flow, productivity, efficiency, etc.

3. Brainstorm potential strategies for responding to each scenario.

4. Search for and compile a list of common responses to multiple scenarios.

5. Generate a list of the most probable external forces that could occur over the strategic planning horizon and use the list of common responses to generate strategies that can address one or more than one external force.

Scenario planning may not result in a final strategy, but it is useful for finding creative ways to prepare for external risks that may also address other strategic objectives. Note that scenarios generated in scenario planning differ from facility master plan scenarios, which are more detailed and site-specific, but scenario planning can serve as an input to those scenarios.

Make-versus-Buy Variants

Several variants of the make-versus-buy analysis exist that can be used when analyzing the FM organizational strategy, including the lease-versus-own, buy/build/expand/renovate, and stay/move analyses.

Lease-versus-Own Analysis

A lease-versus-own analysis requires an understanding of the demand organization's situation and needs at each site. It also requires a discussion with the financial unit, as there are external forces to be considered. For example, demand organizations that are rapidly expanding or contracting tend to prefer leased over owned space or equipment to avoid

heavy long-term investments. They value flexibility and the ability to reduce lease costs quickly.

Owning is generally less costly over the long term if the asset is maintainable and sustainable. The organization needs to be confident that its business situation will be stable for long enough to realize these savings. For example, owning may be a good choice for the portion of production capacity that can be expected even in times of lowest demand.

Buy/Build/Expand/Renovate Analysis

A buy/build/expand/renovate analysis determines how to address a need for expansion or at what point current facilities and their incremental maintenance costs exceed the cost of a new facility. If a decision has been made to divest a facility, the analysis turns to whether it would be better to buy an existing facility or design and build a facility customized for the organization's needs.

Stay/Move Analysis

A stay/move analysis involves calculating relocation costs versus the increasing incremental costs of remaining in an existing facility to determine if a relocation is warranted and the timing of the move, if a move is indicated.
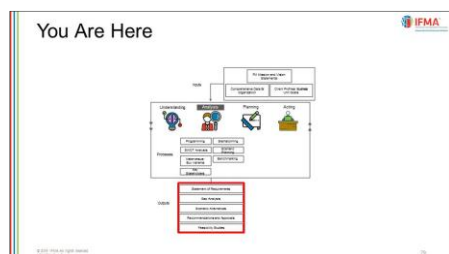
Outputs

Exhibit 1-18 provides an overview of the outputs of developing and implementing a strategic planning process.

| Statement of Requirements | Gap Analysis | Scenario Alternatives | Recommendation and Approvals |
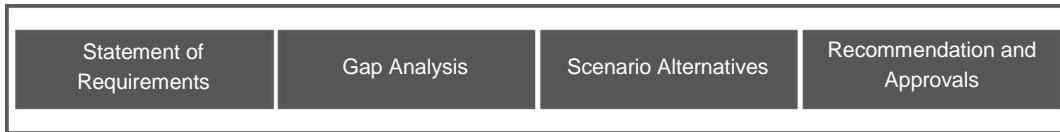
Exhibit 1-18 Outputs of Developing and Implementing a Strategic Planning Process

Statement of Requirements

A strategic or full-scale programming effort results in a statement of requirements. The documented high-level user requirements can support facility strategic plans or a facility master plan.

Regardless of the source of the requirements, well-written and negotiated requirements share some common features:

- They separate wants from needs

- They begin with an active verb

- They are traceable back to their initial source and forward to specific measures such as balanced scorecard performance and outcome measures

- Individual requirements are concise, obvious, unambiguous, feasible, verifiable, prioritized and quantifiable

- The set of requirements is necessary, sufficient, realistic and correct

Gap Analysis

A gap analysis indicates where the organization is versus where it wants to be. It summarizes the findings of the various analysis tools employed to show the variance between the actual situation and the FM organization's potential, including current and future requirements. A gap analysis can result in a recommendation to strategically reallocate resources to optimize their use.

Various types of gaps can be measured, including the following:

- Productivity gap — FM organizations can measure the variance between actual and desired internal productivity, efficiency and effectiveness.

- Quality or best-value gap — FM organizations can measure the variance between actual versus potential long-term costs from use of lowest-cost versus best-value purchasing and contracting.

- Market potential gap — the market potential gap is the variance between the organization's actual and potential market share.

- Competitive gap — the competitive gap measures the variance between the FM organization's performance, prices and offerings against those of benchmarked competitors.

- Relative gap between strategic options — relative gap analysis can be useful for ranking competing strategic options because each can be rated on how well it reduces the gap per increment of time and resources expended.

Scenario Alternatives

The various strategic options or scenarios generated in analyses are reduced to several feasible alternatives and each is presented to decision makers with a list of its advantages and disadvantages, costs and benefits. If facility managers feel that one of the alternatives would be the best strategy for maximizing the value of the organization's assets, they make a recommendation. Facility managers ensure that their ideas are professionally presented, for example, highlighting the features that they know are important to specific decision makers.

Recommendation and Approvals

Decision makers responsible for strategy approval review the team's recommendations and decide what options to pursue and which not to pursue. At this stage, the only required

decision maker may be the facility manager. Once the facility manager or other decision makers select a strategy and give it formal approval, the facility manager can begin drafting a facility strategic plan.

> Ensure that findings are appropriately documented throughout the process, from analysis to making recommendations. Use tools used to develop a business case to document what you have found. **All findings should be clear and appropriate for the organization.**

Feasibility Studies

Feasibility studies are a method for determining 1) whether a strategy, scenario, or other option is likely to produce its promised results, 2) what the actual costs and benefits are likely to be, and 3) whether the costs incurred in terms of time and money will be justified by their benefits.

Feasibility studies use a wide variety of tools to address each of the following aspects of feasibility:

- **Time feasibility** — the time available should be enough to enact the strategy soon enough to create the desired result. For example, can purchase/lease and relocation occur quickly enough to meet demand organization goals?

- **Organizational feasibility** — Consider the effect on morale, the organization's ability to adapt to change, and the need to change policies.

- **Technological feasibility** — engineering and quality requirements should be fully accounted for in cost and time estimates, including needed equipment, software and training.

- **Communications feasibility** — communications continuity between business units should be maintained or enhanced by the changes.

- **Maintainability** — the changes should improve the life cycle costs and ease of maintenance.

- **Sustainability** — a sustainability analysis should be able to show that the organization's sustainability policies are being upheld.

- **Economic feasibility** — the return should exceed the investment.

  Measuring economic feasibility can satisfy two FM organization strategic goals simultaneously:

  - **Provide the highest return at the lowest risk** — a high degree of financial analysis is called for due to the significance and long-term impact of the capital expenditures involved in facility strategy.

  - **Demonstrate alignment to the demand organization's strategy** — financial analysis can be linked to organizational strategic goals by using the same financial measures the organization uses, for example balanced scorecard financial perspective outcome measures.

Due to the importance of these FM organization strategic goals, the selection of financial measures can be extensive. A partial list of financial measures includes option risk analysis, sources and uses of funds analysis, operating expense analysis, return on investment, net present value, internal rate of return, payback period, life-cycle cost analysis and ranked cost-benefit analysis of alternatives. These measures are included in the IFMA Finance and Business course.

Feasibility studies can also take highly specialized forms that may not be part of the development of a facility strategic plan. However, the results from such studies can be incorporated into strategic plans, for example:

- Highest and best use analysis

- Space optimization or restacking plans

- Merger/acquisition facility study

- Decentralization study

- Consolidation study

Assessing feasibility is not just a tool, but a part of the strategic planning process. The strategic plan should always be assessed for feasibility.

Internal and External Factors Driving FM

Lesson Introduction
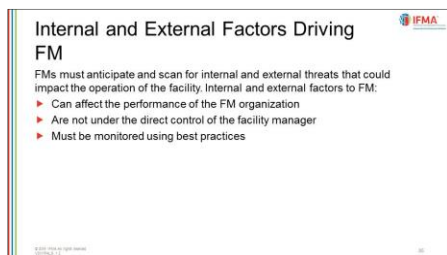
On completion of this lesson, you will be able to:

- Use best practices to monitor internal and external factors that can affect facility management.

This lesson consists of the following topics:

- Monitoring Internal and External Factors
- Identifying and Pursuing Best Practices

As an FM professional, it is important to anticipate and scan for internal and external threats that could impact the operation of the facility. Internal and external threats are factors that can affect the performance of the FM organization but are not under the direct control of the facility manager. It is key that facility managers use best practices to monitor the business environment and understand their impacts.

Monitoring Internal and External Factors

Facility managers must identify factors impacting the demand organization and adapt FM practices accordingly. This could mean adapting service delivery, requirements, budgets, staffing, technology, staff capacity, FM organization skills and more.

Some examples of internal factors that can affect the FM organization include:

- Organizational restructuring
- Sales and profit changes
- Labor costs
- Demand organization product/service changes
- Changes to the demand organization's strategic plan
- Upgrades or changes to technology and software
- Updates to workflow or best practices of the demand organization

External factors that may affect the FM organization in a negative way are considered threats; however, they can also result in improvements or developments that impact the FM organization in a positive way. Some examples of external factors that can affect the FM organization include:

- Industry, market and competitive environment
- Cultural and demographic environment
- Social, legal and political environment, including regulations
- Economic environment
- Technological environment

Evaluating the success and implementation of the strategic plan is an ongoing process meant to ensure that the demand and FM organization's objectives are met.

- Identify and adapt plans to threats early

- Stay ahead of potential changes to the FM organization

- Adjust strategic plans and projects accordingly

It is important to identify requirements from external factors, such as codes and regulations, to ensure that the organization remains compliant.

Monitoring the External Environment
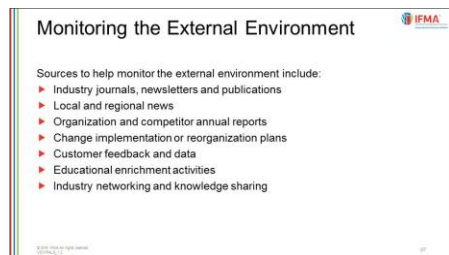
Facility Managers can monitor potential threats from outside the FM organization by using tools such as SWOT and Risk Analysis. Risk Analysis is a tool used to identify and analyze potential threats that could impact the organization. Facility managers must ensure that the external environment is monitored on a regular basis and any outside impacts, including changes or recommendations by outside entities, such as regulations, are identified early.

Sources to help monitor the external environment include:

- Industry journals, newsletters and publications

- Local and regional news

- Organization and competitor annual reports

- Change implementation or reorganization plans

- Customer feedback and data

- Educational enrichment activities

- Industry networking and knowledge sharing

If external threats are not anticipated and monitored, there could be consequences that impact the demand organization. For example, if new regulations are missed and not implemented, it could cause work to be delayed or stopped entirely. Additionally, if these

threats result in missed business objectives or negatively impact the bottom-line of the demand organization, there could be reductions-in-force or cutbacks.

Though there are several ways external factors can impact an organization, the following are two examples that can affect any industry:

Example one	Example two
A new regulation, environmental constraint or customer expectation is introduced that adds a workflow step in how the FM organization completes specific services.	Major economy changes could lead to increased differed maintenance, projects being placed on hold, or staff downsizing.

Identifying and Pursuing Best Practices

Facility managers should continuously monitor internal and external factors that may impact the FM organization by remaining current on the demand organization's industry, current events and new regulations.

Some best practices for continuously monitoring internal and external factors include:

- Creating a regularly scheduled review of the demand organization's strategy

- Annual real estate and lease market reviews

- Participating in organizational benchmarking studies

- Attending industry conferences

- Reading journals and current event articles on industry trends

Lesson Activity

External Factors Driving FM Activity
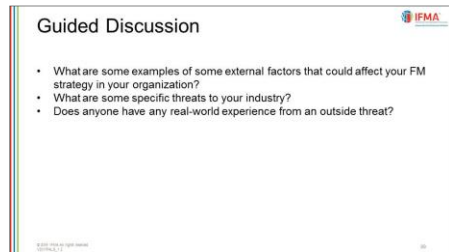
Activity duration: 10 minutes.

- What are some examples of some external factors that could affect your FM strategy in your organization?
- What are some specific threats to your industry?
- Does anyone have any real-world experience from an outside threat?

This activity is a discussion guided by your instructor.

- What are some examples of some external factors that could affect your FM strategy in your organization?
- What are some specific threats to your industry?
- Does anyone have any real-world experience from an outside threat?

Develop a Facility Strategic Plan

Lesson Introduction

On completion of this lesson, you will be able to:

- Create a facility strategic plan.

This lesson consists of the following topics:

- Planning Phase
- Inputs
- Processes
- Outputs

Collecting strategic requirements, conducting a gap analysis, developing scenario alternatives and having an approved strategic direction enables the facility manager to generate and validate a facility strategic plan. In addition, facility managers should establish a strategic plan change process to keep plans current.

Once the facility strategic plan is drafted facility managers need to market the strategy to senior executives, clients, line managers, and other stakeholders to get buy-in and formal approval.

Some of the benefits that can be achieved by developing a facility strategic plan include:

- Having a clear link between the identified services and the organization's requirements.

- Determining the implication (impact) of delivering those services on staff, facilities, and budgets.

- Criteria for evaluating how to best deliver services such as, outsource, purchase, contract, partner, etc.

- Criteria for judging whether current staff, facilities, technology, and contractors have the capability and capacity to deliver services.

- The ability to determine what Investments are required to deliver services including:

  - If current building systems, structures, interiors, exteriors, and grounds need to be replaced or modified

  - If staff or contractor capability needs to be upgraded

  - If staff or contractor capacity needs to be expanded or augmented

- The budget and cost implications of delivering services.

- The criteria for making staffing and contracting decisions to support requirements.

- Guidance for developing project and tactical plans.

Planning Phase

Exhibit 1-19: Strategy Life-Cycle Model (Planning)
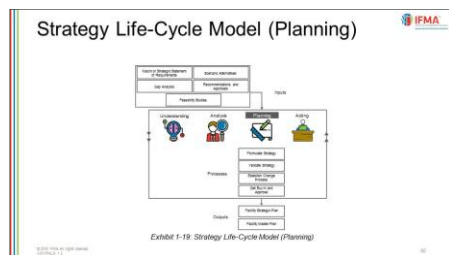
The Planning phase begins, once the Understanding and Analysis phases are complete. The outputs from the Understanding and Analysis phases are inputs for the Planning Phase.

The following is a list of some of the inputs that can be collected to begin the Planning phase:

- Macro or Strategic Statement of Requirements

- Gap Analysis

- Scenario Alternatives

- Recommendations and Approvals

- Feasibility Studies

During the Planning phase, the following processes will begin:

- Formulate Strategy

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- Validate Strategy

- Establish Change Process

- Obtain Buy-In and Approval

After the following outputs are provided, the Planning phase is complete.

- Strategic Facility Plan

- Facility Master Plan

Exhibit 1-19 shows an overview of the inputs, processes and outputs of the Planning phase within the strategy life-cycle model.
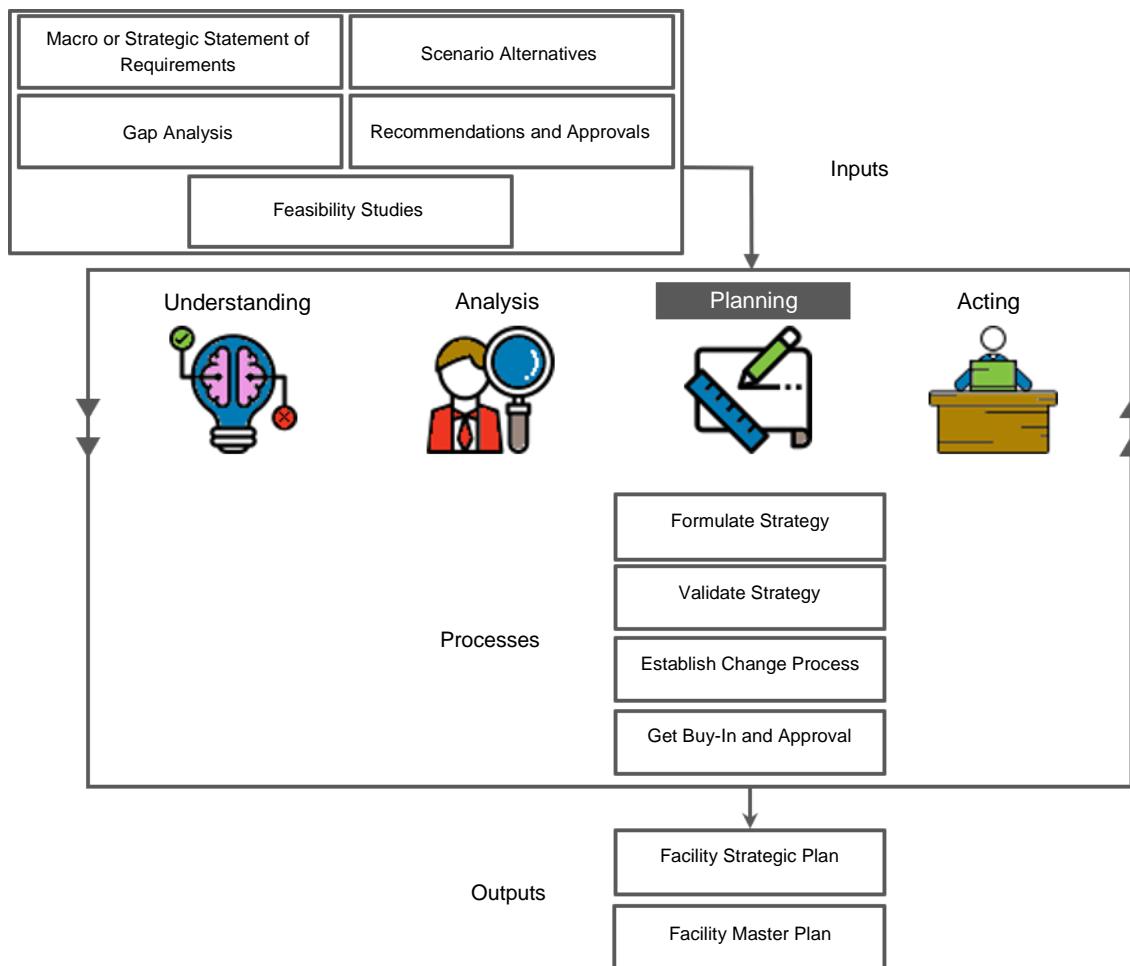
Exhibit 1-19: Strategy Life-Cycle Model (Planning)

Each part of this phase will be discussed in more detail throughout the lesson.
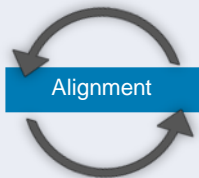
Remember, it is important that alignment happens throughout the strategic planning process.
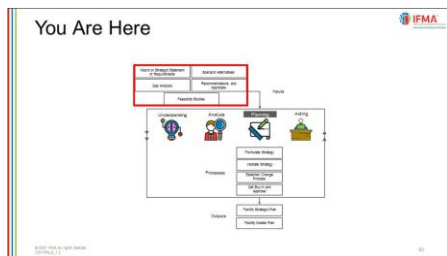
Inputs

The outputs from the Analysis phase are the inputs for the Planning phase, including:

- Macro or Strategic Statement of Requirements
- Gap Analysis
- Scenario Alternatives
- Recommendations and Approvals

Another important input to planning, is a clear understanding of what success looks like for both the FM organization and the demand organization.

Note that some organizations wait until the Planning phase to perform gap analysis and feasibility studies, which were discussed in this course as part of the Analysis phase.

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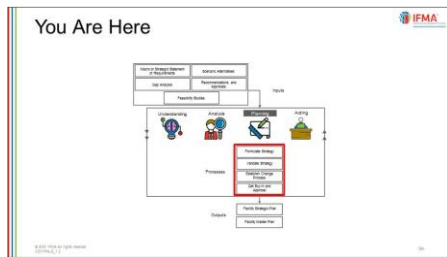
Processes

The Processes involved in developing a facility strategic plan include:

- Formulate Strategy

- Validate Strategy

- Establish Change Process

- Get Buy-In and Approval

Exhibit 1-20 provides an overview of the processes involved in developing a facility strategic plan.

Formulate Strategy	Validate Strategy	Establish Change Process	Get Buy-In and Approval
• Balanced scorecard strategic objectives			
• Balanced scorecard			

Exhibit 1-20: Processes for Developing a Strategic Facility Plan

Each process will be explained in greater detail in the sub-topics that follow.

Formulate Strategy
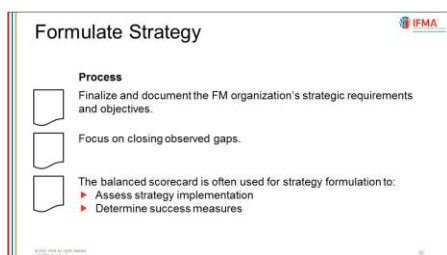
Strategy formulation is the process of finalizing and documenting the FM organization's strategic requirements and objectives, focusing on the gaps observed and on a strategy for closing the gaps. Facility managers must assess property and services needed to meet current and future organizational requirements.

Every organization will follow its own methodology for formulating strategy. Facility managers follow the organization's strategic development process to increase the chances of the FM strategy being understood and accepted. The balanced scorecard is often used for strategy formulation; an example of the use of this methodology follows.

Methodology like the balanced scorecard allow the FM organization to define the criteria for success based on the objectives and gaps that were identified in the Analysis phase of the strategic planning process. The goal is to use the performance drivers and outcome measures to continually measure and define organization success.

Balanced Scorecard Strategic Objectives

Exhibit 1-6: Example of a Strategy Map for a School System

Exhibit 1-21: Example of a Strategy Map for a School System
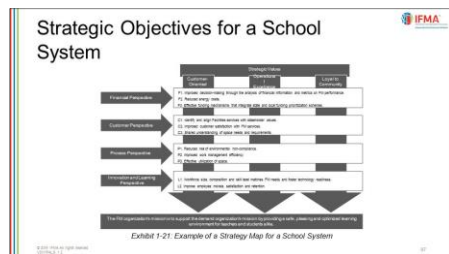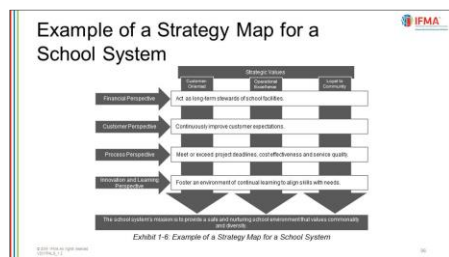
Exhibit 1-21 is an example of a balanced scorecard for an educational institution. The exhibit includes the following column headers (individual scorecards will vary):
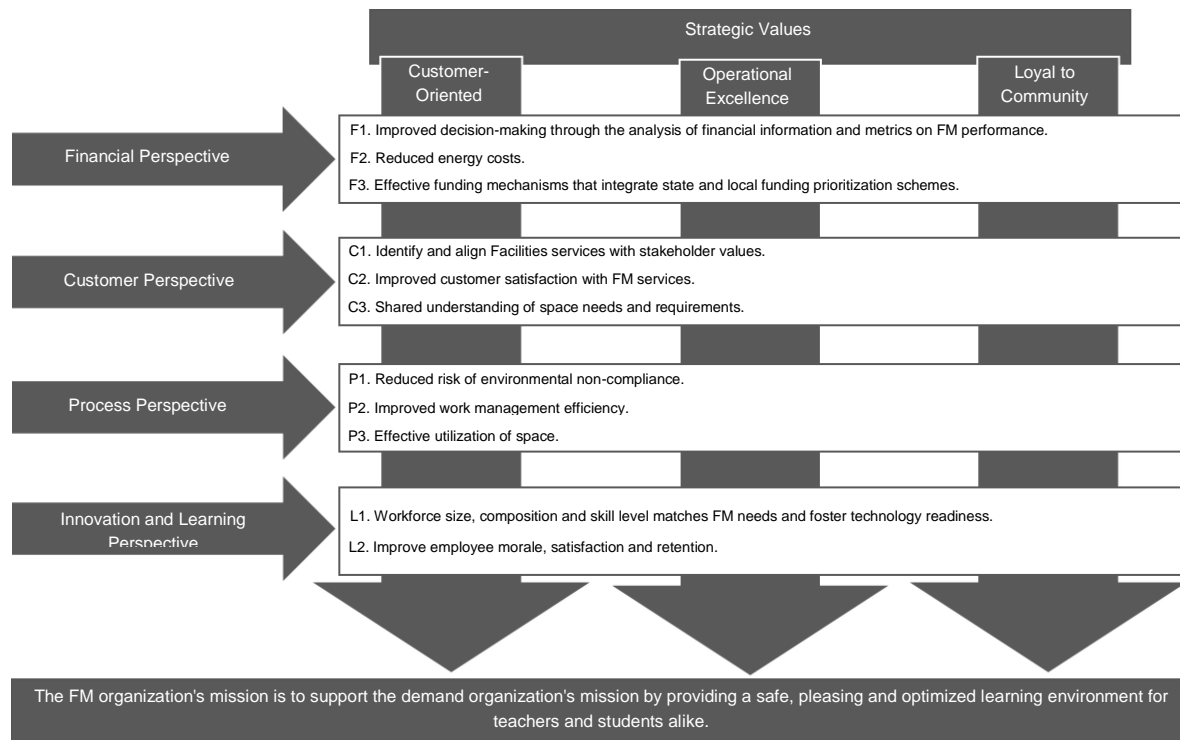
Exhibit 1-21: Example of a Strategy Map for a School System

Balanced Scorecard

Exhibit 1-22: Balanced Scorecard Example for a Facility Management Organization
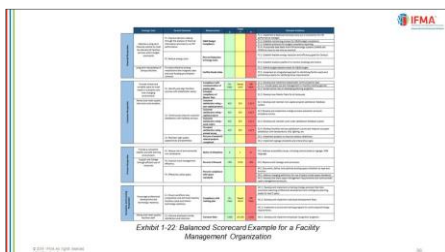
The balanced scorecard is a more detailed version of the strategy map. It includes the performance drivers and outcome measures that are used to determine how well a strategy is being implemented and the measurements for quantifying success.

Each organization will have its own measurements such as customer satisfaction or cost of facilities to control its own strategic direction.

Performance drivers and outcome measures are the key to implementing strategy because:

- Both serve as leading indicators.
- Performance drivers assign responsibilities to specific job roles and individuals.
- FM leaders review and formally sign off on the recorded values for performance drivers and outcome measures for accountability.

- Outcome measures can be included in service level agreements as key success indicators.

- They link the FM organization's outcome measures to the demand organization's outcome measures.

Exhibit 1-21 is an example of a Strategy Map that represents the highest level of detail of the balanced scorecard framework as includes a high-level description of the strategic objectives. This example is a balanced scorecard for a school system.

- **Desired outcomes** — the scorecard explains how the FM organization's strategic goals align to the demand organization's strategic goals.

- **Measurement** — the scorecard lists the abridged performance drivers and outcome measures that analysis predicts will satisfy each strategic objective.

- **Target (G, Y, R)** — the scorecard sets target ranges for each measurement, marked G (green), Y (yellow) and R (red) for good, marginal and poor.

- **Relevant initiatives** — the scorecard explains the actions the FM organization will take to accomplish the desired outcomes.

Perspective	Strategic Goal	Desired Outcome	Measurement	Target G	Target Y	Target R	Relevant Initiatives
Financial Perspective	Maintain a long-term financial outlook to meet the demand of Facilities services within budget constraints.	F1. Improve decision-making through the analysis of financial information and metrics on FM performance.	O&M Budget Compliance				F1.1 Implement a Balanced Scorecard and use it consistently for FM performance management. F1.2. Establish monitoring process for O&M budget compliance. F1.3. Establish protocols for budget compliance reporting. F1.4. Incorporate data feeds from FM technology systems (CMMS and IWMS) as close to real time as practical.
		F2. Reduce energy costs.	Percent Reduction in Energy Costs				F2.1. Establish feasible energy reduction and efficiency goals for Campus. F2.2. Establish analytics platform to monitor buildings and meters.
	Long-term stewardship of Campus facilities.	F3. Utilize effective funding mechanisms that integrate state and local funding prioritization schemes.	Facility Needs Index				F4.1. Define budget baseline needs for O&M budget. F4.2. Implement an integrated approach to identifying facility needs and prioritizing projects for satisfying those requirements.
Customer Perspective	Provide nimble and versatile space to meet needs in a dynamic and everchanging environment.	C1. Identify and align Facilities services with stakeholder values.	Compliance with communications plan	On track	Needs work	Off track	S1.1. Develop and implement stakeholder communications plan. S1.1.1. Include space use and management in monthly meeting agenda. S1.2. Sustain active role on developing advising programs.
			Schedule compliance of Master Plan				S1.3. Develop new Master Plans for all campuses.
	Attract and retain quality instructors and students.	C2. Continuously improve customer satisfaction with Facilities services.	Customer satisfaction rating - non-capital projects	4/5	3/5	1-2/5	S2.1. Develop and maintain non-capital project satisfaction feedback system.
			Customer satisfaction rating - capital projects	4/5	3/5	1-2/5	S2.2. Develop and implement a design process evaluation and post-occupancy survey.
			Customer satisfaction rating - work orders	4/5	3/5	1-2/5	S2.3. Develop and maintain work order satisfaction feedback system.
			Occupant satisfaction rating - annual survey	4/5	3/5	1-2/5	S2.4. Develop Facilities services satisfaction survey and measure occupant satisfaction with temperature, IAQ, lighting, etc.
		C3. Maintain high quality appearances and aesthetics.	Percent of aesthetic related projects completed				S3.1. Implement projects to improve campus cleanliness. S3.2. Implement signage standards and interpretive signs.
Process Perspective	Provide a consistent, healthy and safe learning environment.	P1. Reduce risk of environmental non-compliance.	Notice of Violations	0	1	2+	P3.1. Address accessibility issues, including Interior/Exterior signage. MS4 language
		P2. Improve work management efficiency.	Percent of Rework	<3%	3.5%	>5%	P4.1. Measure and manage work processes.
	Support the College through efficient use of resources.	P3. Effectively utilize space.	Percent compliance with space standards				P6.1. Document, define, and optimize existing space utilization by type and function. P6.2. Address changing definitions for use of space (create space standards). P6.3. Develop and share space management requirements and communicate space management protocols.
Innovation and Learning Perspective	Encourage professional development and technology readiness.	L1. Ensure workforce size, composition and skill level matches Facilities needs and fosters technology readiness.	Compliance with training plan	On Track	Needs Work	Off Track	W1.1. Develop and implement a training strategy and plan that links succession planning, professional development, and contingency planning, needs; for next 5 years. W1.2. Develop and implement Individual Development Plans. W1.3. Implement a structured training program for continuing technology requirements.
	Attract and retain quality Facilities staff.	L2. Improve employee morale, satisfaction and retention.	Turnover Rate	<10%	10-15%	>15%	W2.1. Develop and implement employee recognition programs.

Exhibit 1-22: Balanced Scorecard Example for a Facility Management Organization

Validate Strategy

Once the strategy has been formulated and the measurement system is in place, the facility management members can validate the strategy by distributing copies to the stakeholders. The stakeholders' requirements are clearly listed and are traceable to the relevant strategic objectives and success criteria.

Managers, who oversee all or parts of the plan's budget are one set of stakeholders from whom agreement is typically required.

Reviewers are asked two basic questions:

- "Is this the right plan?"
- "Is the plan likely to be effective?"

The stakeholders answer these questions and indicate whether the strategy meets their needs. After a predetermined comment period, the facility management team determines how to address constituent issues and incorporate missing elements before writing a final strategic plan.

Remember the feasibility studies that were done previously.

Establish Change Process
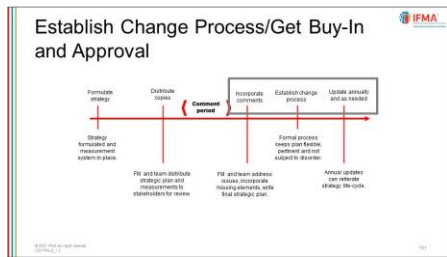
Once a strategy is approved, events internal or external to the organization may occur that require changing measurements, strategic requirements or strategic objectives. A formal change process enables a plan to remain flexible and pertinent without being so easy to change that it creates confusion and disorder.

Significant changes require a detailed business case explaining the need for the change and its costs and benefits.

Facility managers should ensure that facility strategic plans or facility master plans are updated annually. The update can be managed by reiterating the strategy life cycle. The change process leading up to the next strategy cycle involves documenting deferred changes as well as successful and problematic areas. This gives planners useful feedback for the next strategy cycle and promotes continual improvement.

The change process for interim changes is necessarily more restrictive. In general, relatively minor optional changes are made at the facility manager's discretion. Major changes that are not time critical are usually deferred to the next major planning period. Mandatory changes to strategy are made regardless of their size, for example, a budget crisis requires reducing strategic objectives.

A sole approval authority for significant changes, is necessary to keep changes from being made without proper consideration of their impact or cost. Impact or cost is measured in terms of the intrinsic cost of a new program, the disruption it causes, and the required mid-term change management it requires. An ad hoc team may meet first to analyze proposed changes and provide a recommendation. The team communicates approved changes to the FM organization staff, managers, contractors, and customers. They also update documents and tools such as strategy documents, balanced scorecard measurements, policy manuals, or FM software.

The following are examples of situations that may trigger a change to strategy between major updates:

- Analysis reveals previously unknown options that prove superior.

- A new leader takes charge of an existing FM organization and assesses whether the existing strategies are still appropriate.
- An organization's strategic requirements change, and the FM strategy must follow suit. For example, the organization wants to own more infrastructure and lease to neighboring facilities, so the facility manager initiates a strategy to purchase currently leased electrical transformers.

Get Buy-In and Approval
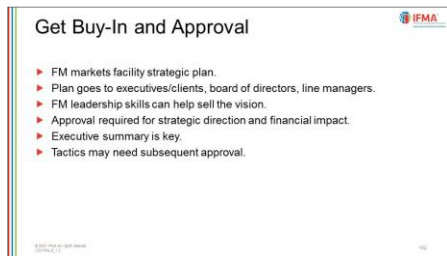
During or at the end of the strategy validation process, facility managers market the facility strategic plan to the demand organization's executives/clients, the board of directors and/or line managers to get buy-in and approval.

Facility managers may need to negotiate some plan elements to satisfy decision makers. Plans require approval of both their strategic direction and financial impact before they are officially approved.

Facility managers understand that many executives or board members will form an opinion on the merits of a strategy based primarily on the executive summary and a one-page analysis rating if provided. Therefore, the executive summary is carefully assessed for its impact and relevance and the formal presentation hinges on explaining and justifying the contents of these introductory pages.

Even given strategy approval, specific tactical elements of the plan, such as proposed projects, may need subsequent approval. Facility managers who build relationships in this phase can later leverage them to turn strategy into results.

Outputs
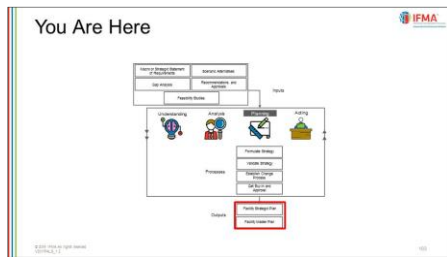
The outputs of assessing the services needed to meet organizational requirements may include a completed and approved facility strategic plan. In general, the plan is written to create a shared vision for the strategy.

Facility Strategic Plan
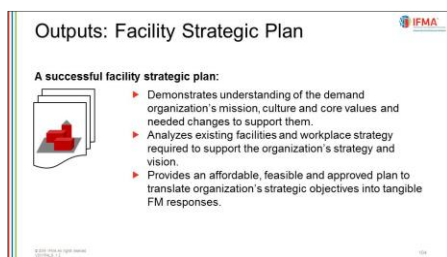
The facility strategic plan is defined by the demand organization's mission and vision. A successful facility strategic plan demonstrates the following:

- Comprehension of organization's mission, culture and core values and needed changes to facilities and service programs to support them.

- Analysis of existing facilities by type, location, quantity, workspace strategy and condition of spaces required to support the organization's strategy and vision.

- An affordable, feasible and approved plan to translate the organization's strategic objectives into tangible FM responses, such as identifying initiatives requiring a specific facility response.

The facility strategic plan starts with a detailed analysis of existing conditions to ensure that proposals are business-driven and support the demand organization's mission. The documentation reflects the input from all major business units and end users to show that it was developed from a system-wide perspective.

Key elements of a facility strategic plan should include:

- An outline of the strategy

- A framework to implement the strategy for example, the balanced scorecard

- FM initiatives (actions) to support the strategy, as captured in the balanced scorecard

- A framework for measuring, monitoring and reporting performance

In the following example, the FM organization:

- Developed a framework for a Balanced Scorecard (BSC), as a performance measurement tool

- Highlighted broad organizational drivers that impact Facilities

- Documented tactical initiatives

Exhibit 1-23: Example Strategic Planning Session Outcomes

Exhibit 1-23: Example Strategic Planning Session Outcomes

Exhibit 1-23: Example Strategic Planning Session Outcomes

# Exhibit 1-24: Example FM Developing Initiatives to Support the Strategy

Exhibit 1-24 shows the initiatives the FM organization developed in support of the FM strategy.

Strategic Objectives What is Important?		Desired Outcomes What Defines Success?	Measurements	Level	Targets			Input / Data Required	Tracked By (Data Platform)	Reporting Frequency	Reporting Responsibility
1	Care for NIAID Facilities	Operate Facilities Consistent with OWS Vision	Planned vs. Demand Maintenance (PM/DM) Ratio	2	>80%	50-80%	<50%	WO type for PM and DM. Could be counted as time or WO count.	CMMS	Quarterly	Automatic Report
2	Retain Facility Value	Maintain Facilities Consistent with OWS Vision	Change in Facility Condition Index (FCI)	1	<0.05	0.05-0.15	>0.15	FCA information by Area, deferred maintenance and CRV.	CAFM	Annually	Space Resources and Asset Management Branch
3	Executive Order 13514 Compliance	Scope 1&2 Greenhouse Gas Emission Reduction	Scope 1&2 GHG from Baseline								
		Scope 3 Greenhouse Gas Emission Reduction	Scope 3 GHG R from Baseline								
		Reduction in Energy Intensity	Energy Intensit from Baseline								
		Use of Renewable Energy	Electricity Usag Renewable Sou								
		Reduction in Potable Water Intensity	Potable Water from Baseline								
		Reduction in Fleet Petroleum Use	Petroleum Red Baseline by 20								
		Green Buildings	Buildings (>5,0 meet GP								

- Organizational gap analysis
- Software/technology assessment
- Long term deferred maintenance and capital budgeting methodology
- Prioritize "non-capital" (maintenance and repair) project list
- Development of document management system and scanning of documents
- Workflow process improvement and training program
- Asset management data improvements
- Equipment asset inventory
- Staffing study and labor needs analysis
- Energy efficiency
- Warranty identification from non-capital projects

Exhibit 1-24: Example FM Developing Initiatives to Support the Strategy

Facility Master Plan
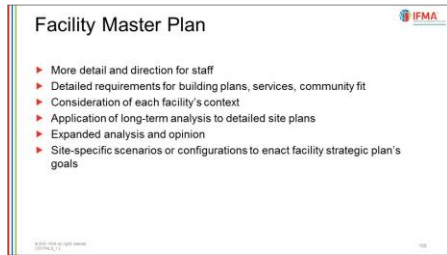
Facility master plans, real estate master plans or campus plans are site-specific frameworks. They include specific schedules for implementing a facility's strategic plan when the strategy or site is complex enough to mandate more detailed plans.

Facility master plans are primarily analyses of the use of space. Facility master plan scenarios may present various organizational or space models and space analysis reports. These models and reports are backed by opinions of experts and stakeholders who help ensure that plans are both feasible and flexible enough to accommodate change.

Facility master plan space models and analysis reports may include:

- Site concept plans or campus plans.
- Architectural image concepts.
- Regulation, zoning and covenant assessments.
- Space standards, block plans, best fit or stacking plans.
- Engineering assessment and plan.
- Program of space use.
- Workflow analyses.
- Construction estimates.
- Long-term maintainability plans.

Facility master plans may vary in their content and layout due to their specialized nature, but they generally contain the following elements:

- Model of the site such as a color-coded site drawing.
- Timeline of project starts and durations.
- Organizational image to be promoted.
- Analysis of site regulatory or zoning issues.
- Infrastructure and transportation plans.
- Amenities and support plans.

- Security plans.

- Cost estimates.

- Sustainability design.

Facility Strategic Plan Vs. Facility Master Plan

Developing the facility strategic plan and facility master plan requires that facility managers know the difference between these outputs. The facility master plan cascades from the facility strategic plan.

The primary differences between a facility strategic plan and a facility master plan can be summarized as follows:

- Facility strategic plans are at a relatively higher level than master plans. Facility master plans provide additional direction for persons responsible for executing the strategy. They provide details that facility staff can relate to.

- Strategic facility plans incorporate a strategic or macro statement of requirements, while facility master plans use a statement of requirements from full-scale programming to proposed functional and aesthetic plans for buildings, infrastructure, topography, services, and community fit.

- Strategic facility plans provide only high-level objectives for individual facilities, while facility master plans consider the context of the surrounding properties and demonstrate an understanding of the community's requirements and expectations.

- Strategic facility plans provide long-term strategic analyses of strategic drivers and constraints, while the facility master plan makes use of these results as a guide when forming detailed site plans.

- Strategic facility plans incorporate numerous analyses and expert opinions. Facility master plans add expanded analysis and opinions such as regulatory analysis or service support and amenities planning.

- Strategic facility plans provide general goals for each facility. Facility master plans present site-specific scenarios or alternative organizational configurations to accomplish the facility strategic plan goals.

Facility Strategic Plan	Facility Master Plan
→ Existing condition analysis → Organizational needs statement → Gap analysis → Recommendations for new spaces/buildings → Facility cost projections/life-cycle cost analysis → Capacity analysis and use recommendations	→ Site-specific physical plan for buildings → Infrastructure and systems within the site → Aesthetics of building and grounds → Phasing plans for building → Construction estimates → Engineering assessments

Lesson Activity

Completing a Balanced Scorecard

- You will work in groups for this activity.

- Refer to the *Formulate Strategy* section of the *Processes* topic for this activity.

- Use the Sonoma County balanced scorecard (and the School system BSC as an example) to Develop Relevant Initiatives and Measurements for each perspective.

- When prompted, turn to the lesson activity in your guide.

_____

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Debrief

Activity Debrief

- What were your key findings when completing this activity?
- What areas of the planning phase did you find the easiest to develop?
- How can you improve plan development in the future?

Discussion Question

Determine whether each of the following would appear in the facility master plan, facility strategic plan or both

	Facility Strategic Plan	Facility Master Plan	Both
A. Organization's long-term sustainability objectives			
B. Zoning assessments			
C. Architectural drawings for a new facility			
D. Long-term maintenance plans			

Implement Strategy Using Tactical Plans

Lesson Introduction

On completion of this lesson, you will be able to:

- Obtain approval and funding for tactical plans.

This lesson consists of the following topics:
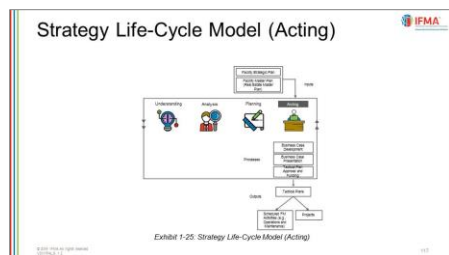
- Acting Phase
- Inputs
- Processes
- Outputs

Implementing strategy using is a critical period for facility managers because they have had success in producing a set of strategic plans, but nothing has yet been realized. Many strategic endeavors fail at this point because the strategy document remains on paper and is never implemented. Generating business cases for tactical plans and getting them funded and approved is the most critical point in the strategy life cycle.

The process begins when facility managers produce business cases to promote one or more objectives of the FM organization's strategic plan. Once the business case is approved, they produce and submit tactical plans designed to actualize the business case for approval and funding.

The benefits to having an implementing strategy based on tactical plans include:

- A case to deliver or not deliver specific services.
- A case on how to best deliver services, for example, outsource, hire, train or partnership.
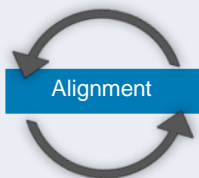
Acting Phase

Exhibit 1-25: Strategy Life-Cycle Model (Acting)

*Exhibit 1-2*5 shows an overview of the inputs, processes and outputs of the Acting phase within the strategy life-cycle model.
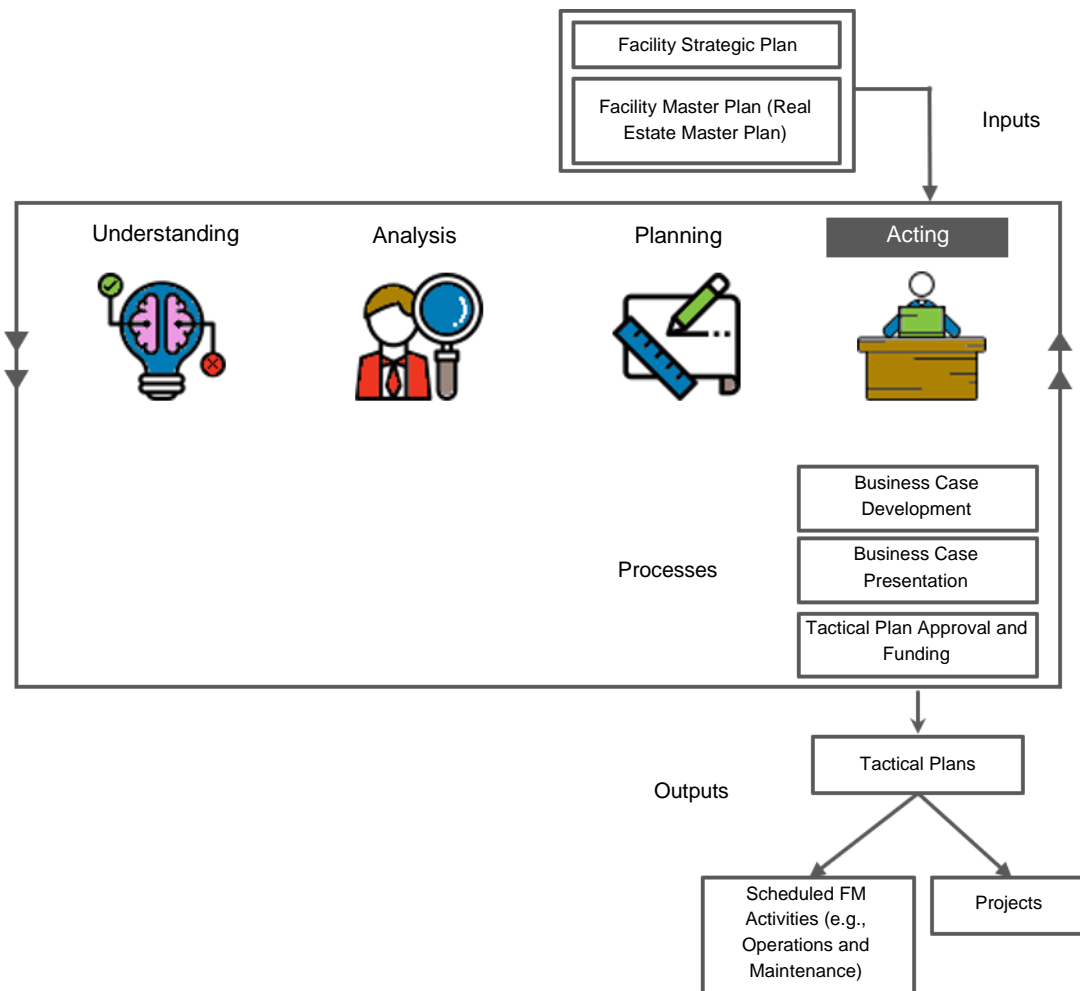
Exhibit 1-25: Strategy Life-Cycle Model (Acting)

Each part of this phase will be discussed in more detail throughout the lesson.

Remember, it is important that alignment happens throughout the strategic planning process.

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Inputs

The outputs from the Planning phase are the inputs for the Acting phase, including:

- Facility strategic plan
- Facility master plan (real estate master plan)

Whether or not a facility master plan is required to implement a facility strategic plan depends on whether complex planning needs to be done for a site. The choice may be part of the FM organization's culture or purpose. Some FM organizations rely solely on facility strategic plans while others make the facility master plan the primary strategy document.

Facility managers treat facility strategic plans or facility master plans as living documents that have their own review and update process. They may be used as the starting point for planning meetings when generating schedules. They are subject to change due to external market conditions or internal forces; many organizations view the facility strategic plan as the "current" facility strategic plan in planning meetings. When facility master plans are used, the scenarios generated in the plans may anticipate changes, so master plans are unlikely to need frequent modifications.
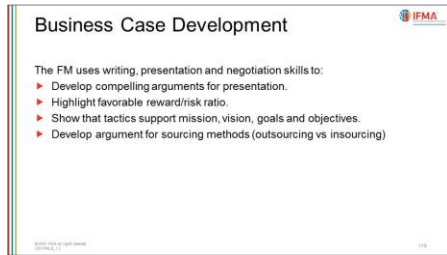
Processes
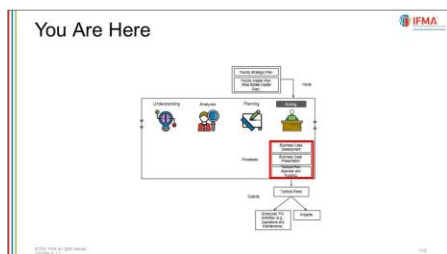
Exhibit 1-26 provides an overview of the processes involved in implementing strategy using tactical plans.

Business Case Development	Business Case Presentation	Tactical Plan Approval and Funding

Exhibit 1-26: Processes for Implementing Strategy Using Tactical Plans

Business Case Development

Some strategic objectives may only require the facility manager's approval if they are straightforward and fall within a pre-approved internal budget. Strategic objectives that exceed certain complexity levels, have costs more than the internal budget, or depend on funds from other business units may require approval by executives or clients in the form of a business case.

Facility managers may select one or more objectives of an approved strategy as business cases for justifying the impact of delivering or not delivering a proposed change of service. Approved business cases then form the basis of one of the various types of tactical plans.

When business cases are necessary, facility managers use writing, presentation and negotiation skills to develop compelling arguments. Facility managers can enlist the assistance of financial experts to ensure that estimates are valid and that business cases use business terminology familiar to executives.

A worthwhile business case should show that a proposed tactical plan provides the highest return at the lowest risk. It should clearly indicate the strategic importance of the tactical plan through its support for the organization's mission, vision, goals and objectives, especially when the benefits are not primarily financial. Business cases highlight the pros and cons of outsourcing versus using internal staff because decision makers usually want to know why the alternative is not being promoted. A sound business case will also show how meeting the needs of the FM organization benefits other stakeholders.

When business cases are developed that do not meet projected performance criteria, facility managers amend their plans accordingly, explaining to stakeholders as needed. If the plans cannot be amended to be feasible, facility managers let decision makers know that these facility changes/services should not be delivered. This best practice avoids setting facility managers up for failure and demonstrates honesty, which facilitates long-term relationship and trust building.

Developing Support for the Business Case
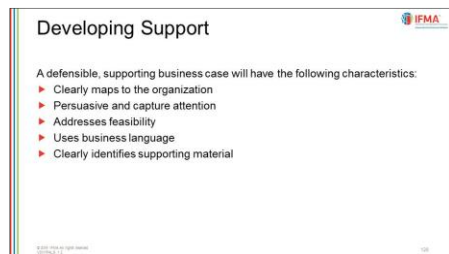
Stakeholders must be able to clearly see in writing how the business case objectives support the FM organization and demand organization's mission, vision, goals and values. Mapping the business case goals to organization requirements will ensure that the business plan is defensible.

A defensible, supporting business case will have the following characteristics:

- Clearly maps to the organizational goals and objectives

- Persuasive and captures the attention of the stakeholders from the start, while also addressing their concerns – write with the intended audience in mind

- Each component of the business case address feasibility, what success looks like and how success will be measured

- Contents should use business language and not include exaggerated claims

- Clearly identify supporting data, forecasts and financials, while using visual tools to help highlight key information for example, tables and graphs.


Always remember to thoroughly proofread before presenting a business case.

Identifying the business risks is important to include in the Business Case. According to the International Organization for Standardization (ISO) Standard 31000, risk is the effect of uncertainty on objectives. Risk means that there is the possibility that a less than desirable outcome may occur. Any risk to the success of the business case should be outlined within the document, along with risk mitigation or treatment to reduce those risks.

Business Case Presentation
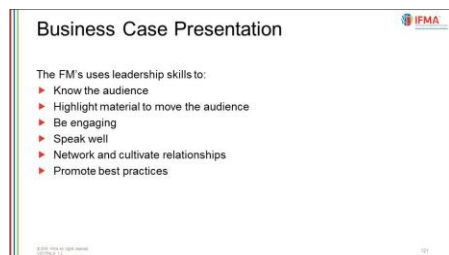
Presenting business cases is primarily a leadership skill. It involves knowing one's audience, highlighting the most likely information to move that audience, being engaging with excellent communication skills, networking and politicking. Business case presentation is a political task because often facility managers need to cultivate relationships and get buy-in from multiple levels of managers before a business case is likely to get funded as a tactical plan.

Facility managers can promote best practices when negotiating approval for business cases, such as promoting best value over lowest cost.

More information on this topic will be covered in the following chapters.

# Tactical Plan Approval and Funding

Without approval and funding of a business case for a tactical plan, the plan or project does exist, but is not approved or endorsed. Formal sign-off may involve executive or board approval, line manager approval and/or an independent financial review and approval. Approved tactical plans may also be added to the facility strategic plan/facility master plan if it is used as a live scheduling tool.

Outputs
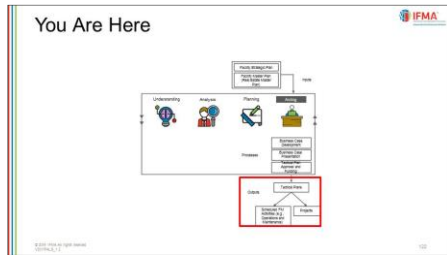
The outputs of implementing strategy using tactical plans are approved and funded tactical plans.
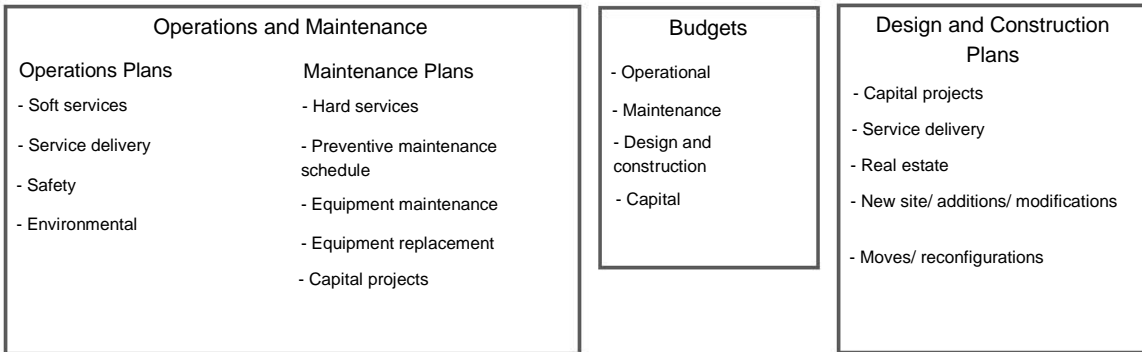
Tactical Plans
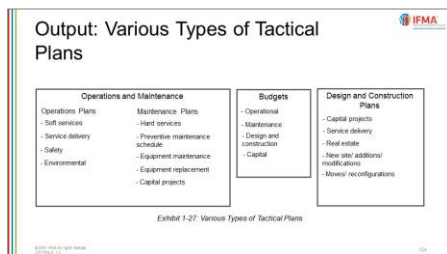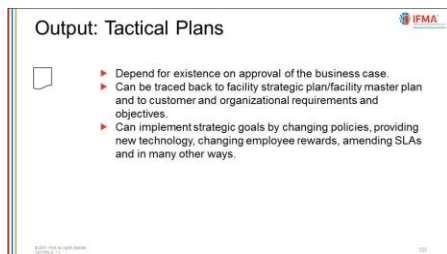
Tactical plans are detailed plans used to implement strategic plans for facilities or services. Tactical plans are traceable back to the facility strategic plan/facility master plan and even to customer requirements and organizational requirements and objectives.

Tactical plans can be used to implement specific strategic goals in the following ways:

- Changing policies, procedures and practices to reflect a new strategic direction for the organization.

- Providing staff and/or contractors with training in new technology, policies, procedures or practices.

- Changing employee review and reward systems and contractor rating systems to promote strategy and vision, for example, linking performance to balanced scorecard performance drivers and outcome measures.

- Incorporating strategy within technology tools such as integrated asset management or building design and management software.

- Amending service level agreements with new assurances.

- Generating a special change management project to change staff behavior.

- Scheduling a project with its own timelines, funding and goals.

*Exhibit 1-27* provides examples of various types of tactical plans that can be produced for an FM organization.

Operations and Maintenance		Budgets	Design and Construction Plans
Operations Plans	**Maintenance Plans**	- Operational	- Capital projects
- Soft services	- Hard services	- Maintenance	- Service delivery
- Service delivery	- Preventive maintenance schedule	- Design and construction	- Real estate
- Safety	- Equipment maintenance	- Capital	- New site/ additions/ modifications
- Environmental	- Equipment replacement		- Moves/ reconfigurations
	- Capital projects		

Exhibit 1-27: Various Types of Tactical Plans

Lesson Activity

Using Tactical Plans Activity

Activity duration: 30 - 45 minutes.
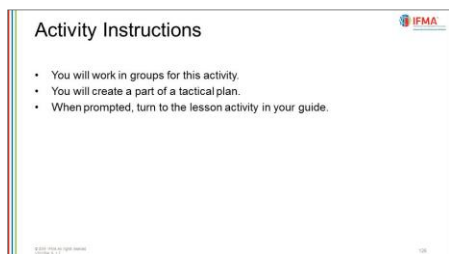
For this activity:

- You will work in groups.

- You will create a part of a tactical plan.

- When prompted, use the space provided to outline your plan.

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Debrief

Activity Debrief

- What were your key findings when completing this activity?
- What is the purpose of the tactical plan?
- How does the tactical plan differ from the facility strategic plan and facility master plan?

When the activity time is over, you may debrief as follows.

- Ask the following questions:

    - What were your key findings when completing this activity?

    - What is the purpose of the tactical plan?

    - How does the tactical plan differ from the facility strategic plan and facility master plan?

- Summarize the purpose of the chapter.

- Ask the class if they have any other questions before moving to the next section.

Defining and Evaluating Performance Requirements

Lesson Introduction

On completion of this lesson, you will be able to:

- Establish performance requirements and metrics to evaluate performance success.

This lesson consists of the following topics:

- Defining Performance
- Establishing Priorities
- Measuring Performance
- Evaluating Performance

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Defining Performance
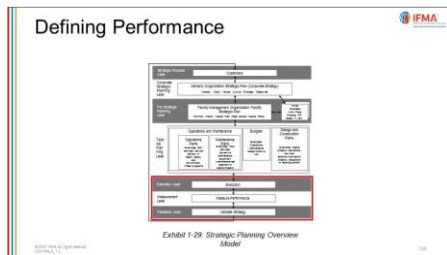
Approved and funded tactical plans allow facility managers to begin and continue executing scheduled facility management activities and special projects.
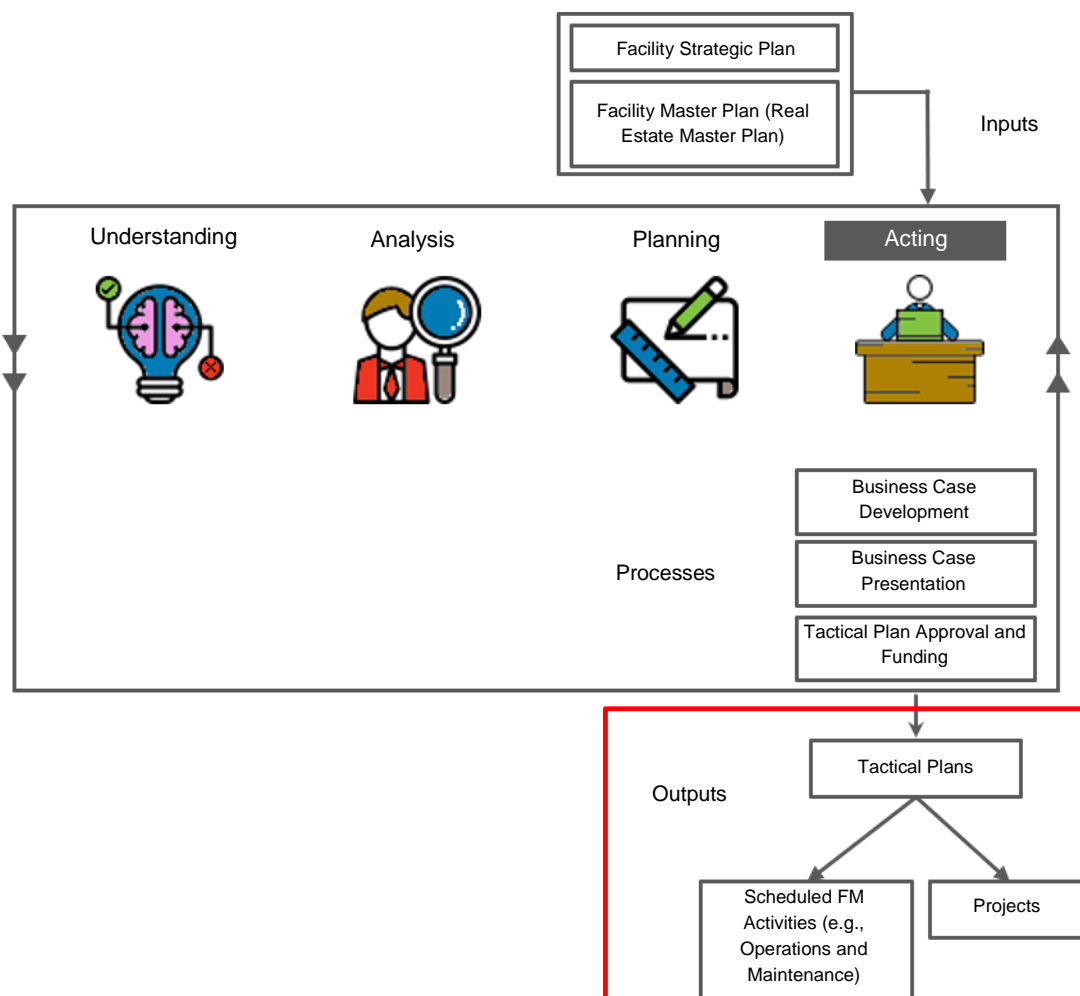
Exhibit 1-28: Strategy Life-Cycle Model (Acting)

Once implemented, it is important to measure the performance of facility management and continuously validate that the strategy is successful. If the strategy is not successful, corrections must be made to obtain the desired performance/objectives. For FM projects

and activities, the facility manager may present feedback to senior executives/clients to prove or disprove the validity of the strategy. The strategic planning process forms an iterative life cycle that can continually improve upon prior results.
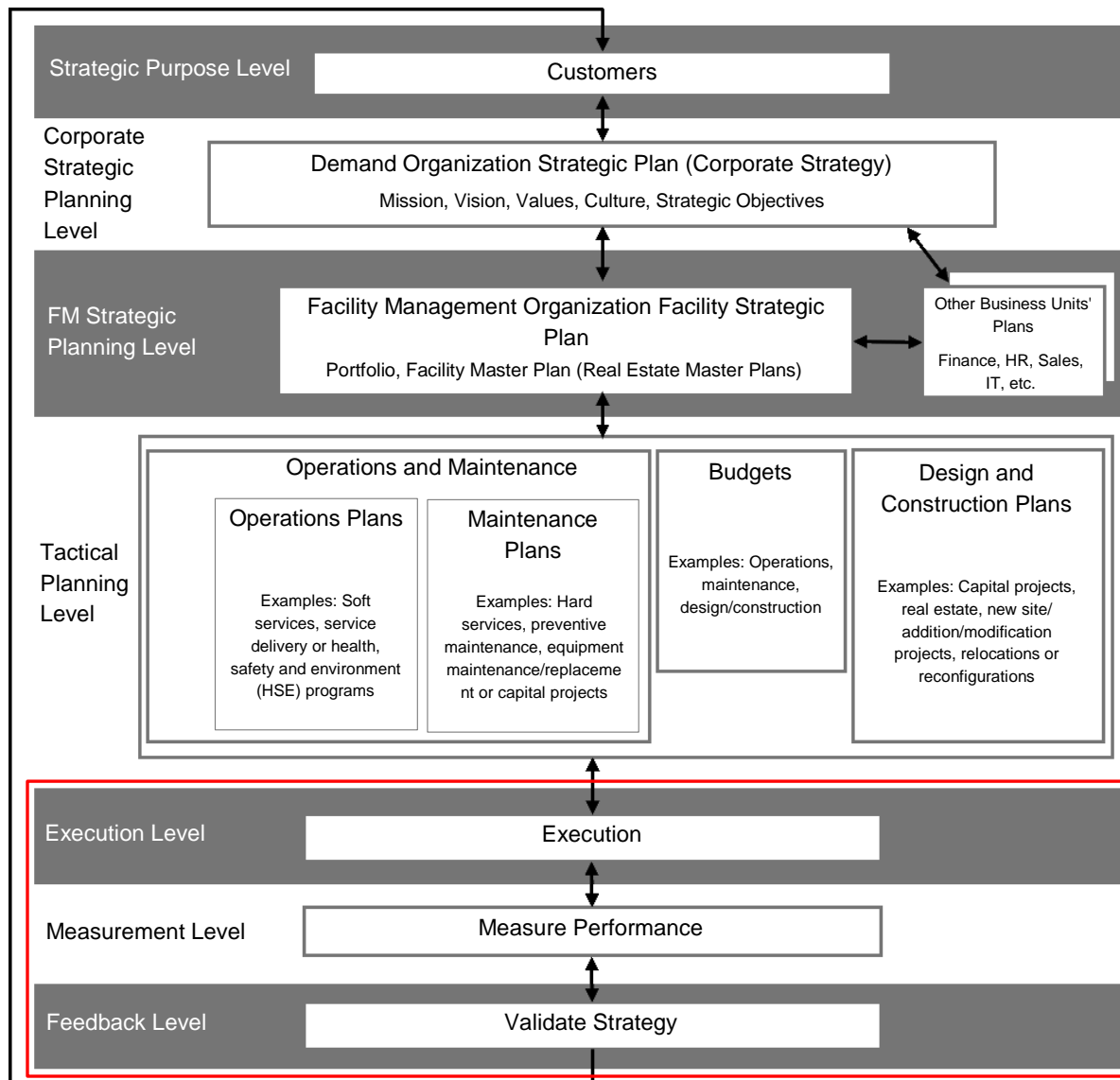
Exhibit 1-29: Strategic Planning Overview Model

Performance outcome measures and key performance indicators are outlined within the selected performance framework used throughout the strategic planning process. Performance management framework like the balanced scorecard clearly outline performance drivers and outcome measures.

The key is to ensure that performance measurements specified in the strategic and tactical plans are clearly defined.

Establishing Priorities
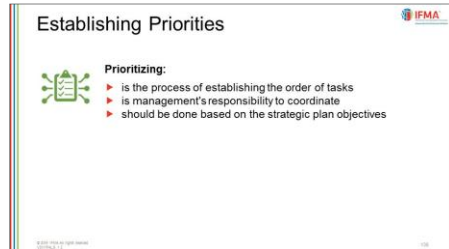
Prioritizing is the process of establishing the ranked order of tasks, plans or objectives in relation to each other based on higher level objectives. It is management's task to establish priorities, so that that those executing plans know which tasks should be executed first. Identifying priorities based on the strategic planning process means that facility managers must understand the importance of each and how it effects the overall strategy for the department and demand organization.

Measuring Performance

Measuring performance can be done through a variety of tools, including:

- Facility audits
- Performance management systems
- End user satisfaction surveys
- Benchmarking

Performance Management

The facility management team is responsible for the quality and timeliness of their work and any negative impacts of their performance reflects poorly on the facility manager. Therefore, it is key to clearly manage performance expectations. Employees of the facility department must understand and adopt the goals of their department and the demand organization. Issues of noncompliance with policies and job performance must be addressed to ensure that facility objectives are achieved.

The Lead and Manage the FM Organization chapters will further address how to manage and lead teams.

The Balanced Scorecard
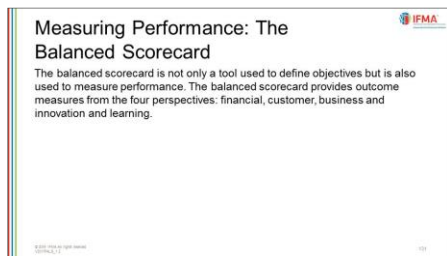
The balanced scorecard is a tool used to define and measure objectives, as well as to measure performance. The balanced scorecard aligns what is done with strategy and objectives. The balanced scorecard provides outcome measures from the four perspectives: financial, customer, business and innovation and learning.

The balanced scorecard is IFMA's recommended framework in strategic planning, but there are many tools used in both processes. The framework used in each organization should be determined at the organizational level.

End User Satisfaction Surveys
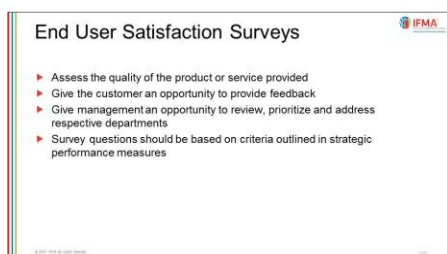
End-User Satisfaction Surveys are used to assess the quality of the product or service being provided. This gives the customer an opportunity to provide feedback on their perception of said services. Weaknesses identified in these surveys should be reviewed, prioritized and addressed by the respective department.

Criteria assessed using satisfaction surveys should be based on performance outcomes and measures identified in the strategic and tactical plans.

Survey questions may evaluate items such as:

- Quality of service

- Responsiveness

- Customer service

- Cleaning schedule

- Convenience

- Communication

- Cost of service

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pennsylvania
DEPARTMENT OF TRANSPORTATION

REST AREA QUESTIONNAIRE

Name _____

Address _____

City _____ State _____

Phone No. _____ Location: Route _____

Date _____

Time _____ AM/PM

☐ Northbound   ☐ Eastbound   ☐ Southbound   ☐ Westbound

1. Are signs adequate and understandable?.......... ☐ Yes ☐ No
2. Are restrooms clean and sanitary?.................... ☐ Yes ☐ No
3. Are restrooms operational?.............................. ☐ Yes ☐ No
4. Are restrooms supplies adequate?................... ☐ Yes ☐ No
5. Is adequate drinking water available?.............. ☐ Yes ☐ No
6. Are ground litter free?................................... ☐ Yes ☐ No
7. Are handicapped facilities adequate?.............. ☐ Yes ☐ No
8. Is parking adequate?....................................... ☐ Yes ☐ No
9. Is pet area adequate?...................................... ☐ Yes ☐ No
10. Is bulletin board helpful and up to date?......... ☐ Yes ☐ No
11. Are rest area personnel helpful?.................... ☐ Yes ☐ No

COMMENTS _____

_____
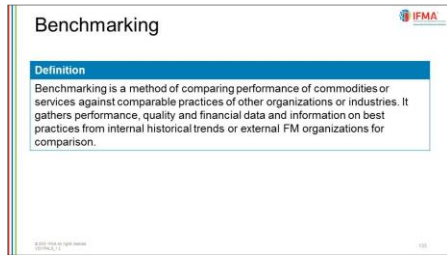
_____

_____

HOW WOULD YOU RATE THE FACILITY OVERALL? ☐ Excellent ☐ Good ☐ Fair ☐ Poor

*Exhibit 1-30: End-User Satisfaction Survey Sample*

Benchmark Performance Measures

[Benchmarking](#) is a method of comparing performance of commodities or services against comparable practices of other organizations or the industry of the demand organization. It gathers performance, quality and financial data and information on best practices from internal historical trends or external FM organizations for comparison. Organizations can select a baseline competitor for average performance and/or they can seek out the best-in-class performance and set this as a strategic goal. When properly applied, benchmarking can identify costly or inefficient practices and quantify your department's overall contribution to the bottom line.

Comparing the FM organization's performance to industry key performance indicators will outline areas that require improvement or areas that are performing above average.

Evaluating Performance
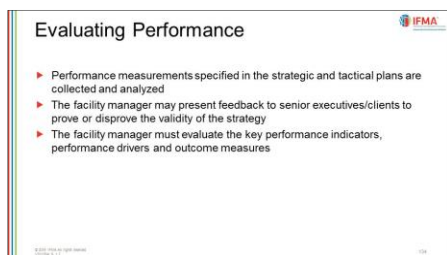
Remember that performance measurements specified in the strategic and tactical plans are collected and analyzed. For FM projects and activities, the facility manager may present feedback to senior executives/clients to prove or disprove the validity of the strategy. Evaluate the key performance indicators, performance drivers and outcome measures within these documents.

Lesson Activity

Defining and Evaluating Performance Requirements Activity
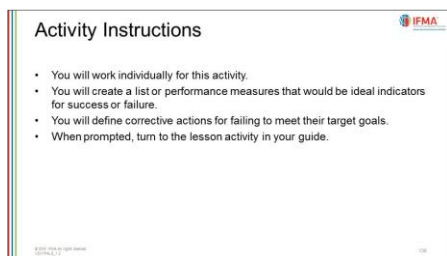
For this activity:

- You will work individually.

- You will create a list or performance measures that would be ideal indicators for success or failure.

- You will define corrective actions for failing to meet their target goals.

- When prompted, use the space provided to outline your plan.

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Debrief

Activity Debrief

- What were your key findings when completing this activity?
- Why is it important to define performance criteria prior to evaluating performance?
- What are some ways that you can evaluate performance at your facility?

Chapter Summary

Chapter Summary

Now that you have completed this chapter, you should be able to:
- ✓ Explain the importance and objectives of strategic planning.
- ✓ Align FM's strategic requirements to demand organization's requirements.
- ✓ Use strategic planning tools and frameworks to develop and assess a strategic plan.
- ✓ Use best practices to monitor internal and external factors that can affect facility management.
- ✓ Create a facility strategic plan.
- ✓ Obtain approval and funding for tactical plans.
- ✓ Establish performance requirements and metrics to evaluate performance success.

Progress Check Questions

1. What is an example of an important but NOT urgent activity?

   a. Answering your phone while you meeting with an important client.
   b. Asking customers about their business problems.
   c. Responding to a safety alarm.
   d. Reading and then deleting junk email.

2. What is the first step in the strategic planning process?

   a. The FM organization develops operations plans.
   b. The FM organization develops a facility strategic plan.
   c. Execution is measured and the strategy is validated.
   d. The demand organization develops a strategic plan.

3. What is true of a demand organization's mission, vision, values and/or culture?

   a. Mission is the ultimate goal of the demand organization.
   b. Facility managers cannot influence the demand organization's values or culture.
   c. Understanding and accepting the demand organization's mission helps guide individual behavior.
   d. The process used to produce mission statements is not important.

4. What is the first step in the process of aligning the FM strategy to the demand organization's strategy after assembling various inputs and producing FM mission and vision statements?

   a. Organize and compile comprehensive data about the organization.
   b. Produce client profiles or business unit goals.
   c. Define what constitutes success in the FM strategic planning process.
   d. Perform a SWOT (strengths, weaknesses, opportunities, threats) analysis.

5. Which type of plan creates a gap analysis for an entire portfolio of facilities?

   a. Facility strategic plan
   b. Facility master plan
   c. Tactical plan
   d. Project plan

6. What can be used to rank competing strategic options because each can be rated on how well it reduces the variance between the actual situation and the desired situation?

   a. Balanced scorecard
   b. Macro or strategic statement of requirements
   c. SCAN (strategic creative analysis)
   d. Gap analysis

7. Which tools help monitor potential threats from outside the FM organization?

   a. SWOT and Financial Analysis
   b. Risk and Gap Analyses
   c. SWOT and Risk Analysis
   d. Gap and Financial Analyses

8. What is true of proposed changes to FM organizational strategy?

   a. A best practice is to treat strategic documents as living documents that are continually updated with all approved changes.
   b. A best practice is to treat strategic documents as open materials that all team members can add to and revise as the situation demands.
   c. Changing facility strategic plans after the process is complete is not recommended.
   d. Well-formed strategies should not require revisions except at the end of each planning horizon, so all interim changes are deferred.

9. What is the most critical point in a strategy life-cycle because it is where many strategic endeavors fail?

   a. Aligning the facility's strategic requirements to the demand organization's requirements
   b. Developing facility strategic plans
   c. Assessing services needed to meet organizational requirements
   d. Implementing strategy using tactical plans

10. Which of the following is used to assess the quality of the product or service being provided?

    a. Balanced scorecard
    b. End-user satisfaction surveys
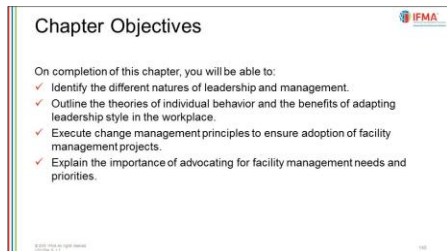   c. Facility audits
    d. Benchmarking

Chapter 2: Lead the FM Organization

Chapter Introduction

On completion of this chapter, you will be able to:

- Identify the different natures of leadership and management.
- Outline the theories of individual behavior and the benefits of adapting leadership style in the workplace.
- Execute change management principles to ensure adoption of facility management projects.
- Explain the importance of advocating for facility management needs and priorities.

Lessons

- Introduction to Leadership and Management
- Theories of Individual Behavior and Leadership
- Lead, Inspire, Influence and Manage the FM Organization
- Advocate for Facility Management Needs and Priorities

Introduction to Leadership and Management

Lesson Introduction

On completion of this lesson, you will be able to:

- Identify the different natures of leadership and management.
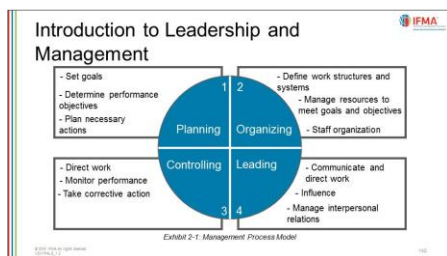
This lesson consists of the following topics:

- Leadership, Inspiration and Influence Terminology
- Position Power versus Personal Influence

To manage effectively, a facility manager needs to master the fundamentals of leadership and management. Establishing excellent communication skills enables the facility manager to manage both up and down. Psychological insight into how individuals and groups interact enables the facility manager to engage, influence and motivate staff, peers and superiors.

Comprehension of individual and group dynamics in the FM team, empowers the facility manager to accept and adapt to different viewpoints, advocate for the team's needs, mentor, guide and protect them. Gaining leadership and management skills can enable facility managers, in a personal capacity, to gain self-knowledge and address personal challenges.

Leadership is about style and direction. Management is about technical organization. The goal is to align the FM organization to the demand organization's strategy. Leadership ensures that the FM organization is motivated and directed to accomplish the goals and objectives of the business.

Management ensures that the FM organization has the correct plans, structure and controls to achieve goals efficiently and effectively. A management process model is a framework that defines how management and staff collaborate to accomplish common goals. A management process model shows how leadership and management concepts are complimentary.

The information presented in this course is not unique to FM. Where possible, examples of how to apply concepts to FM are provided. Facility managers can select from among the theories, concepts, tools and methods and apply them as the situation dictates.

Exhibit 2-1 provides a management process model that places leading as an element in the management process.

> **Management (technical organization) + Leadership (style + direction) = Means to reach goal (alignment of FM/organization)**

1 Planning
- Set goals
- Determine performance objectives
- Plan necessary actions

2 Organizing
- Define work structures and systems
- Manage resources to meet goals and objectives
- Staff organization

3 Controlling
- Direct work
- Monitor performance
- Take corrective action

4 Leading
- Communicate and direct work
- Influence
- Manage interpersonal relations

Exhibit 2-1: Management Process Model

> Note that while this chapter emphasizes leadership, it also addresses planning organizing and controlling aspects of management where appropriate.

Leadership, Inspiration and Influence Terminology

Leadership, inspiration and influence can be defined as follows:

- [Leadership](#) — guides and directs others' actions and decisions through position, power and personal influence.

- [Inspiration](#) — from a Latin root meaning "to breathe in," it refers to the ability to breathe life into or enliven the thoughts, emotions, hopes and actions of others, so that they become motivated and enthusiastic to accomplish the goals set by the leader.

- [Influence](#) — the ability to affect the actions, opinions and decisions of others indirectly rather than through the direct use of position power. Sources of influence include expertise, shared experience, affiliation, status, interpersonal skills and access to information or limited resources.

Inspiration and influence are leadership tools.

Management can be defined using 2 definitions:

(1) the conduct of business to accomplish a goal by planning, organizing, staffing, leading, directing and controlling an organization and

(2) the judicious use and control of resources and subordinates to achieve business objectives.

The first definition of management is the overall management process, which includes leadership. Effective leaders use their power and influence to channel the energy and activities of others in support of the demand organization's goals. To do this requires them to act as role models and advocate, inspire others and address conflict in a forthright manner.

The second definition refers to management's use of control as a tool over team members, which differs from leadership's use of inspiration and influence as tools.

Compare these definitions to the following definitions of planning organizing and controlling:

- [Planning](#) — setting a direction for an organization in terms of goals, performance objectives, policies, procedures and practices.

- Organizing — creating an appropriate delivery mechanism and structure for an organization to coordinate its components into an interdependent system. Organizing includes staffing, team building and resource gathering.

- Controlling — the use of position power to provide a directing or restraining influence over people and inputs, processes or outputs by observing, measuring or verifying them through evidence or experiment.

While the ability to direct others' work can be accomplished through inspiration and influence or control, the source of authority for each of these toolsets differs. Control is handed down through the organizational hierarchy as position power, while the ability to inspire and influence is granted by followers to those leaders who demonstrate a trend of positive personal influence.

Position Power versus Personal Influence

Exhibit 2-2 defines position power and personal influence.

Exhibit 2-2: Position Power versus Personal Influence

Management (Control): Position Power	Leadership (Inspiration and Influence): Personal Influence
Position power is the power associated with a person's position within the organizational hierarchy. Types of position power include the following: - Legitimate power or formal authority is the relative degree to which managers can use their position to exercise the "right of command" to control subordinates. - Reward power is the use of rewards and promotions to control others. - Coercive power is the withholding of rewards or the threat of punishment to control others. - Process power is the control over the means used to accomplish tasks as well as the metrics used to determine success. - Information power is the ability to have information with access or control access. - Representative power is the formal authority to speak on behalf of an organization.	Personal influence is the power associated with the individual rather than the individual's position. Types of personal influence include the following: - Expert power is the use of knowledge, experience or expert judgment to influence the behavior of others who need the information or respect that expertise. - Rational persuasion is the ability to present a goal and a way of realizing that goal to others as both desirable and achievable. - Referent power is the desire of others to be associated with a source of perceived power. - Coalition power is an indirect control over behavior that channels an individual's obligation to a greater collective interest into an obligation to the leader as a representative of that interest.

> Note that personal influence can be enhanced by position power, but position power cannot create personal influence.

Integrating Personal Influence with Position Power

Position power is necessary but not sufficient for effective management and leadership. Personal influence and position power are complementary tools used by leaders. Leadership augments management by motivating desired behavior and increasing a manager's sphere of influence. Competent leaders not only effectively manage themselves, but effectively lead others, too.

Earning Personal Influence

Personal influence is earned by how you behave and treat others and effectively build ongoing relationships. Ongoing relationship building is a trust-building process and its success is achieved by getting others to understand and accept:

- The would-be leader's values, character, fairness and principles
- How the would-be leader treats them and others
- What the would-be leader has done for them and for their organization

Leaders practice the following actions when dealing with other persons:

- Respect — genuine self-respect is needed to gain the respect of others. Leaders show respect to others by being neither biased nor detached. A genuine attachment to each person's perspective is a requirement for trust.

- Listen and understand — listening makes leaders influenceable, which is a prerequisite for influencing others. Leaders actively listen to all perspectives, ask

questions and reflect upon what they hear. They avoid forcing their own opinions into the situation without being invited.

- Empathize **—** leaders reflect on the situation and communicate with the person or persons to show that they understand each party's feelings and emotional investment in the situation. They care enough to see the situation from the other person's perspective.

- Receive trust **—** leaders who demonstrate respect, understanding and empathy may incrementally be given more and more trust. For example, a leader may be trusted to arbitrate issues because the parties involved know they will be treated fairly.

- Collaborate on decisions **—** leaders avoid arbitrary decisions in favor of communicating and comparing or contrasting the various perspectives to help individuals find solutions and to help groups collaboratively determine a course of action.

Personal influence is not something that is overt but is intuitive and emotional. When it exists, it will take the form of loyalty and a willingness to collaborate and take direction. Individuals who have placed their trust in a leader are likely to feel secure and valued.

Increasing, Reducing or Destroying Personal Influence

Personal influence can be increased over time, it can also be reduced or destroyed. Actions that can increase personal influence include:

- Consistent, fair and respectful treatment of others.

- Exceeding expectations.

- Demonstrating intuition for situations, trends and people and channeling it into conviction to proceed down the right path even when it requires the leader to make sacrifices.

- Giving credit where credit is due and taking the blame when it is due.

- Demonstrating belief in others' ability to succeed.

Personal influence can be reduced, for example, if the leader asks followers to perform actions based on blind trust to address non-critical situations or to make sacrifices they would not normally be inclined to make, such as working extensive overtime. Leaders keep such requests rare to maintain personal influence.

Personal influence can be destroyed by abuse of trust, for example, by asking persons to do things that go against their values or by thoughtless actions, for example, condescension or poor timing.

Discussion Question

Label each of the following as a source of position power or personal influence.

A. Power to determine the size of staff bonuses

B. Frequent success in using reason to sway the opinions of fellow managers

C. Selection by upper management to speak for the organization at trade shows

D. Reputation for being indispensable in supporting sales staff because of unmatched knowledge of company products

Theories of Individual Behavior and Leadership

Lesson Introduction

On completion of this lesson, you will be able to:

- Outline the theories of individual behavior and the benefits of adapting a leadership style in the workplace.

This lesson consists of the following topics:

- Introduction to Leadership Theory
- Individual Motivation and Behavioral Theories
- Leadership Theories

Facility managers who recognize the motivations and behavior patterns of clients, executives, staff, building occupants or other stakeholders, can show that they understand their viewpoints and can learn from them. When facility managers understand the likely effects of their own leadership decisions, they can choose to lead in a way that will increase their ability to accomplish the organization's goals. Facility managers who apply these skills will be more likely to earn the trust and loyalty of stakeholders.

Introduction to Leadership Theory

Many researchers have proposed theories of individual motivation and behavior and theories on leadership. A representative set of these theories is presented in this lesson. There is no "right" way to apply or determine which theory is best for an individual leader or staff member. The knowledgeable and capable FM can consider which theories are most relevant to them and their staff. Each individual is different, comprehension and perspectives could vary, facility managers need to adjust their leadership style to better work with all their employees.

Learning about one's own and others' motivations and behavior in work environments can help facility managers predict the likely results of actions. Facility managers can then apply management and leadership styles, incentives and organizational structures that reinforce desired behavior and deter unwanted behavior.

Facility managers use leadership to earn stakeholder buy-in on the strategic direction of facilities and tactical implementation of plans. They coordinate and organize the FM function to anticipate, detect and track challenges before they occur and to ensure that the FM function is prepared for rapid emergency responses and is flexible enough to meet changing business demands.

Individual Motivation and Behavioral Theories

The first step for facility managers seeking to develop their staff is to identify what motivates individual behavior. Motivation and individual behavior can be defined as follows:

- Motivation is the set of factors and influences that impel, direct and sustain individual or group behavior over time.

- Individual Behavior refers to an individual's general conduct or demeanor and likely response to a given stimulus or environment.

Motivation is the driving force behind an individual's actions or behavior. The influence of an individual's needs and desires have a strong impact on the direction of their behavior. Facility managers that understand motivation can also recognize the influence it has on individual behavior. This is important in managing individual team member's performance.

Several motivation and behavior theories attempt to explain the cause-and-effect relationship between motivating events and tactics and the resulting behavior. The following are principles that underlie most theories of motivation and behavior:

- Individual behavior is caused and individuals have reasons for their actions.

- Individual behavior is goal-oriented rather than random. Individuals act to accomplish something.

- Individuals are unique due to differences in their inherent traits and external environments, leading to differences in motivation and behavior.

This chapter covers four theories of motivation and behavior: Theory X and Y, Maslow's needs hierarchy, Herzberg's motivation-hygiene theory and Myers-Briggs personality types. Note that group behavior theories are discussed in the next chapter.

Theory X and Y

In the 1950s, Douglas McGregor proposed two opposing management theories by which managers perceive employee motivation. He summarized these as Theory X and Theory Y. The approach that managers take will have a significant impact on their ability to motivate team members. *Exhibit 2-3* compares these two theories.

Theory X	Theory Y
The average individual inherently dislikes and avoids work.	Physical or mental expenditure of effort in work is as natural as rest or recreation.
Getting individuals to overcome their dislike of work and achieve organizational goals requires coercion, control and threat of punishment, called the carrot-and-stick approach or position power.	Carrot-and-stick approaches are less effective than management leadership and influence such as inspiring commitment to organizational goals and associating rewards with goal achievement.
Poor performance is caused by poor human resources.	Poor performance is caused by poor management and leadership.

Theory X	Theory Y
The average individual values security over ambition, wants to avoid responsibility and therefore likes being directed. Innovative problem solvers are narrowly distributed population trait.	Given a proper environment, the average individual learns to seek responsibility. The capacity of individuals to seek imaginative solutions is a widely distributed population trait.

Exhibit 2-3: Theory X versus Theory Y

Maslow's Hierarchy of Needs

Abraham Maslow's research resulted in the hypothesis that there is a hierarchy of needs in which the lower levels of needs have to be satisfied before the next level can serve as a motivator. The hierarchy, illustrated in *Exhibit 2-4*, can show facility managers that low level needs are always important. Recognizing where an individual is in the hierarchy can help the facility manager tailor an approach for that individual.

Examples

Self-actualization — Personal growth and opportunity to show creativity and find solutions to problems (for example, delegation)

Esteem for self and others — Empowerment, involvement, training, recognition and status

Belonging and love — Acceptance in groups, personal influence

Safety and security — Pay, benefits, job security, work conditions

Physiological needs (for example, food, shelter or sleep) — A job, reasonable hours

Exhibit 2-4: Maslow's Hierarchy of Needs

Herzberg's Motivation-Hygiene Theory
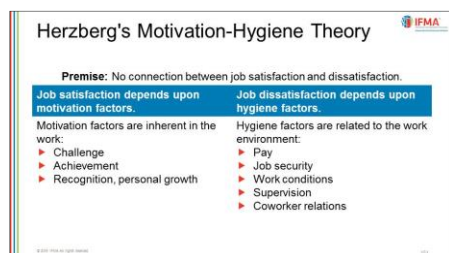
Frederick Herzberg's Motivation-Hygiene Theory, or Two Factor Theory, provides two factors that affect motivation in the workplace. These factors are hygiene factors and motivation factors. Hygiene factors will cause an employee to work less if not present. Motivation factors will encourage an employee to work harder if present.

Herzberg's theory states that job satisfaction and job dissatisfaction are independent of one another rather than being at either end of a spectrum. Job dissatisfaction is a function of hygiene factors, while job satisfaction is a function of motivation factors:

- Hygiene factors (extrinsic) — hygiene factors are the environmental work factors like pay, job security, work conditions, supervision or coworker relations. Successful delivery of hygiene factors avoids job dissatisfaction but does not motivate individuals.

- Motivation factors (intrinsic) — motivation factors are inherent qualities of the work itself like challenge, achievement and opportunity for recognition or personal growth. Successful matching of persons to the right type of work can result in job satisfaction if hygiene factors are satisfied.

Myers-Briggs Personality Types
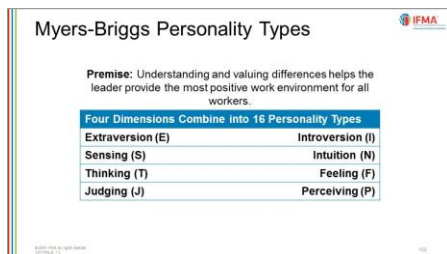
The Myers-Briggs Type Indicator (MBTI®) is a personality assessment instrument consisting of a formal test that is interpreted by a professional. Alternately, a Myers-Briggs personality type can be informally assessed. The key point for facility managers to understand is that people are motivated differently and have different work styles. The Myers-Briggs personality type can help facility managers understand individual differences, motivations and work preferences, including their own, so they can provide the most positive work environment for all workers. Based on work by Carl Jung, Katherine Briggs and Isabel Briggs-Myers a system with four personality preference scales was developed that form 16 distinct personality types. The scales are called dimensions and a person can be located somewhere within the continuum between the extremes, except the exact center.

The side of the scale a person falls on is called a preference and the combination of preferences forms the personality type:

- Extraversion (E) **vs.** introversion (I) **—** the E vs. I dimension shows how people interact with the environment and direct their energy. Extraverts are receiving

energy from active involvement in events, they are excited when they are around people and like to energize other people. Introverts are receiving energy from dealing with the ideas, pictures, memories, and reactions that are inside their head, they feel more comfortable working alone or with one or two people. They take time to reflect.

- Sensing (S) **vs.** intuition (N) **—** the S vs. N dimension indicates the types of information people naturally perceive. Sensors trust what can be measured and is real; intuitives make inferences and value imagination.

- Thinking (T) **vs.** feeling (F) **—** the T vs. F dimension shows how people make decisions. Thinkers are objective and make logical decisions; feelers are empathetic and decide based on what they feel is right.

- Judging (J) **vs.** perceiving (P) **—** the J vs. P dimension indicates whether people prefer settled decisions and structure or to see options and be spontaneous. Judgers like to make decisions and control life; perceivers like flexibility and want to understand life but don't need to control it.

For example, an ENTP is an extravert, intuitive, thinking, perceiving person. Each personality type has a number of strengths and weaknesses associated with it. It may not be possible to change a personality type, but people can learn to build upon their strengths and address their weaknesses.

There are a number of Organizational Development tools that HR utilizes internally for staff development, growth, teamwork, understanding and new skills. The tools are also used externally to ensure candidates are the right fit for an organization.

Discussion Question

What does a person with a high score on the Myers-Briggs judging dimension tend to do?
A. Take control of situations.
B. Be highly critical of others.
C. Base decisions on feelings of right and wrong.
D. Value external rather than internal relationships.

Leadership Theories

Leadership theories are methods proposed by researchers to explain what makes leaders effective. Knowledge of leadership theories is another part of a facility manager's tool kit for developing effective leadership skills. Leadership theories seek to explain how and why individual leaders respond and affect people. These theories look at leadership characteristics and outline characteristics that can be adopted by individuals to be more effective leaders.

The following discussion presents several types of leadership theories — behavioral, situational, behavioral leadership and contingency — in chronological order to show how the theories have evolved. Each of the theories has elements that can be used to develop an effective leadership style.

Behavioral Theories

Behavioral theories arose in the 1940's when the assumption that leaders were born and not made, called trait theories, began to be questioned. Behavioral theories propose that two dimensions of a leader's behavior predict leadership success and performance and satisfaction of followers:

- Initiating structure (job-oriented behavior) — the leader's behavior is focused on helping employees understand their role, setting goals for them, controlling work processes and performance and enforcing rules.

- Consideration (employee-centered behavior) — the leader's behavior is focused on helping individuals and groups fulfill their emotional and social needs by explaining decisions or mentoring their careers.

Research on these dimensions shows mixed results as to whether one or the other or both better predict success, showing that situation plays a role.

Situational Theories

Exhibit 2-5: Hersey-Blanchard Situational Leadership Model
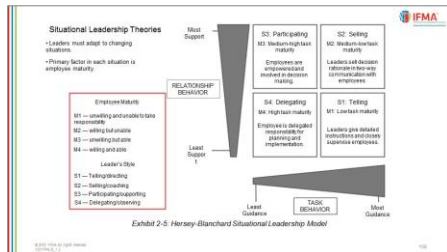
In the 1960's, a number of theories defined the maturity level of employees is a guide to applying different leadership styles based on the situation to achieve the best results. Hersey-Blanchard's situational leadership theory is a well-known example.

Hersey-Blanchard's Situational Leadership Theory

Rather than proposing one mode of behavior as ideal for all scenarios, Hersey-Blanchard proposed that the maturity level of employees governs the appropriate type of leadership. For any given task, maturity has two parts:

- Psychological maturity (willing) — a person's ability, self-confidence and willingness to take on responsibility for the task.

- Job maturity (able) — a person's task-related skills/technical knowledge.

Employee task maturity is given a rating of M1 through M4:

- M1 — unwilling (to take responsibility) and unable

- M2 — willing but unable

- M3 — unwilling but able

- M4 — willing and able

Like the behavior theories, the leader's style can focus more or less on task behavior (initiating structure) or on relationship behavior (consideration). *Exhibit 2-5* shows a simplified version of the situational leadership model, including its four suggested styles of leadership of S1 through S4:

- S1 — telling/directing

- S2 — selling/coaching

- S3 — participating/supporting

- S4 — delegating/observing

	S3: Participating **M3: Medium-high task maturity** Employees are empowered and involved in decision making.	**S2: Selling** **M2: Medium-low task maturity** Leaders sell decision rationale in two-way communication with employees.
RELATIONSHIP BEHAVIOR	**S4: Delegating** **M4: High task maturity** Employee is delegated responsibility for planning and implementation.	**S1: Telling** **M1: Low task maturity** Leaders give detailed instructions and closely supervise employees.

Most Support — Least Support

Least Guidance — **TASK BEHAVIOR** — Most Guidance

Exhibit 2-5: Hersey-Blanchard Situational Leadership Model

This model reinforces the idea that managers need to reassess their approach for every interaction. A critique of this model is that the styles described are more management than leadership styles. They refer to management decisions, but as they relate to perceived respect and empowerment, they are closely related to leadership.

Behavioral Leadership Theories

Behavioral leadership theories describe the natural leadership styles of managers rather than focusing on employee maturity. The Blake-Mouton Managerial Grid is a common behavioral leadership theory.

Blake-Mouton Managerial Grid
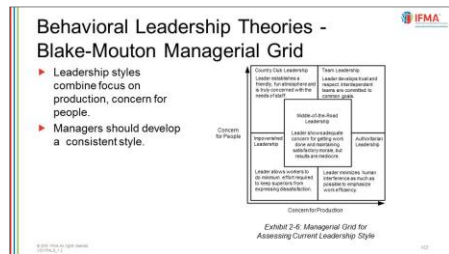
Robert Blake and Jane Mouton developed a theory called the Managerial Grid to classify managers by their natural leadership style. An underlying assumption is that a manager should adopt and maintain a consistent style. *Exhibit 2-6* illustrates the Managerial Grid, in which impoverished leadership is undesirable and team leadership is an ideal. The other types of leadership might be useful in certain work environments but could also have a negative affect if too extreme on the axis.

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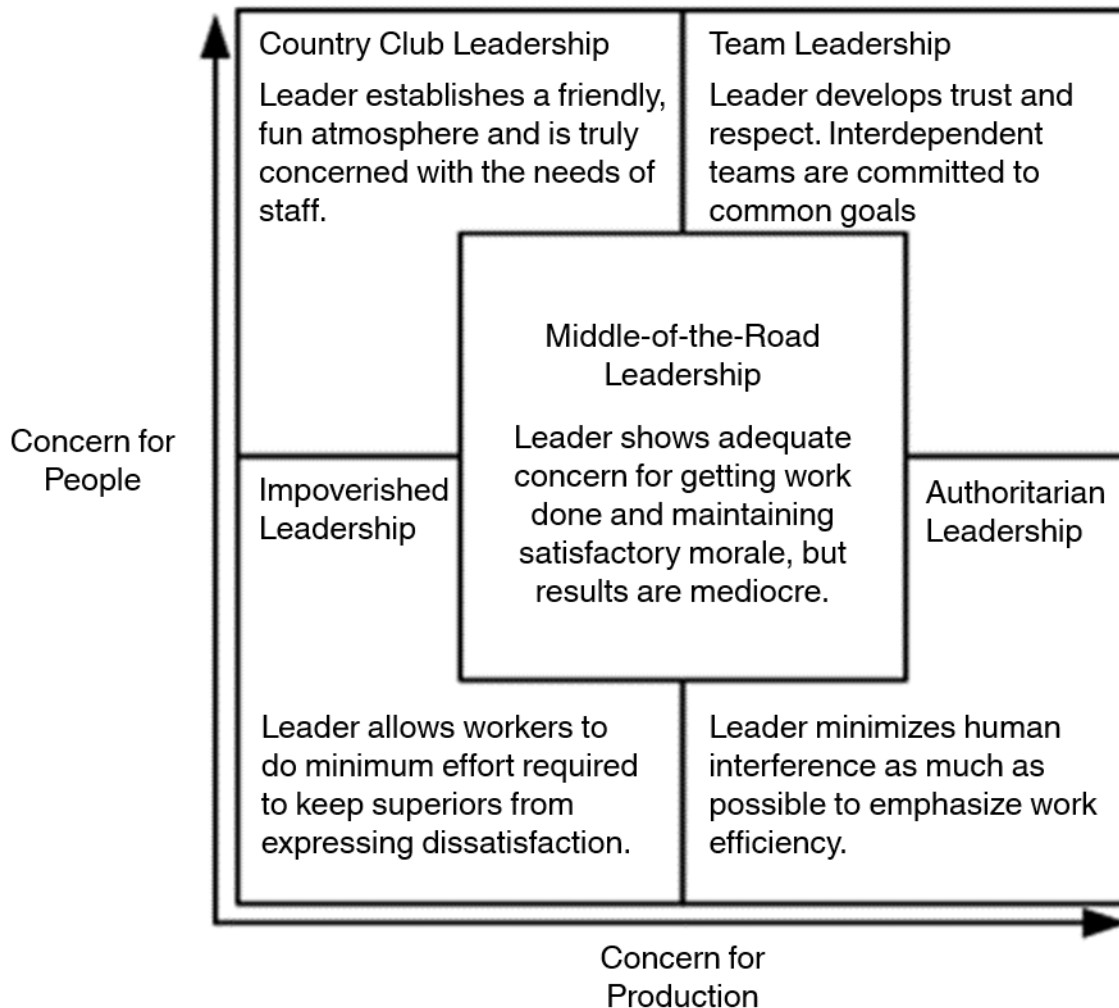
Exhibit 2-6: Managerial Grid for Assessing Current Leadership Style

Contingency Theories

Contingency theories propose that there is no one best way to manage or lead others and that the situation should influence managers' styles. Situational factors that influence a facility manager's style may include:

- The task maturity level of FM staff individually and as a whole.

- The organizational environment, for example, size, structure and culture and core values.

- The facility manager's personality and natural style.

- The personalities of those being managed and led.

- The sustainability of the style, for example, will it work over the long term.

- How staff are reacting to current management and leadership styles.

- The results that are being achieved.

- The timing of the situation, for example, a crisis.

A commonly known contingency theory is Fiedler's contingency theory.

Fiedler's Contingency Theory
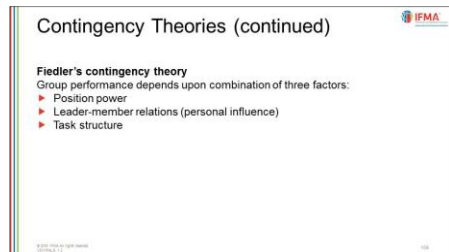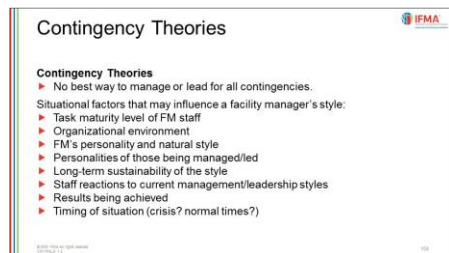
Fiedler's contingency theory states that the performance level of a group depends on the combination of situational favorableness and leadership style. Situational favorability is determined by the level of control a leader has over a situation based on followers. The higher the control, the higher the situational favorability. He defines situational favorableness as the product of three factors:

- **Position power** — the amount of hierarchical authority a manager has.

- **Leader-member relations** — for example, personal influence the amount of confidence, trust and respect followers give the manager.

- **Task structure** — the definition and clarity managers give to tasks.

Leadership styles are addressed in the next topic. While Fiedler believed that some leadership styles are better than others for a given situation, he suggested that enhancing one or more of these factors to increase situational favorableness is more effective than training leaders to change leadership styles.

Discussion Question

According to which leadership theory should a manager adopt a leadership style that takes into account employee task maturity? **Choose Two.**
A. Trait theories
B. Behavioral leadership theories
C. Situational theories (e.g., Hersey-Blanchard)
D. Contingency theories (e.g., Fiedler)

Lead, Inspire, Influence and Manage the FM Organization

Lesson Introduction

On completion of this lesson, you will be able to:

- Execute change management principles to ensure adoption of facility management projects.

This lesson consists of the following topics:

- Strategic Partnering
- FM's Strategic Partner Role
- Leadership Roles of Facility Managers
- FM Organization's Goals
- Styles, Methods and Tools

Facility managers help their organizations become successful in their core business. They balance leadership to inspire and influence FM staff and contractors with proper management to plan, organize and control tasks, resources and people. Facility managers inspire non-FM business unit colleagues and senior leadership. When this is done successfully, the FM organization becomes a proactive and evolving team player that is adept at both predicting or preventing many organizational challenges and providing immediate and effective responses to emergencies.

Some of the benefits that can be achieved by leading, inspiring, influencing and managing the FM organization include:

- Facility personnel identify FM best practices and share them with the demand organization as appropriate.

- Facility personnel continually adopt best practices to initiate ways to improve service and operate more efficiently.

- Other organizations consider the FM organization as a source of best practices and successful change management practices.

Strategic Partnering

Strategic Partnership is a relationship between two or more organizations with a long-term agreement for sharing physical or intellectual resources to achieve common objectives.

Internal Strategic Partner is a partnering effort developed between two or more departments within an organization needing to work together in order to accomplish a successful program of projects.

The FM organization can create strategic partnerships with outside organizations and internal departments to ensure that tactical plans and projects are successful. FM should seek out these partnerships with organizations or departments with common goals. Facility managers can propose their value to departments that may not see the impact of FM on their goals and create joint goals.

Strategic partnership examples (external/internal):

- Strategic Partnership:
    - Outsourcing Integrate Facility Management (IFM) firm
- Internal Strategic Partnership:
    - Information Technology (IT)
    - Finance
    - Security
    - Human Resources

FM's Strategic Partner Role

FM can be a source of competitive advantage for the demand organization if it can be elevated from a support role to a strategic partner role.

In a support role, FM is:

- Operation and maintenance of facility elements.
- Supervision of cleaning and security.
- Timely reaction to complaints.
- Planning and implementation of facility projects.

FM is the organizational function which:

Integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business (ISO 41011:2017), as show in Exhibit 2-7.
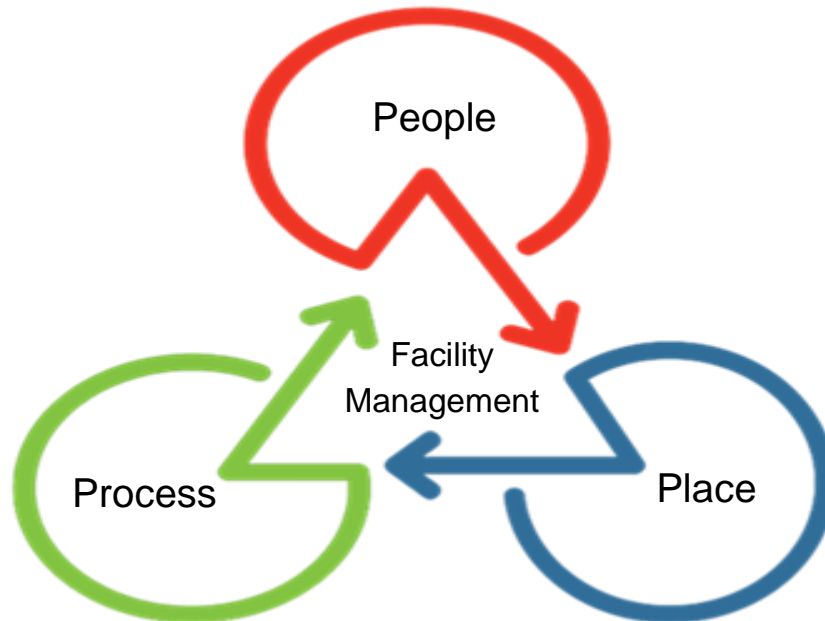
Exhibit 2-7: Strategic Partner Role

No other department touches all aspects of the demand organization like FM, which is positioned in the center of critical elements of a successful organization and on whom organizations rely heavily.

Facility managers start with a focus on the demand organization and work backwards from there to develop goals for the FM organization. FM exercises leadership to develop and communicate an understanding of stakeholder's:

- **People** — organizational structure, culture, job roles and visitor levels.
- **Place** — worker productivity enhancement, a safe, secure and healthy environment.
- **Process** — industry, manufacturing/service and workflow.

Facility managers connect with and understand people, maintain/manage the place and thrive by implementing the right processes. They apply an understanding of the demand organization's people, place and process to determine the requirements for a safe, healthy and productive place of workplace.

When an FM organization is elevated to a strategic partner role, facility managers benefit from having authority or position power. At a large demand organization, direct access to

the chief executive may not be realistic, but the chain of command at any size organization should be short enough so:

- Facility managers have enough political sway over others in the organization when advocating for facility needs.

- The demand organization and its leadership have a proper sense of the importance of facilities.

Cots, Roper and Payant state in *The Facility Management Handbook* that at a large demand organization, FM should be on the same organizational level as HR or IT as facility costs are second only to HR costs.

Organizational hierarchy placement may be less of an issue at smaller organizations.

The key point for facility managers is they should understand their organizational limitations and work to improve or optimize their power, authority and influence. Facility managers can optimize their power by earning it as leaders and taking on several leadership roles.

Leadership Roles of Facility Managers

Exhibit 2-8: Leadership Roles

Facility managers' primary leadership role is to help their stakeholders and customers succeed. Other leadership roles for facility managers may include:

- Providing guidance to staff and service providers

    - Positioning themselves as the go-to person for guidance or being approachable on facility issues for all persons in the demand organization.

    - Looking forward to the needs of the business and each department

    - Developing and communicating a comprehensive mission, vision and strategy aligned with requirements of the demand organization.

    - Creating momentum to stimulate or manage change.

- Influencing decisions and attitudes

    - Seeing the big picture

    - Being a good steward

- Considering globalization aspects

- Developing connections with people by relating to them at their level.

- Seeking wise counsel prior to making decisions and acting with confidence and proper timing once a decision is made.

- Conducting organizational development

  - Looking at the environmental needs of the business

  - Advancing workplace technology where applicable

Exhibit 2-8 provides an idea of the leadership roles of facility managers discussed further in this topic.

Provide Guidance to Staff & Service Providers	Influence Decisions & Attitudes	Conduct Organizational Development, OD
• Be the go-to person for Guidance • Be approachable • Look ahead to meet the needs • Develop and communicate aligned Mission, Vision, & Strategy • Create momentum to stimulate or manage change	• See the big picture • Be a good steward • Consider global aspects • Develop connections w/people by relating to them at their level • Seek wise counsel prior to decision making	• Look at environmental needs of business • Advance Workplace technology when applicable

Exhibit 2-8: Leadership Roles

Provide Guidance to Staff and Service Providers

Providing guidance to staff and service providers is both a management and leadership role. As a management role, it involves setting direction and correcting the course of current work as needed using technical knowledge of the business. As a leadership role, it

involves keeping an organizational focus and being a leader first and a technical manager second.

Guidance from a leadership perspective includes:

- Promoting daily activities to predict and prevent problems by using proactive methods to reduce the number of reactive or emergency activities.

- Promoting health and safety as a way of life for FM organizations.

- Prioritizing attention on enabling the most productive staff members.

- Mentoring core team members to enable them to strengthen their own leadership skills so they can extend the FM organization's potential impact.

- Becoming an advocate for FM staff and contractors and the needs of building occupants.

- Seeking out expert advice as needed, knowing the limits of one's technical knowledge.

- Managing by encouraging forthright, two-way discussion.

- Direct observation to verify reported results while getting hands-on experience with staff and contractors.

Influence Decisions and Attitudes
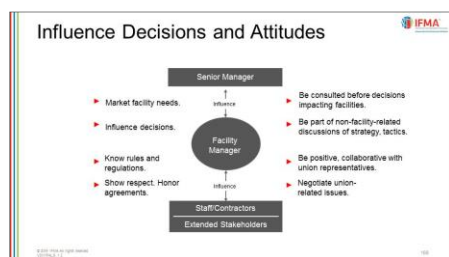
Facility managers are the primary conduit between senior management and facility staff and contractors. They are the key advocates for the FM organization's needs, this includes marketing the FM organization to get the funding required to maintain facilities in good working order.

Advocating for facility needs may require facility managers to influence the decisions and attitudes of the organization's leaders as well as those of occupants, government officials, suppliers, community leaders and business partners.

Facility managers who show confidence in their own abilities and earn personal influence with relevant stakeholders can become an indispensable part of the demand organization's decision-making process.

Facility managers with influence may be:

- Consulted by upper management/clients before they make decisions that impact facilities.
- Included in non-facility-related discussions of strategic or tactical importance.

A key stakeholder group that may require special leadership attention is labor unions or work councils. Work councils are organization-specific labor representatives who may or may not be affiliated with a labor union. They may represent several employees at a facility or within the FM organization. Facility managers stay up to date with the rules and regulations that govern union members both to avoid violating agreements and to show respect.

Whenever facility managers initiate changes or projects involving or impacting union workers, they address union representatives to explain the changes or project and listen to their concerns. The facility manager exercises leadership by being positive, collaborative and respectful with the union representatives when addressing issues and conflicts.

Common areas that may require influence to negotiate include:

- Use of union versus nonunion workers on projects or facility work.
- Temporary shifts in duties for union workers.
- Providing transitional services such as training or mentoring to union members who become part of the FM organization staff.
- Building occupant service level expectations
- Prioritizing work with limited funds.

Conduct Organizational Development (OD)

When facility managers are leaders, they inspire facility staff to want to do their best and motivate them to action. This could take the form of simply convincing others to follow the facility manager's plans. If facility managers and staff can develop mutual trust, the staff can become partners in pursuing facility excellence and leaders.

To develop the FM organization into an efficient team that is proactive in discovering best practices and suggesting improvements to service, facility managers pursue organizational development, which may enable facility managers to share their power by practicing empowerment, employee/contractor involvement or delegation.

Organizational development (OD) — a strategic effort that applies behavioral science to:

- Improve the resilience of an organization to internal or external changes.

- Enhance its ability to proactively solve problems.

OD is not a single concept but a collection of proven methods.

Empowerment, employee/contractor involvement and delegation can be defined as follows:

- Empowerment — management decision to provide employees a certain degree of autonomy and control to make decisions within their areas of expertise without needing prior approval.

- Employee/contractor involvement — management decision to engage employees or contractors on a regular basis in decision making on operations for their work areas, including:

    - Suggesting continual improvements

    - Participating in planning meetings

    - Setting goals

    - Determining how to monitor performance

- Delegation — management decision to give one or more employees or contractors full responsibility for planning and execution of a task. The amount of supervision may vary, but, at a minimum, the persons are responsible for achieving the predetermined results and the facility manager is accountable for them.

To make organizational development a reality, it should be included in the FM organization's mission, vision and strategy as a series of planned and communicated changes intended to increase the likelihood that the FM organization will attain both short- and long-term goals.

The philosophy behind empowerment, employee/contractor involvement and delegation is that a leader's potential is determined by the strength of those around them. Leaders must feel secure in their power and have confidence in their workforce in order to give some of

their power away. Only workers with some decision rights can attain their potential because they move from being dependent to independent or interdependent workers.

The benefits of implementing OD and giving employees/contractors some decision rights include:

- Better individual performance and productivity

- Increased morale

- Increased job satisfaction

- Lower turnover

- Better customer service

- Increased organizational productivity and profitability

FM Organization's Goals

When facility managers are building an FM organization that is a strategic partner with its organization/clients, they need to define their leadership roles and the end results or goals that the FM organization should achieve.

Facility managers need to make the FM organization's high-level goals explicit, for example:

- Improve organizational productivity and satisfy the maximum number of organizational requirements. For example, economic, social and environmental requirements.

- Avoid a negative reputation. Often FM organizations are noticed only when problems occur, so preventing major and minor problems is a goal.

- Be perceived by internal and external customers as an excellent service provider by setting expectations for quality and customer service.

Exhibit 2-9 provides an idea of the common FM organizational goals discussed further in this lesson.

Best Practices	Continual Improvement	Change Management and Reengineering
	• Methods and tools • Participation in larger quality processes	• Advantages and disadvantages • Overcoming resistance to change • Stages of change acceptance

Exhibit 2-9: Common FM Organizational Goals

Best Practices
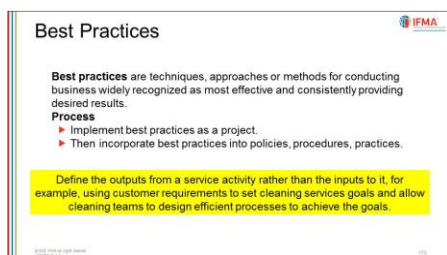
Best practices are techniques, approaches or methods for conducting business in a manner that has been widely recognized by peers and the industry as the most effective and consistent in providing the desired results.

Best practices can be used to improve the FM organization when implemented as a project and then maintained or incorporated into policies, procedures and practices. Best practices can range from simple advice, for example, "outstanding internal customer service leads to outstanding external customer service," to more detailed proposals that summarize proposed changes and list benefits and limitations.

Examples of best practices FMs could suggest including:

- Defining the outputs from a service activity rather than the inputs to it, for example, using customer requirements to set cleaning services goals and allowing cleaning teams to design efficient processes to achieve the goals.

- Designing a method and reward system for recommending, considering, approving and practicing new ideas.

To find information on best practices, including changes in trends or measurable results, facility managers can use the IFMA and IFMA Foundation Web sites and resources. For example, IFMA members have access to the Institute of Workplace and Facilities Management (IWFM) Good Practices Guides on the IFMA Web site. Facility managers can learn about best practices through networking, such as by joining a local IFMA chapter. Other professional associations, councils or communities of interest may also have information on best practices.

Continual Improvement
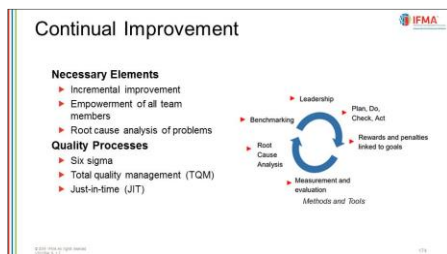
Continual improvement is a philosophy that emphasizes empowering all team members to seek root causes of problems and recommend small incremental improvements in quality, efficiency and effectiveness wherever and whenever they are found.

Advantages of incorporating continual improvement as one of the FM organization's goals include the following:

- Continual improvement is needed to maintain the facility due to constant changes in the environment, competitors and technology.

- Involving various specialists and business units can create innovation that would not have been possible without this expertise and collaboration.

- Employees who feel their suggestions are valued and used may receive significant job satisfaction from the process.

- Changes can vary in magnitude, so work can continue uninterrupted while continual improvements are implemented.

Disadvantages of incorporating continual improvement as one of the FM organization's goals may include the following:

- The concept can be hard to sustain over the long term due to waning interest and increasing treatment as a bureaucratic process.

- Workers can manipulate data as evidence for fictitious improvements.

Methods and Tools

The following methods and tools can be used in enabling continual improvement:

- **Leadership** — leaders need to champion continual improvement and get buy-in from all employees.

- **Plan, Do, Check, Act problem-solving model** — a problem-solving model such as the Plan, Do, Check, Act model incorporates continual change.

- **Rewards and penalties** — to sustain continual improvement, facility managers can design rewards or penalties linked to goals.

- **Routine measurement and evaluation** — leaders place emphasis on quality work and back it up with effective supervision and inspection.

- **Root cause analysis** — the process of discovering the systemic cause of system results. Tools include:

    - Pareto charts — bar charts listing causes by their prevalence for prioritization purposes.

    - Cause-and-effect (Ishikawa) diagrams — a method of listing and categorizing all of the possible causes of a problem or result.

    - Control charts — charts tracking actual data results to show when they exceed acceptable tolerance levels.

- **Benchmarking** — Benchmarking is a method of comparing performance of commodities or services against comparable practices of other organizations or the industry of the demand organization. Benchmarking is used to set improvement targets.

Participation in Larger Quality Processes

In addition to using the methods and tools listed, FM organizations may be active participants in an organization-wide quality effort incorporating continual improvement:

- Six sigma (6σ) — quality management philosophy that involves thoroughly training staff to identify and remove defects in processes.

- **Total quality management (TQM)** — formal quality process that includes an intense focus on the customer, involvement of all stakeholders and quantitative methods for continual improvement.

- **Just-in-time (JIT)** — philosophy that uses continual improvement to reduce manufacturing waste, minimize inventory and get to zero defects.

- **Lean** — philosophy of minimizing time, assets and human resources involved in production through simplification to keep only value-added activities, training multi-skilled employees and automation.

Change Management Planning & Communication

When the FM organization requires changes that go beyond minor improvements, they can take the form of change management or reengineering.

Term	Definition
Change Management	The process of defining, refining and implementing plans for changes, overcoming resistance to change, assessing impact of change and providing long-term maintenance.

Term	Definition
Reengineering	Rethinking a process from start to finish.

As leaders, FM should:

- Identify their team's ability to recognize why change is needed.

- Use change management practices to help team members adapt to change.

- Seek out early adopters to help champion FM change management initiatives.

- Change their own processes to adapt to and manage the change.

Change is behavioral and requires an organizational culture shift. An organization's culture should include acceptance and openness to change. Those that are successful with the current state of the organization will be more likely to resist change.

Because an analysis or implementation of strategy is often a key objective of FM change management or reengineering, FM organizations may utilize change management or reengineering methods and tools, such as a strengths, weaknesses, opportunities and threats (SWOT) analysis to identify areas where organizational change would positively impact the demand organization.

The FM organization is frequently at the center of organizational changes that require change management or reengineering. Examples of facility involvement in changes include:

- Workflow changes or downsizing requiring worker relocations.

- Relocations and changes to configuration of business units.

- Adaption to new workplace strategies that impact the physical space like free address/unassigned spaces.

- Refocusing on core capabilities.

- Construction/renovation projects with concurrent process reengineering.

- Quality efforts such as TQM, continual improvement.

- Making the FM organization more oriented to project management.

- Implementing best practices.

- Business continuity during unplanned building system failures.

Advantages and Disadvantages
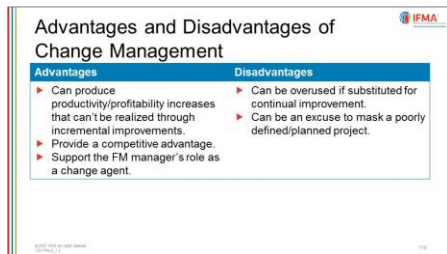
Advantages and disadvantages of change management and reengineering include the following:

Advantages	Disadvantages
Change management and reengineering can produce productivity or profitability increases that cannot be realized through incremental improvements.	Change management can be overused if one change effort follows another. Therefore, continual improvement is the goal once a change process is complete.
The velocity of organizational change is increasing, so change management is becoming increasingly necessary.	Declaring victory too soon is a danger. Change is a process, not an event.
The ability to quickly change can be a source of competitive advantage.	Change management in projects currently underway may be an excuse to mask a poorly defined project purpose or a poorly planned project.
Organized change processes support the facility manager's role as a chief change agent and increase the chances of a successful change.	Change management or reengineering may not suit every business.
Change management and reengineering can be used to implement strategy.	Change management and reengineering changes can be hard to sustain.
Reengineering can highlight deficiencies in procedures and identify costs incurred by the business without required returns.	
Reengineering can help the business meet customer needs and maintain product value.	

Communication and Planning

A business objective or goal should drive large scale change. The vision and end goal must be clearly communicated through to upper management and team members in the FM organization. Identify stakeholders early and ensure their buy-in on the plan before implementation. Success will depend on how well facility managers lead the change and communicate throughout the process. Ensure employees recognize the purpose of the change and how it will benefit them and/or the organization.

Change management requires planning and should be approached as a project. Use project management processes, tools and techniques to ensure the change is implemented successfully.

Overcoming Resistance to Change
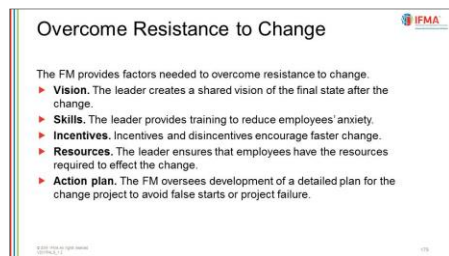
Change is often resisted, uncertain of success and difficult to achieve. Resistance to change depends on the relative size and nature of the change. More experienced managers and employees are a greater source of resistance than those who are less experienced, especially if they had a prior negative experience with a similar process that failed or failed to achieve lasting results.

Each of the following elements is necessary for change to take place:

- **Vision** — facility managers use leadership skills to develop a shared vision of the final state after the change. Without vision, confusion can reign.

- **Skills** — facility managers provide the training needed to enact and sustain the effort. Without skills, employees can feel anxious about the change.

- **Incentives/Motivation** — facility managers link compensation, rewards or disincentives to change implementation to increase the speed of change.

- **Resources** — change should be attempted only with adequate project resources. Change with inadequate resources can lead to frustration.

- **Action plan** — change requires a detailed plan, for example, use of project management techniques, to avoid false starts or project failure.

- **Communication** — plan for communicating why the change is necessary, timelines and impacts on key stakeholders.

Overcoming resistance to change also requires that facility managers understand the psychological stages of change acceptance.

Stages of Change Acceptance
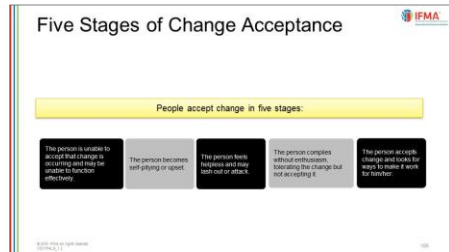
Facility managers who understand the psychology of change can better lead individuals through the stages of change acceptance. Most people go through several stages of change resistance before internalizing a change:

1. **Numbness (shock)** — the individual cannot accept that the change is occurring and may be unable to function effectively for a time.

2. **Depression** — the individual is self-pitying or upset.

3. **Anger** — the individual feels helpless and may tend to lash out or attack.

4. **Limbo (apathy)** — the individual complies minimally and without enthusiasm. Apathy shows tolerance but not acceptance for the change.

5. **Restructuring** — the individual accepts the change and tries to find ways of making the new process or system work for him or her.

Styles, Methods and Tools

The methods and tools associated with leadership and management styles enable facility managers to achieve a leadership role for themselves and a strategic partner role for their FM organization. Leadership and management styles are discussed separately because the styles can be combined in various ways to fit a facility manager's personality and situation. *Exhibit 2-10* provides an overview of the styles, methods and tools discussed in the remainder of this topic.

Leadership Styles	Management Styles	Leadership and Management Methods and Tools
• Situational leadership • Transactional leadership • Charismatic leadership • Transformational leadership	• Manage by walking around • Manage with a loose rein	• Changing natural styles (Covey's The Seven Habits of Highly Effective People) • Listening and interpreting nonverbal information • Using positive reinforcement and feedback • Setting SMART and stretch goals • Designing intrinsic and extrinsic rewards • Training and developing leadership skills among staff

Exhibit 2-10: Leadership/Management Styles, Methods and Tools

Leadership Styles

Leadership styles refer to the behavioral pattern of leaders as perceived by followers over a period of time. There are four leadership styles situational, transactional, charismatic, and transformational leadership. A leader may use elements from more than one of the leadership styles or avoid some styles entirely.

- **Situational leadership** — is based on leaders matching their behaviors to the performance needs of the individual or a group. Situational leadership was developed from the Hersey-Blanchard's Leadership Model presented below in

Exhibit 2-5. The model emphasizes that leaders have a natural style that can be adapted to a given employee's/contractor's task maturity.

Situational leadership includes four types of leadership:

- Directing leadership — leaders tell followers clearly what to do and closely supervise them because the followers have little experience with the task or little desire for more responsibility.

- Coaching leadership — Leaders provide direction and support for followers and explain to followers the reason the task needs to be completed in the context of the bigger picture. Coaching leadership is a leadership style that helps motivated but inexperienced followers develop skills.

- Supporting leadership — leaders collaboratively engage with followers, and help individuals determine the next steps and are sharing the decision-making process. Supporting leadership is a leadership style that provides confidence and support to followers that have the skills to complete the task.

- Delegating leadership — leaders hand off tasks entirely to followers with expertise and independent initiative, asking only for results.

Most Support		S3: Participating M3: Medium-high task maturity Employees are empowered and involved in decision making.	S2: Selling M2: Medium-low task maturity Leaders sell decision rationale in two-way communication with employees.
RELATIONSHIP BEHAVIOR		S4: Delegating M4: High task maturity Employee is delegated responsibility for planning and implementation.	S1: Telling M1: Low task maturity Leaders give detailed instructions and closely supervise employees.
Least Support			

Least Guidance   TASK BEHAVIOR   Most Guidance

Exhibit 2-5: Hersey-Blanchard Situational Leadership Model

- **Transactional leadership** — transactional leadership involves motivating followers primarily through appealing to their own self-interest. Leaders focus on specific tasks and use rewards and punishments to motivate followers. Types include:

  - Contingent reward — leaders get mutual agreement with followers on objectives and on the reward or recognition for success.

  - Active management by exception — leaders search for what is done wrong, not what is done right. Leaders closely monitor work performance for errors to solve problems before they occur.

  - Passive management by exception — leaders exercise control only if standards in finished work are not met.

  - Laissez-faire — leaders relinquish responsibility and evade decisions.

- **Charismatic leadership** — leaders rely on charisma to inspire followers, using qualities including dominance, self-confidence, moral conviction and character. Leaders persuade people to follow them by providing compelling arguments such the importance of an outcome or placing the needs of the group over personal interests.

- **Transformational leadership (super leader)** — leaders have a well-rounded set of leadership skills, honestly care about their followers, and possess the knowledge to be effective in their position. Leaders develop, inspire and motivate followers to become interdependent and achieve something greater through teamwork. Tools used include:

  - **Charisma** — leaders gain respect and trust while instilling pride in a shared vision and mission.

  - **Inspiration** — leaders communicate high expectations, use symbols to unite the group and express complex intentions simply.

  - **Motivation** — leaders motivate followers to think intelligently and solve problems rationally and carefully.

  - **Individual attention** — leaders spend some time with each follower individually to coach them and give them personal encouragement.

According to studies by Bass, Bass and Avolio and by Conger and Kamungo (as cited in Schermerhorn's *Organizational Behavior*), even the more advanced leadership styles, for example, charismatic or transformational, can be learned given appropriate training. Their research notes that transformational leaders can be effective at all organizational levels. A study of organizations with extraordinary performance in *Good to Great* by Jim Collins found that the most critical leadership qualities are humility and firm resolve, not charisma, so it could be a mistake to over emphasize the importance of becoming a charismatic or transformational leader when a more down-to-earth style may suit a facility manager.

The leadership styles listed earlier could be useful in some situations but could have negative side effects if used over the long term. For example, a transactional style can deteriorate because followers focus only on individual rewards (what's in it for me?) and have not developed respect for their manager or for a purpose larger than themselves.

Some styles should be avoided because they are ineffective or inappropriate for a given situation. For example, a participatory style would be inappropriate during an unfolding emergency where followers need a decisive leader, not one who will form a committee.

Finally, some styles may be a better fit for a facility manager's personality than others. It may not be possible to know how well a style works for a facility manager until it is tried for a while.

Management Styles

Styles, Methods and Tools - Management Styles

Management style is the means chosen to accomplish management tasks (planning organizing, controlling). The FM should adopt complementary management and leadership styles.

Examples
- Manage by walking around. Showing concern is motivating in itself.
- Manage through employee empowerment. Provide clear explanations of tasks and don't meddle unnecessarily.

Styles, Methods and Tools - Management Styles

Best Practices
- Use a problem-solving process model, for example, Plan, Do, Check, Act.
- Emphasize positive messages. Tell staff what they should do rather than what they should not do.
- Principles over rules. Provide principles to follow rather than rules to obey.
- Concentrate on responsibility to staff. Responsibility to executives/clients will follow naturally from responsibility to employees/contractors.
- Hands-on experience. The FM manager can learn new areas by addressing small projects first and can also learn by networking.

Management styles refer to the means chosen to accomplish the management tasks of planning organizing, leading and controlling. Management styles have significant overlap with leadership styles. A facility manager's chosen management style should complement his or her chosen leadership style.

A chosen management style is successful if it brings order and consistency to systems that would otherwise be chaotic while simultaneously helping employees feel secure and valued.

The following are examples of management styles that could be useful for facility managers:

- **Manage by walking around** — facility managers visit staff/contractors regularly to show them that they are actively concerned with helping them accomplish their work; this concern alone can have a motivating effect.

- **Manage through employee empowerment (manage with a loose rein)** — facility managers follow a general philosophy of participation/delegation of tasks accompanied by clear, thorough explanations of why something needs to be done and the expected results. Facility managers avoid meddling in how the task is being accomplished. They allow the responsible person to make needed revisions.

The following is a list of best practices that can be combined to form a positive management style:

- **Management as a cyclical process** — Plan, Do, Check, Act or a similar problem-solving process model can help managers to establish objectives, to create a plan and process to achieve them and, while work is ongoing, to stop and assess whether the plan is working and if not, correct it.

- **Emphasis on positive messages** — facility managers state objectives in a positive rather than negative way. They say what they want staff to do rather than what they do not want them to do. They reward positive behavior and outcomes rather than focusing on negative outcomes.

- **Principles over rules** — facility managers state policies, procedures and practices in terms of principles to follow rather than relying solely on rules. Staff could find an exception to a rule but not to a principle.

- **Concentrate on responsibility to staff** — facility managers concentrate on responsibility to employees/contractors. Responsibility to executives/clients and others will follow naturally as a result of this focus.

- **Hands-on experience** — facility managers have a broad range of subjects that require management and no single person usually has extensive experience in each area. Successful facility managers begin with what they know and get experience in new areas by addressing small projects first to build confidence. They network with others to benchmark their relative experience levels and get help with new roles.

Leadership/Management Methods and Tools

Leadership and management methods and tools exist to help facility managers develop management and leadership skills and develop a proactive FM organization with responsible, motivated employees/contractors. Management and leadership methods and tools may include:

- Changing natural styles

- Listening and interpreting nonverbal information

- Using positive reinforcement and feedback

- Setting SMART and stretch goals

- Designing intrinsic and extrinsic rewards

- Training and developing leadership skills among staff

Each method and tool will be discussed further in this topic.

Changing Natural Styles

If facility managers feel their management or leadership styles are not working — for example, if they are receiving no loyalty or buy-in from staff — it may be a symptom of a need to work on their natural styles. Natural styles are the styles a manager tends to use as a function of character and habit.

Facility managers can change their natural management or leadership styles to increase their long-term ability to lead and manage. The first step is to honestly assess how they have been interacting with others. Changing a natural style is a slow and incremental process that requires persistence. One guide to developing sustainable, effective changes in one's habits and character is Stephen Covey's T*he Seven Habits of Highly Effective People.*

Covey studied success literature in the United States published over a 200-year period. He proposed that for the first 150 years, the foundation for success was the character ethic; for the last 50, it was the personality ethic:

- Character ethic — Success is rooted in universal principles including industry, integrity, humility, patience, fairness and the Golden Rule - "Do unto others what you would have done unto you". Principles are natural laws that are impossible to break; a person can fail to uphold them but cannot decide what the consequences will be.

- Personality ethic — Success is rooted in personal human interaction traits of positive mental attitude and behavior: personality, image and skills.

Covey proposes that personality ethic elements are needed for success but that taken alone they tend to be quick-fix approaches. They can make a short-term favorable impression but cannot hide the true nature of the individual in the long term. Covey believes the character ethic is the long-term path to success.

Covey's basic premise is that the basis for behavior changes is a paradigm shift or a shift in the way a person sees the world based upon three levels of a person's maturity:

- Dependence — mental, emotional and/or physical reliance on others. Mentally it is reflected in "you" for example, "You are to blame."

- Independence — the ability to care for oneself mentally, emotionally and/or physically. Mentally it is reflected in "I" for example, "I am responsible."

- Interdependence — to overcome the limitations of independence and to embrace mental, emotional and/or physical collaboration. Mentally it is reflected in "we" for example, "We can do more together than separately."

Listening and Interpreting Nonverbal Information
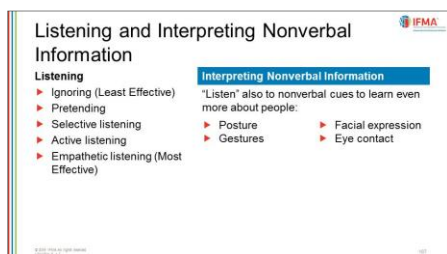
Facility managers who listen more than they speak and learn to interpret nonverbal cues can gain the respect of others and both lead and manage more effectively because they will have a better concept of other people's perspectives and issues.

Listening is a skill that must be actively practiced and is difficult to acquire. Levels of listening, from least effective to most effective, include:

- Ignoring — the lowest level of listening, not listening at all.

- Pretending — distracted listening and not fully paying attention.
- Selective listening — paying attention to the speaker as long as they are talking about things the listener is interested in.
- Active listening — attentively listening to the speaker, while also deciding whether to agree or disagree with them. Simultaneously formulating a response.
- Empathic listening — the highest level of listening and hardest to accomplish. Listening to understand the perspective of the speaker and empathize with them.

Both active and empathic listening avoid trap of assuming that what someone is saying is just like one's own experiences. Active or attentive listening means that the listener can reiterate what was said. Empathic listening goes a step further and shows an active desire to see things from another person's point of view.

Facility managers can also learn to "listen" to more than just the words a person is saying. Nonverbal cues such as posture, gestures, facial expression and eye contact make up a large amount of interpersonal communications. In addition, verbal elements include subtle inflections and emotional cues. Facility managers who can interpret this intuitive information have an advantage in understanding when others are being honest or open to learning or are disgruntled and so on.

Using Positive Reinforcement and Feedback
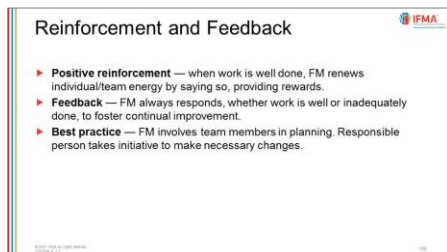
When facility managers expressly communicate when they are pleased with progress or outcomes, they can renew individual and team energy, commitment to the task at hand and commitment to the demand organization.

Whether or not an employee's work was satisfactory, facility managers provide employees with feedback to enable continual improvement. A best practice is to involve employees/contractors when determining how data is collected, interpreted and disseminated. For example, some data could be reported automatically so that the responsible person can take the initiative to make the necessary changes.

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Setting SMART and Stretch Goals

The facility manager can work directly with individual employees/contractors to come to a mutual agreement on two types of goals: SMART and stretch.

- SMART goals are performance requirements that the employee or contractor is expected to meet or exceed and rewards/penalties for results may apply. Smart goals stand for:

    - Specific — the goal is unambiguous, clearly written and consistent with business unit and organizational objectives. This perspective answers the questions "Who? and What?"

    - Measurable — the goal can be tested to verify if it is satisfied. This perspective answers the question "How?"

    - Achievable — the goal can be met using existing skills/assets. This perspective answers the question "Is it attainable?"

    - Relevant — the goal directly pertains to the challenge being managed — that it is feasible and an optimal use of time/funds. This perspective answers the questions "Is it relevant? and Is it realistic?"

    - Time-bound — the goal is grounded within a time frame — not overly optimistic or overly pessimistic, which can affect project performance. This perspective answers the question "When?"

- Stretch goals — deliberately set to be more challenging than SMART goals and usually require opportunities or risks to be realized favorably and/or a significant improvement in processes or results as measured by improvements in quality, quantity, time or cost.

Stretch goals are desired targets for improvement that provide room for growth once SMART goals are met. They could be associated with a reward for success but are less likely to have penalties for failure. Stretch goals are deliberately set to be more challenging than SMART goals and usually require opportunities or risks to be realized favorably and/or a significant improvement in processes or results as measured by improvements in quality, quantity, time or cost.

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Even when an organization sets stretch goals, the SMART goals should still be challenging because challenging goals motivate employees. SMART goals should be achievable and realistic, or staff may feel that management is out of touch with the reality of the task.

Facility managers often involve employees and contractors in goal setting. Participation increases buy-in and may help the facility manager better understand what provides job satisfaction to each employee/contractor. The employee/contractor does the task with coaching or support from the facility manager and both jointly review the results.

Designing Intrinsic and Extrinsic Rewards
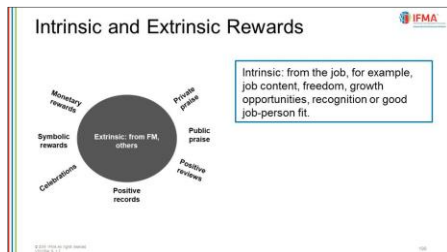
Facility managers can design and provide rewards to influence job satisfaction and/or performance, both of which can occur if rewards are perceived as fair and well-managed. Rewards can be intrinsic or extrinsic.

Intrinsic rewards are inherent benefits of performing a job role or task successfully and do not require intervention by the manager or another source. Intrinsic rewards include the following:

- Job content — Herzberg's motivation-hygiene theory identifies high-content jobs as the primary source of job satisfaction and promotes job enrichment as the best method of adding meaningful content.

- Job enrichment — is a vertical loading of higher-order motivating factors into a job, including responsibility, freedom, growth opportunities, recognition and achievement.

- Good job fit — jobs should have no more and no less responsibility and challenge than desired by the person filling the job.

- Job satisfaction — high levels of job satisfaction have been indirectly linked to high levels of performance, especially for professional jobs.

Extrinsic rewards are benefits given out by managers or other sources based on degree of success or general positive qualities. Examples of extrinsic rewards include:

- Private praise — individual recognition

- Public praise — group recognition

- Formal reviews and employee records — when positive

- Symbolic rewards or celebrations

- Monetary rewards, for example, pay for performance, bonuses, profit sharing, employee stock ownership or salary increases.

Facility managers weigh the efficiency and the effectiveness of rewards against their cost. Efficiency is measured as the fewest resources needed to achieve required objectives. Effectiveness is achieving the maximum outcome with the given resources. There is a cost involved in both intrinsic and extrinsic rewards. For example, job enrichment adds responsibilities and opportunities for growth but may have a high initial cost for job design and a worker may expect to be paid more for an enriched job.

Intrinsic rewards provide the best reward efficiency and effectiveness if there is a good job fit. Not every individual will respond to the same motivators in the same way. To design truly effective and efficient rewards, facility managers need to determine what motivates each employee and focus on providing that as a reward. For example, one employee's preferred reward could be a flexible schedule to deal with family, another's could be meaningful work and positive feedback.

Training and Developing Leadership Skills Among Staff

Skill training can raise the confidence and skill levels of employees to a high enough task maturity level to allow use of participation, empowerment or delegation. Providing opportunities for formal education or certification is also perceived as a reward by some individuals. Facility managers can use the investment in education or certification as a marketing tool to advertise the skills of the FM organization or to attract new talent.

Facility managers who feel secure in their leadership position can create a climate or culture conducive to leadership development among staff. Such an environment allows innovation in service delivery, encourages strategic thinking and empowers staff to make decisions. A leadership culture allows everyone to reach their potential and some of them may become great leaders.

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Discussion Question

According to the definition in this course, what best describes a natural style regarding origin and alterability?
A. A natural style is intrinsic to an individual and unalterable.
B. A natural style is any leadership approach that makes staff and executives comfortable and it should not be altered.
C. A natural style is consistent with an individual's habits and character, but it can be altered.
D. A natural style is based on basic human traits, is the same for all individuals and is unalterable.

Lesson Activity

Lesson Activity

5 Stages of Change

Activity Instructions

- You will be given a scenario for this activity
- You will complete a role play based on the scenario using the 5 stages of change

5 Stages of Change Scenario

Company X is undergoing a massive reorganization to help facilitate teamwork and innovation. Currently, the departments in Company X are siloed and compete against each other when creating new ideas. The new CEO has developed a plan to reorganize the company which includes a shift into a more collaborative workspace, clearing the silos, main streaming goals and merging certain departments. This could include removing all offices and assigned workspaces in exchange for a variety of flexible individual and group team workspaces that can be used at any time by anyone. The goal is to streamline processes, encourage opportunities for innovation and integrate departments.

Read the following scenario. You will be given further instruction for this activity from your instructor.

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5 Stages of Change Scenario

Company X is undergoing a massive reorganization to help facilitate teamwork and innovation. Currently, the departments in Company X are siloed and compete against each other when creating new ideas. The new CEO has developed a plan to reorganize the company which includes a shift into a more collaborative workspace, clearing the silos, main streaming goals and merging certain departments. This could include removing all offices and assigned workspaces in exchange for a variety of flexible individual and group team workspaces that can be used at any time by anyone. The goal is to streamline processes, encourage opportunities for innovation and integrate departments.

Debrief

Advocate for Facility Management Needs and Priorities

Lesson Introduction

On completion of this lesson, you will be able to:

- Explain the importance of advocating for facility management needs and priorities.

This lesson consists of the following topics:

- Communication Planning
- Marketing the FM Organization
- Tools and Methods for FM Advocacy

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Advocating for FM needs and priorities is a process of communicating and marketing the strategic importance of FM resources, plans and activities. If facility managers have formally or informally developed an FM strategy that is aligned with the demand organization's strategy, facility managers can make the business case that FM needs and priorities are the demand organization's needs and priorities. If facility managers can convey the big picture of the FM organization as an enabler of organizational success, executives/clients will be more likely to perceive facility costs as an investment and provide enough funding.

Some of the benefits that can be achieved by using leadership to advocate for FM needs and priorities include:

- Other organizations for example, external stakeholders and customers, are kept informed about the needs of occupants and facility personnel and the implications if they are not met.

- Business cases explain how meeting the needs of the FM organization benefits others.

- Opportunities to build public/customer relations are acted upon.

- Other organizations are knowledgeable about the FM organization's role in supporting organizational initiatives and achieving organizational goals.

- The FM organization's role in serving occupants and recruiting and retaining personnel is known by other organizations.

Communication Planning

Communication happens at all levels of the organization, and facility managers must be able to clearly communicate the plan, the actions required and success measures to people at any level. From employees and contractors to top management, everyone benefits from a well-designed communication plan.

Communication planning is key in all aspects of FM. Communication plans must be intentional, regularly set and executed well. FMs should understand the communication methods available and determine which method to use based on:

- What is being communicated?

- Who it is being communicated to?

Facility managers must be able to communicate:

- The plan

- The steps

- Measurement of success

It is important for facility managers to speak the language of the business, but also in terms that are important to stakeholders. This helps establish the importance of the FM and the role of the FM in the demand organization.

Communication is a major component of marketing the FM organization. Marketing the FM organization is important as it ensures those outside of the FM organization:

- Recognize the importance of the department.

- Continue to provide proper funding to keep the facility running smoothly in support of the demand organization's strategy.

Marketing the FM Organization

Marketing the FM Organization

Why is marketing FM to the organization a vital political aspect of FM leadership?
- The needs of facilities are not obvious and explaining them is important.
- By acting as a business leader, the facility manager promotes FM as a profession.
- By presenting FM's value with enthusiasm, the FM keeps stakeholders interested/involved.
- FM's success as a service provider depends upon customers' perception that its services are valuable.
- Facility managers have a responsibility to promote the operations and safety of the organization.

Facility managers are frequently challenged with growing customer demands and requirements while resources tend to shrink. In such an environment, it is not enough to deliver services as efficiently and effectively as possible. Facility managers need to be business leaders who can present the value proposition of the FM organization to customers, executives/clients and colleagues. FM must establish credibility and clearly show value to its stakeholders.

Facility managers must approach their public duties as they approach other challenges:

- FMs develop a strategy, generate a plan, adapt the plan as the business needs of the organization change and follow it.

- FM organizational marketing plans do not need to be complex.

- A simple six-month plan (if not more often) that indicates the stakeholder groups who need attention and basic approaches to improving relations with them can be enough.

The goals of such a plan could include:

- Develop awareness of FM services

- Promote the FM organization as a valued service provider

- Educate customers on available facility services and how to access them

- Increase awareness of how to contact the FM work management center

- Reduce waste produced in the facility, improve on recycling levels and reduce energy consumption

- Market to FM suppliers to integrate them into a "one-team" collaborative effort that can better serve customers

- Manage resistance to changes in FM services, policies, procedures or practices
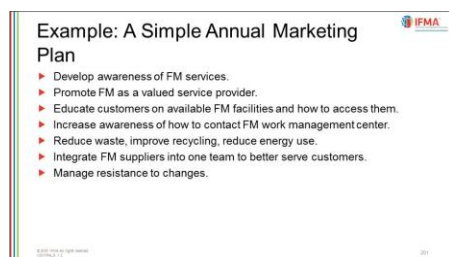
FM organizations sustain core business effectiveness, such as production capacity, by maintaining facilities and initiating changes so workers can maintain or increase their efficiency and effectiveness. This is the key message the facility manager should communicate to demonstrate value.

Marketing the FM organization is a political task that is essential in competing for scarce financial resources. Upper management or the client is primarily focused on core business processes such as production and profit centers. While these areas may seem more important, demand and FM organizations need to balance core business effectiveness against core business processes, for example, balancing production demand against production capacity to ensure long-term profitability.

The political aspects of a facility manager's position are important because:

- The needs of facilities are not usually obvious and explaining these needs is a vital marketing task.

- FM as a profession is not well understood, so facility managers need to show others that they are business leaders in addition to explaining what they do as managers.

- A facility manager's business skills and effective communications/marketing keeps stakeholders interested/involved.

- Facility management is a service; success has much to do with customer perceptions of that service.

- Facility managers have a responsibility to promote the operations and safety of an organization.

Facility managers should empower and motivate their staff to be part of the FM marketing effort. While a mindset of personal responsibility keeps facility managers from growing complacent, their staff is key to marketing the benefits of services because:

- Staff members have frequent opportunities to market services due to high customer interaction.

- Staff members deliver the services and can therefore directly influence service quality.

- Involving staff in marketing helps them be a part of the "enterprise" of the FM organization.

Often FM staff is the first impression the public and internal staff have an organization — from security or reception to custodial. Even if the staff are contractors, they are still the front line. Facility managers advocate for FM needs and priorities through internal promotion, external promotion and public relations.

Internal Promotion
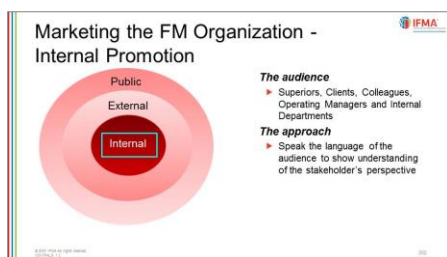
Facility managers internally promote the needs and value of the FM organization with superiors, colleagues, operating managers and internal departments. Facility managers can convey the FM needs and priorities, or demand organization needs and priorities by:

- Creating an annual report to show the state of the FM organization.

- Creating a customer profile/business unit database that shows an understanding of each unit's facility-related needs. For example, space requirements, business drivers and information on the department head.

- Holding an annual meeting with each department head to find areas of mutual concern and discover synergistic solutions to problems.

When working with internal stakeholders, facility managers market facility priorities using language that demonstrates an understanding of the stakeholder's perspective.
For example:

- When working with executives/clients, facility managers speak the language of business so they will be taken seriously, meaning they avoid FM-specific terminology and learn the business terminology prevalent in their organization or client's upper management culture.

  FM can do that by:

  - Providing strategic advice on areas of their expertise such as real estate in order to earn a place in such discussions.

  - Developing simplified, graphic-intensive presentations to make complex FM analyses, building metrics and floor plans accessible to executives or department managers.

- Facility managers empathize with the purchasing department to show they understand the pressures it is under to use low-bid purchasing and contracting but make a long-term economic value proposition for using best-value methods. They build trust with the department by sharing best-value successes with executives.

- When working with technical experts, they use technical language and converse intelligently on FM-related technical issues.

In general, facility managers develop trust with internal stakeholders by listening to them and adopting their best-practice suggestions as appropriate. In return, the FM organization's best practice suggestions are more likely to be taken seriously and valued by these departments.

The FM organization can also develop trust by establishing credibility as a core contributor to the demand organization. Kirk Beaudoin describes that FM "credibility is achieved when all those around you know that your decisions are sound, that you are proactive in your duties and that you don't have to be second guessed." Creating this credibility starts with the facility manager, who is the face or the department and the staff, who operates and executes the tasks of the department.

Facility managers can establish and market credibility by:

- Marketing FM organizational staff and facility qualifications. For example, CFM or FMP designations; LEED rating for a sustainable facility

- Submitting articles on company intranet

- Using corporate communications/marketing departments to create posters and signage

- Creating an annual FM state of the facilities report, newsletters, regular email communications, a website, social media, etc.

Facility managers should:

- Be knowledgeable and strong in voicing the efforts of the business unit.
- Ensure the proper facilities model is used for the needs of the demand organization.
- Know the role and services provided.
- Continually improve upon the processes and programs within the business unit.

External Promotion

External stakeholders for FM include current customers, prospective customers, building owners and suppliers. The goals of the FM organization are to advertise the FM organization and develop sustainable and mutually beneficial long-term relationships with external stakeholders.

Marketing toward the customer, owners and prospective customers means the FM organization is perceived as handling issues effectively and in a timely manner. Any delays, continuous reports of the same issue or perception of not taking care of customer issues can have a negative impact on the FM organization's external credibility. Beaudoin states that facility managers can build credibility by having customers understand that FM is on their side and wants to address their needs but does not always have the resources to do so.

FMs can help facilitate this by:

- Creating standard responses to issues
- Treating customers with respect
- Communicating effectively
- Being proactive in handling customer needs

In many cases, external promotion is not the role of the facility manager but is handled at the marketing level. Facility Managers should manage daily activities effectively and efficiently so that FM is perceived as credible and valuable.

Public Promotion

Public stakeholders include those in the community surrounding the demand organization. An example of public promotion of FM could be displaying what the FM organization is doing to promote the health of the community. This could include environmental safety, corporate social responsibility (CSR) policies and community impact programs. Communicating the goals of the organization is key here.

Part of the facility manager's annual marketing plan could address the FM community, the public in general and facility visitors. Public promotion is often not the role of the facility manager but is handled by marketing.

Tools and Methods for FM Advocacy

Facility managers can employ several tools and methods to advocate for FM needs and priorities. *Exhibit 2-11* provides an overview of the tools and methods discussed in the remainder of this topic.

Marketing Techniques	Presenting Reports	Other Communication Techniques

• Hooks or "grab" paragraphs
• Brevity
• Conciseness
• Visual or interactive elements
• Audience "pains"
• Marketing steps
   - State the problem
   - Propose a solution
   - Justify the solution
   - Address concerns
   - Ask for approval
	• Facility strategic plans
	• Facility master plans
	• Tactical plans
	• Business cases
	• Programming reports
	• Annual facility reports
		• Maintaining a positive attitude
		• Knowing your audience
		• Speaking and writing
		• Using social media

Exhibit 2-11: Tools and Methods for FM Advocacy

Marketing Techniques
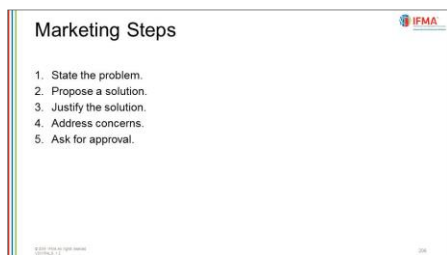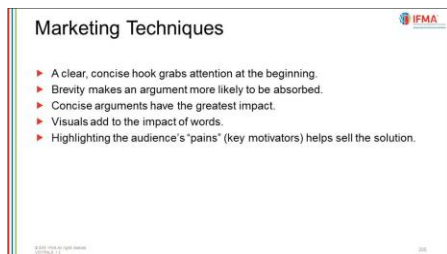
Marketing techniques are proven tools and methods used by marketers to sell products and services. They can help facility managers get the attention of stakeholders and give just enough detail to help them understand a service or make a decision. Marketing techniques increase the chances that facility managers will get approval and funding for initiatives.

Speaking and writing techniques that can be used to market facility services include the following:

- **Hooks or "grab" paragraphs** — a marketing hook is the first thing one says about a proposal or service. An effective hook gets and focuses people's attention. It is clear, concise and directive.

- **Brevity** — brief arguments are more likely to be absorbed by an audience.

- **Conciseness** — eliminating non-value-added parts of an argument strengthens the impact of what remains.

- **Visual or interactive elements** — online tools, images, simple graphics or other elements can speak more clearly than words in many instances.

- **Audience "pains"** — many marketing approaches start by bringing the audience's "pains" or key motivating issues to the forefront and then show how a proposed solution can alleviate these pains.

- **Marketing steps** — whether spoken or written, effective marketing techniques follow some common steps:

  - **State the problem** — the facility manager expresses a business need.

  - **Propose a solution** — the facility manager recommends a way to satisfy the business need.

  - **Justify the solution** — the facility manager validates the solution by presenting a business case or value proposition.

  - **Address concerns** — the facility manager listens to concerns, expresses concerns back to the audience to show understanding and integrates the ideas or shows how the plan addresses their concerns.

  - **Ask for approval** — the facility manager works to get buy-in.

Presenting Plans and Reports
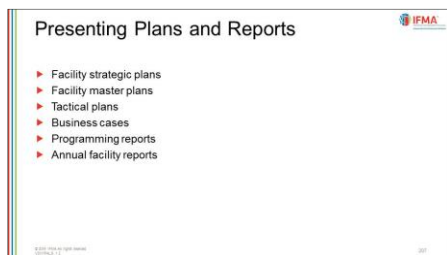
The style of presentation is driven by the organizational culture. Some organizations promote organizational charts and graphics, others mandate that presentations be in PowerPoint starting with a one-page executive summary.

A common weakness in FM reporting is the use of heavily data-oriented materials with audiences that do not need to know the details. Facility managers should ask themselves whether technical information is relevant for a given audience before making a report.

When presenting reports that contain bad news, it is best to present the information in person and get the bad news out on the first page of the report. It is effective to color code

parts of the reports or results, such as green for a positive report, yellow for a report with mixed results and red for negative results or situations that need immediate action.

Facility managers may need to present several reports, including the following:

- **Facility strategic plans** — facility strategic plans are presented with emphasis on how they facilitate core business strategy organizational pains the plan will solve given adequate funding and a value proposition that shows how the plan maximizes profit and minimizes risk.

- **Facility master plans (real estate master plans or campus plans)** — facility master plans may include scenarios. If so, facility managers present each scenario's priorities, criteria, pros and cons and make a recommendation.

- **Tactical plans** — because tactical plans implement strategy, facility managers make the link between the plan and approved strategy explicit.

- **Business cases** — business case presentations emphasize elements the decision maker finds important. Business cases always make a financial justification but can also show wise use of human resources and other assets. For example, usage during an otherwise slow period.

- Programming reports — facility managers address programming or other detailed technical reports to FM staff/contractors but present only an executive summary to executives/clients.

- Annual facility reports — annual reports to management stress the importance of achieving the organization's mission. They highlight the overall environment and challenges, financial and human resources used and facility accomplishments, including:

  - Reports on projects and successes

  - Energy usage and efficiency

  - Preventive maintenance

  - Emergencies, their resolution and future prevention measures

  - Space trends

  - Lease trends

  - Service orders

Other Communication Techniques

Effective communication techniques are critical for facility managers when advocating for facility needs and priorities. Learning communication skills can take the form of training and hands-on practice. Effective communication techniques include the following:

- **Maintaining approachability** — facility managers have a positive general attitude. They present themselves as approachable and friendly every day. They visit and socialize with peers, staff and contractors rather than interacting only when there is a problem.

- **Knowing your audience** — knowing the audience helps facility managers tailor their presentations to highlight things that promote a favorable response and downplay things that promote a negative response. For example, if a manager has little respect for sustainability, a facility manager could avoid discussing the environmental benefits of a project and instead convey its economic savings.

- **Speaking and writing** — high-quality verbal and oral communications are direct and written to the target audience's level; have correct style, spelling and grammar; and follow a simple outline of introduction, body and summary. Effective communications lead with what is most important, focus on this information in the body and conclude with it.

- **Using social media** — online social media tools provide a single point of communications that is persistent and therefore less likely to be missed than email. Intranet social media sites can be used to store data that is password-protected by role. Community sites can be used to show individual availability or project status or enable team communications.
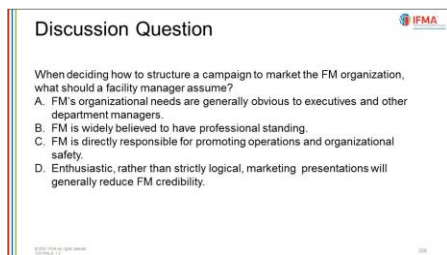
Lesson Activity

Advocate for Facility Management Needs and Priorities Activity

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📢 Read the following scenario. You will be given further instruction for this activity from your instructor.

Advocate for Facility Management Needs and Priorities Activity Scenario

The demand organization, CTG, often leaves the facility manager and FM organization out of important budget and planning meetings. The FM organization at CTG is perceived as the facility problem solvers, often praised for fixing things quickly. The demand organization does not see the other aspects where FM can be helpful as a strategic partner. The facility manager has a meeting with the CEO to market the FM organization. In this meeting, the facility manager plans to discuss potential areas to help other departments and FM cost avoidance accomplishments over the past 12 months. What are the keys to marketing the FM organization in this situation?

Debrief

Activity Debrief

Why is it important to market?
What are the benefits?
What happens if we do not market?

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Progress Check Questions

1. What is true about position power versus personal influence?

   a. Position power can create personal influence.
   b. Position power is necessary and sufficient for leadership.
   c. Personal influence cannot be attained without first having position power.
   d. Personal influence and position power come from different sources.

2. What is an example of a motivation factor that can result in job satisfaction, according to Herzberg's motivation-hygiene theory?

   a. Responsibility for a challenging task
   b. Having a good supervisor with leadership skills
   c. Job security
   d. A good pay rate and regular raises

3. According to contingency theory, what is NOT a factor that can influence a leader's management style?

   a. The results that are being achieved
   b. The short-term sustainability of the style
   c. The organizational environment
   d. The personalities of those being managed and led

4. What should facility managers understand when determining the requirements for a safe, healthy, and productive place?

   a. skills, place
   b. people, technology
   c. people, things
   d. people, skills

5. What is the management method called when managers engage workers regularly in decision making?

   a. Organizational development
   b. Empowerment
   c. Employee/contractor involvement
   d. Delegation

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6. What is the situational leadership style called where the leader provides direction and support for followers and explains the reason a task needs to be completed?

   a. Directing leadership
   b. Coaching leadership
   c. Supporting leadership
   d. Delegating leadership

7. What is the definition of an internal strategic partner?

   a. A relationship with an individual leader created as an alliance for the department
   b. A relationship between two or more departments that work together in order to accomplish a successful program of projects
   c. A relationship between two or more organizations with a long-term agreement for sharing physical or intellectual resources to achieve common objectives
   d. A relationship within a department developed to work on a specific project

8. Which is true when advocating for facility needs and priorities?

   a. Facility management organizations should market themselves as a critical sustainer of production capacity.
   b. Success has more to do with the provision of a service than customers' perceptions of it.
   c. When speaking with executives, facility managers keep them informed by providing comprehensive technical details.
   d. Detailed arguments are more likely to be absorbed by an audience than brief arguments.

9. Based on marketing techniques to advocate for FM needs and priorities, what is the next step after justifying a solution?

   a. State the problem.
   b. Propose a solution.
   c. Address concerns.
   d. Ask for approval.

10. Which of the following is an example of the facility manager promoting the FM organization?

    a. Celebrating the FM organization's success by throwing a party for the department
    b. Creating an annual report to show the state of the FM organization
    c. Meeting with department heads to discuss areas of concern for the FM organization
    d. Ensuring that customer complaints are handled in a timely manner

Chapter 3: Manage the FM Organization
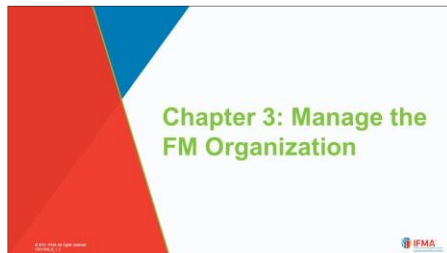
Chapter Introduction

On completion of this chapter, you will be able to:

- Outline the individual roles within teams.
- Apply best practices and management principles to maintain team performance.
- Identify the methods used to create a strong organizational structure and teams for the FM function.
- Outline the facility manager's role in developing and supporting robust FM policies, procedures, and practices that effectively support the demand organization.
- Describe the tools used in clarifying and communicating responsibilities and accountabilities for staff and contractors using proper job design and work coordination.
- Identify best practices in resolving conflict through understanding root causes and using principled negotiation.

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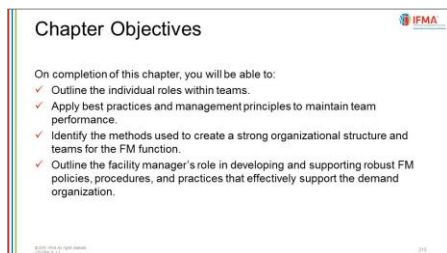
Chapter Objectives (continued)

On completion of this chapter, you will be able to:
- ✓ Describe the tools used in clarifying and communicating responsibilities and accountabilities for staff and contractors using proper job design and work coordination.
- ✓ Identify best practices in resolving conflict through understanding root causes and using principled negotiation.

Lessons

- Develop Effective Teams
- Maintain Team Performance
- Organize and Staff the FM Function
- Develop, Implement and Evaluate FM Policies, Procedures and Practices
- Clarify and Communicate Responsibilities and Accountabilities
- Resolve Conflicts

Develop Effective Teams

Lesson Introduction

On completion of this lesson, you will be able to:

- Outline the individual roles within teams.

This lesson consists of the following topics:

- Team Types
- Team Life-Cycle Model
- Inputs, Process and Outputs of Teams
- Team Behavior Theories
- Motivating Teams

Facility managers develop effective teams by recognizing different team types; applying team-forming life-cycle theory; controlling the inputs, processes and outputs of teams; comprehending team behavior theories; and properly motivating teams. When facility managers grasp these concepts, they can transform independent work groups into interdependent teams.

Some of the benefits that can be achieved by building effective teams include:

- Assigned staff has the capability to perform the required tasks and responsibilities.
- Teamwork is encouraged and rewarded.

Facility managers use leadership skills to develop staff into strong teams. Teams are groups of people who have a common goal and who help each other to achieve that goal. Not every collection of individuals in a group setting becomes a team. Teams are differentiated from groups of workers or work groups, by their emphasis on collaboration. Teams have a clearly defined goal and a set of defined processes to achieve this goal. Teams may or may not have an organizational structure and a team leader with position power.

Team members share the following qualities:

- Task orientation and equal responsibility for results
- Concern for group needs and group cohesion
- Balance of group needs against individual growth needs

Facility managers assemble various teams to handle functions that cannot be done by one person or to gain the benefits of teamwork. Synergy, the highest form of teamwork, exists when many persons working as one accomplishes far more than the same number of persons would have if working individually for the same amount of time.

Facility managers also need to understand team types as we provide the physical work environment for our employers. If work is being performed in teams, that may impact the physical spaces we provide.

Tuckman's Team Life-Cycle Model

Exhibit 3-1. Tuckman's Team Life-Cycle Model

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The FM's role... (continued)

in performing:	in adjourning:
▶ Facilitate distribution of leadership through shared responsibility and empowered decision making. ▶ Keep focus on task orientation and achieving objectives.	▶ Praise willingness to join/ disband from teams. ▶ Have formal celebration or event.

An article by Bruce Tuckman, "Developmental Sequence in Small Groups," introduced four primary stages of group development and a final stage for adjourning teams, as shown in *Exhibit 3-1*.

Forming	Storming	Norming	Performing	Adjourning
Getting to know one another	Defining tasks Handling tensions	Building relationships Cooperating	Maturing Collaborating	Disbanding team Celebrating
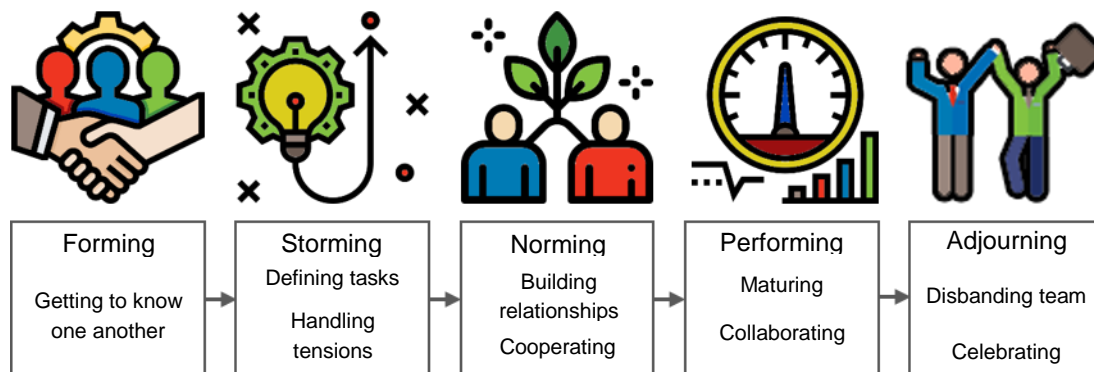
Exhibit 3-1: Tuckman's Team Life-Cycle Model

At each team life-cycle stage, both the leader and the followers encounter different challenges. Note, teams can skip stages if their members are veterans at teamwork, but can regress if not properly led. Facility managers recognize the following differences between cycle stages.

- Forming — when a team is first formed, team members get to know one another and look for a strong leader to unite the group. Members are concerned with justifying their presence and earning group acceptance. Facility managers enable teams at this stage using the following techniques:

    - Set a tone for courteous behavior and policy compliance.

    - Satisfy team members' task concern or the desire of team members to know how the team will move forward in accomplishing its tasks by establishing a shared mission and vision.

    - Overtly welcome team members by letting them know their input is valued.

- Storming — once members get comfortable with their place and understand tasks, members begin testing their boundaries by seeking preferential status or informally recruiting followers to support their opinions on team direction. Others will withdraw from participation due to these internal conflicts or because they have

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unreasonable performance expectations. Facility managers guide members from a testing mindset to a problem-solving mindset using the following techniques:

- Clarify expectations and define criteria for success.

- Reinforce or possibly modify roles and responsibilities.

- Coach and inspire the team to get past its fear of failure.

- Develop an understanding of individual communication styles and facilitate team acceptance or accommodation of these styles.

- Hold a meeting to practice listening skills.

- Norming — teams begin to integrate, and internal factions start to disperse as confidence in the team itself grows and members make compromises. Team dynamics are tentatively balanced, and members may value maintaining harmony over task performance. This tendency can lead to groupthink, in which constructive dissent is subconsciously suppressed. Members may mistake this stage for full team maturity, so facility managers carefully guide expectations using the following techniques:

  - Emphasize group cohesion by developing a climate of leadership though empowerment and involvement.

  - Facilitate exchange of information between team members to clarify priorities and help individuals express issues and concerns.

- Performing — teams develop group loyalty as they become fully integrated, well organized and committed to relationship maintenance. The result is strong productivity improvement and creative problem solving that often requires no management intervention. Sub-teams may spontaneously form to solve problems. Facility managers support performance when they:

  - Facilitate distribution of leadership throughout the team through a sense of shared responsibility and empowered decision making.

  - Focus leadership on task orientation and achievement of objectives.

- Adjourning — teams that are no longer needed are disbanded after a debriefing to address lessons learned. Facility managers recognize that teams at the performing stage may feel a sense of loss at group dissolution, so they use the following techniques to adjourn teams:

  - Emphasize that the willingness to join and disband from teams is important to the organization and that flexibility will be rewarded.

  - Use formal celebrations or events to mark the ending of a team.

  - Note attempts to delay progress or otherwise keep a team intact.

Team Types
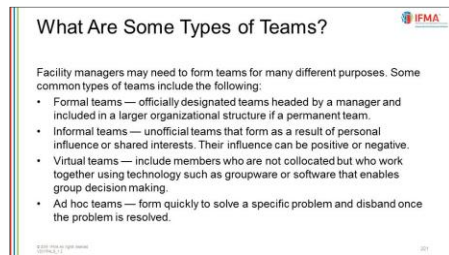
Facility managers may need to form teams for many different purposes. Some common types of teams include the following:

- Formal teams — officially designated teams headed by a manager and included in a larger organizational structure if a permanent team.

- Informal teams — unofficial teams that form as a result of personal influence or shared interests. Their influence can be positive or negative.

- Virtual teams — include members who are not collocated but who work together using technology such as groupware or software that enables group decision making.

- Ad hoc teams — form quickly to solve a specific problem and disband once the problem is resolved.

Some formal team types include the following:

- Committees — formal teams that have an indefinite charter and a specific organizational objective. Members are usually cross-functional and are often volunteers.

- Project teams — ad hoc or formal teams that exist to complete a project.

- Self-directed teams — teams that have been fully delegated a task, meaning that they set their own goals, manage the team internally and serve customers rather than a manager. Self-directed teams can produce original and efficient work but have a high risk of failure without a strong mission, boundaries and relationship with the larger organization.

- Task forces — ad hoc, formal or informal teams created to resolve specific problems or as minor projects. Members may volunteer due to personal interest in the subject or for career advancement.

- Work teams — permanent formal teams that share a daily responsibility to produce specific results. Work teams emphasize continual improvement and may be homogeneous or cross-functional.

No matter what type of team is formed, teams develop over a life-cycle.

Team Life-Cycle Model

Facility managers need knowledge of how work groups develop into teams and the models that are used to accomplish this. They need to assess the developmental stage of their teams and apply team building techniques so that the teams function as intended. Tuckman's team life-cycle model is a frequently cited example.

Inputs, Process and Outputs of Teams
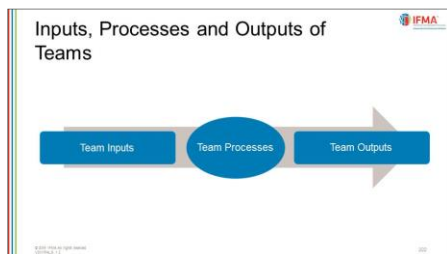
Facility managers learn what to provide to teams and how to facilitate group dynamics so that teams are able to achieve desired results. In other words, facility managers can identify team inputs, team processes and team outputs.

Exhibit 3-2

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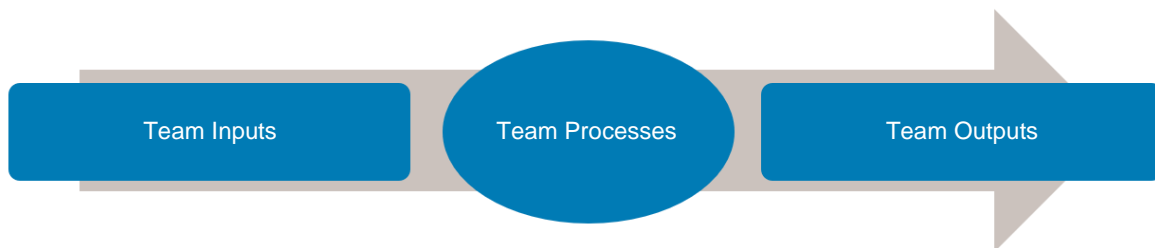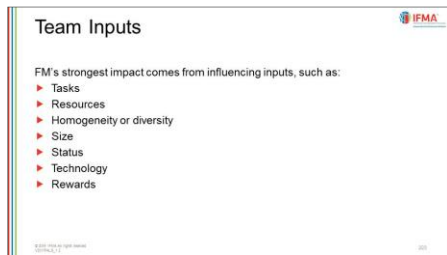
Team Inputs

Facility managers can exercise the most control over teams by influencing their inputs.

Team inputs include the following:

Term	Definition
Tasks	Facility managers communicate a vision of expected results and clearly define tasks. They assess a task's relative difficulty, including time, social and technological demands. If the team-task matchup is challenging but feasible, team members can experience job satisfaction.
Resources	Team success is dependent upon allocation of adequate monetary, human, material and information resources.
Homogeneity or diversity	Facility managers ensure that groups have the right skill sets to fulfill their tasks. Homogenous teams, those with similar personality types or skills, tend to have easier relationship maintenance needs but tasks may be harder to complete. Diverse teams tend to be the opposite due to incompatible needs but complementary skills.
Size	Facility managers ensure that teams are large enough to divide up work equitably but not so large as to have coordination and communication problems. For problem-solving teams, five to seven members is a best practice. This is large enough to generate synergy but not so large as to fall prone to dominant members or break into factions. Odd-numbered team sizes work well for majority voting.
Status	Facility managers account for the relative status of members in terms of seniority, age and education. Teams work best when in status congruence, a situation in which a team member has the same status inside and outside a team.
Technology	Workflow or groupware technology can increase team productivity if members are well trained in its use.
Rewards	Facility managers can motivate teams by designing team rewards linked to performance.

Team Processes

Team processes evolve as teams go through various team life-cycle stages. Facility managers can influence team processes by being cognizant of group dynamics, intergroup dynamics, decision-making processes and communication networks.

Group Dynamics

Group dynamics are internal team forces that influence how members interrelate and get tasks accomplished. One model of group dynamics developed by George Homans describes two types of behavior:

- Required — required behaviors are set by the assigned tasks; by policy, procedure and practices; and by organizational culture.

- Emergent — emergent behaviors are the activities, interactions and sentiments that team members provide or perform on their own initiative to accomplish tasks.

Team effectiveness relies heavily on emergent behaviors due to the impossibility to define every nuance of a task. Emergent behavior is positively linked to empowerment.

Intergroup Dynamics

<u>Intergroup dynamics</u> — the team forces that influence team interactions with external teams and persons. Competition or interaction between teams can be motivating and constructive or inefficient and counterproductive. Facility managers promote the positive aspects of intergroup dynamics by inspiring a win/win mentality among teams and maintaining focus on a common goal.

Decision-Making Processes

Facility managers use management and leadership skills to ensure that teams have a rational and effective decision-making process. Edgar Schein developed the following set of decision-making techniques:

- **Lack of response** — teams review options and the option selected is the one that generates discussion, while the others are ignored.
- **Authority rule** — the team leader decides for the team, wisely or unwisely, but decisions can be rapid. Members may feel excluded or unmotivated.
- **Minority rule** — two or more dominant members force the group to go along with them by suggesting and requiring a fast decision.
- **Majority rule** — voting can resolve conflicts but tends to create factions or a win/lose mentality and those voted down may lack enthusiasm.
- **Consensus** — teams discuss issues and settle on a mutually acceptable solution. Willingness to compromise is a critical team trait. An alternate form of consensus is to adopt an option favored by the majority; majority rule is used only after efforts are made to win over objections using rational persuasion so that dissenters feel their concerns are valued.
- **Unanimity** — all team members completely agree with a decision.

Facility managers can stress contingent thinking for decision making, meaning that the situation should dictate the method used. Decision making can also be assisted using techniques such as the following:

- **Nominal group technique** — when groups are large or deadlocked on decisions, the nominal group technique can be used to divide persons into small groups that are asked to answer a nominal question relevant to the dilemma. Participants are encouraged to be creative and list many options. They read their responses to the group with no criticism allowed, only clarification. A vote prioritizes responses.
- **Brainstorming** — brainstorming occurs in a meeting and involves everyone throwing out many ideas quickly. Criticism is not allowed.
- **Delphi technique** — the Delphi technique uses formal surveys or questionnaires in multiple rounds between persons. A coordinator redistributes anonymous

responses to each person's comments until consensus is reached. The Delphi technique is slow but thorough.

Communication Networks

Facility managers maintain good team processes in part by insisting on an appropriate communication network. Small teams can decentralize communications (see right side of *Exhibit 3-3*), meaning that each member or sub-team talks with each other member or sub-team. Larger teams may need a centralized communication network (see left side of *Exhibit 3-3*) in which members or sub-team representatives interact with the leader. Tasks that require innovation or are complex work better with decentralized networks; routine or simple tasks work better with centralized networks. *Exhibit 3-3* illustrates these two network types.

Exhibit 3-3: Centralized vs. Decentralized Networks
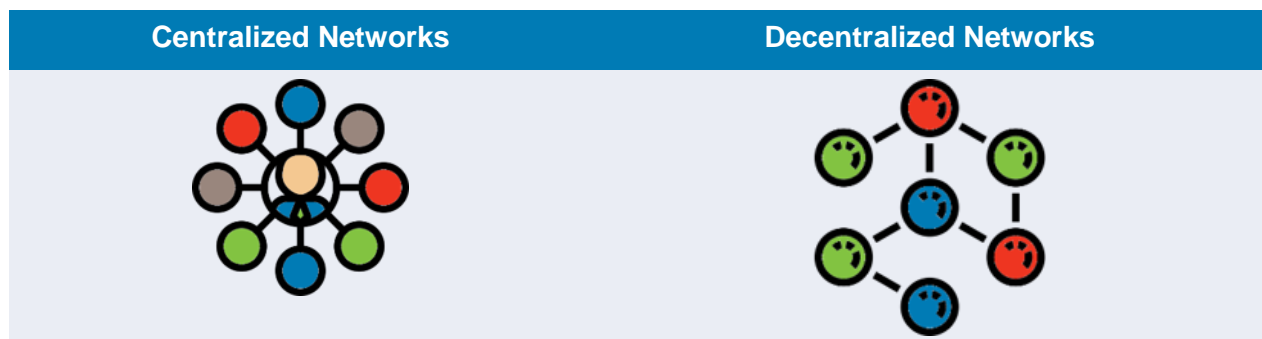
Team Outputs
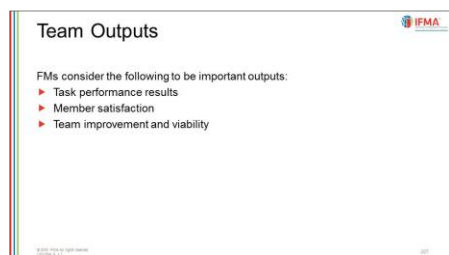
Facility managers consider the following to be important team outputs:

- Task performance results

- Member satisfaction

- Team improvement and viability

In addition to team development life-cycles and team inputs, processes and outputs, facility managers can benefit from understanding team behavior theories.

Team Behavior Theories

Team behavior theories predict certain aspects of individual behavior when people work in teams. Facility managers can study team behavior to promote positive, functional behavior and prevent or mitigate dysfunctional behavior.

Team behavior theories include the Belbin Team Role Inventory and task, maintenance and self-interest roles.

Belbin Team Role Inventory

Dr. Meredith Belbin studied teams and collected 360-degree feedback and self-assessments of behavior from participants. His research indicates that individuals fill behavioral roles in team situations and that the roles can change over time. The Belbin Team Role Inventory lists the following roles:

Term	Definition
Plant	Plants are creative thinkers who have difficulty expressing themselves or tracking details but find innovative solutions to problems.
Resource investigator	Resource investigators provide inspiration by researching opportunities and networking but may later lose momentum.
Coordinator	Coordinators see team member potential and the big picture, so they are

Term	Definition
	confident in the role of assigning and clarifying work, but they may be seen as manipulative or may not do their fair share of work.
Shaper	Shapers are high-energy leaders who are focused on tasks. They "shape" other members to achieve goals through argument or aggression. Belbin notes that more than one shaper on a team leads to conflict.
Monitor evaluator	Monitor evaluators are unbiased observers of team behavior who can account for everything and present comprehensive options but are so logical and critical that they are difficult to inspire.
Team workers	Team workers are listeners and conflict resolvers who avoid confrontation and may be taken for granted until they are absent and conflict ensues. Team workers can be indecisive.
Implementer	Implementers take direction well and produce efficient work on schedule by being self-disciplined. They are loyal and will take on tasks that no one else wants but can be inflexible if plans change.
Completer finisher	Completer finishers are perfectionists who double-check work and set high standards for themselves and others. They are detail-oriented to the point where they cannot delegate tasks.
Specialist	Specialists have a passion for an area of expertise and enjoy sharing their knowledge with others. If asked to perform tasks outside their area, they tend to lack interest.

Task, Maintenance and Self-Interest Roles

Exhibit 3-4 Task, Maintenance and Self-Interest Roles
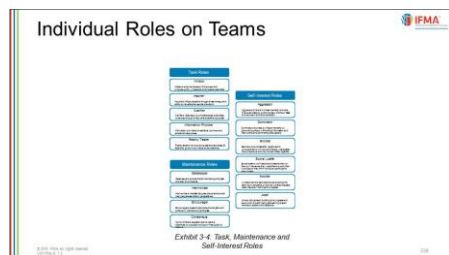
Task, maintenance and self-interest roles are similar in concept to Belbin's team roles but divide roles into three categories, one of which is a set of roles to avoid:

- Task roles — focused on ensuring that the work is started and finished.

- Maintenance roles — focus on maintaining harmony in team relationships.

- Self-interest roles — negative roles that focus on individual interest over teamwork and, if left unchecked, could destroy a team from within.

Each of these roles has a different influence on group dynamics. Task and maintenance roles have a positive impact on group dynamics if they are kept in balance with one another. Facility managers may be able to achieve balance between task focus and maintenance focus by influencing individuals to fulfill under-represented roles. Self-interest roles have a negative impact on group dynamics.

There are several options when a team has one or more members who are occupying self-interest roles:

- The team leader or a superior can remove the individual from the team.

- Team leaders or members can influence individuals in self-interest roles to adopt a task or maintenance role that fits their personality.

- Team members in certain task or maintenance roles can work to mitigate the negative effect of certain self-interest roles.

Exhibit 3-4 is a list of roles in these three categories. While role names may differ between organizations, teams usually include some of these roles.

Task Roles

Initiator
Initiators analyze the team, find issues and propose policy, procedure and process resolutions.

Inspirer
Inspirers influence teams through sheer energy and ability to visualize the results of actions.

Clarifier
Clarifiers reiterate or summarize ideas to facilitate understanding and help others see the big picture.

Information Provider
Information providers share facts, opinions and emotional responses.

Reality Tester
Reality testers have a strong desire to test ideas for feasibility given known facts and constraints.

Maintenance Roles

Gatekeeper
Gatekeepers ensure that all members participate and stay on schedule.

Harmonizer
Harmonizers mediate disputes, dispel tension and help people see others' perspectives.

Encourager
Encouragers see and elicit others' strengths and entice shy members to participate.

Consensus
Compromisers suggest ways to resolve dilemmas or propose moving on if resolution is elusive.

Self-Interest Roles

Aggressor
Aggressors have a win/lose mentality and use character attacks, public mockery of others' ideas and sarcasm to force submission.

Dominator
Dominators express a win/lose mentality by patronizing others, withholding information and interrupting and dominating discussions.

Blocker
Blockers are consistently negative and uncooperative, will not compromise, vote against the consensus and may have a hidden agenda.

Social Loafer
Social loafers work less hard on teams than on their own because they want others to carry their workload or they think individual contributions aren't noted.

Avoider
Avoiders tend to get sidetracked and drag the team down tangents or actively confuse issues to delay decision making and progress.

Joker
Jokers disrupt team building and progress and use humor to justify being demeaning to team members, leaders and decisions.

Exhibit 3-4: Task, Maintenance and Self-Interest Roles

Motivating Teams

Facility managers who learn what team members need can customize team rewards and team evaluations to motivate team members effectively. While individual preferences vary, the following conditions act as motivators:

- Being kept informed

- Being listened to

- Being respected

- Feeling safe

- Feeling a sense of belonging

- Feeling competent

- Feeling empowered

- Receiving rewards and recognition

- Experiencing job satisfaction

Many of these motivational factors can be designed into team rewards and team evaluation processes, as discussed next.

Team Rewards

Teams can be motivated by group rewards that are similar to individual rewards:

- **Intrinsic team rewards** — inherent to the task or to membership in a group rather than being handed out by a superior. They include:

  - Good team-individual fit

- Challenging but feasible tasks

- Job enrichment, empowerment and ability to improve processes

- Membership in a harmonious team and possible friendships

- Successful task completion

• **Extrinsic team rewards** — given out by a superior to all members of a team equally. They include:

- Public executive or team leader praise for the group as a whole or for individual team-building maintenance or team task focusing

- Team-building events, for example, an off-site retreat

- Linking evaluations and promotions to team building and teamwork

- Celebrations linked to milestones or goals

- Team bonuses linked to overall team success

- Team-branded apparel or souvenirs

- Permanent recognition, for example, plaques on walls, time capsules in newly completed facilities or handprints in cement

Facility managers realize that saying teamwork is valued is insufficient; it must be linked to career progression and team rewards. Facility managers should avoid individual competitive rewards for team members because of the negative consequences to team building. They can design intrinsic and extrinsic team rewards that prove to team members that individual contributions on teams are valued and remembered.

A best practice when designing team rewards is to ask the team members their opinion on what would motivate them. Since each team is unique, the rewards should reflect team consensus. The process of involving employees in these decisions promotes both trust in the leader and team cohesiveness.

Facility managers can use the services of team-building consultants, who often specialize in team-building events. Team-building events include fun group activities, charity work or competitions against other teams. Team leaders ensure that events reflect the team's priorities. For example, teams that express a desire for career skills as a reward could attend a class or training seminar together.

Evaluating Teams

Facility managers or their subordinates in charge of teams use the processes of evaluation, feedback and recognition as both a management and motivation tool. Team leaders periodically evaluate their team's efficiency and effectiveness and facility managers evaluate the team leaders' management and leadership skills.

A best practice for evaluations is that teams be assessed on multiple factors. For example, one team evaluation methodology, developed by Dick Richards and Susan Smyth, uses the following measurements to evaluate teams:

- **Purpose** — evaluators determine whether team members share the same understanding of the team's purpose, an assessment of leadership.

- **Strategy** — evaluators regularly question the direction the team is taking.

- **Role** — evaluators review the overall role of the team in the organization.

- **People** — evaluators consider whether members respect each other and maintain relationships and how well each is contributing toward task performance, effort and knowledge, skills and abilities.

- **Interface** — evaluators measure the quality of intergroup dynamics.

- **Feedback** — evaluators assess how well the team collects and disseminates performance information to its members.

- **Processes** — evaluators measure the effectiveness of team processes and if members are complying with policies, procedures and practices.

Evaluators collect both quantitative and qualitative data. For example, quantitative data for service delivery could include:

- Service orders received plus orders carried over from the prior month.

- Service orders completed by month and year to date.

- Number of service orders completed on time by priority category.

Qualitative data can be collected in questionnaires such as customer surveys of service results and provider courtesy. To limit cost and inconvenience, a portion of the customer population could be selected, for example, 30 percent or a different building or department could be surveyed in turn.

Evaluation feedback should be provided to both the team leader and its members. Team leaders are assessed on whether they show decisive yet democratic leadership by involving team members in forming plans, communicating a clear mission goal and giving explicit direction. Team members are evaluated on whether they ask for clarification as needed and on how well they follow plans. Measuring results and analyzing how well the team performed shows that the team efforts are valued and allows team members to participate in continual improvement.

Discussion Question

In team theory, what problem is the role of implementer most likely to suffer?
A. Low motivation to work outside a favorite area of expertise
B. Unwillingness to volunteer for hard tasks
C. Lack of commitment to the team's goal
D. Inability to adapt to changed conditions

Maintain Team Performance

Lesson Introduction

On completion of this lesson, you will be able to:

- Apply best practices and management principles to maintain team performance.

This lesson consists of the following topics:

- Managing Team Performance
- Quality Control
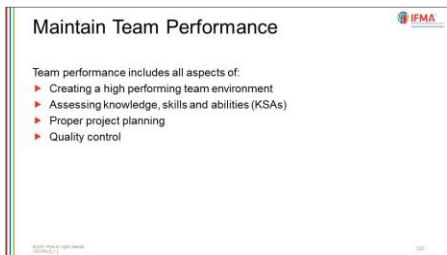
Leading and managing the FM organization is a key part of the facility manager's role. This incorporates executing leadership strategies and theories, understanding people, adapting communication styles and organizing and staffing the FM function.

Another part of leading people and managing their work is maintaining team performance. Team performance includes all aspects of:

- Creating a high performing team environment
- Assessing knowledge, skills and abilities (KSAs)
- Project planning
- Quality control

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Ensure that the FM organization can meet and exceed goals and expectations through performance management.

Managing Team Performance
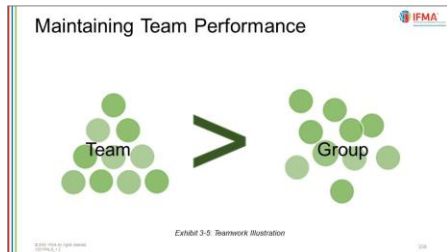
A team is greater than just a group of people working in the same environment. A team is a group of people working together toward a common purpose. Maintaining team performance in the FM organization depends on the facility manager.

Exhibit 3-5: Teamwork Illustration

Leading and Managing Performance
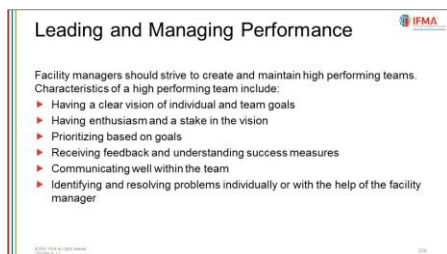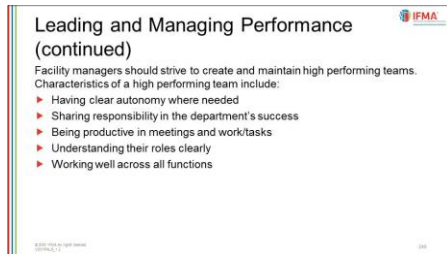
Facility managers should strive to create and maintain high performing teams. Characteristics of a high performing team include:

- Having a clear vision of individual and team goals

- Having enthusiasm and a stake in the vision

- Prioritizing based on goals

- Receiving feedback and understanding success measures

- Communicating well within the team

- Identifying and resolving problems individually or with the help of the facility manager

- Having clear autonomy where needed

- Sharing responsibility in the department's success

- Being productive in meetings and work/tasks

- Understanding their roles clearly

- Working well across all functions

- Having diversity within the team

A high performing team helps establish the facility manager as a leader in best practices for the demand organization. Facility managers can achieve high performing teams by leading in the following areas:

1. Inspire versus drive

2. Resolve conflict and increase cooperation

3. Set goals

4. Communicate well

5. Create trust

Managing team performance means recognizing the knowledge, skills and abilities (KSAs) of each team member. Facility managers should be able to identify which KSAs are required for their team to be successful in meeting the needs of the demand organization.

Employee growth comes from establishing a feedback process and evaluating performance regularly. This enables employees to recognize that they have opportunities and provides leaders the option to correct undesirable behavior. Leaders should also receive feedback. This ensures performance standards are met for the FM organization. Facility managers can use employee evaluations to create performance plans. It is important to ensure that feedback and employee evaluation is a continuous cycle, regardless of which feedback model is used.

Employee Knowledge, Skills and Abilities (KSAs)
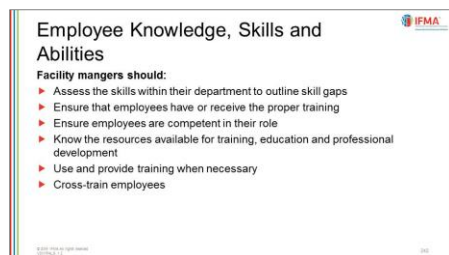
Knowledge, skills and abilities (KSAs) are a set of qualifications and personal attributes required to effectively and efficiently perform a job. These are qualifications that the facility manager should determine based on each job role in their department. KSAs can be defined as follows:

- Knowledge – The information needed to succeed at assigned tasks. Knowledge consists of key concepts associated with the specified job. It also consists of the steps or procedures required to carry out a task.

- Skills — the proficiencies needed to perform assigned tasks. Skills are the practical application of knowledge.

- Abilities – the capabilities needed to succeed in the job position. Abilities are evidenced through activities or behavior. Examples are adequate strength and stamina; and being able to see colors, hear sounds, and smell odors.

Facility managers should observe and review an employee's KSAs during the interview phase of the hiring process. Facility managers should also observe the KSAs of current employees to ensure skill gaps are filled and any necessary upskilling takes place.

The facility manager ensures employees have or receive the proper training to be competent in their role and perform their tasks efficiently. For this reason, it is important to

know the resources available for training, education, and professional development. It is also important to provide training when necessary and cross-train employees.

Cross-Training
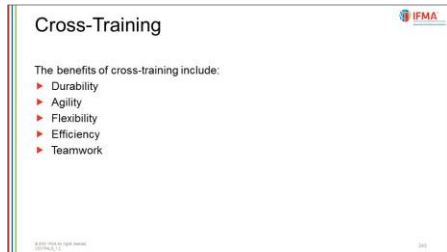
Cross-training is the practice of training employees to do a different job. Cross training can be applied to jobs external to those in facilities, such as ones done as part of the demand organization's work. This means an employee in FM learning the job tasks and skills of an employee in a different business unit and vice versa.

Cross-training employees:

- Mitigates the risks associated with fluctuations in workflow and business growth.
- Allows the demand organization to be flexible.

Cross-training within the FM organization is also key for growth and unexpected changes. This reduces the risk of being short-handed when a key employee leaves or is sick, allowing the FM organization to continue to be efficient and on time with projects or scheduled work. Cross-training is also a way of preparing lower-level employees to move up in the FM organization.

The benefits of cross-training include:

- **Durability** — cross-training helps ensure business will not suffer if an essential team member quits or takes a vacation.
- **Agility** — cross-training creates a more agile workforce by providing on-the-job professional development. Leaders get to duplicate employee's skill sets and the employee gets a chance to learn different skills, uncover hidden talents and prepare to advance in the organization.
- **Flexibility** — the demand organization becomes better equipped to recover quickly from disruptions and handle transitions smoothly.
- **Efficiency** — processes are refined by making teams take a hard look at the way they do things as they train others.
- **Teamwork** — cross-training gives employees a chance to build new relationships with people they might otherwise never have contact with.
- **Job Fulfillment** — the satisfaction of learning a new job (intrinsic).

- **Innovation** — when an employee learns/trains on another job or facility, it is an opportunity to see processes differently and provide insights/solutions as an outsider that might not be seen otherwise.

Quality Assurance
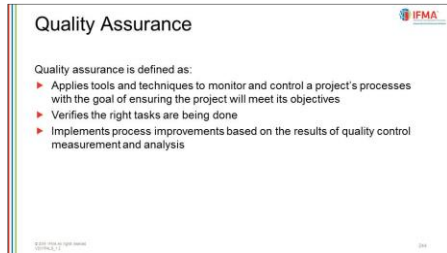
Quality is the degree to which a set of inherent characteristics of an object fulfills requirements. Quality assurance is an organized method of determining whether processes and deliverables meet specified quality goals within the specified time, scope and budget. Quality assurance can be defined as follows.

- Applies tools and techniques to monitor and control a project's processes with the goal of ensuring the project will meet its objectives

- Verifies the right tasks are being done

- Implements process improvements based on the results of quality control measurement and analysis

Quality management has two goals:

- To create a plan to assure the overall scope of the project meets quality expectations, based on the features of the deliverables, the level of effort expended, and other pre-agreed on factors.

- To establish and maintain quality standards.

Quality control is a key part of the FM role to ensure there are processes in place to ensure quality service delivery. The facility manager should ensure employees are aware of their roles and recognize the impact of their actions in service quality.

Facility managers should:

- Coordinate the development of a quality assurance program for the FM organization.

- Assess quality as outlined in the program.

- Identify any deficiencies in service quality and distribute actions to solve them.

Lesson Activity

Team Performance Activity
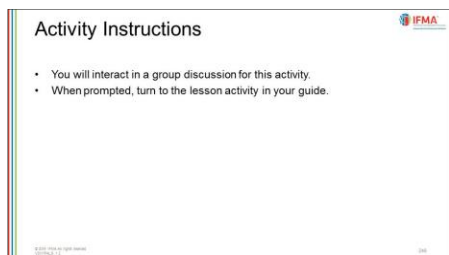
For this activity, you will:

• Review the provided question to facilitate a group discussion.

• Each provides a scenario or question related to team performance.

• Discuss what you would do in the given scenario within your group.

1. An FM team member expresses interest in moving up in the organization. As an FM leader, what can you do to help this team member prepare for career progression?

_____

_____

_____

2. A facility manager that wants to promote a high performing team environment needs to lead by _____.

_____

_____

3. What are the benefits of cross-training?

_____

_____

_____

4. Your FM organization team members tend to be comfortable with working individually. Each staff member does the work that they believe should be done each day, regardless of what others may have already completed during another shift. Unfortunately, there seems to be a lack of communication within the team, causing duplication of work. What would you do as an FM leader?

_____

_____

_____

5. How can FM leaders ensure that their employees have the proper KSAs to perform their job?

_____

_____

_____

Debrief

Activity Debrief

- What were your key findings when completing this activity?

Organize and Staff the FM Function

Lesson Introduction

On completion of this lesson, you will be able to:

- Identify the methods used to create a strong organizational structure and teams for the FM function.

This lesson consists of the following topics:

- Organizational Design and Structure

- FM Organizational Models

- Selecting Organizational Structure

- Staffing

- Assignments and Scheduling
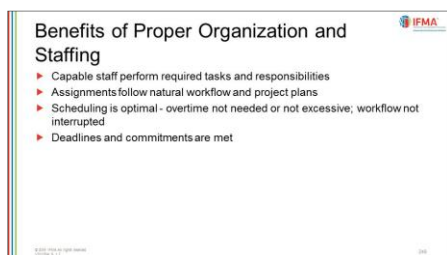
Primary FM responsibilities are organizing the work and recruiting personnel to do the work. Facility managers must hire and contract individuals, assign tasks, and generate schedules to have sufficient resources with the appropriate skills. Knowing the current FM organizational structure allows facility managers to determine if how the work is structured should be changed or reengineered.

Some of the benefits that can be achieved by properly organizing and staffing the FM function include:

- Assigned staff have the capability to perform the required tasks and responsibilities.

- Assignments follow natural workflow and project plans.

- Overtime is not required or excessive if scheduling is optimized and workflows are not interrupted by unqualified resources.

- Deadlines and commitments are met.

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Organizational Design and Structure

Facility managers participate in the design of the FM function when they develop or change how the work it does is structured or organized. These terms can be defined as follows:

Term	Definition
Organizational Design	The process of selecting and instituting an organizational structure that includes the reward system, policies, procedures, and practices. The design assures the structure is aligned to support the business unit's strategy, size, desire for innovation, constraints, and operating environment.
Organizational Structure	A description of an organization's formal power structure, including the hierarchy of job positions within a department and the number of job positions per department. The description is usually supported by charts.
Functions	A list of business units or departments that make up the demand organization and perform core work processes. Common functions include operations, human resources, finance, marketing, and customer service. Functions can also be a list of job positions, roles, descriptions, and activities, that are assigned to a specific department or work unit.

When deciding on what type of FM organizational structure to implement, facility managers consider factors such as how adaptable the structure needs to be to change, and how effectively it can support innovation and organizational development.

Assessing Organizational Structure
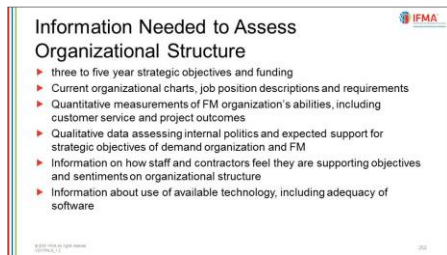
When facility managers assume responsibility for an existing FM organization or want to audit their current FM organizational structure, they collect the following data for analysis through requests, conversations and questionnaires/surveys:

- Information on the organization's three to five-year strategic objectives and projected FM organization funding

- Current FM organizational structural charts, job position descriptions and required qualifications

- Quantitative measurements of the FM organization's abilities, including at least two years' data on quality and timeliness of customer service and project outcomes

- Qualitative assessment data regarding internal political status with executives and department heads and expected support for demand organization and FM organization strategic objectives

- Information on how employees and contractors feel the FM is supporting their objectives.

- Information regarding the adequacy of FM software, the level of automation it delivers and whether organizational structure takes available technology into account

Facility managers can use this information to develop knowledge of the strengths and weaknesses of the current FM organizational structure. If facility managers believe organizational structure is the source of some organizational problems, they can:

- Change or re-engineer the organization's structure

- Refine the current structure

- Work to understand the current structure and mitigate its weaknesses

As with other change efforts, changes to the organizational structure require careful planning, marketing to stakeholders, and project management. When forming plans, facility managers consider the factors influencing organizational structure.

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Factors Influencing Organizational Structure

Several factors should be considered when designing how FM as a business unit is structured. The goal is for the structure to optimize FM's ability to provide service at a reasonable cost. The structure should also clarify responsibilities and reduce the risk of unintended consequences. *Exhibit 3-6* outlines these factors.

Exhibit 3-6: Factors Influencing Organizational Structure

Demand Organization Structure and Culture

The FM function is a specialized, business unit that impacts the demand organization's viability. The demand organization designs the FM structure to support core business activities effectively and efficiently. Some organizations have strong cultures that enforce a standard organizational structure across all business units.

Organizational culture encompasses the values and behaviors that make up the unique and psychological environment of a business. It affects the way that people and groups interact and indicates how business is conducted at the organization.

When facility managers assess an existing FM organizational structure, they need to appreciate the history of a practice or process to identify the consequences of making a change. Given due diligence, facility managers can make an informed decision above and beyond the argument of "that's the way we have always done it." Most organizational structure decisions were initially made for a reason, but the original reason may no longer be valid.

Degree of Centralization/Decentralization

Centralization refers to the amount of decision-making authority retained by executives (centralization) versus what is distributed to lower levels of management (decentralization). It also indicates the level of decision-making authority given to regional facilities. In a centralized system, local facility managers take their orders from a superior located at headquarters. In a decentralized system, authority is delegated, and local facility managers manage their site. Facility managers located in headquarters are only consulted with as needed or informed of regional facility decisions.

Facility managers may be able to decide which FM functions should be centralized and which should be decentralized. Centralization helps unify facility strategy, while decentralization can enable faster decision making. In general, functions that have the most financial or strategic impact are best centralized, while functions that are closest to the customer are best decentralized. If the organizational culture is centralized, facility managers may encounter resistance when attempting to empower employees/contractors, even though the action can improve customer service.

Chain of Command and Span of Control

When designing the FM organizational structure, facility managers can optimize reporting relationships in terms of the chain of command and span of control. These terms can be defined as follows:

- Chain of command – Chain of command is the decision-making hierarchy of an organization. The hierarchy shows the number of job levels that must be involved in the authorization of a decision. The depth or shallowness of the hierarchy may depend on the cost or scope of the decision. Some organizations are relatively flat as only a few positions are involved. Other organizations require multiple levels of approval when making decisions.

- Span of control — the number of subordinates directly reporting to a given manager. Too many direct reporting relationships can become problematic. A typical organizational limit on span of control is five to seven subordinates per manager.

When deciding on span of control, facility managers determine the optimum number of direct reports for each management position based on:

- The task maturity level of subordinates in terms of their confidence, ability to accept responsibility, and need for supervision.

- The complexity of the work in terms of the level of knowledge, skill, and ability required.

Facility managers consider how to best retain control over FM functions when the demand organization downsizes and eliminates middle management positions. One way to achieve a flatter organization and retain control is to increase contracting and consulting services.

Line versus Staff Management and Functional/Structural versus Matrix Models

Functional/Structural Organizational Model
- Hierarchical structure
- Specialized functions
- Line management
- Vertical chain of command

Matrix Organizational Model
- Modified functional/structural model
- Both line and staff management
- Dual reporting relationships (if staff and line)

Model Advantages and Disadvantages

Functional/Structural Model	Matrix Model
Advantages	*Disadvantages*
Clear reporting relationships, for example, one boss	Confused reporting relationships, for example, two bosses
Straightforward staff planning	Multiple sources may be competing for staff
Single source of priorities, policies, procedures, practices	Priorities, policies, procedures, practices may conflict
Communications can be direct and personalized due to single reporting relationship and smaller span of control	Communications need to be more frequent due to line/staff manager intercommunication and larger span of control

Model Advantages and Disadvantages (continued)

Functional/Structural Model	Matrix Model
Disadvantages	*Advantages*
Functional areas may not integrate well with product/service delivery	Functional areas integrate well with product/service delivery
Tendency for overspecialization	Cross-training opportunities
Response to change can be slow	Flexibility in responding to change
May require more contractors	Projects can leverage existing staff
Supports single consecutive projects	Supports multiple simultaneous projects
Silos may supersede overall FM function	

Model Advantages and Disadvantages (continued)

Functional/Structural Model	Matrix Model
Disadvantages	*Advantages*
Best for slow-changing business	Keep the identity of FM function
Headquarters has difficulty in controlling multiple projects	Best for rapidly changing business
	Headquarters can more easily control multiple projects

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Discussion Question

What is an advantage of the traditional functional/structural organizational model compared to the matrix model?
A. Less chance that department needs will supersede FM needs
B. Greater flexibility in response to changing client objectives
C. Less that chance department needs will supersede FM needs
D. Better handling of multiple simultaneous projects

The relative use of line versus staff management is the primary differentiator between two basic organizational structure models: traditional functional/structural and matrix models. These terms are defined as follows:

Term	Definition
Line Management	A vertical chain-of-command reporting relationship in which each level increases in specialization as it gets lower in the hierarchy.
Staff Management	A horizontal chain-of-command reporting relationship designed to cut across multiple vertical chains of command. Staff management functions could include project management, human resources and quality.
Functional/Structural Models	Traditional hierarchical organizational structure models that contain specialized functions and use line management to produce a vertical chain of command for each function.
Matrix Models	Modified functional/structural models that rely on both line and staff management to increase the integration between vertical chains of command or to enable teamwork. Positions with both a line and staff reporting relationship have a dual reporting relationship for example, two bosses.

Exhibits 3-7, *3-8 and 3-9* provide examples of functional/structural and matrix models for facility management organizations.
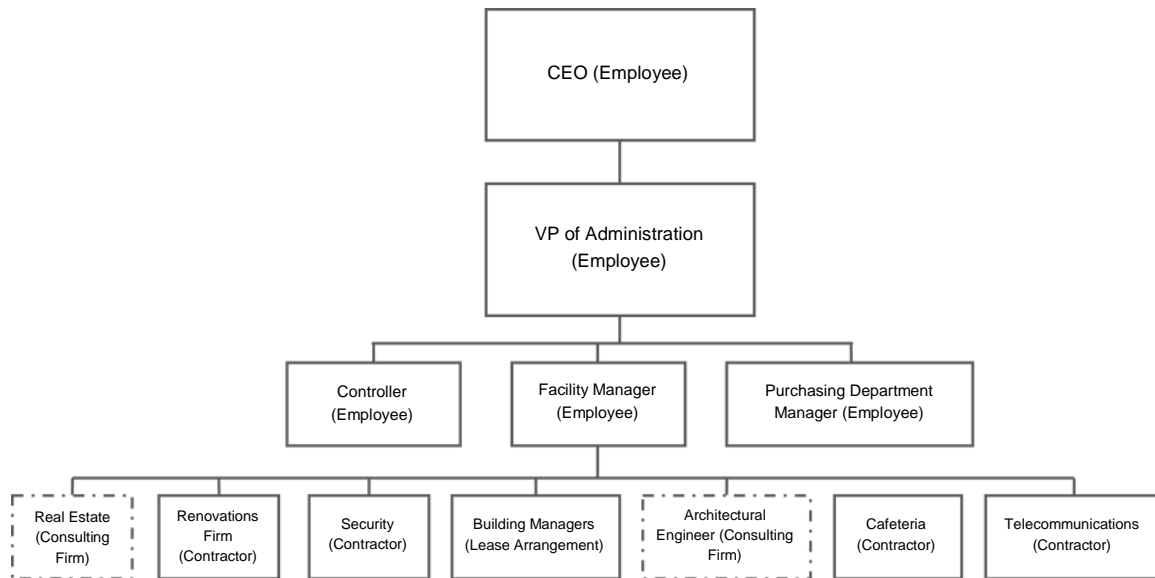
Exhibit 3-7: Functional/Structural Organizational Model
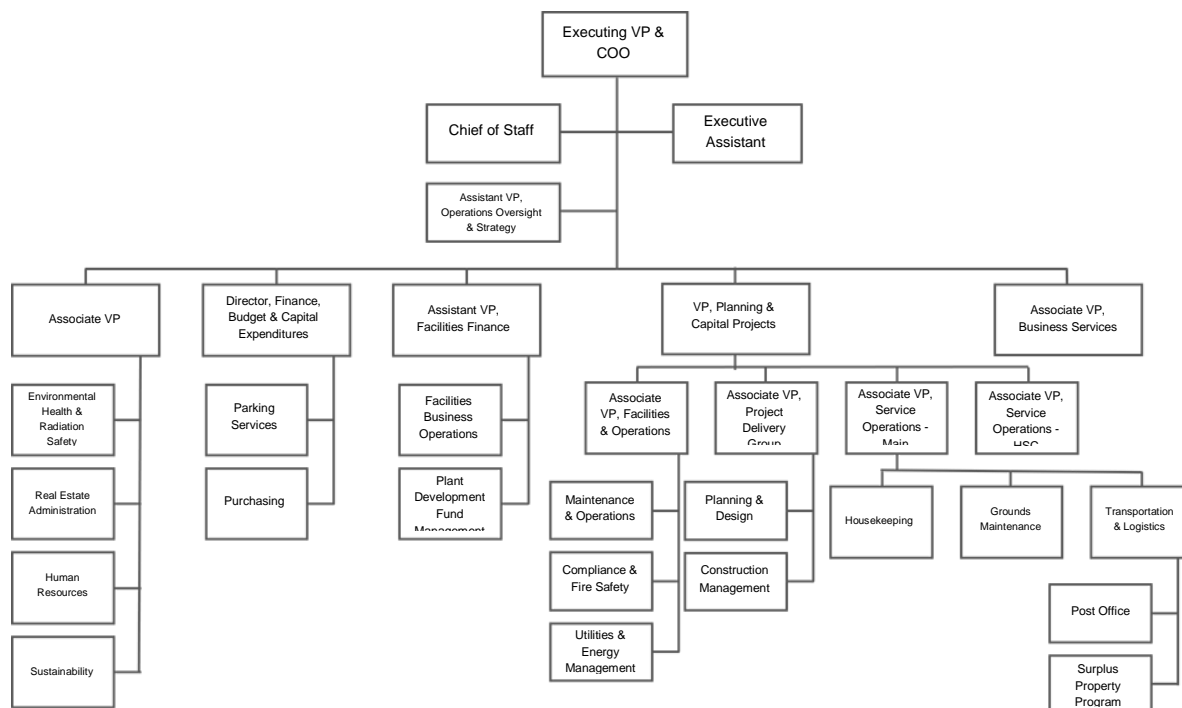
Exhibit 3-8: Functional/Structural Campus Organizational Model
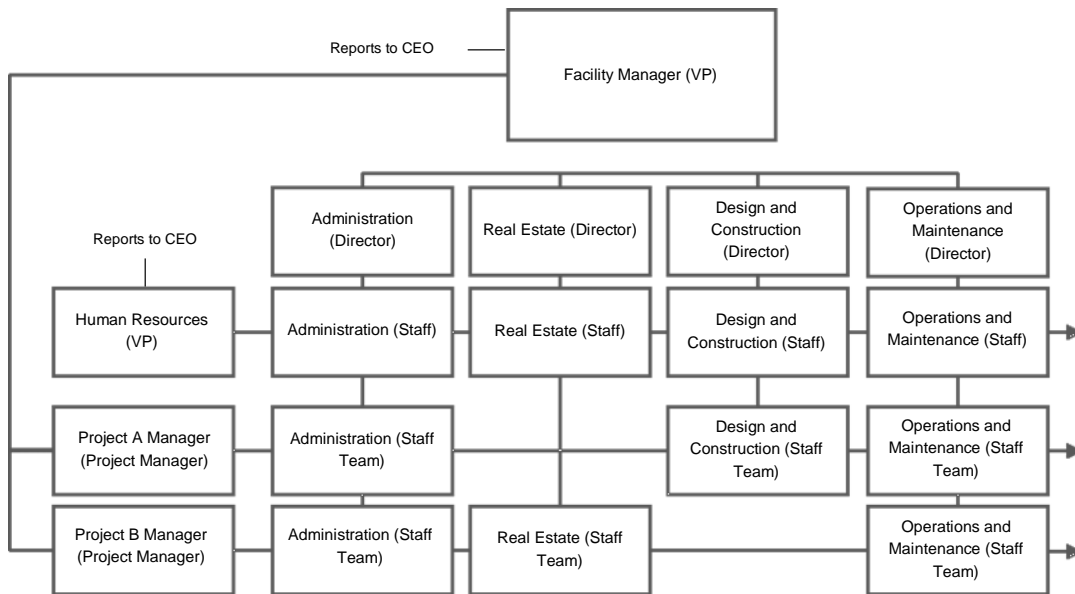
Exhibit 3-9: Matrix Organizational Model

In general, functional/structural models work best for larger, centralized organizations with centrally controlled external service providers and many layers of managers, each having a limited span of control. Matrix models work best with smaller, decentralized organizations with external service providers integrated across the FM organization and fewer layers of managers who have a larger span of control.

Matrix models are designed to mitigate the silo effect that can lead to undesirable conditions in a functional/structural model. The silo or stovepipe, effect is an organizational deficiency that occurs when staff can think only in terms of the needs of their specialty area or "silo." Once work is passed to the next silo, there tends to be a disconnect in tracking the work's progress and delays between silos become frequent. The silo effect tends to exist when an organizational structure produces highly specialized functions with low interaction. Silos make it more difficult for staff to see larger FM organization objectives, much less the demand organization's objectives. For example, each silo may start growing for its own sake, making the FM organization slower to respond to changes.

Exhibit 3-10 shows how the advantages of functional/structural models tend to be disadvantages for the matrix model and vice versa.

Exhibit 3-10: Advantages and Disadvantages of Functional/Structural versus Matrix Models

Advantages/Disadvantages of Functional Models	Advantages/Disadvantages of Matrix Models
Advantages	**Disadvantages**
Clear reporting relationships (one boss).	Confused reporting relationships (two bosses).
Straightforward staff planning.	Multiple sources may be competing for staff.
Single source of priorities, policies, procedures and practices.	Priorities, policies, procedures and practices may conflict.
Communications can be direct and personalized due to a single reporting relationship and a smaller span of control.	Communications need to be more frequent due to line/staff manager intercommunication and a larger span of control for many managers.
Disadvantages	**Advantages**
Functional areas may not integrate well with product/service delivery.	Functional areas integrate well with product/service delivery.
Tendency toward overspecialization.	Cross-training opportunities exist.
Response to change can be slow.	Flexibility in ability to respond to change.
Projects may require more contractors.	Projects can more easily leverage existing staff.
Supports single consecutive projects.	Supports multiple simultaneous projects.
Silos may supersede overall FM function.	Functional identity of FM function is maintained.
Best for a slow-changing business situation.	Best for a rapidly changing business situation.
Headquarters has difficulty in centrally controlling multiple field projects.	Headquarters can more easily control multiple field projects.

Owned versus Leased Property and other Contracting Influences
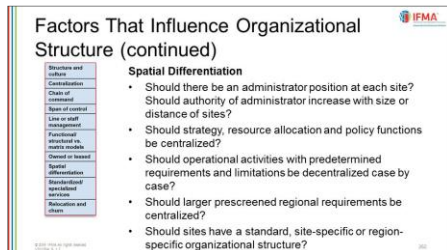
The percentage of property owned versus leased may affect the ratio of internal staff to contracted services. Generally, the higher proportion of owned property the greater use of internal staff.

The opposite is also true. The more property leased, the greater the reliance on contracted services because landlords control costs by using contracted services.

Regardless of the reason for the use of internal versus contracted resources, the ratio of staff to contractors will affect the organizational structure. For example, internally managed functions require more levels of management control. Contracted functions allow organizations to be flatter and save money on infrequently used services. However, any organizational structure may use individual contractors for positions requiring highly specialized expertise.

Spatial Differentiation

Spatial differentiation refers to the total number of sites in an organization and the distance between those sites. Differentiation affects and is affected by the need for rapid decision-making, cultural differences, and local laws and regulations.

Facilities may consist of a single building, a campus with multiple facilities in a limited geographic area, or multiple sites that are geographically dispersed. FM organizations with high spatial differentiation have several questions to consider regarding their organizational design:

- Should there be an administrator position at each site to collect and assess customer requirements? Should the authority level of the administrative position be increased if the site is larger or more distant?

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- Should strategy, resource allocation, and policy functions be centralized?

- Should operational activities that have predetermined requirements and limitations be decentralized on a case-by-case basis?

- Should larger prescreened regional requirements be centralized?

- Should sites have a standard, site-specific or region-specific organizational structure?

Standardized versus Specialized Services

FM organizations whose mission is to provide a high degree of specialized services may organize differently than those that provide standardized services. For example, a campus that includes administrative offices can be supported with standardized services. However, its research labs that require controlled environments may be better supported with specialized services.

Matrix organizations with a project management orientation tend to be better supported by specialization due to the required interaction between organizational units. Functional/structural organizations tend to be better supported by standardized services as the focus is on minimizing costs and providing a similar customer experience in each interaction.

Relocation and Churn Rate

Churn rate is the frequency of minor relocations. Facility managers consider the amount of churn within a facility when deciding whether a permanent job position is required to handle frequent relocations. Minor relocations can be treated as a shared task and handled as a small project. Major relocations, for example building to building, are often treated as projects.

FM Organizational Models

There are many ways to structure the FM function; however, there are some commonly cited models that illustrate best practices. These models may appear to be similar, but two organizations of comparable size and features may still differ significantly in their structure. For example:

- Their missions affect the types of services required; therefore, the FM function is structured to produce those services.

- They may not control all of the same functions.

- The nature of any contracted services provided may differ and the contracting management model may also differ.

FM models of common organizational structures include the following:

- **Customer-driven model** – Customer-driven FM models provide the highest level of support for the services in greatest demand. They are usually organized around business units requiring customized service, fast response time, and flexibility in services and delivery as needs shift. Reviews are linked to customer objectives. Some FM functions have full-time service teams, while others draw from a pool.

- **Office manager model** — organizations that function from a single leased facility minimize the FM function and treat the facility manager as an office manager who

contracts for almost all services and keeps some contractors on retainer. *Exhibit 3-7* is an example of this model.

- **One location, one site model** – demand organizations that own a single facility or campus may have a staffed, full-service FM department. Facility managers may have subordinate managers for major functions. Contractors are used for peak usage or specialized services.

- **One location, multiple sites model** – demand organizations that have their headquarters and plants, labs, or branches in the same geographic area usually have site administrators and headquarters controls strategy and funding. Full decentralization is not usually economically warranted.

- **Multiple locations, region- or division-led model** — large, dispersed organizations operating in a single country usually confine headquarters concerns to broad issues of strategy, tactical implementation, real estate, high-level space planning and policy setting. Operations and maintenance are the sole responsibility of on-site facility managers.

- **Multinational model** — multinational organizations operate much like the prior model, except that regional areas may have more control over regional strategy. Regional facility managers get only technical direction from headquarters and have their own support services such as legal counsel for real estate leasing.

Organizations may also incorporate hybrid structures to reflect the disparity of sites, remote locations and other factors.

Selecting Organizational Structure
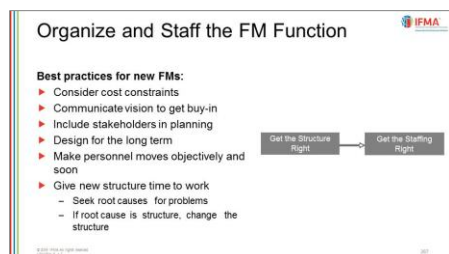
Once facility managers understand the current FM organizational structure, they can recommend changes to better meet strategic objectives or to mitigate deficiencies. If the facility manager cannot change the structure, research is still important because it can provide insight into potential positive and negative consequences of the current structure.

Understanding how and why the FM is organized the way it is can help facility managers leverage the structure's strengths and mitigate its weaknesses. However, even when it is possible to change the FM organizational structure, making changes can create different problems.

Best practices for developing an optimal organizational structure include:

- Considering existing cost constraints on the FM organizational structure and positions

- Communicating a vision of the structure to stakeholders to get buy-in

- Including persons to be governed by the structure in planning stages

- Designing the FM organizational structure to reflect the long-term strategy rather than short-term resource limitations including:

  - Improving organizational elements to better coordinate/integrate work

  - Confirming necessary positions exist and filled

  - Considering the use of contractors to provide resource flexibility and skills

- Making personnel moves objectively and as soon as feasible following adequate consultation, agreement, and the required formal processes, such as:

  - Taking timely action, after the new FM comprehends the functionality of operations. Timely action is more readily accepted when it is perceived as fair and proper.

  - Not making major revisions to personnel but focusing on the few workers who are failing to fulfill responsibilities or cannot adapt to the proposed structure.

- Assessing a new organizational structure over time before declaring it a success or failure:

  - If problems occur, facility managers seek root causes.

  - If the root cause is the structure, facility managers can change course rather than continuing to promote an unworkable structure.

Given an adequate FM organizational structure, facility managers can concentrate on staffing the FM function.

Staffing
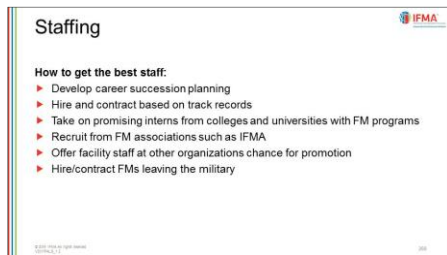
Facility managers evaluate their staffing requirements based on the skills and experience necessary to deliver the expected services. With this information they can decide how to achieve the optimum balance of employees versus contractors. The following are some examples of how facility managers can ensure that the FM organization has the best possible staff and contractors.

- Develop a career succession plan for promoting existing employees

- Hire contractors or consultants who have a proven track record

- Get to know entry-level FM programs at colleges and universities, offer internships, and hire or contract with promising interns

- Recruit members of facility associations such as IFMA

- Offer facility staff at other organizations the chance for promotion

- Hire or contract with facility managers who are retiring/resigning from the military

Facility managers may have to accept practical experience rather than education, if the number of candidates with FM-specific educational backgrounds is limited. If it is impossible to find a perfect match for a job position, facility managers may want to leverage manufacturers' training to provide additional technical knowledge, such as using an HVAC manufacturer's training.

Facility managers should assess individuals' personality and likely behavior to ensure a good job fit when making hiring and contracting decisions. Specifically, facility managers should look for individuals who are likely to excel at teamwork in a corporate atmosphere. They can do this by ensuring candidates have corporate work experience, exhibit a commitment toward service, and get as much satisfaction from teamwork as from individual accomplishment.

Once staffing is in place, the facility manager provides staff and contractors with task assignments and schedules.

Assignments and Scheduling
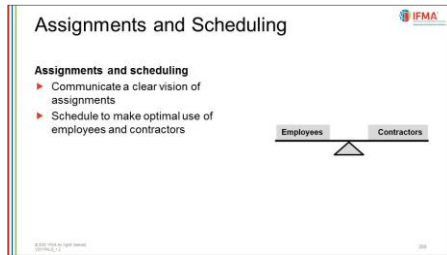
Link responsibilities to specific job descriptions when deciding how to design the FM function. Responsibilities that require the same skills can be grouped and assigned to jobs that have people with the relevant qualifications.

Tasks that are part of a larger set of services, such as tenant renovations, or environmental health and safety, can also be grouped and assigned to jobs filled by people with the relevant qualifications.

When assigning work, facility managers give workers (staff and contractors) a clear vision of the expected results. Facility managers may or may not explain in detail the process that workers should follow; however, they do share specifications such as the number and quantity of outputs, available resources, due dates, safety, regulatory constraints, and so on. Facility managers also inform workers of the consequences (rewards and penalties) if a task is or is not completed as expected. Workers are expected to seek clarification as needed.

The goals of scheduling include making optimal use of all workers so that:

- no one has too much or too little work
- all work is completed on schedule
- no task is forgotten
- duration and cost estimates are realistic
- efforts are not duplicated
- overtime is avoided or minimal
- deadlines are fair but challenging

Assignments and schedules are created to ensure that projects and tasks are completed on time. Workers are matched with tasks that they are qualified to perform. This optimizes schedules and minimizes overtime. An inventory of tasks and programs are inputs to creating an organizational structure.

Facility managers can create task time estimates by using standard work times and costs, such as those created in activity-based costing. Estimating task durations requires expert judgment to account for exceptional situations, the skill level of the workers, and the relative difficulty of the task. Facility managers can use scheduling methods and tools including scheduling software to coordinate the work of multiple team members and multiple activities.

The *Project Management* course in this IFMA FMP Credential Program includes information on a number of scheduling methods and tools.

Project Planning
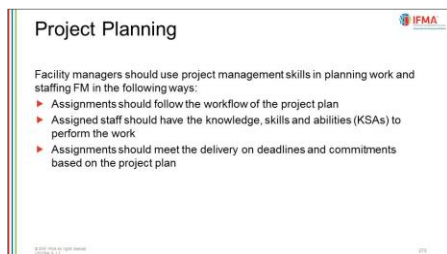
Facility managers should follow project management practices when assigning and scheduling FM staff in the following ways:

- Assignments should follow the workflow of the project plan

- Assigned staff should have the knowledge, skills and abilities (KSAs) to perform the work

- Assignments should meet the delivery on deadlines and commitments based on the project plan

Understanding Labor Planning
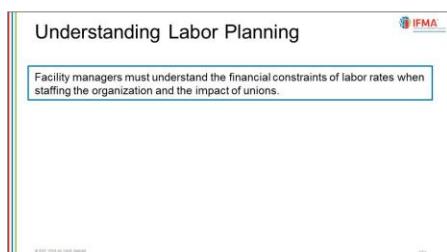
Facility managers must know labor rates and union work rules when assigning staff. This includes knowing which employees are available to work during which shift, how to staff during holidays or cover for sick leave.

If the demand organization takes part in unionization, facility managers must understand the collective bargaining agreements. In some demand organizations, this information is provided in the service provider agreement.

Discussion Question

In which of the following organizational types is the FM likely to make heaviest use of contractors rather than employees?
A. Multiple location, division-led model
B. Multinational model
C. One-location, one-site model
D. Office manager model

Develop, Implement and Evaluate FM Policies, Procedures and Practices

Lesson Introduction

On completion of this lesson, you will be able to:

- Outline the facility manager's role in developing and supporting robust FM policies, procedures, and practices that effectively support the demand organization.

This lesson consists of the following topics:

- Examples of FM Policies, Procedures and Practices
- Writing Policies, Procedures and Practices
- Implementation and Compliance
- Audiences
- Advantages and Disadvantages
- Evaluation and Change Process

Getting staff and contractors to voluntary adopt FM policies, procedures, and practices requires leadership. Leadership is about gaining support for a proposed policy, procedure, or practice change, especially those imposed by the demand organization.

The benefits to effectively administering policies, procedures, and practices are:

- Personnel and contractors get the guidance they require to be safe, effective and efficient in their jobs.
- Multiple work crews and shifts perform consistently and safely.
- New hires become proficient quickly.

Term	Definitions
Policies (what)	Broad guidelines focused on organizational activities to guide compliance. They show what should/should not be done.
Procedures (how)	Customary tactics for performing activities that guide processes. They show how work should be done.
Practices (when)	Explicit guidelines, ideally based on best practices that control and restrict individual and group behavior. They are more prescriptive and show when to apply standards, policies, and procedures.

Policies, procedures, and practices can control how work gets done so that customers have a consistent service experience. Each can have a tangible impact on efficiency, effectiveness, health, safety, security, and regulatory compliance.

The differences between these tools can be summarized as follows

- Policies guide compliance. They are about **what** should/should not be done.
- Procedures guide processes. They are about **how** tasks should be done.
- Practices guide timing and selection of processes. They are more prescriptive and are about **when** to apply standards, policies, and procedures, for example, predictive vs. preventive maintenance.

Service providers will "own" the processes under an outcome-based contract model. The organization model and service delivery strategy will impact this.

Note that organizations have their own policies, procedures and practices and facility managers are responsible for FM organization compliance. However, the focus of this discussion is on FM policies, procedures and practices.

Exhibit 3-11 provides an overview of the subjects discussed in the remainder of this topic related to developing, implementing and evaluating FM policies, procedures and practices.

Examples of FM Policies, Procedures and Practices	Writing Policies, Procedures and Practices	Implementation and Compliance
Audiences	Advantages and Disadvantages	Evaluation and Change Process

- Demand organization
- Staff
- Contractors
- Customers and service users
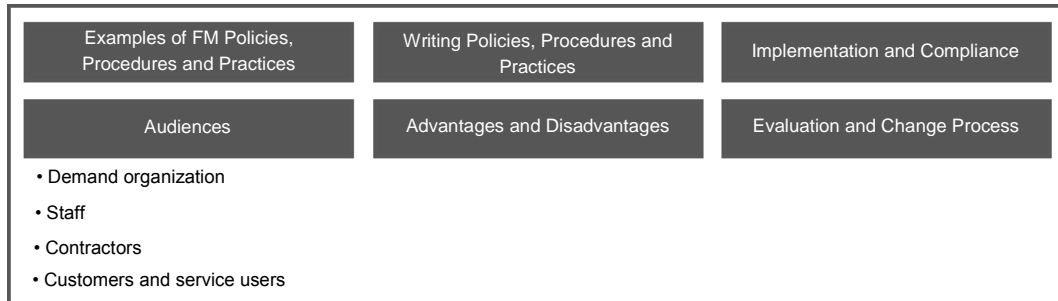
Exhibit 3-11: Developing, Implementing and Evaluating FM Policies, Procedures and Practices

Examples of FM Policies, Procedures and Practices
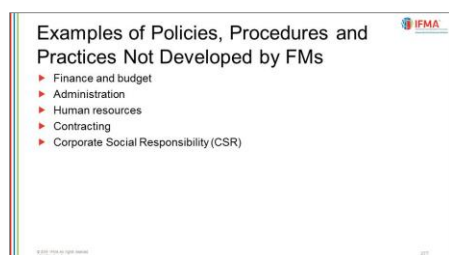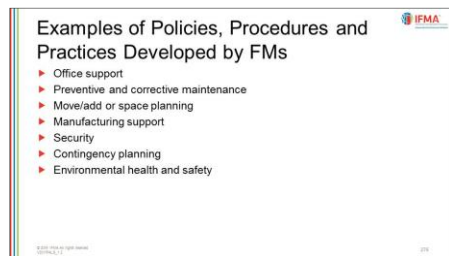
Facility managers do not develop policies and procedures for the demand organization, but they do have a role in influencing policy developers and offering expertise on policies, procedures, and practices related in the following categories.

- **Office support** — includes furniture ordering guidelines, minor relocation requests and complaint submissions.

- **Preventive and corrective maintenance** — includes HVAC maintenance, repair and maintenance of exterior building aspects and scheduled maintenance programs.

- **Move/add or space planning** — includes moving customers or occupants, planning new facility space and additions.

- **Manufacturing support** — includes use of ISO 9000 standards and particular bills of materials and part number designations.

- **Security** — includes physical security, building access, security guard management and parking.

- **Contingency planning** — includes disaster plan review and practice, emergency notifications and restoration priorities for buildings.

- **Environmental health and safety** — includes air quality, fire safety and occupational health and safety standards to follow.

Generally, facility managers do not develop the following types of policies or procedures, however; they may need to adopt those of the demand organization if they do not have their own.

- **Finance and budget** — includes handling of petty cash, discretionary and non-discretionary costs or type of budgeting method.

- **Administration** — includes meeting format and minutes, job descriptions, use of overnight package services and record retention.

- **Human resources** — includes disability access, nondiscriminatory hiring, performance appraisals and salary guidelines.

- **Contracting** — includes bid/tender requests, selection, standardized contracts, exception review and contract signing.

- **Corporate Social Responsibility (CSR)** — includes environmental stewardship objectives, carbon footprint reduction goals and sustainability goals.

Writing Policies, Procedures and Practices
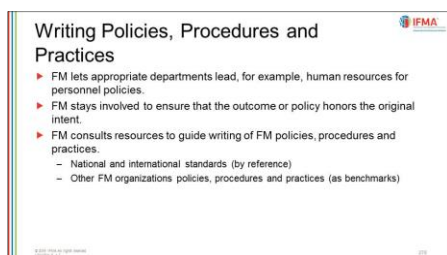
Facility managers work with human resources, the legal department, or the Corporate Policy Office when writing policies, procedures, and practices. Facility managers must stay involved in the process to ensure that policies, procedures, and practices are written as intended.

Facility managers can draw on examples of policies, procedures, and practices developed by other FM organizations to use as benchmarks. They can also reference national or international standards.

Implementation and Compliance

Writing policies, procedures and practices is a relatively straightforward process; however, implementing them and ensuring compliance are more difficult to accomplish.

Implementing policies, procedures and practices helps when they are easy to understand. Monitoring methods such as procedural audits, checklists, and tracking key performance indicators can ensure compliance.

For example, *Exhibit 3-12* shows an example of a cross-functional flowchart or "swim lane" tool for a customer request procedure. Each swim lane has vertical or horizontal boxes that clarify the responsibilities of each job position or team.
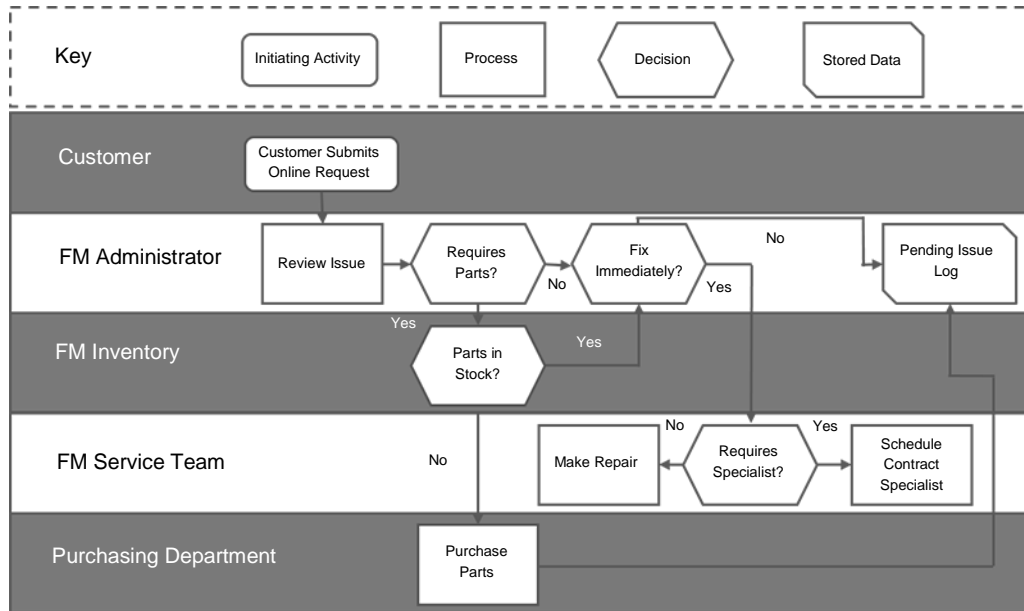
Exhibit 3-12: Cross-Functional (Swim Lane) Flowchart

Note: The swim lane for the Service Teams, shows it can contact a specialist contractor directly, if necessary.

A best practice for implementing procedures and practices is to use simple, clear checklists that list only those actions that prevent the most common errors. Short checklists are more likely to be considered useful. Requiring signoffs on checklists can enforce compliance.

When policies, procedures, and practices are useful, not overly restrictive, and supported by easy-to-use tools and techniques, enforcing compliance becomes more a matter of training and leadership than of management and control.

Audiences
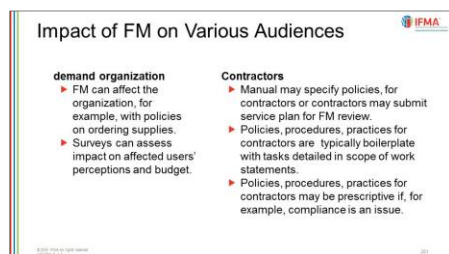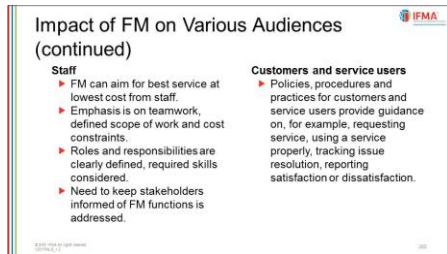
Audiences for FM policies, procedures and practices include the demand organization, staff and contractors.

Demand Organization

Many facility management policies, procedures and practices affect the demand organization. For example, if the FM organization sets a policy on how to order supplies or furniture, this policy affects how an employee can order additional paper or other office supplies or the type of desk or other furniture that managers can order for their staff. Facility managers use surveys and talk to the staff affected by such policies to ensure that the policies are succeeding both in end-user perceptions of service and in constraining costs within budget.

Staff

Policies, procedures and practices for staff are designed to enable the highest standard of service possible at the lowest cost. They stress teamwork and define the scope of services carefully to both ensure a minimum standard of work and to constrain costs and time. Roles and responsibilities are unambiguous and the required skill levels for services are considered. Policies, procedures and practices also address keeping stakeholders informed of ongoing FM functions that affect them.

Contractors

Policies, procedures, and practices that apply to contractors may be in a contractor manual, that can be referenced as a contract addendum. When contractors are asked to provide a service delivery plan or an equivalent, they state how they intend to operate. Then facility managers review and approve the contractor's proposed policies, procedures, and practices.

Required tasks and services are specified clearly in scope/statements of work, not in policy manuals or operating procedures and practices. However, policies, procedures, and

practices for contractors typically address boilerplate issues and general conduct rather than the specifics of tasks.

In certain circumstances, it may be appropriate to be prescriptive in the guidance or requirements given to contractors. For example, if a facility has highly visible environmental compliance requirements through an operating permit or an environmental regulatory agreement, the contractor may be given prescriptive policies, procedures, or practices to ensure that the facility remains compliant.

Customers and Service Users

Policies, procedures, and practices for customers and service users explain how to find out about available services, request a service, report a problem, effectively use a service, track an issue's resolution, and report satisfaction or dissatisfaction with services, service delivery, or facility staff.

Advantages and Disadvantages

FM policies, procedures, and practices have both advantages and disadvantages. When well written, they can help facility managers evaluate whether the guidance they are giving is effective or if it is causing unintended consequences.

Advantages and disadvantages of using FM policies, procedures and practices are outlined in *Exhibit 3-13*.

Exhibit 3-13: Advantages and Disadvantages of Policies, Procedures and Practices

Advantages	Disadvantages
Management tool — policies, procedures and practices are necessary management tools to enforce minimum standards.	**Management tool** — policies, procedures and practices are insufficient to get people to do quality work. Facility managers treat them as complementary to other controls and incentives.
Leadership tool — policies, procedures and practices can encourage desired behavior by providing best practices and tools. Leaders can show good judgment by taking the situation into account when deciding when or how to enforce policies, procedures and practices.	**Conflicts with job enrichment and empowerment** — if policies, procedures and practices specify how to do a task with too much rigidity, subordinates may feel more constrained and less empowered. Job satisfaction can be reduced.
Culture reinforcement — policies, procedures and practices often codify organizational culture by selecting one of many equally valid options.	**Conflicts in process and output procedures and practices** — when both processes and outputs are highly specified, even minor conflicts between these two sets

Advantages	Disadvantages
	of controls can create a dilemma for workers, who may need to decide which rules to follow. When subordinates pick and choose the rules they follow, managers have only the illusion of control.
Guidance for managers — policies, procedures and practices are a source of position power for managers and provide confidence when they are aligned with decisions.	**Reduced opportunities for continual improvement and customized service** — if work processes are rigid, workers may be unable to experiment with alternative approaches or provide customized service.
Consistency for customers — customers desire a predictable, consistent service experience and policies, procedures and practices can set minimum standards for service.	
Consistency for workers — policies, procedures and practices provide detailed work procedures so multiple shifts and work crews can be interchangeable.	
Legal defense for disciplinary actions — disciplinary actions can be formally justified if the party in question has violated specific policies, procedures and practices.	
Management of contractors — contract clauses may specify policy, procedure and practice compliance.	
Compliance with regulations — relevant laws or regulations can be codified into policies, procedures and practices and noted in compliance audits.	

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Evaluation and Change Process

FM leaders periodically assess the degree policies, procedures, and practices are working as intended or if they require revisions. They should be revisited to:

- Remove or revise outdated policies, procedures, or practices

- Reflect the impact of new laws, union agreements, regulations, or corporate policies

- Incorporate room for continual improvement

- Remove or revise rules that cannot be enforced

Periodic evaluation of existing policies, procedures, and practices is done to ensure that they are complete and appropriate. Evaluations may be done on a regular basis as well as after an audit, a complaint, a compliance issue, or a continual improvement suggestion. The evaluation may include quantitative quality measurements as well as qualitative information gathered from customers, staff, or contractors.

The change process begins with the formal approval process in which pre-screened changes are given a final review by the facility manager. If the organization has labor unions or work councils, contracts or collective bargaining agreements may specify required union representation and agreement on policy, procedures, or practice changes.

The necessary steps in the change process include:

- Getting formal sign-off by accountable parties

- Republishing manuals and/or updating online materials

- Creating visual guides or other policy implementation aids

- Informing staff/contractors of policy changes

- Instituting formal training as needed

Discussion Question

Which activity best lends itself to leadership rather than management skills?
A. Developing policies, procedures and practices
B. Implementing policies, procedures and practices
C. Evaluating policies, procedures and practices
D. Gaining support for policies, procedures and practices

Clarify and Communicate Responsibilities and Accountabilities

Lesson Introduction

On completion of this lesson, you will be able to:

- Describe the tools used in clarifying and communicating responsibilities and accountabilities for staff and contractors using proper job design and work coordination.

This lesson consists of the following topics:

- Level of Accountability
- Job Design and Job Description
- Work Coordination Tools and Techniques
- Individual Performance Evaluations

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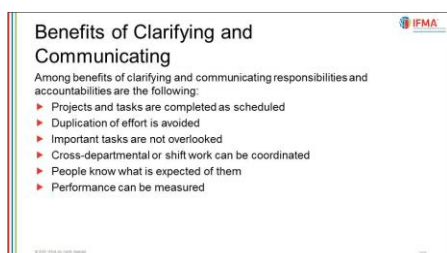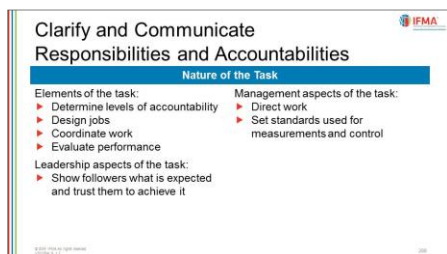
Clarifying and communicating responsibilities and accountabilities requires both leadership and management. It requires determining the appropriate level of accountability, designing jobs, coordinating work, and evaluating performance.

Directing work and setting a standard against which performance can be measured and controlled is a *management* task. Letting followers know what is expected of them and then letting them do it, a sign of trust and respect, is a *leadership* task.

If workers know what they need to do, they can resolve their own problems through empowerment.

Some of the benefits that can be achieved by clarifying and communicating responsibilities and accountabilities to individuals and teams include:

- Projects and tasks are completed as scheduled
- Redundancy or duplication of effort is avoided
- Important tasks are not overlooked
- Cross-departmental or shift work can be coordinated
- People know what is expected of them
- Performance can be measured

Exhibit 3-14 provides an overview of the subjects discussed in this topic.

> Note that team performance evaluations, addressed previously in the *Developing Effective Teams* lesson, are also an important component of clarifying and communicating responsibilities and accountabilities.
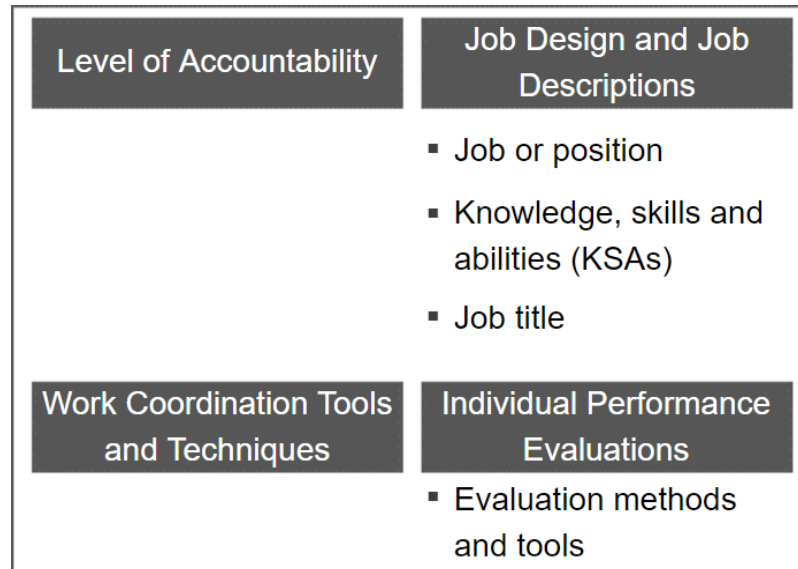
Exhibit 3-14: Clarifying and Communicating Responsibilities and Accountabilities

Level of Accountability

Facility managers assign a level of accountability to a job position or task based on where the job is on the organizational hierarchy or the importance of the task. When assigning accountability, facility managers determine workers' willingness to accept responsibility; their psychological maturity; their relevant knowledge, skills, and abilities; and their task maturity.

The following are examples of levels of accountability that could be defined and communicated to all parties:

1. **Research** — the worker researches the problem and provides facts to the manager, who decides how and if to proceed.

2. **Analysis** — the worker provides pros and cons for various alternatives; the manager decides how and if to proceed.

3. **Recommendation** — the worker provides analysis and recommends a solution to an issue; the manager provides review and approval.

4. **Decision** — the worker decides how to move forward but waits for management approval before acting.

5. **Act conditionally** — the worker decides what to do and does it, unless the manager says otherwise.

6. **Act and report** — the worker decides and acts and keeps the manager informed.

7. **Act and report on exceptions only** — the worker decides and acts and only communicates if obstacles hinder performance.

8. **Act** — the worker is fully delegated a task and need not communicate with management regarding its execution.

Use of a formal method of assigning accountability to job positions or tasks can help create a shared understanding of what is expected.

Job Design and Job Description

Job design is the process of determining which tasks are best accomplished by a particular job position. It considers:

- The responsibilities and accountabilities of the position

- The knowledge, skills and abilities (KSAs) needed to succeed in the position

- The position's relationship to other job positions

- The work arrangements that will enable the person, in the position, to be effective and motivated

Facility managers can reassess and redesign jobs to better link them to strategic goals. Other reasons for redesigning jobs are to accommodate changes in the FM organization's structure, the work environment, technology, and work processes.

Job design can be used to clarify job position descriptions so that employees clearly know what is and is not expected of them. If an occupied position requires redesign, facility managers can involve the affected person to improve the process and promote acceptance of the changes. If job design adds new responsibilities, additional training may be warranted.

Several basic strategies exist for designing or redesigning jobs. Job design strategies include the following:

- Job simplification — a scientific job design approach that emphasizes highly specified and directed work and is appropriate for routine tasks and workers with relatively low skills or confidence.

- Job enlargement — a horizontal loading of additional tasks, meaning that added tasks are similar in responsibility and effort.

- Job rotation — a horizontal loading of task variety accomplished by shifting workers from role to role, all similar in responsibility and effort. Job rotation provides cross-training opportunities.

- Job enrichment — a vertical loading of higher-order motivating factors into a job, including responsibility, freedom, growth opportunities, recognition and achievement.

Frederick Herzberg, who developed the Herzberg's motivation-hygiene theory, believes the intrinsic rewards of high-content jobs are a primary source of job satisfaction. He states that job enrichment is the most effective method to encourage job satisfaction. His theory states that job simplification, enlargement, or rotation are less likely to provide job satisfaction or motivation because they do nothing to add meaning to the work, but only add "meaningless" tasks.

Job enrichment can have an associated cost in terms of higher salary expectations. It may not be appropriate for every position depending on the expected psychological and task maturity of the person intended to fill the position. Instead, other methods can be used to determine which aspects of a job should be enriched. ne method is the job characteristics model.

The job characteristics model is a technique that can be used to customize a job to be both highly motivating and appropriate to the jobholder's skills and confidence level. The job characteristics model specifies that the following characteristics can be individually customized for a particular job:

The job characteristics model is a technique that can be used to customize a job to be both highly motivating and appropriate to the jobholder's skills and confidence level. The job characteristics model specifies that the following characteristics can be individually customized for a particular job:

- Skill variety — the number of different tasks a job involves, and the variety of skills and talents required of the worker.

- Task identity — measures whether the worker handles a portion of a task or a task from start to finish.

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- Task significance — measures how much the task matters to the FM organization, the demand organization or society.

- Autonomy — measures the control the worker has in setting schedules, choosing processes and making decisions.

- Feedback — measures the amount and timeliness of information provided to a worker relating how well a task is done.

Job design involves specifying the following information for a given job:

- Job or position description

- Knowledge, skills and abilities

- Job title

Job or Position Description

Job descriptions or position descriptions are detailed descriptions of what a person in a particular job does on a daily, weekly, monthly and annual basis. Criteria for a quality job description include:

- A role description that sets clear expectations

- Reasonable and specific work responsibilities that list all required tasks but leave room to assign unforeseen tasks

- Authority level and reporting line(s) to subordinate positions, if any

- Accountability level for tasks or subordinate work and reporting line(s) to specific superior position(s)

- Measurable requirements to be used as the basis for performance reviews

- Location of work and fair characterization of the actual working conditions

Some demand organizations create checklists to verify that a job description has the necessary elements of role, responsibility, authority and accountability.

Facility managers ensure the accuracy of job descriptions related to the FM organization. It is key that job descriptions give a proper overview of all aspects of the given role. If these are not clear and accurate, it will be difficult for the facility manager to hold staff accountable for duties that were not provided in their job description.

Job descriptions should indicate the intrinsic rewards of the job so a candidate can make an initial assessment of whether motivational factors such as responsibility and job content can be a personal source of job satisfaction.

Sample Job Descriptions

Job Title	Job Description
Executive Director, Operations, Maintenance & Utilities	An Executive Director to lead the Department of Operations & Maintenance is needed. This senior position is part of the division's leadership team and responsible for over 300 trades persons, project managers, utilities specialists, engineering technicians, contract managers, engineers and incident response specialists. The incumbent will oversee the development of the program and is responsible for the central cogeneration plant, electric and steam systems This role will also perform continuous strategic planning and visioning for the most effective and efficient future delivery of operations and maintenance products and services.
Director, Facility and Property Services	The Facility and Property Services Director reports to the General Manager of Infrastructure and Planning. The position provides direction and is actively involved in the provision of building operation and maintenance services, building construction and renovation, project management, and property management. The position is responsible for the oversight of Procurement Services for the City; long-term strategic planning related to land acquisition and disposal; and the planning of future facility needs including upgrades to satisfy the requirements of the City.
Facilities Engineer	The Facilities Engineer is a highly skilled individual who supports renovation and installation projects. Renovation projects include wet/dry research and laboratories, office spaces, and classrooms. Responsibilities also include equipment selection and installation. Specifically, this position works with a complex team of professional consultants. The position is required to work collaboratively and exercise good judgment when supporting the Director of Facilities and Space Planning. This position also works closely with the Director of Facilities performing design and construction review, renovations, relocations, furniture selection, installations, and move-ins. The person fulfilling this position may also have other related duties as assigned.

Job Title	Job Description
Workplace Experience Manager	The Manager of Workplace Experience is responsible for the design, development, and management of a Workplace Experience program across a global portfolio. The position is responsible for planning, developing, and implementing Workplace Experience deliverables using the Workplace Management Framework and oversees the execution of these deliverables in line with project plans. The position develops a workplace experience strategy for programs and projects and leads the Workplace Experience track. The position is responsible for identifying and applying Organizational Change Management methodologies to drive required change. This position has no formal supervisory responsibilities; however, it seeks input from all quarters, identifies the necessary resources including disciplines required to execute the change.

Knowledge, Skills and Abilities (KSAs)

KSAs include the minimum competencies an individual should have to give him or her a reasonable chance of being successful in a position. KSAs should be determined to ensure proper job design and job description specifications. Facility managers can consult with HR or people who perform similar work when deciding on minimum KSAs required for a specific job. The only elements listed are those decided by consensus to be absolutely necessary and difficult to learn quickly. Therefore, people skills and ability to work well in a team could be rated higher than technical skills because it is difficult to teach soft skills. However, some technical skills require advanced degrees or significant time to learn.

Job Title

Facility managers select job titles carefully to reflect the amount of authority and job content for a position. While job titles vary by FM organization, IFMA has researched and developed the following list of titles to indicate a position's amount of supervisory duties:

- **Professional/specialist** — no subordinates
- **Unit supervisor** — has subordinates, but none are supervisors
- **Section head** — has subordinates who are supervisors
- **Manager** — has subordinates who are supervisors
- **Director** — has subordinates who supervise other supervisors

Work Coordination Tools and Techniques
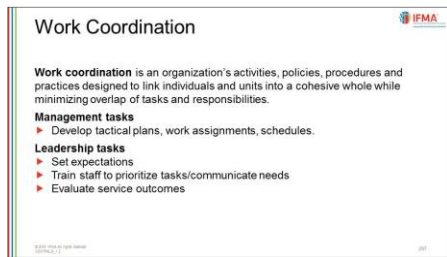
Work coordination — a demand organization's activities, policies, procedures and practices are designed to link the activities of its sub-units, teams and individuals into a cohesive whole, while minimizing the overlap of individual tasks and responsibilities.

The goal of work coordination is to organize how the FM organization is going to meet the needs of its customers and to turn plans into action. Work coordination is a "one-team" approach, meaning that the FM organization's success depends on every team members' contributions toward that success.

The management and leadership aspects of work coordination are like those of project management, except the coordination is ongoing and involves the full set of FM activities, including operations and maintenance and ongoing project work. Management tasks include generating tactical plans, work assignments, and schedules. Leadership tasks include setting expectations, training staff to prioritize tasks, communicating needs, and evaluating service outcomes.
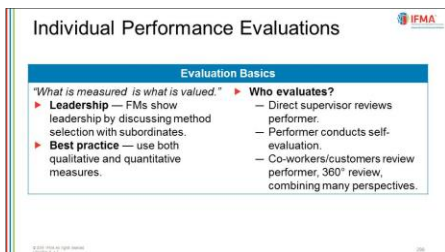
Tools and techniques for work coordination may include the following:

- **Making most tasks routine** — facility managers can avoid a reactive, crisis mode method of daily operations by emphasizing proactivity through prediction and prevention, by screening service requests for priority, by criticality, cost or complexity and by allotting part of each day for scheduled work and part for immediate service response. Timely reaction to the unexpected will always be needed.

- **Creating a work management center** — FM organizations typically have a central point of contact for customers that may include a reception desk, phone line and/or Web site where all customer requests and complaints are received, prioritized and

assigned in the form of work tickets or orders. Following service, the work management center records feedback and submits chargebacks. Job rotation can help reduce operator mental fatigue and help staff appreciate customer perspectives.

- **Using work coordination technology** — work coordination technology can enable the automated receipt of requests 24 hours a day and provide scheduling tools to coordinate multiple tasks and projects.

- **Implementing control procedures** — control procedures are designed to ensure that work and projects as a whole support the demand organization and do not conflict, for example, painting a wall just prior to its demolition.

- **Coordinating work across functional boundaries** — work coordination with other internal departments can make service delivery seamless. It requires leadership from facility managers to establish shared accountability with the other departments and to resolve conflicts.

Individual Performance Evaluations
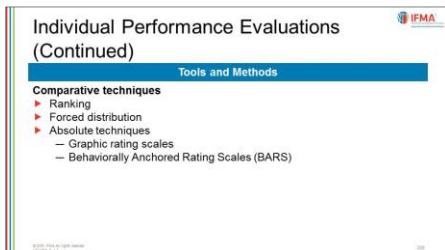
Facility managers and team leaders use individual performance evaluations to determine the degree to which subordinates have met their goals. If the employee's measurable performance goals are directly linked to the FM organization's strategic goals, performance evaluations are one way to measure the degree to which strategy is being successfully implemented.

Facility managers provide feedback to subordinates and encourage them to make corrections by supplying constructive criticism. Linking of performance appraisals to rewards and recognition or penalties also provides incentives for improvement. Staff are

more likely to perceive both recognition and constructive criticism of themselves and others as fair and warranted when both facility managers and staff know when they or others are underperforming, performing adequately, exceeding expectations or overreaching their authority.

Facility managers prepare for annual evaluations by reviewing prior evaluations for trends and assessing whether subordinates made corrections after prior feedback. While annual performance evaluations are necessary, a best practice is to combine them with other methods to provide more immediate feedback directly to workers so they can exercise self-correction.

Facility managers strive to be objective and unbiased in evaluations. One way to be objective and minimize bias is to carefully select the right evaluation tools and methods and use them consistently.

Evaluation Methods and Tools

A number of methods and tools exist for evaluating individuals. Facility managers can show leadership by discussing evaluation tool and method selection with subordinates to get buy-in. At a minimum, facility managers inform staff how they will be measured so they can succeed at what is being measured.

The performance management process is almost always defined by an HR department. Facility managers rarely create this on their own.

Note that what is measured is what is valued, so facility managers should carefully select measurements that will motivate desired behavior.

Regardless of the tools chosen, a best practice is to measure individuals based on a mix of both quantitative results measurements and qualitative assessments of behavior and character.

Evaluation tools can be comparative or absolute. Comparative methods rank individuals by their performance levels relative to the rest of the team. Absolute methods specify standards and assess individuals separately against these standards.

Comparative evaluation tools include the following:

- **Ranking** — for each performance category, managers rank staff/contractors from lowest to highest in performance. Ranking can be cumbersome in large teams or if there are many performance categories.

- **Forced distribution** — managers are given only so many "very good," "good," "average," rankings to hand out to all subordinates and must choose and use all rankings. The method is difficult if members are performing similarly, for example, all excellent.

Absolute evaluation tools include the following:

- **Graphic rating scales** — supervisors fill out a review form with a scale from worst to best for a number of high-performance categories, for example, teamwork, customer satisfaction or initiative. A main advantage of using graphic rating scales is their simplicity. Facility managers need to make a trade-off between standard forms that ease cross-comparisons and forms customized by job that allow results to be used in job analysis.

- **Behaviorally anchored rating scales (BARS)** — managers assemble a list of observable superior and inferior job behaviors for each role. The behaviors are specific examples that could be extended to show general character, such as, "Could be expected to give subordinates confidence and responsibility by delegating important tasks." Managers reduce the behaviors to those that provide differentiation and rank them. Use of behavior examples helps reviewers rank more reliably and helps guide meaningful feedback.

Facility managers can also decide who should perform evaluations. At a minimum, the direct supervisor conducts an evaluation, but self-evaluations may help some individuals to improve. The most thorough evaluations are 360° evaluations, which involve reviews by multiple co-workers and customers. Involving more people, especially customers, can increase evaluation time but is more likely to avoid measurement bias and can positively affect interrelationships between teams and customers because they have an additional communication outlet.

Discussion Question

Facility managers can choose among several valid performance evaluation methods. Which method may require more time but affords the best chance of reducing measurement bias and enhancing team relationships?
A. Self-evaluation
B. Evaluation by direct supervisor
C. 360° evaluation by co-workers and customers
D. Evaluation directly by facility manager

Resolve Conflicts

Lesson Introduction

On completion of this lesson, you will be able to:

- Identify best practices in resolving conflict through understanding root causes and using principled negotiation.

This lesson consists of the following topics:

- Discovering Conflicts
- Finding Root causes of Conflicts
- Negotiation Techniques
- Deciding When to Forward a Conflict

Conflicts occur due to misunderstandings or confusion about accountabilities, roles, responsibilities, and work quality. Conflict can occur between co-workers, organizational departments, superiors and subordinates, or the FM business unit and its customers and stakeholders. Facility managers who have developed trust with each party may be allowed to mediate the dispute. While facility managers may set themselves up as the official mediator through position power and policy, effective conflict resolution requires personal influence.

While a conflict can and sometimes should be resolved through official organization channels, the focus of this discussion is to resolve conflicts informally before they require escalation or damage future working relationships.

Some of the benefits that can be achieved by properly resolving conflicts include:

- Work relationships are effectively maintained and/or restored, not damaged to the point that they affect future work.
- The involved parties come to mutual agreement on the outcome and commit to the solution.

- Work can continue as scheduled with little or no future interruption.

- Resolutions are accepted as fair and workable.

Discovering Conflicts

In order to resolve conflict, the facility manager must recognize when conflict exists. Parties in a dispute do not always come forward with their issues, facility managers use observation techniques to discover that a problem exists, for example:

- Being sensitive to the mood and verbal/nonverbal cues of stakeholders

- Treating drops in performance levels as potential conflict red flags

- Having regular conversations with stakeholders

Finding Root Causes of Conflicts

Finding Root Causes of Conflicts (continued)

Individual-to-Individual Conflict	FM/Stakeholder Conflict
Conflicts between individuals may stem from: ► Conflicting interest for example, flaw in job design or policy. ► Organizational structure including, matrix two-boss problem. ► Uncertainty about one's future or role. ► Poor matchup of tasks/jobs versus skills sets or confidence. ► Cultural differences in a diverse workplace.	FM organization-to-stakeholder conflict may be caused by: ► Defensive reaction to customer complaints. ► Faulty facility management or demand organization culture. ► Greater misunderstanding due to diversity.

Once facility managers are aware of a conflict, they work to develop insight into each party's perspective. Identifying the root causes of the conflict allows solutions to address problems and not just symptoms.

Listening to and genuinely caring about other people's positions are the key tools for finding root causes of conflicts. As Stephen Covey relates in his *Seven Habits of Highly Effective People*, one should seek first to understand before attempting to be understood. In other words, facility managers diagnose before prescribing because people have no confidence in a proposed resolution if they do not trust that the mediator fully grasps the problem.

> Note that parties may state one reason as the cause of a conflict, but the true cause may be deeper. For example, a person may complain about a technical conflict with another person when the root cause is a personality issue. Facility managers who understand theories of behavior and are intuitive at reading nonverbal cues may be able to discern the difference between stated causes and root causes.

Individual-to-individual conflicts can occur for many reasons, including:

- Poor quality work or missed deadlines
- Individual or team behavior problems
- Poor leadership or management style
- Poor understanding of roles and responsibilities
- Conflicting interests, for example, flaw in job design or policy
- Organizational structure
- Persons being uncertain about their future or role
- Poor matchup of tasks/jobs versus skill sets or confidence
- Cultural differences in a diverse workplace

Note that cultural differences may involve mannerisms or habits that are considered accepted and effective in some cultures but may be offensive or misunderstood in other cultures. Facility managers should seek to understand these differences but should not allow cultural differences to influence the fairness of a resolution.

FM organization-to-stakeholder conflicts can occur for many reasons, including:

- Times of peak demand
- Downsizing
- Struggles over limited resources
- One-dimensional organization goals such as short-term profit
- Insufficient project or tactical planning
- Differing philosophies on management or leadership style
- Defensive reactions to customer complaints
- Faulty FM or demand organization culture
- Greater misunderstandings due to diversity

Poor communications and resulting misunderstandings about other people's positions is a cause of conflict that if combined with any of the above factors, escalates the problem considerably.

When determining the root cause of conflicts, facility managers may need to consider the following points:

- Constructive versus dysfunctional conflicts
- How to apply situational leadership
- Levels of conflict

Constructive versus Dysfunctional Conflicts

Facility managers who observe conflicts should differentiate between constructive and dysfunctional conflicts. Constructive conflict produces accord and useful results. Dysfunctional conflict causes discord and reduces performance. Rather than producing a climate that avoids all conflict, facility managers need to recognize that constructive conflict is necessary for change.

Constructive conflict qualities:	Dysfunctional conflict qualities:
• People state their positions respectfully and try to win consensus • People may criticize ideas, processes, or technical approaches but refrain from personal attacks on those who disagree • People rely more on facts and data than on opinion to support positions • People allow others to speak and actively listen to their points of view	• Generates unnecessary delays • Engenders poor decision making • Self-interested • Follows a win/lose philosophy • It can take many forms, including open hostility or passive-aggressive reactions to the other party

How to Apply Situational Leadership

Situational leadership was introduced previously as a method of varying leadership or management styles to suit the needs of the situation. Situational leadership applies equally to conflict resolution.

Attempting to write a policy on conflict resolution that advocates only one style of conflict resolution is likely to fail in many situations. Any one style, if used exclusively, can lead to problems. For example, always going to a superior can create a situation where the superior is overloaded with issues and may feel the subordinate cannot handle conflict. Always resolving problems in face-to-face meetings could result in parties avoiding reporting problems or having a meeting that creates more discord.

In conflict resolution, situational leadership may involve:

- Preventing conflicts by identifying potential conflicts and organizing to avoid them, for example, give project managers disciplinary position power.

- Allowing the parties to resolve a conflict themselves when this is likely to empower employees and lead to an acceptable outcome.

- Getting input from a superior.

- Face-to-face resolution.

Situational leadership may involve dealing with employees whose actions include the following modes of conflict resolution as developed by Blake and Mouton. Note that some of these may be detrimental in many situations.

- **Withdrawal** — parties do nothing to resolve the conflict and avoid situations that would reignite the conflict.

- **Smoothing** — parties emphasize areas of agreement and downplay areas of disagreement.

- **Compromising** — each party gives up on some things they want in order to arrive at a position neither necessarily likes but is willing to accept.

- **Forcing** — a negotiator makes a decision in favor of one party or absent arbitration, one party takes a win/lose hardline approach.

- **Confrontation** — parties confront the problem head on and work to resolve the disagreement.

Note that principled negotiation is not included as an option by Blake and Mouton. Principled negotiation is discussed later in this topic.
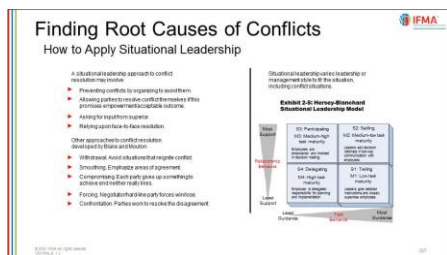
Levels of Conflict

Classifying the seriousness of a conflict involves weighing two factors:

- Intensity level of the conflict — intensity level is the likelihood of the problem to disrupt task performance or team relationships.

- Difficulty level in resolution — difficulty level is the relative ability of the facility manager/team leader/individuals to create a lasting solution.

In general, scheduling, priority and resource conflicts tend to have a high intensity level but are fairly straightforward to resolve for someone with management experience. Technical conflicts tend to be of moderate intensity and moderate difficulty level in resolution. Personality conflicts are often lower in intensity but are usually high in difficulty of resolution.

Discussion Question

Two factors contribute to the seriousness of a conflict: intensity and difficulty to resolve. Which of the following conflicts would likely be low in intensity but high in difficulty?
A. Scheduling conflict
B. Conflict about resources
C. Technical conflict
D. Personality conflict

Negotiation Techniques

Negotiation Techniques

Position-Based Negotiation	Principle-Based Negotiation
The negotiating parties may take one of two approaches: ▶ **Soft negotiations** — To reach agreement, one party agrees to adopt the other party's position as the solution. — This "soft" stand yields agreement but may leave the conceding party bitter.	Fisher and Ury's alternative focuses on principles or interests, not positions: ▶ Agreements should satisfy the long-term interests of both parties. ▶ The process should be efficient. ▶ The process should maintain or increase a positive relationship between the parties.

Position-Based Negotiation	Principle-Based Negotiation
The negotiating parties may take one of two approaches: ▶ **Hard negotiations** — Negotiating parties seek a win for their side and a defeat for the other. — Both parties use aggressive techniques such as threats and pressures. — They may alienate each other in the process of reaching an agreement that fails over time.	How it works: ▶ Separate the people from the problem. ▶ Focus on interests, not positions. ▶ Invent options for mutual gain. ▶ Insist on use of objective criteria.

When situational leadership calls for conflicts to be resolved through negotiation, the facility manager and the involved parties could take one of the following tactics:

- **Soft negotiations** — parties that adopt a soft negotiation technique, value agreement and avoid contest of will to the extent that they disclose their bottom line. They are willing to change their position or accept a one-sided agreement that involves concessions only on their part. They reach an agreement but may feel bitter and exploited.

- **Hard negotiations** — parties adopting the opposite hard negotiation technique see other parties as adversaries to be defeated, so they insist on their position and demand concessions without giving any in return. Each party uses threats and pressure and misleads the other party. They reach an agreement but may alienate the other party, failing in the long term.

Neither of these positions is a win/win position, Fisher and Ury of the Harvard Negotiation Project propose an alternative negotiation technique. They define soft and hard negotiations as positional-based tactics, meaning that each party successively takes and

gives up various positions that indicate what the party wants or appears to want while deceiving the other party.

When in a unionized setting, facility managers must use a different style of negotiation, collective bargaining:

- **Collective bargaining** — a process in which employees, through formal representation, such as unions or guild, negotiate contracts with their employer. This allows the terms of employment to be clearly defined. This includes pay, benefits, hours, leave, job health and safety policies, work-life balance and more. This process is about creating labor peace and maintaining a reasonable standard of living, thus becoming an integral part of resolving conflicts when working with unions.

Fisher and Ury state that though these techniques may succeed at reaching an agreement, they do not meet several criteria for long-term gain:

- If agreement can be reached, the result should meet the true needs of both parties as much as possible and should be long lasting, fair and in the interests of the community.
- The negotiation process should arrive at a solution efficiently.
- The negotiation process should maintain or increase a positive relationship between parties.

Since position-based negotiation fails these criteria, the Harvard Negotiation Project developed the technique of principled negotiations. Principled negotiation is an interest-based bargaining style based on several premises:

1. Separate the people from the problem
2. Focus on interests, not positions
3. Invent options for mutual gain
4. Insist on use of objective criteria

Parties that adopt principled negotiation see themselves as problem solvers rather than friends or adversaries, meaning that they uphold the criteria for long-term gain mentioned previously as the goal in negotiations. They start by taking people and emotions out of the equation and attack the problem rather than each other.

When people establish positions, their egos promote defending the position. The second change is to avoid taking positions at all and instead seek to generate mutual understanding of each party's interests. Rather than focusing on making offers or threats, disclosing or concealing a bottom line, they identify interests and do not take a bottom line at all.

Inventing options for mutual gain means that principled negotiators put little value in compromise under the premise that pressure to reach an agreement can result in poor decisions. They establish a time period in which to come to an agreement without pressure and use the time to devise as many alternatives as possible to satisfy both parties' interests.

Principled negotiators insist on the use of objective criteria, meaning that the terms of a decision be based on something other than either party's opinion. A reasonable standard for the agreement must be decided upon, for example, the law, fair market value, moral standards organizational culture or expert opinion. This turns the discussion from the position to a discussion regarding what a fair standard for the agreement would be.

Deciding When to Forward a Conflict
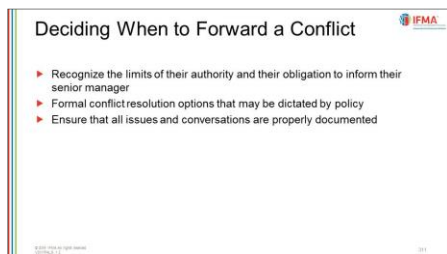
When conflict resolutions fail or if the intensity and difficulty level of a conflict is too great, facility managers recognize the limits of their authority and their obligation to inform their senior manager, HR or legal departments as dictated by policy. Other formal conflict resolution options that may be dictated by policy include escalating an issue to two managers at the same level, using third-party arbitration or resorting to litigation. When formal conflict resolution is required, facility managers ensure that all issues and conversations are properly documented.

Lesson Activity

Resolving Conflict

Read the following scenario. You will be given further instruction for this activity from your instructor.

Conflict Reflection

At Ethos Worldwide, the janitorial staff is split between union and non-union team members, as well as in-house and outsourced staff. The job assignments and roles of the janitorial staff are split by shift. Often, the communication for in-house and outsourced staff takes place separately. This can sometimes cause confusion regarding job assignment and coordination of roles. A conflict arises regarding a task that was not completed, and which shift is responsible for completing the work. *How would you work to resolve this conflict?*

Debrief

Activity Sample Answer:

Meet with representatives from the union, and non-union staff. Be sure to include someone from each shift. Ask that they take turns explaining the situation. Ask that everyone be allowed to speak without criticism. Ask them to participate in 1) better clarifying roles and responsibilities and 2) in suggesting ways to better coordinate work across shifts and teams.

Key Findings

- Jobs and roles not clearly defined
- Communication was poor and inconsistent between groups
- Conflicts were caused because work was not completed

Other methods that can be used to resolve this conflict

- Put monthly communication schedules in place
- Put measures in place to monitor the performance of the work being done and show this in a location where the public can see it
- Teach floor managers supervisory skills, negotiation skills and conflict management skills etc.

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Chapter Summary

Chapter Summary

Now that you have completed this chapter, you should be able to:

✓ Outline the individual roles within teams.
✓ Apply best practices and management principles to maintain team performance.
✓ Identify the methods used to create a strong organizational structure and teams for the FM function.
✓ Outline the facility manager's role in developing and supporting robust FM policies, procedures, and practices that effectively support the demand organization.

Chapter Summary (continued)

Now that you have completed this chapter, you should be able to:

✓ Describe the tools used in clarifying and communicating responsibilities and accountabilities for staff and contractors using proper job design and work coordination.
✓ Identify best practices in resolving conflict through understanding root causes and using principled negotiation.

Progress Check Questions

1. According to Tuckman's team life-cycle model, in what stage does a team form factions and test their boundaries with their superior?

    a. Forming
    b. Storming
    c. Norming
    d. Performing

2. What is NOT a characteristic of a high performing team?

    a. Understanding their roles clearly
    b. Having a clear vision of individual and team goals
    c. Prioritizing based on goals
    d. Working well independently

3. What should be considered when scheduling and assigning work?

    a. Assign workers with more skills the bulk of the work
    b. Balance work assignments between workers
    c. Assign workers more eager to do specific tasks first
    d. Worker qualifications are not important to scheduling

4. What guides the timing and selection of processes and standards?

    a. Policies
    b. Procedures
    c. Practices
    d. Codes of conduct

5. According to Herzberg, which of the following job design strategies is the most likely to increase job satisfaction?

    a. Job simplification
    b. Job enlargement
    c. Job rotation
    d. Job enrichment

6. What is NOT a benefit to properly resolving conflict?

   a. Maintaining or restoring working relationships
   b. Agreeing on outcomes to the solution
   c. Interrupting and rescheduling work
   d. Accepting resolutions are fair and workable

7. What is NOT an observation technique used to discover if a problem exists?

   a. Being sensitive to the mood and verbal/nonverbal cues of stakeholders.
   b. Treating drops in performance levels as potential conflict red flags.
   c. Weekly meetings inquiring if there are any conflicts.
   d. Having regular conversations with stakeholders.

8. What is less likely to contribute to individual-to-individual conflicts?

   a. Poor quality work or missed deadlines
   b. Poor leadership or management style
   c. Poor understanding of roles and responsibilities.
   d. Poor communication with managers

9. What is NOT a quality of constructive conflict?

   a. People state their positions respectfully and try to win consensus.
   b. People may criticize ideas, processes or technical approaches but refrain from personal attacks on those who disagree.
   c. People rely more on opinions to support positions.
   d. People allow others to speak and actively listen to these points of view.

10. What is NOT a Negotiation Technique?

    a. Soft negotiation
    b. Hard negotiations
    c. Collective bargaining
    d. Biased negotiations

Chapter 4: Influence the Demand Organization
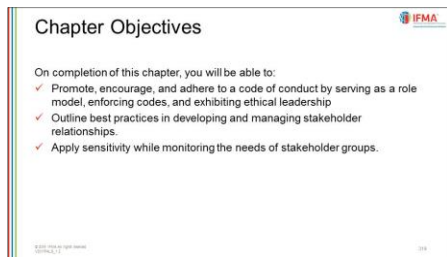
Chapter Introduction

On completion of this chapter, you will be able to:

- Promote, encourage, and adhere to a code of conduct by serving as a role model, enforcing codes, and exhibiting ethical leadership
- Outline best practices in developing and managing stakeholder relationships.
- Apply sensitivity while monitoring the needs of stakeholder groups.

Lessons

- Promote, Encourage and Adhere to a Code of Conduct
- Develop and Manage/Oversee Relationships
- Understand and Manage Compliance

Promote, Encourage and Adhere to a Code of Conduct

Lesson Introduction

On completion of this lesson, you will be able to:

- Promote, encourage, and adhere to a code of conduct by serving as a role model, enforcing codes, and exhibiting ethical leadership

This lesson consists of the following topics:

- Codes of Conduct

- Enforcement

- Ethical Leadership

- IFMA Code of Ethics

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Facility managers lead the FM organization by promoting, encouraging, and adhering to a code of conduct. While facility managers use their management authority to enforce a code of conduct within the FM organization, they need leadership skills to influence all stakeholders. A facility manager's behavior can be a positive or negative influence on staff, contractors, peers, clients, or other mangers. Facility managers conduct themselves with integrity to ensure influence is positive. The IFMA Code of Ethics at the end of this topic is an example of the components common to many codes.

Some of the benefits achieved when a facility manager promotes, encourages, and adheres to a code of conduct include:

- Becoming the champion of ethical and responsible behaviors

- Serving as a role model for others in the demand organization

- Presenting recommendations and suggestions in the best interest of the demand organization, employees, and the community, but not to advance personal motives

- Encouraging a work environment recognizing cultural differences and individual sensitivities so that everyone feels safe at work

Codes of Conduct

Codes of conduct, business principles, codes of ethics, or organization ethics statements have open guidelines describing advisable behavior. They include requirements, written in plain language, prohibiting other behaviors such as bribery and conflict of interest.

Ethical leadership is "the demonstration of normatively appropriate conduct, ethics that seek to set norms or standards for conduct, through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision-making" (Brown, Trevino, & Harrison, 2005, p. 120). An example of normatively appropriate conduct is giving to charity may be good, but it is not ethically mandatory.

It takes great personal integrity and being a role model to influence others to be conscious of ethical behavior.[2] Without a formal code of conduct, it is hard to convince employees to take ethics seriously.

---

[2] Codes of conduct or ethics statements are lists of rules related to employee and contractor behavior. They lay out ethical standards and consequences for those who violate them. They also promote:

- Professionalism
    - Work performance
    - Personal integrity
- Excellence in customer service
- Harmony and collaboration
- Safety and security
- Respect for persons and property
- Wise use of assets
- Compliance with laws and organizational policy, procedure and practice
- Standards of attendance
- Confidentiality
- Consistency

Codes of conduct or ethics statements serve as general guidelines for employee and contractor behavior in order to promote:

- Professionalism
    - Work performance
    - Personal integrity
- Excellence in customer service
- Harmony and collaboration
- Safety and security
- Respect for persons and property
- Wise use of assets
- Compliance with laws and organizational policy, procedure and practice
- Standards of attendance
- Confidentiality
- Consistency

Most organizations develop their own code of conduct for employees and contractors. Some organizations produce a brief set of principles, which are fundamental doctrines or assumptions that set general expectation. Alternately, some organizations produce specific rules written in detail to avoid exceptions.

A code of conduct may be a single document or a set of individual codes/policies. An example of this type of policy is a gifts policy or a hospitality policy. An organization doing business in multiple countries may vary its code of conduct to reflect regional and cultural values.

When facility managers design FM codes of conduct, they ensure the codes are compatible with the demand organization's codes, are enforceable, and are not redundant. The facility manager also should ensure FM codes match the demand organization's tone or level of strictness. FM codes may refer to items in the demand organization's codes.

Most organizations have a specified ethics officer and/or ombudsperson with clear responsibilities and reporting guidelines about the codes of conduct. The facility manager might be the person in that role.

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Exhibit 4-1: What Should You Do?

What Should You Do?

What should you do if you see something unethical?
 	
• Make sure you have the facts
    - Your first step depends on the facts you gather.
 	
• Report it to the right person
    - If you believe an employee is doing something illegal or unethical, bring it to your manager's attention first.

In an article written for Harvard Business Review, Tomas Chamorro-Premuzic, states, "to help individuals prone to deception, these tips are suggested:"

1. **Engage the Employees** — help the employees feel respected and ensure they understand they have purpose and value. Alienation and distance lead to antagonistic feelings and behavior.

2. **Improve workplace culture** — employees are less likely to engage in unethical behavior in an environment when valued and respected, and where the organization expects everyone to be selfless in their associations with others.

3. **Reduce temptation** — employees are less likely to engage in deception with processes and procedures in place. Facility managers reduce situations where FM employees can be unethical by limiting their access only to information and tools they need to do their jobs.

4. **Set an example** — if you take a high moral position employees see, they more readily follow the standard.

5. **Surround the employee with ethical coworkers** — if you know an employee struggles with ethics, then team that individual with employees who motivate ethical behavior. Peer influence has a great effect.

6. **Provide ethics training** — ethics training should take place on an ongoing basis. It could be your employees need educating to understand corporate expectations.

Enforcement

Enforcement of codes of conduct may lead to violators being reprimanded and/or terminated. In addition to outlining rights, duties, principles, fairness, and honor, codes of conduct state the benefits of compliance and the consequences of failure to comply.

The organization enforces ethical codes through management control and leadership influence. Management control includes general oversight and other procedures/methods, such as a confidential whistle-blower hot line. Ideally, management control requires all new employees to read the code and sign a statement attesting they know the code and agree to abide by it. Leadership influence takes the form of ethical leadership. Further discussion on this is next.

Ethical Leadership

Ethical leadership requires strong commitment on the part of all executives and managers. It is the most effective way to motivate organizations to embrace codes of conduct.

Employees follow what leadership does. Without a strong commitment to ethics, leaders may not provide the best form of ethical behavior. Therefore, leaders should incorporate principles of ethics into their behavior and characters, and into their decisions, goals, and daily interactions.

Facility managers, who practice ethical leadership, support the demand organization's code of conduct standards on ethics. Facility managers also promote ethical leadership by recognizing when an issue or situation has an ethical impact. Discussion of how to assess the ethical impact of decision continues next.

Assessing Ethical Impact of Decisions

When assessing the ethical impact of decisions, facility managers might integrate their own values with those of the demand organizations and societal values. They may find most ethical issues affect two levels of interaction simultaneously. They are:

- Personal impact — Relates to consequences and how a choice affects a person's conscience.

- Interpersonal impact — Relates to how a choice affects or is regarded by others.

Therefore, when assessing the ethical impact of decisions, facility manager not only integrate their own values but also their demand organization and societal values

IFMA Code of Ethics

The IFMA Code of Ethics

Description: Statements concerning behaviors, perceptions and actions of all members that relate to ethical compliance while acting within all areas of IFMA. This document is a guideline and does not represent the entire breadth of what constitutes good conduct and ethical behavior.

Purpose: To clearly set expectations so individuals will know how to act ethically at all times. The code is designed to foster trust and mutual respect among those working in IFMA and the facility management profession.

Governing Authorities: IFMA's Constitution and Bylaws.

The IFMA Code of Ethics (continued)

Scope:
- This policy covers all volunteer leaders within IFMA. It also covers individual member's behaviors when acting in any capacity of IFMA membership. Individuals applying for and being accepted for membership in IFMA implicitly agree to abide by the rules and regulations that govern the Association, which include these Code of Ethics statements.
- Members are expected to comply with any and all similar standards and ethical guidelines that are prescribed by their employer.
- These statements work in concert with the IFMA Standards of Business Conduct that are focused on the business operation functions within IFMA.
- Member expulsion from IFMA is only approved by the Board of Directors.

The IFMA Code of Ethics (continued)

Purpose: All IFMA members are expected to comply with the IFMA Code of Ethics. When in doubt, members have the responsibility to seek clarification from IFMA.

Professionalism
- IFMA members shall treat each other with respect when dealing with matters that could affect their professional reputations. All members shall recognize that the profession will be judged by the conduct of individual members.
- IFMA members shall use IFMA membership as a means of professional development for themselves and not personal aggrandizement.

The IFMA Code of Ethics, required reading for all IFMA members, is a good reference for facility managers. *Exhibit 4-2* reproduces the IFMA Code of Ethics verbatim from the IFMA website as of June 2014.

Note:

This exhibit is an example of a code of ethics. It is not meant to imply facility managers should adopt this code for their FM organizations. The IFMA Code is for IFMA members and does not include some elements found in employee/contractor codes of conduct.

Exhibit 4-2: IFMA Code of Ethics

IFMA Code of Ethics
Description: Statements concerning behaviors, perceptions and actions of all members that relate to ethical compliance while acting within all areas of IFMA. This document is a guideline and does not represent the entire breadth of what constitutes good conduct and ethical behavior.
Purpose: To clearly set expectations so individuals know how to act ethically at all times. The code is designed to foster trust and mutual respect among those working in IFMA and the facility management profession.
Governing Authorities: IFMA's Constitution and Bylaws
Scope: - This policy covers all volunteer leaders within IFMA. It also covers individual member's behaviors when acting in any capacity of IFMA membership. Individuals applying for and being accepted for membership in IFMA implicitly agree to abide by the rules and regulations that govern the Association, which include these Code of Ethics statements.   - Members are expected to comply with any and all similar standards and ethical guidelines that are prescribed by their employer.   - These statements work in concert with the IFMA Standards of Business Conduct that are focused on the business operation functions within IFMA.   - Member expulsion from IFMA is only approved by the Board of Directors.
Purpose: All IFMA members are expected to comply with the IFMA Code of Ethics. When in doubt, members have the responsibility to seek clarification from IFMA.

IFMA Code of Ethics

Professionalism

- IFMA members shall treat each other with respect when dealing with matters that could affect their professional reputations. All members shall recognize that the conduct of individual members will judge the profession.
- IFMA members shall use IFMA membership as a means of professional development for themselves and not personal aggrandizement.

Confidentiality

- IFMA members shall not disclose, directly or indirectly, any confidential information relating to IFMA business, staff or other IFMA members.
- IFMA members shall be encouraged to share (within bounds of confidentiality and proprietary) educational and professional development information to the membership.
- IFMA members shall maintain the highest professional standards and ethical behavior in their Association relationships. This includes, but is not limited to, the use of mail lists, membership information and membership resources or any calls, contacts or working relationships outside of IFMA.

Conflicts of Interest

- Promptly disclose any known conflict of interest to related parties and use any reasonable means to resolve such conflicts.
- IFMA members shall not buy or sell products or services at IFMA functions, except at trade shows or displays established for that purpose.

Compliance with Laws

- IFMA members shall not discriminate because of race, sex, creed, age, disability or national origin as it relates to their Association relationships.
- Recognize and discharge my responsibility and that of my Association to uphold all laws and regulations relating to IFMA activities.

Responsibility to the Profession

- IFMA members shall abide by the Constitution and Bylaws of the Association and shall support the objectives of its strategic plan and show respect in interactions with the interests of the Association.
- IFMA members shall not engage in professional malfeasance, nor shall they make any misrepresentation concerning professional designations authorized by IFMA, nor shall any member misrepresent their educational qualifications, credentials or working experience.

Protection of Assets

- Individuals who oversee Association assets shall apply the best available knowledge and

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IFMA Code of Ethics
techniques to preserve asset value and integrity.

Fair Dealing

- IFMA members shall endeavor to deal fairly with other members, competitors, vendors and employees. No member shall take unfair advantage of anyone through manipulation, concealment, misrepresentation or material facts or any other unfair dealing practice.

Reporting of any Illegal or Unethical Behavior

- IFMA members are responsible to report the actions of individuals or companies considered contrary to the Code of Ethics to IFMA.

IFMA shall follow standard procedures for the enforcement of this Code as approved by the IFMA Board of Directors.

Lesson Activity

Ethical Approach to a Moral Dilemma within FM

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Scenario two

Ethical Dilemma Scenario two

You received a cash holiday gift from a construction manager contracted to work on upgrades for your facility. Your company's code of ethics prohibits receiving gifts (cash, gift cards, etc.) from vendors or contractors. You consider keeping the gift; however, this does not feel like the proper action to take. Therefore, you report the cash you received to your manager. Then, the money pays for an office pizza-party.

While there are many types of ethical and unethical dilemmas you might face as a facility manager. Here are two different scenarios.

Once you have read each scenario, review the discussion points.

Ethical Dilemma Scenario one

> You are an employee in the facility management department of a multinational demand organization, which manages health centers in a developing country. The company boasts of its partnership with developing countries.
>
> Recently, the national newspaper in the developing country published many articles criticizing the company. These articles stated the pay and working conditions of employees could be considered exploitative. The newspaper also criticized the arrangements made between the company and the country's government for the repatriation of profits.
>
> The newspaper was correct in its assumptions, which indicated someone within the company fed them information. However, the company has rules prohibiting employees from disclosing information to unauthorized persons. The rules also prohibit contact with media except by authorized officers.
>
> It comes to your attention a member of your department is the one at fault. The employee learns you are aware of violation of the rules. The employee asks you to keep it a secret because knowledge of it by management would lead to the employee's termination.

Ethical Dilemma Scenario two

> You received a cash holiday gift from a construction manager contracted to work on upgrades for your facility. Your company's code of ethics prohibits receiving gifts (cash, gift cards, etc.) from vendors or contractors. You consider keeping the gift; however, this does not feel like the proper action to take. Therefore, you report the cash you received to your manager. Then, the money pays for an office pizza-party.

Discussion Question

What exemplifies the creation of an ethical FM culture by leadership, rather than by exercise of position of power alone?
A. Explaining to staff why an unpopular management decision was required by the code of conduct.
B. Installing a "good conduct box" where staff can report ethical lapses.
C. Looking the other way when productive staff members violate the code of conduct for business reasons.
D. Requiring new staff to read the code of conduct.

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Develop and Manage/Oversee Relationships

Lesson Introduction

On completion of this lesson, you will be able to:

- Outline best practices in developing and managing stakeholder relationships.
- Apply sensitivity while monitoring the needs of stakeholder groups.

This lesson consists of the following topic:

- Relationship Management

For facility managers, stakeholders include:

Customers — Customers have high expectations regarding the usefulness, cleanliness, and environmental quality of facilities. However, they may not think consciously about facilities unless there is a problem. Customers may include tenants, occupants, employees, contractors, visitors, and other building users.

Internal stakeholders — Internal stakeholders focus on economic gain, sustainability, growth of production, and their facility's needs. Internal stakeholders may include executives, boards of directors, individual departments or business units, employees, shareholders, labor unions, work councils, and landlords.

Suppliers and partners — Suppliers and partners focus on economic gain and long-term relationship building. Suppliers and partners include vendors, food service, janitorial, telecommunications, and professional services (e.g., architects, engineers, movers, and transportation and delivery services).

Indirect stakeholders — have expectations about organizational growth and profit, and environmental and social impact. Indirect stakeholders may include the community, government inspectors, and utility suppliers.

Facility managers develop and manage relationships with these stakeholders by treating each interaction as a long-term investment in FM and the demand organization. In addition, facility managers strive to identify and balance stakeholder objectives and constraints and determine mutually beneficial solutions.

Some of the long-term benefits facility managers achieve by developing and managing/overseeing relationships include:

- The FM organization's needs receive consideration during development of plans or policies.
- The impact on occupants, service providers, and facility personnel plays a significant role during budget development or during the decision process about what services to offer.
- The FM organization's needs receive consideration during development of plans or policies.
- The FM personnel and service providers gain prompt access to information during the decision-making process. This gives them time to develop a strategy to influence those decisions.
- Political factors are recognized and understood.

Relationship Management

Relationship management is the process of communicating with stakeholders to discover their needs, objectives, character, and constraints as a basis for creating long-term, mutually beneficial solutions.

The goals of relationship management include:

- Aligning with internal and external stakeholder needs.

- Seeing the big picture and contributing to the demand organization's goals.

- Increasing supply chain integration or partnerships for mutual gain.

- Creating loyalty and trust.

- Managing delivery of products and services.

- Verifying and improving quality.
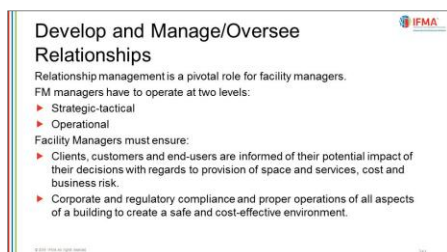
Relationship management can be political, which refers to the process of sharing power by allowing stakeholders to have a degree of influence on decision making. This requires building personal relationships and seeking common ground with each stakeholder. Small courtesies such as remembering names, caring about others, and dealing fairly are basic skills enabling facility managers to excel at the political aspects of relationship management.

Facility managers exercise leadership skills when they develop active relationships with internal and external stakeholders.

Relationship management plays a pivotal role for facility managers, particularly for those individuals in senior positions. As the discipline of FM evolves, facility managers operate at strategic and tactical (operational) levels. An explanation of these levels follows.

At the strategic level, facility managers inform stakeholders about the potential impact of their decisions on the provision of space, services, cost, and business risk. At the tactical level, facility managers ensure corporate and regulatory compliance takes place. In addition, facility managers ensure proper facility operation to create the best safe and cost-effective environment in which the occupants can function. To achieve this, facility managers use their network of suppliers, contractors, staff, and environmental experts to create value-added solutions.

Managing stakeholder relationships requires the facility manager to develop sensitivity to stakeholder needs and expectations. Facility managers do this by asking themselves questions such as "What would I be doing if I were in this stakeholder's place?"

Facility managers exercise leadership skills when they develop active relationships with internal and external stakeholders.

Exhibit 4-3 depicts the types of relationship management discussed in the balance of this topic.

Customer Relationship Management	Internal Stakeholder Relationship Management	Supplier Relationship Management	Indirect Stakeholder Relationship Management
• Managing expectations and perceptions • Error recovery • FM issues that increase difficulty of customer-service orientation	• Establish/maintain long-term relationships	• Benefits and risks of closer relationships with suppliers	• Public relationship management

Exhibit 4-3: Types of Relationship Management

Customer Relationship Management

The key leadership tasks of customer relationship management are to manage customer expectations and perceptions, handle error recovery, and deal with customer service issues.

Managing Stakeholder Expectations and Perceptions

Stakeholder perceptions and expectations not only involve getting polite and respectful service delivery, but they also involve meeting each stakeholder's definition of quality of the work.

Facility managers promote a value proposition to guide stakeholder expectations and perceptions. This includes:

- **Purpose** — the purpose of FM organization's services is clearly expressed so that stakeholders can evaluate them.

- **Necessity** — facility managers market the necessity of their building operations services.

- **Importance** — facility managers link the necessity of services to stakeholder perceptions.

- **Results** — facility managers strive to understand what stakeholders believe the outcome of services should be. As a result of doing this, the FM can address their expectations.

- **Costs** — facility managers evaluate whether they are cost-competitive with the outside FM market. They convey the results to their stakeholders. They evaluate how sensitive their stakeholders are to cost. They do this because some stakeholders value only lowest cost, while others are willing to accept higher cost in return for higher service, custom services, and fast turnaround.

Exhibit 4-4: Applying Customer Service Techniques

Facility managers can apply customer service techniques to manage expectations and perceptions by:
Approaching, addressing, and leaving every stakeholder encounter as if that stakeholder's concerns are the highest priority for FM.
Under-promising and over-delivering to customers so that stakeholder perceptions and expectations are consistently exceeded. However, overuse of this tactic could damage the credibility of FM. Therefore, information given to the stakeholder should always be as correct as possible.
Distributing regular customer satisfaction surveys and ensuring results are analyzed and acted upon by providing feedback to survey providers.
Coordinating with other business functions.

Initiating Error Recovery

The goal of error recovery is to reduce the negative effects of the error. In general, stakeholders detect errors at once because of real time service delivery. Therefore, having customer service techniques or procedures in place help facility managers engage in the proper error recovery.

Following error recovery procedures leads to and increases stakeholder satisfaction. One procedure is to explain the error, apologize, and repair the error as quickly as possible.

Addressing Customer Service Orientation Challenges

Good customer service by FM service providers is a long-term commitment to stakeholders, whether service providers are internal or external to the demand organization.

However, FM service providers may have difficulty providing customer service and developing relationships with clients in a highly bureaucratized organization. A bureaucratic environment tends to limit employee response to stakeholders because employees may not have the authority to resolve a problem. Issues tend to be escalated for resolution. Facility managers should determine the best way to work within this system to provide good service to their stakeholders.

Internal Stakeholder Relationship Management

Stakeholder management is the process of forming and managing relationships with stakeholders who have an interest in FM services or who are affected by its deliverables or outputs. Stakeholders who feel involved are more likely to buy in to projects. They are in better positions to understand changes or issues as they arise.

Facility managers handle internal stakeholder relationships to advocate for FM needs and priorities, and to gain a leadership position in the organization. As part of marketing FM, facility managers should get to know the people who make decisions (finance, IT, HR). Facility managers should show FM is opened to support them and listen to their suggestions.

When preparing to interact with stakeholders, facility managers should review the FM organization's communication management plan. This ensures they include the affected stakeholder groups in any applicable communication and use the right communication style or medium for each included stakeholder group.

It is crucial for facility managers to keep an open line of communication with stakeholders to ensure everything is running as smoothly as possible. Open communication allows facility managers to learn how stakeholders view the facility. Open communication also lets stakeholders give recommendations for creating a more comfortable environment. Facility managers should consider designing a system where stakeholders can easily send in their opinions and recommendations.

Establishing and keeping long-term relationships is the primary goal for facility managers in internal stakeholder relationship management. Best practices for facility managers to this include:

- Treating politics as a normal process for getting things done within a given organization.

- Thinking of politics as a straightforward leadership task for obtaining organizational support.

- Offering support when a need is seen before being asked.

- Asking for support rather than expecting it and expecting to be asked for support in return.

- Letting others champion FM ideas as their own, if it increases the chances for approval of the idea.

Supplier Relationship Management

Supplier relationship management assesses a supplier's strengths and capabilities as they relate to the assessing organization's business plans. It includes developing relationships with suppliers, vendors, and professional service providers to fulfill organizational goals,

ensure mutual profitability, and build trust. For facility managers, it also means meeting facility requirements.

To enhance supplier relationships, facility managers should incorporate the following best practices:

- Have suppliers communicate their value proposition (purpose, necessity, importance, results, costs, and risks) to show they understand the FM organization's perspective and can meet their expectations.

- Work to ensure the strategic alignment of supplier and the FM organization in the approach to conducting business and working toward mutually beneficially goals.

- Arrive at mutually beneficial prices and contract terms to promote long-term relationships.

- Conduct monthly performance review conversations to build trust, avoid problems, and take corrective actions as needed.

- Document explicitly the facility manager's reason for engaging external suppliers instead of using internal services.

- Recognize suppliers who contribute expertise and innovation.

- Build supplier relationships to work with FM staff to ensure successful outcomes.

- Provide proper onboarding of the supplier relationship manager to ensure success working within the organization's established processes and systems.

- Measure the supplier relationship manager's performance and provide regular feedback.

While some relationships with suppliers do not grow, other relationships grow as trust develops. Building trust may require increased information sharing and use of negotiation techniques to set prices and arrange contract details fairly for mutual gain. At the highest levels of trust, long-term supplier relationships may include collaboration and business process integration. This might involve joint strategy planning or sharing of commonly needed support services to reduce overall costs.
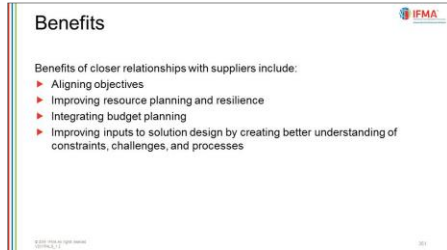
In general, the more funds spent with a particular supplier, the more critical it is that the FM organization and supplier see each other as problem solvers and partners rather than as adversaries. This kind of partnership could shift to supply chain management.

Collectively, supplier relationship management and customer relationship management become supply chain management. To summarize its definition by Investopedia, supply chain management manages the flow of goods and services. It involves streamlining activities to maximize customer value and gain a competitive advantage in the marketplace.

In facility management, stakeholders, the FM organization, suppliers, and service providers are links within the supply chain. Supply chain components are mutually interdependent.

However, a weakness in any part of the supply chain results in risk which could impact fulfilling an organization's goals.

Benefits and Risks of Closer Supplier Relationships
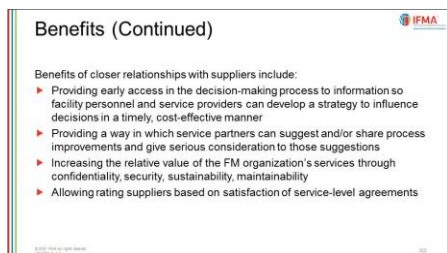
Benefits of closer relationships with suppliers include:

- Aligning objectives

- Improving resource planning and resilience

- Integrating budget planning

- Improving inputs to solution design by creating better understanding of constraints, challenges, and processes

- Providing early access in the decision-making process to information so facility personnel and service providers can develop a strategy to influence decisions in a timely, cost-effective manner

- Providing a way in which service partners can suggest and/or share process improvements and give serious consideration to those suggestions

- Increasing the relative value of the FM organization's services through confidentiality, security, sustainability, maintainability

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- Allowing rating suppliers based on satisfaction of service-level agreements

Risks of closer relations with suppliers include:

- Requiring closer partnerships with larger commitments

- Linking supplier failures more closely to the FM organization

- Facing a greater potential of ethical conflicts around supplier choice, if perceived to be based on personal or economic benefit to the FM organization

- Failing to consider more beneficial alternatives

- Forgetting each organization has legitimate but different missions and objectives

- Relying too much on supplier advice

- Finding it difficult to end a relationship when it no longer aligns with organization and supplier needs

Indirect Stakeholder Relationship Management

Indirect stakeholders are individuals or interest groups with indirect connection to a project or a matter under discussion. Community and government are two types of indirect stakeholders. Indirect stakeholder relationship management offers opportunities for building public relations. Facility management might do this by:

- Preparing a brief facility report as an addendum to the management discussion and analysis section of the organization's financial reports

- Presenting best practices at a facility management conference

- Being proactive in compliance with government laws and regulations

- Promoting FM success in sustainability, maintainability, energy reductions, or community reinvestment

Facility managers can find and capitalize on opportunities to build public relations. For example, presenting at a conference is primarily an opportunity to gain and share knowledge, but facility managers could use it as an opportunity to simultaneously increase the FM organization's stature and the demand organization's name. Public presentation can have the side benefit of increasing facility managers' communication skills.

Discussion Question

What is generally considered the best way for facilities managers to approach a conflict with an FM organization customer?
A. Immediately refer the issue up the chain of command for resolution.
B. Save the relationship by taking a "soft" stance and accept the customer's position as the solution.
C. Take control of the relationship by assuming a "hard" stance and ensure that the problem is resolved without FM concessions.
D. Negotiate to find a mutually beneficial resolution, even if that takes more time than other approaches.

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Understand and Manage Compliance

Lesson Introduction

On completion of this lesson, you will be able to:

- Outline the importance of compliance with organizational policies by leveraging the role of facility managers.

This lesson consists of the following topics:

- The True Cost of Noncompliance
- Ensure Compliance with Corporate Social Responsibility Policies
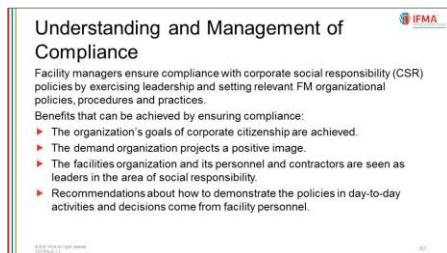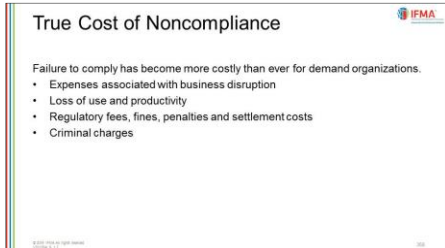
As a leader in the demand organization, the facility manager helps to ensure compliance to policies, procedures, and regulations. This means the facility manager takes part in clearly communicating consequences and incentives; and takes part in executing, documenting, and communicating corrective actions promptly.

Some of the benefits of ensuring compliance with policies include:

- The demand organization avoids cost due to noncompliance of policies.
- The demand organization achieves corporate citizenship.
- The demand organization projects a positive image.
- The FM organization and its personnel and contractors are leaders in social responsibility.

- FM personnel give recommendations about how to demonstrate the policies in decisions and daily activities.

The True Cost of Noncompliance

The cost of noncompliance by a demand organization can be extremely high. These costs can result from:

- Expenses associated with business disruption

- Loss of use and productivity

- Regulatory fees, fines, penalties and settlement costs

- Criminal charges
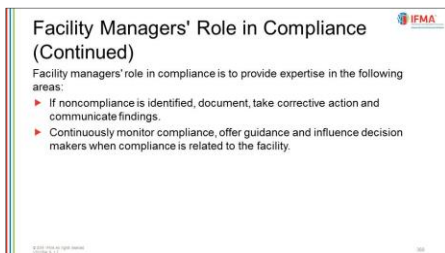
Noncompliance costs can exceed what the organization might spend to create awareness and enforce compliance measures. Ways to create awareness and enforce compliance include training and certification, hiring compliance staff, offering incentive programs, communicating expectations and noncompliance consequences clearly, and taking corrective action as needed.

The facility manager provides compliance expertise in the following areas:

- Ensures the facility meets standards related to the demand organization's policies, procedures, and regulations

- Influences those responsible for compliance policies and standards to consider facility-specific compliance measures

- Offers guidance and influences decision makers on compliance as it relates to the facility

- Ensures and monitors facility staff compliance with demand organization policies, procedures, and regulations through audits and observation

- Documents and communicates findings, and takes corrective action if noncompliance occurs within the FM organization

- Reinforces, re-trains, and communicates expectations to facility staff if noncompliance occurs

Exhibit 4-5 provides an example of the cost of noncompliance

Exhibit 4-5: Compliance Issue Example

As the following example shows, a company's image and values can deteriorate due to noncompliance without cultural awareness and procedures.

A large manufacturing company produces significant quantities of rejected materials due to failed quality standards, or damaged or discontinued products. A contracted vendor removes all the waste from the factory premises each day. The contracted vendor must return any rejected motors to the original equipment manufacturer (OEM).

Human resources (HR) received an anonymous tip, through the company whistleblowing hotline, the rejected motors were not returned to the OEM. HR and Industrial Relations (IR) launched a joint investigation to learn more about the situation. The investigation resulted in the firing of three employees, including the general manager.

Following the incident, the company revised its scrap disposal policy, and implemented a stringent audit policy. As a result, scrap disposal consists of a two-level authentication process before the scrap leaves the security exit. In addition, strong coordination and communication between the FM and security team ensure compliance of the policies.

Ensure Compliance with Corporate Social Responsibility Policies
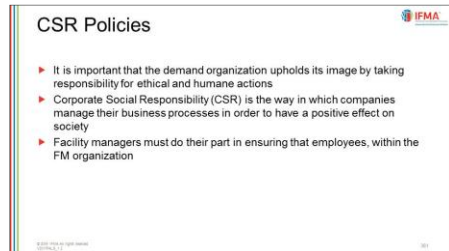
Corporate social responsibility (CSR) is a self-regulatory process based on many laws, regulations, government executive orders, government policies, and business owners', customers and societal expectations. This process exists to protect the environment and both the customers' and workers' rights, health, and safety. The workers often refer to employees within the organization and within the supply chain.

Organizations voluntarily show their commitment to social and environmental concerns in business operations through corporate social responsibility.

CSR involves the relationship of the organization with all its stakeholders. This may mean community engagement, investment in outreach projects, and environmental stewardship through the aspects of sustainability, social impact, and ethics.

A facility manager may contribute to CSR by ensuring the FM staff members follow the associated policies and ethics. The facility manager may show leadership and set FM organization policies, procedures, and practices to complement CSR policies. The facility manager's goals for social responsibility in the FM organization might include accountability for the behavior of employees, contractors, and other stakeholders.

The CEO defines and delegates the CSR policy, while the facility manager and other business units enforce it.

Corporate Social Responsibility Policies

A corporate social responsibility (CSR) or corporate citizenship policy meets or exceed laws, regulations, and other guidance that apply to an organization's activities. It is beneficial to have an expert or legal review of the policy before implementation.

Topics frequently addressed by a CSR policy include:

- Staff and contactor accountability for compliance

- Environmental stewardship, including reduction of greenhouse gas emissions, reduction of the carbon footprint and transitioning to energy efficiency and clean energy sources

- Sustainability life-cycle analyses and decision-making, based on both social and environmental impact analyses

- Community reinvestment and use of local goods and services

- Charity and volunteering within the broader community and society

The demand organization can integrate the CSR policy into its corporate strategy. Facility managers may include in the FM organization's facility strategic plan how to implement the CSR policy through facility management.
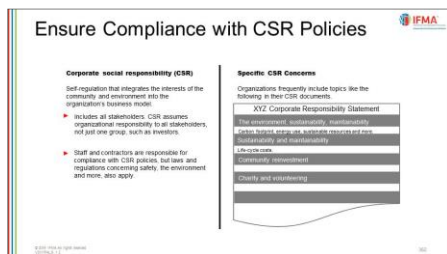
CSR Policy Example

Exhibit 4-6 provides an example of a CSR policy for a diversified global company.

Exhibit 4-6: Example of a Corporate Social Responsibility Policy

CSR Policy
Mission, Vision, Culture and Values
At all times, XYZ Company seeks to act in a socially and environmentally responsible manner and be a responsible corporate citizen. The Company has a highly decentralized organizational structure, so within the context of Company mission, vision, culture and values, its business units create suitable policies and procedures in accordance with local culture, laws and the operating environment.
CSR Policy
XYZ's Corporate Social Responsibility (CSR) Policy has a primary objective of providing guidance to stakeholders, including employees, on the principles that direct the conduct of XYZ business units. XYZ's business methods reflect its commitment to integrity and profitable yet sustainable growth. The Company's policies reflect its legal and ethical mandate to

CSR Policy

continue promoting fair dealings with customers and competitors.

XYZ is a member of the FTSE4Good Index, an index that measures the performance of companies committed to meeting globally recognized CSR standards through an annual member compliance review. The index is a resource for investors who make decisions based in part on an organization's CSR policy.

Ethical Business Practices

Based on IFMA's Code of Ethics, what is a bad ethical business practice?

- Honest and fair dealings.
- Free and fair competition.
- Internationally recognized standards.
- Bribery and political donations.

Employees

XYZ's most crucial resources are its employees. XYZ is committed to providing a fair and competitive employment environment with opportunities for employees who meet personal performance goals to advance and grow, subject to business needs.

XYZ is dedicated to providing equal opportunities to all persons without discrimination as to race, sex, national or ethnic origin, nationality, language, age, disability, marital status, sexual orientation or religion. XYZ offers fair remuneration based on performance, skills, competitor wages and local fair market value for wages. The Company has no tolerance for workplace harassment in any form.

XYZ supports human rights throughout all of the Company's global operations as dictated by the UN Declaration and its applicable International Labor Organization conventions. Hiring policies prohibit the employment of underage staff.

On a continual basis, the Company briefs all employees and their representatives on all pertinent subjects. Local business unit communication channels exist to allow employees to voice their views and concerns.

The XYZ Whistle-Blowing Policy provides guidelines for employees to confidentially raise issues related to ethical behavior or legal compliance without fear of reprisal, with their own business unit, XYZ headquarters or an independent external party.

Environmental Health and Safety (EH&S) Council

The Company founded the XYZ EH&S Council, which is responsible for developing appropriate standards and policies, procedures and practices, evaluating EH&S performance and overseeing EH&S internal audits. This body is chaired by the Director of Human Resources and has representatives from each operating business unit.

CSR Policy

Environment

XYZ recognizes the environmental impact of its business units. Minimal compliance for all business units is to adhere to all current applicable legislation in the countries in which they operate. Beyond this, XYZ policy mandates that all principal manufacturing facilities be ISO 14001 accredited and that business units operating within the EU comply with EU and domestic waste management regulations.

XYZ is devoted to continual improvement in environmental sustainability, pollution prevention and resource efficiency, including raw materials, water, energy and packaging.

XYZ participates in the Carbon Disclosure Project (CDP), an independent nonprofit organization with the largest global database of primary corporate climate change data. The CDP creates an environment in which carbon data can guide policy and financial decisions.

XYZ's Paper Free Project, encouraging shareholders to accept electronic rather than paper copies of future communications, dedicates a tree as a reward for each assenting response.

Charity

XYZ supports responsible corporate citizenship by providing charitable donations to a diverse set of organizations and charities who champion nonsectarian and nonpolitical projects. In the countries in which XYZ operates, its goal is to use charitable contributions to promote development of healthy, educated, enterprising and sustainable communities. The Company encourages its business units to support local charities with financial and nonfinancial donations related to health, education or sporting goods, including commercial sponsorship and employee volunteering.

Policy Compliance

The CEO has primary responsibility for CSR policy compliance and business unit managers have responsibility for ensuring that the underlying policy commitments are enforced. The Director of Human Resources, with the assistance of the Director of Facility Management, is responsible for policy integration and reporting to the CEO. XYZ's policies support the business principles related in this CSR policy document.

FM Making a Difference in CSR Policy
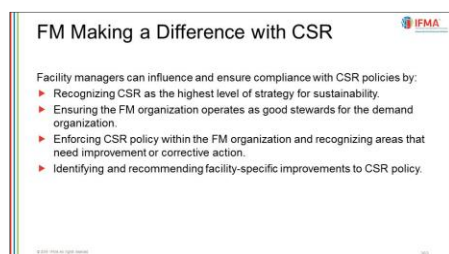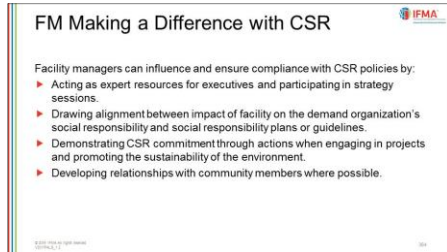
As a leader, a facility manager should ensure compliance and help create a supportive culture for the demand organization's CSR policy. The facility manager should also provide feedback and new ideas to the CSR office for their evolving policies. The facility manager can influence and ensure compliance by:

- Recognizing CSR as the highest level of strategy for sustainability

- Ensuring the FM organization operates as good stewards for the demand organization

- Enforcing CSR policy within the FM organization and recognizing areas that need improvement or corrective action

- Identifying and recommending facility-specific improvements to CSR policy

- Acting as expert FM resources for executives and taking part in strategy sessions

- Drawing alignment between impact of the facility on the demand organization's social and environmental responsibility activity, plans, or guidelines

- Demonstrating CSR commitment when engaging in FM projects and promoting the sustainability of the environment, including understanding the challenge of climate change and facilities solutions to reduce greenhouse gases and shift to clean energy

- Developing relationships with community members where possible

Identifying Ongoing Outreach Programs

The demand organization may work with locals to raise money and support charities and groups around the community. These form part of the demand organizations community outreach programs. Training, resources in-kind donations (goods and services) and fundraising are some examples of support that might be provided by the organization.

Engaging in Projects and Promoting Sustainability of the Environment

The benefit of sustainability and green and energy efficient building and operations practices in FM are well established. The beneficial effects of sustainability can be quantified and presented as proof of positive effects on the bottom line.

Through understanding the societal environmental challenges of climate change, and using the principles of life-cycle cost (LCC), total cost of ownership (TCO) and circular economy, the need for and benefits of sustainable practice become clear. Armed with the proper financial and strategic planning tools, the facility manager can create long-lasting value to the organization by developing, implementing and maintaining sustainable facility practices. Increasingly, facilities managers are expected to be able to understand and address environmental and social sustainability issues as part of their core job responsibilities. This is why IFMA developed the Sustainability Professional credential

Advantages and Disadvantages of Promoting CSR Policy

Exhibit 4-6 depicts the advantages and disadvantages of CSR policies. It highlights the need for the FM organization to have a continual improvement culture.

Advantages of CSR policies may include:	Disadvantages of CSR policies may include:
Intrinsic benefits, such as reduced health problems, and lower risk of legal liability and lawsuits.	The discarding of environmental and social responsibility policies by the demand organization during economic hardship.
FM organization, staff, and contractors viewed as leaders in social responsibility, and essential to achieving the demand organization's goals.	The policies becoming the accepted standard within the demand organization, and no longer viewed as differentiators in the marketplace.

The demand organization, or stakeholder's

Advantages of CSR policies may include:	Disadvantages of CSR policies may include:
organization, seen as a quality work environment	
The demand organization's improved brand image.	
The demand organization's improved ability to access buyer short lists.	
The community seeing the demand organization in a positive light.	

Exhibit 4-6: The Advantages and Disadvantages of CSR Policies

This highlights the need for the FM organization to have a continual improvement culture. See IFMA's SFP offering for more key information.

CSR Policy Analysis

To ensure the policies lead to wise choices over the long term, facility managers should analyze the advantages and disadvantages of assorted options when influencing CSR policies for the demand organization, the FM organization, and the FM supply chain. Facility managers should compare traditional and alternative methods because a less "green" choice might be more sustainable over the lifetime of the facility. The following examples illustrate this.

In this example, policy is based on laws and government issued codes. The policy can specify the use of paints, adhesives, and other materials having low emissions of volatile organic compounds to reduce the root causes of indoor air quality problems. Assessing alternate materials for their durability helps to decide whether an increased reapplication rate increases the total lifetime emissions.

- This example indicates the policy can specify the use of natural materials such as wool carpet over nylon carpet to avoid formaldehyde. It weighs its use against the need to use potentially harmful preservative products to delay decay or rot.

The following examples illustrate the policy may need to reflect a choice between competing priorities.

- When designing supply chain policy, facility managers may place higher priority on local production or on fair trade products.

- Facility managers may set priorities between the use of local material production or a local workforce, and the use of best available resources.

- Facility managers may choose to move from fossil fuels to renewable energies as the source of the energy to meet the organization's greenhouse-gas-reduction commitments and requirements. This may include a transition to more electrification instead of fossil fuel heating so renewable energies can be used.

Many natural and toxin-free materials and energy-efficient systems are equally or more durable and maintainable than traditional options. Therefore, the only trade-off to consider is life-cycle cost, regulations, and greenhouse gas emissions reductions. Even when added cost offsets energy savings over many years, facility managers may justify the expense by noting an option's environmental and social advantages.

Discussion Question

From an FM manager's perspective, which of the following is a disadvantage of promoting corporate social responsibility policies?
A. Employees are harder to recruit for organizations with a reputation for promoting CSR.
B. CSR policies tend to be disregarded in tough economic times.
C. Promoting CSR policies makes the overall organization look like a bad investment.
D. CSR policies are incompatible with a continuous improvement culture.

Discussion Question

What is the Director of Human Resources, with the assistance of the Director of Facility Management, responsible for?
A. Policy creation and analysis
B. Policy integration and reporting to the CEO
C. Policy enforcement and development
D. Policy identification and monitoring

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Chapter Summary

Chapter Summary

Now that you have completed this chapter, you should be able to:
- ✓ Promote, encourage, and adhere to a code of conduct by serving as a role model, enforcing codes, and exhibiting ethical leadership.
- ✓ Outline best practices in developing and managing stakeholder relationships.
- ✓ Apply sensitivity to the needs of stakeholder groups.
- ✓ Outline the importance of compliance with organizational policies by leveraging the role of facility managers.

Progress Check Questions

1. What is true of codes of conduct?

   a. Individual organizations' codes emulate the IFMA Code of Ethics.
   b. Multinational organizations generate a single code of conduct for all facilities.
   c. Principle-based codes of conduct can be brief yet effective.
   d. FM code of conduct repeats items from the demand organization's codes.

2. Members of IFMA follow the IFMA Code of Ethics. Refer to it to answer this question. What should a member do about an ethical choice not addressed by the Code?

   a. The member is free to act based on conscience, the only factor in ethical decisions.
   b. The member extends the Code's general guidelines or seeks more guidance.
   c. The member makes a choice showing loyalty to the member's manager.
   d. The member acts in the best interests of the organization.

3. What best describes ethical leadership?

   a. Most managers and executives are ethical leaders.
   b. Immoral leaders cannot affect the organization's overall ethical behavior.
   c. Amoral leaders flaunt ethics for personal or organizational advantage.
   d. Most leaders must practice ethical leadership to be effective.

4. Based on IFMA's Code of Ethics, what is a bad ethical business practice?

   a. Bribery and political donations.
   b. Free and fair competition.
   c. Customers, suppliers and national and local authorities are dealt with honestly and fairly.
   d. Internationally recognized standards.

5. What statement best describes a facility manager's interaction with stakeholders?

   a. A facility manager should develop sensitivity to stakeholder needs and expectations.
   b. A facility manager should accept that stakeholder expectations rarely oppose one another.
   c. A facility manager should defer to the needs of a dominant stakeholder first.
   d. A facility manager should recognize politics as the exception, not the rule.

6. Facility managers promote a value proposition that communicates purpose, necessity, importance, results, costs, and risks of customer relationship. What best describes what the value proposition is meant to do?

   a. Apologize preemptively to stakeholders for errors made.
   b. Guide management of stakeholder expectations and perceptions.
   c. Define what quality means to the stakeholder.
   d. Gather suggestions from stakeholders for facility strategy.

7. What statement is true about supplier relationship management?

   a. Facility managers should keep an exit strategy for suppliers.
   b. Facility managers pursue long-term relationships with suppliers.
   c. Closer partnerships relax supplier relationship efforts.
   d. Supplier relationships have no impact on customer relationships.

8. What is true of a corporate social responsibility policy?

   a. CSR policy is strictly a codification of government regulations.
   b. As laws regarding the environment are passed, facility managers are responsible for getting all of them instituted in CSR policy.
   c. The Triple Bottom Line can be used to implement CSR policy.
   d. CSR policy may require changing the organization's policies but not its business model.

9. How can a facility manager ensure compliance with a corporate social responsibility policy?

   a. Denounce department managers who do not uphold the CSR policy.
   b. Restrict use of materials having volatile organic compounds.
   c. Discipline or terminate employees who violated the policy.
   d. Empower staff to suggest improvements in the CSR policy.

Progress Check Question Answer Key

Chapter 1: Plan Strategically

Introduction to Strategic Planning

1. b
2. d

Align FM's Strategic Requirements to Demand Organization's Requirements

1. c
2. c

Develop and Implement a Strategic Planning Process

1. a
2. d

Internal and External Factors Driving FM

1. c

Develop a Facility Strategic Plan

1. a

Implement Strategy Using Tactical Plans

1. d

Defining and Evaluating Performance Requirements

1. b

Chapter 2: Lead the FM Organization

Introduction to Leadership and Management

1. d

Theories of Individual Behavior and Leadership

1. a

2. b

Lead, Inspire, Influence and Manage the FM Organization

1. b
2. c
3. b
4. b

Advocate for Facility Management Needs and Priorities

1. a
2. c
3. b

Chapter 3: Manage the FM Organization

Develop Effective Teams

1. b

Maintain Team Performance

1. d

Organize and Staff the FM Function

1. b

Develop, Implement and Evaluate FM Policies, Procedures and Practices

1. c

Clarify and Communicate Responsibilities and Accountabilities

1. d

Resolve Conflicts

1. c
2. c
3. d
4. c
5. d

Chapter 4: Influence the Demand Organization

Promote, Encourage and Adhere to a Code of Conduct

1. c
2. b
3. d
4. a

Develop and Manage/Oversee Relationships

1. a
2. b
3. a

Understand and Manage Compliance

1. c
2. d

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Glossary

Abilities

The capabilities needed to succeed in the job position. Abilities are evidenced through activities or behavior. Examples are adequate strength and stamina; and being able to see colors, hear sounds, and smell odors.

Ad Hoc Teams

Form quickly to solve a specific problem and disband once the problem is resolved.

Adjourning

Teams that are no longer needed are disbanded after a debriefing to address lessons learned.

Annual Facility Reports

Annual reports to management stress the importance of achieving the organization's mission. They highlight the overall environment (e.g., recession) and challenges, financial and human resources used, and facility accomplishments.

Autonomy

Measures the control the worker has in setting schedules, choosing processes and making decisions.

Behavioral Leadership Theories

Describe the natural leadership styles of managers rather than focusing on employee maturity.

Benchmarking

A method of comparing performance of commodities or services against comparable practices of other organizations or industries. It gathers performance, quality and financial data and information on best practices from internal historical trends or external FM organizations for comparison.

Budget Constraint Assessments

Show how to best deliver the products and services in a proposed strategy.

Building Envelope

Proposed changes to roofs, exterior walls and weatherproofing, or windows.

Business Case Presentation

A political task because often facility managers need to cultivate relationships and get buy-in from multiple levels of managers before a business case is likely to get funded as a tactical plan.

Campus Plan

A detailed long- or mid-term set of specifications and schedule for implementing elements of a strategic facility plan.

Chain of Command

Chain of command is the decision-making hierarchy of an organization. The hierarchy shows the number of job levels that must be involved in the authorization of a decision. The depth or shallowness of the hierarchy may depend on the cost or scope of the decision. Some organizations are relatively flat as only a few positions are involved. Other organizations require multiple levels of approval when making decisions.

Character Ethic

Success is rooted in universal principles including industry, integrity, humility, patience, fairness and the Golden Rule. Principles are natural laws that are impossible to break; a person can fail to uphold them but cannot decide what the consequences will be.

Coalition Power

Indirect control over behavior that channels an individual's obligation to a greater collective interest into an obligation to the leader as a representative of that interest.

Coercive Power

The withholding of rewards or the threat of punishment to control others.

Collaborate on Decisions

Leaders avoid arbitrary decisions in favor of communicating and comparing or contrasting the various perspectives to help individuals find solutions and to help groups collaboratively determine a course of action.

Committees

Are formal teams that have an indefinite charter and a specific organizational objective. Members are usually cross-functional and are often volunteers.

Competency and Capacity Assessments

Measure the relative capabilities of staff or current contractors and their available capacity for implementing the proposed strategy.

Competitive Gap

The competitive gap measures the variance between the FM organization's performance, prices and offerings against those of benchmarked competitors.

Consideration (Employee-Centered Behavior)

The leader's behavior is focused on helping individuals and groups fulfill their emotional and social needs such as by explaining decisions or mentoring their careers.

Contingency Theories

Propose that there is no one best way to manage or lead others and that the situation should influence managers' styles.

Controlling

The use of position power to provide a directing or restraining influence over people and inputs, processes or outputs by observing, measuring or verifying them through evidence or experiment.

Delegation

A management decision to give one or more employees/ contractors full responsibility for planning and execution of a task. The amount of supervision may vary, but, at a minimum, the persons are responsible for achieving the predetermined results and the facility manager is accountable for them.

Dependence

Mental, emotional and/or physical reliance on others. Mentally it is reflected in "you" for example, "You are to blame".

Difficulty Level in Resolution

The relative ability of the facility manager/team leader/individuals to create a lasting solution.

Emergent

Are the activities, interactions and sentiments that team members provide or perform on their own initiative to accomplish tasks.

Empathize

Leaders reflect on the situation and communicate with the person or persons to show that they understand each party's feelings and emotional investment in the situation.

Employee/Contractor Involvement

A management decision to engage employees/contractors on a regular basis in decision making on operations for their work areas

Empowerment

A management decision to give employees/ contractors a limited amount of "decision rights" or authority to make decisions and take actions within their areas of expertise without needing prior approval.

Expert Power

The use of knowledge, experience or expert judgment to influence the behavior of others who need the information or respect that expertise.

Extrinsic Reward

Are benefits given out by managers or other sources based on degree of success or general positive qualities.

Facilities Register

A comprehensive list of the organization's facility assets, including buildings, grounds, infrastructure, equipment and furniture.

Facility Audits

Are thorough, periodic reviews that encompass all of the services and assets within a facility. Facilities audits follow a systematic process of inspecting and reporting on conditions and functional performance levels of existing facilities and FM service programs.

Facility Exterior

Proposed changes to parking, recreational facilities, fences and signage.

Facility Interior

Proposed size or layout changes to cubicles, enclosed offices, small and large meeting rooms, etc.

Facility Master Plan

Contains scenarios, which are various site-specific options or recommendations proposed to enable business-driven decision making.

Facility Strategic Plan

A long-term facility plan encompassing an entire portfolio of owned and/or leased space that sets strategic facility goals based on the organization's strategic objectives.

Feedback

Measures the amount and timeliness of information provided to a worker relating how well a task is done.

Formal Authority

The relative degree to which managers can use their position to exercise the "right of command" to control subordinates.

Formal Teams

Are officially designated teams headed by a manager and included in a larger organizational structure if a permanent team.

Forming

When a team is first formed, team members get to know one another and look for a strong leader to unite the group. Members are concerned with justifying their presence and earning group acceptance.

Functional/Structural Models

Traditional hierarchical organizational structure models that contain specialized functions and use line management to produce a vertical chain of command for each function

Functions

A list of business units or departments that make up the demand organization and perform core work processes. Common functions include operations, human resources, finance, marketing, and customer service. Functions can also be a list of job positions, roles, descriptions, and activities, that are assigned to a specific department or work unit.

Goal

The end result that should be achieved according to FM staff. Goals are expressed in inspiring terms and may include a deadline for achieving the results, for example, "…#1 market share by 20xx."

Good Job Fit

Jobs should have no more and no less responsibility and challenge than desired by the person filling the job.

Hygiene Factors (Extrinsic)

The environmental work factors: pay, job security, work conditions, supervision, coworker relations, etc. Successful delivery of hygiene factors avoids job dissatisfaction but does not motivate individuals.

Independence

The ability to care for oneself mentally, emotionally and/or physically. Mentally it is reflected in "I" for example, "I am responsible".

Individual Behavior

An individual's general conduct or demeanor and likely response to a given stimulus or environment.

Influence

The ability to affect the actions, opinions and decisions of others indirectly rather than through the direct use of position power. Sources of influence include expertise, shared experience, affiliation, status, interpersonal skills and access to information or limited resources. Sources of influence include expertise, shared experience, affiliation, status, interpersonal skills and access to information or limited resources.

Informal Teams

Are unofficial teams that form as a result of personal influence or shared interests. Their influence can be positive or negative.

Information Power

The ability to access or control access to information.

Initiating Structure (Job-Oriented Behavior)

The leader's behavior is focused on helping employees understand their role, setting goals for them, controlling work processes and performance, and enforcing rules.

Inspiration

The ability to breathe life into or enliven the thoughts, emotions, hopes and actions of others so that they become motivated and enthusiastic to accomplish the goals set by the leader.

Intensity Level of the Conflict

The likelihood of the problem to disrupt task performance or team relationships.

Interdependence

To overcome the limitations of independence and to embrace mental, emotional and/or physical collaboration. Mentally it is reflected in "we" for example, "We can do more together than separately".

Intergroup Dynamics

The team forces that influence team interactions with external teams and persons.

Interpersonal Impact

Relates to how a choice will affect or be regarded by others.

Job Content

The primary source of job satisfaction and promotes job enrichment as the best method of adding meaningful content.

Job Enlargement

A horizontal loading of additional tasks, meaning that added tasks are similar in responsibility and effort.

Job Enrichment

A vertical loading of higher-order motivating factors into a job, including responsibility, freedom, growth opportunities, recognition and achievement.

Job Enrichment

A vertical loading of higher-order motivating factors into a job, including responsibility, freedom, growth opportunities, recognition and achievement.

Job Maturity (Able)

Is a person's task-related skills/technical knowledge.

Job Rotation

A horizontal loading of task variety accomplished by shifting workers from role to role, all similar in responsibility and effort. Job rotation provides cross-training opportunities.

Job Satisfaction

High levels of job satisfaction have been indirectly linked to high levels of performance, especially for professional jobs.

Job Simplification

A scientific job design approach that emphasizes highly specified and directed work and is appropriate for routine tasks and workers with relatively low skills or confidence.

Just-in-Time (JIT)

A philosophy that uses continual improvement to reduce manufacturing waste, minimize inventory, and get to zero defects.

Knowledge

The information needed to succeed at assigned tasks. Knowledge consists of key concepts associated with the specified job. It also consists of the steps or procedures required to carry out a task.

Leadership

Guiding and directing others' actions and decisions through one's position power and personal influence.

Lean

A philosophy of minimizing time, assets and human resources involved in production through simplification to keep only value-added activities, training multiskilled employees, and automation.

Legitimate Power

The relative degree to which managers can use their position to exercise the "right of command" to control subordinates.

Line Management

A vertical chain-of-command reporting relationship in which each level increases in specialization as it gets lower in the hierarchy.

Listen and Understand

Listening makes leaders influenceable, which is a prerequisite for influencing others. Leaders actively listen to all perspectives, ask questions and reflect upon what they hear.

Maintenance Roles

Focus on maintaining harmony in team relationships.

Market Potential Gap

The market potential gap is the variance between the organization's actual and potential market share.

Matrix Models

Modified functional/structural models that rely on both line and staff management to increase the integration between vertical chains of command or to enable teamwork. Positions with both a line and staff reporting relationship have a dual reporting relationship (i.e., two bosses).

Motivation

The set of factors and influences that impel, direct and sustain individual or group behavior over time.

Motivation Factors (Intrinsic)

Are inherent qualities of the work itself: challenge, achievement, opportunity for recognition or personal growth, etc. Successful matching of persons to the right type of work can result in job satisfaction if hygiene factors are satisfied.

Needs Assessment

The process of identifying performance requirements and the "gap" between what performance is required and what resources are available.

Needs Forecasting

A type of long-range forecast that is similar to conducting a needs assessment except that it involves analysis of trends and makes projections over the strategic planning horizon.

Norming

Teams begin to integrate and internal factions start to disperse as confidence in the team itself grows and members make compromises. Team dynamics are tentatively balanced, and members may value maintaining harmony over task performance.

Opportunities

The FM organization's strengths that provide competitive edge and ability to satisfy the needs of the entire organization.

Organizational Design

The process of selecting and instituting an organizational structure that includes the reward system, policies, procedures, and practices. The design assures the structure is aligned to support the business unit's strategy, size, desire for innovation, constraints, and operating environment.

Organizational Structure

A description of an organization's formal power structure, including the hierarchy of job positions within a department and the number of job positions per department. The description is usually supported by charts.

Organizing

Creating an appropriate delivery mechanism and structure for an organization to coordinate its components into an interdependent system. Organizing includes staffing, team building and resource gathering.

Outcome Measure

A set of lagging indicators (results measurements) is used to determine whether strategic objectives are satisfied. Outcome measures can be more generic and can be applied to multiple strategic requirements. Outcome measures are also called key success indicators.

Own/Lease

Proposed changes to lease durations, changing from owning to leasing, or vice versa.

Performance Drivers

A set of leading indicators (predictive measurements) is used to show how to achieve a given outcome. Because they are predictive measurements, performance drivers can be used to make course corrections while work is in progress. Performance drivers are usually specific to the business unit.

Performing

Teams develop group loyalty as they become fully integrated, well organized, and committed to relationship maintenance. The result is strong productivity improvement and creative problem solving that often requires no management intervention.

Personal Impact

Relates to consequences and how a person's own conscience will be affected by a choice.

Personality Ethics

Success is rooted in personal human interaction traits of positive mental attitude and behavior: personality, image and skills.

Planning

Setting a direction for an organization in terms of goals, performance objectives, policies, procedures and practices.

Principles

The character traits and values that the FM organization staff agree are the most vital for long-term success.

Process

Proposed changes to FM policies, procedures or practices.

Process Power

The control over the means used to accomplish tasks as well as the metrics used to determine success.

Producitvity Gap

FM organizations can measure the variance between actual and desired internal productivity, efficiency and effectiveness.

Programming Reports

Facility managers address programming or other detailed technical reports to FM staff/contractors but present only an executive summary to executives/clients.

Project Teams

Are ad hoc formal teams that exist to complete a project.

Psychological Maturity (Willing)

Is a person's ability, self-confidence and willingness to take on responsibility for the task.

Purpose

Purpose is what FM staff agree is the reason for the FM organization's existence within the demand organization, for example, enablers of success or ability to innovate.

Quality

Degree to which a set of inherent characteristics of an object fulfills requirements.

Quality or Best-Value Gap

FM organizations can measure the variance between actual versus potential long-term costs from use of lowest-cost versus best-value purchasing and contracting.

Rational Persuasion

The ability to present a goal and a way of realizing that goal to others as both desirable and achievable.

Real Estate Master Plan

A detailed long- or mid-term set of specifications and schedule for implementing elements of a strategic facility plan.

Receive Trust

Leaders who demonstrate respect, understanding and empathy may incrementally be given more and more trust.

Referent Power

The desire of others to be associated with a source of perceived power.

Relatvie Gap

Gap analysis can be useful for ranking competing strategic options because each can be rated on how well it reduces the gap per increment of time and resources expended.

Representative Power

The formal authority to speak on behalf of an organization.

Required

Are set by the assigned tasks; by policy, procedure and practices; and by organizational culture.

Respect

Genuine self-respect is needed to gain the respect of others. Leaders show respect to others by being neither biased nor detached. A genuine attachment to each person's perspective is a requirement for trust.

Reward Power

The use of rewards and promotions to control others.

Security

Proposed cameras, motion detectors, guards or access security.

Self-Directed Teams

Are teams that have been fully delegated a task, meaning that they set their own goals, manage the team internally, and serve customers rather than a manager. Self-directed teams can produce original and efficient work but have a high risk of failure without a strong mission, boundaries and relationship with the larger organization.

Self-Interest Roles

Are negative roles that focus on individual interest over teamwork and, if left unchecked, could destroy a team from within.

Service Program Assessments

Facility managers conduct service program assessments to determine if hard services are adequate for satisfying facility and equipment maintenance needs and if soft services are adequate for satisfying occupant requirements.

Six sigma (6σ)

A quality management philosophy that involves thoroughly training certain staff to identify and remove defects in processes.

Skill Variety

The number of different tasks a job involves and the variety of skills and talents required of the worker.

Skills

The proficiencies needed to perform assigned tasks.

SMART Goal - Achievable

Means that the goal can be met using existing skills/assets. This perspective answers the question "Is it attainable"?

SMART Goal - Relevant

Means that the goal directly pertains to the challenge being managed—that it is feasible and an optimal use of time/funds. This perspective answers the questions "Is it relevant"? and "Is it realistic"?

SMART Goal - Specific

Means that the goal is unambiguous, clearly written, and consistent with business unit and organizational objectives. This perspective answers the questions "Who"? and "What"?

SMART Goal - Time-bound

Means that the goal is grounded within a time frame—not overly optimistic or overly pessimistic, which can affect project performance. This perspective answers the question "When"?

Smart goals

A goal deliberately set to be more challenging than SMART goals and usually require opportunities or risks to be realized favorably and/or a significant improvement in processes or results as measured by improvements in quality, quantity, time or cost.

SMART Goals

Are designed to comply with the SMART concept or principle, which is useful in a variety of applications such as goal setting and project management feasibility testing.

SMART Goals - Measurable

The goal can be tested to verify if it is satisfied.

Space Needs Assessments

The facility manager and team members conduct a space needs assessment to determine whether current facilities have the capabilities required to implement the proposed strategy or if current building systems, structures, interiors, exteriors or grounds need to be modified or replaced.

Span of Control

The number of subordinates directly reporting to a given manager. Too many direct reporting relationships can become problematic. A typical organizational limit on span of control is five to seven subordinates per manager.

Staff Management

A horizontal chain-of-command reporting relationship designed to cut across multiple vertical chains of command. Staff management functions could include project management, human resources and quality.

Storming

Once members get comfortable with their place and understand tasks, members begin testing their boundaries by seeking preferential status or informally recruiting followers to support their opinions on team direction.

Strategic Plan

An outline of the direction of an organization; it outlines broad, long-term, significant plans and the methods and actions by which the organization will operate.

Strategic Planning

Strategic planning is a scheduled task that is performed periodically but has daily repercussions on FM activities and on the level of value demonstrated by FM as a strategic partner.

Strategic Purpose

To serve the needs of customers of the demand organization. Therefore, understanding who those customers are and what their needs are forms the basis for the entire organization's strategic plans or corporate strategy.

Task Forces

Are ad hoc formal or informal teams created to resolve specific problems or as minor projects. Members may volunteer due to personal interest in the subject or for career advancement.

Task Identity

Measures whether the worker handles a portion of a task or a task from start to finish.

Task Roles

Are focused on ensuring that the work is started and finished.

Task Significance

Measures how much the task matters to the FM organization, the entire organization or society.

Technology

Proposed addition of new software or upgrades or new features for existing software.

Total Quality Management (TQM)

A formal quality process that includes an intense focus on the customer, involvement of all stakeholders, and quantitative methods for continual improvement.

Value Engineering

A systematic approach to assessing and analyzing the user's requirements of a new asset and ensuring those requirements are met, but not exceeded. Value engineering is needed because end users typically try to justify more requirements than are truly necessary.

Values and Beliefs

Defines the FM organization, for example, quality, organizational development or customer orientation.

Virtual Teams

Include members who are not colocated but who work together using technology such as groupware (software that enables group decision making).

Work Teams

Are permanent formal teams that share a daily responsibility to produce specific results. Work teams emphasize continual improvement and may be homogeneous or cross-functional.

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