

Leadership & Strategy



This book serves as a guide to the dynamic interaction of leadership, strategy, and facility management. It delves into how facility managers improve projects, operations, and finances. Revealing their dual leadership roles, underscores their guidance of teams and impact on decisions that extend beyond organizational boundaries.



Leadership and Strategy

✧ Introduction

Role of facility managers as related to Leadership and Strategy competency

Leadership and strategy are tool sets that facility managers can use as appropriate to augment all facility management activities, including project management, operations and maintenance, and finance and business. Facility managers serve in two leadership roles. First, they must lead the facility organization by providing guidance to staff and service providers. Second, they must influence the decisions and attitudes of the organization's leaders as well as that of occupants, government officials, suppliers, community leaders and business partners.

To be effective in both roles requires facility managers to 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, processes and technology. They must be able to align the facility portfolio and functionality with the organization's missions and available resources, and they must be innovative in order to move forward with their staff and processes to respond to the ever-changing requirements.

Note on management processes

The management processes of planning, organizing and controlling are fundamental to an understanding of the role of facility managers as leaders. Therefore, Chapter 2 discusses leadership and management concepts together.

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 get the willing cooperation of others.
- 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 and ethics through fair and responsible behavior.



Benefits of planning and implementing strategy

Advantages for facility managers who champion planning and implementation of strategy at their FM organization may include the following:

- Executives/clients see the FM organization's role as helping their organization succeed.
- Executives/clients treat the FM organization as a partner in growth, change and problem solving rather than just thinking of it as a cost center.
- Executives/clients include facility managers in their strategy development.
- Facility managers can make the most of available resources and can forecast when resources will be inadequate to support organizational goals.
- Facility managers can learn a straightforward process for understanding what is needed to help the entire organization succeed, analyzing user needs, planning a strategy and acting to move from plans to results.
- Facility managers have enough perspective to present business cases for or against proposed projects, service delivery or other FM activities.
- Facility managers and staff make time to devote to leadership development and relationship building.

Devoting time and resources to leadership and strategy

Leadership and strategy are both are long-term, proactive endeavors. 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.

Application and scalability

This competency 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.



Overview of Leadership and Strategy competency

This competency begins with the end in mind and therefore addresses strategy prior to leadership. Strategic planning determines what the FM organization needs to do to enable organizational success. Leadership skills are then used to ensure that the strategy is implemented.

A snapshot of competency contents is shown in Exhibit 3-32.

Exhibit 3-32: Overview of Leadership and Strategy Competency

Chapter	Content
1. Plan Strategically	• Strategic planning fundamentals • Aligning facility strategic requirements with organizational requirements • The strategic planning process and the development of a strategic facility plan or facility master plan • Strategy implementation through tactical plans
2. Lead and Manage the Facility Organization	• Leadership and management fundamentals • Theories of individual behavior and leadership • How to lead and manage the facility organization and be an advocate for FM needs and priorities • Organizing and staffing the FM function and developing effective teams • FM policies, procedures and practices • Communicating responsibilities and accountabilities and resolving conflicts
3. Provide Leadership to the Entire Organization	• Codes of conduct and ethics • Developing/managing and overseeing relationships • Corporate social responsibility policies



Chapter 1: Plan Strategically

After completing this chapter, students will be able to:

- Understand the importance and objectives of strategic planning.
 - Place strategic planning in context with the layers above and below it.
 - Apply a life-cycle model to development of FM strategy.
 - Align the facility's strategic requirements to the entire organization's requirements.
 - Use a balanced scorecard to define and measure strategic and tactical goals.
 - Apply a number of methods and tools to produce strategic user requirements.
 - Assess real estate and services needed to meet current and future organizational requirements.
 - Obtain approval for a strategic facility plan and/or a facility master plan.
 - Establish a change process for strategic plans.
 - Gain approval and funding of tactical plans.
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✦ Topic 1: Introduction to Strategic Planning

Strategic planning is a scheduled task that is performed periodically but has daily repercussions on facility management activities as well as on the level of stakeholder satisfaction. FM stakeholders include:

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

The primary way FM organizations earn satisfied stakeholders is by understanding the stakeholders' and the organization's strategic objectives and forming a complementary FM strategy. Validated strategies are produced as strategic plans, which could be formal published documents for a large organization or informal and brief plans for a small or lean organization.

A vital step in strategic planning is the ability to turn plans into action. This is done by producing tactical plans, which are plans that contain sufficient detail for execution, and obtaining approval and funding for the tactical plans.



Once implemented, tactical plans can be executed and measured for performance using feedback to validate the strategy.

What is strategy?

Strategy is the science of planning that involves developing a scheme (a program of action to attain a goal), using artful means or creating an advantageous position to best accomplish important goals.

Strategy explores the big-picture and long-term needs of an organization. Therefore it is at a higher level than facility planning, which is a day-to-day problem-solving task, or programming, which generates detailed information on user requirements.

Strategy involves leadership because it requires clearly communicating the organization's mission, vision and strategic plan to stakeholders. The strategic plan describes how an organization intends to create value for its stakeholders.

Strategic planning overview

The goal of strategic planning is to develop business-driven schemes or strategic plans and then turn the plans into action. A strategic plan is 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.

Exhibit 3-33 on the next page presents a strategic planning overview model. It illustrates the various levels above and below strategic planning. It is an iterative life-cycle model because the final activity, Validate Strategy, feeds back to the start of the process.

Strategic purpose and plans

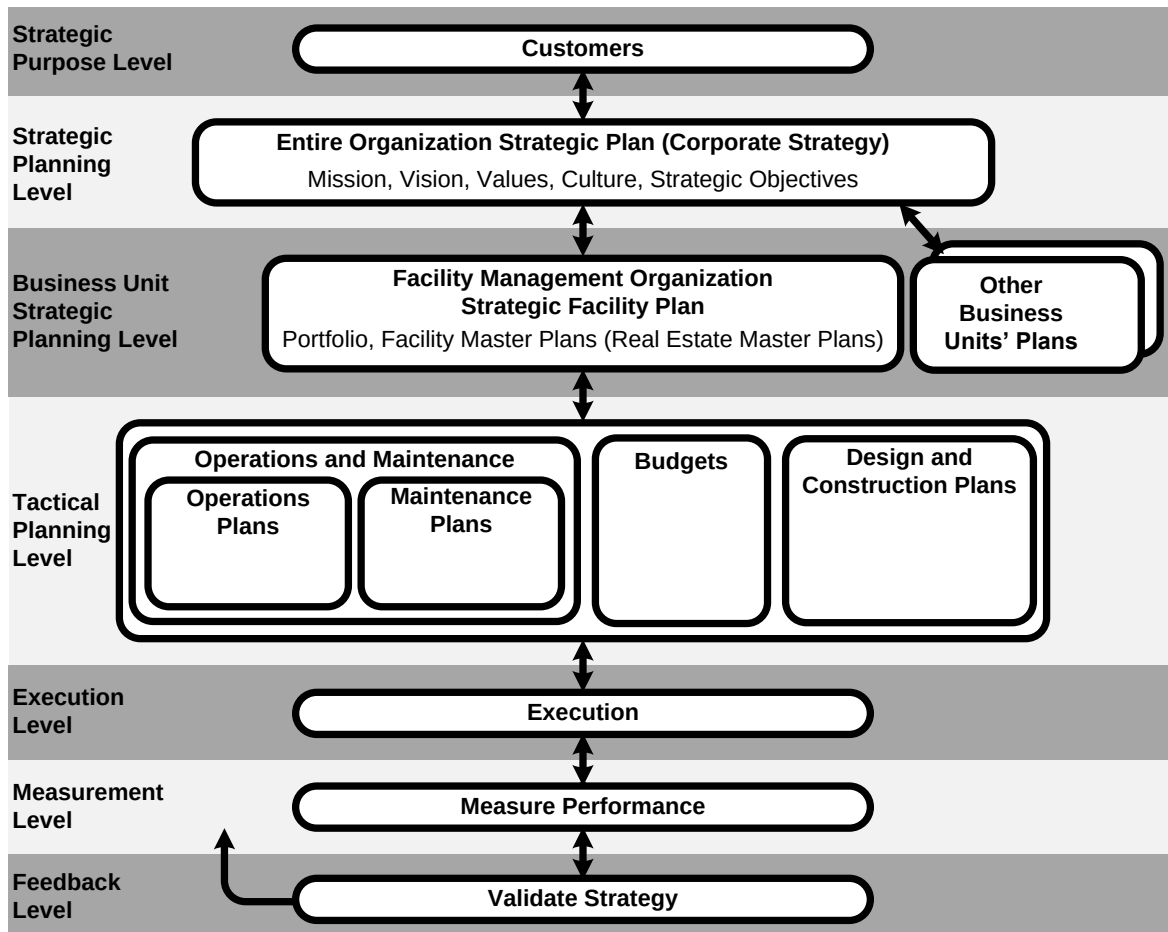
The strategic purpose of an organization is to serve the needs of its customers. Therefore, understanding who those customers are and what their needs are forms the basis for the entire organization's strategy. Strategic plans set out the organization's long-term strategic objectives or business goals. They also implicitly or explicitly express the organization's mission, vision, values and culture.

Business unit strategic planning

Each business unit, department or external service provider of an organization may develop its own strategic plans aligned with the 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 organizational strategy or on other factors such as feasibility, timing or budget.



Exhibit 3-33: Strategic Planning Overview Model



FM organizations may generate strategic facility plans and/or facility master plans.

- A **strategic facility 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, strategic facility plans encompass planned FM services; remote, mobile and on-site support and delivery methods; and plans to develop needed FM capabilities. The strategic facility goals, in turn, determine short-term tactical plans, including prioritization of and funding for annual facility-related projects.
- A **facility master plan, real estate master plan, or campus plan** is a detailed long- or mid-term set of specifications and schedule for implementing elements of a strategic facility plan. Facility master plans often contain scenarios, which are various site-specific options or recommendations proposed to enable business-driven decision making.



Tactical planning

The tactical planning level is where each business unit or department moves from general to specific plans. A tactical plan is a detailed set of steps needed to accomplish a goal in the strategic plan. Tactical plans are short-range plans, but timing is based on the particular goal. Tactical plans typically require separate approval and funding. Some organizations do not use the term “tactical plans” and instead form “annual facility plans,” “project plans,” “service plans,” “delivery plans,” “maintenance schedules,” “operational plans” and/or “approved budgets.” The term “tactical plan” is intended as a general reference to any of these types of plans.

Note: Strategic facility plans, facility master plans and tactical plans are covered in more detail in Topic 4 of this chapter.

Execution, measurement and feedback

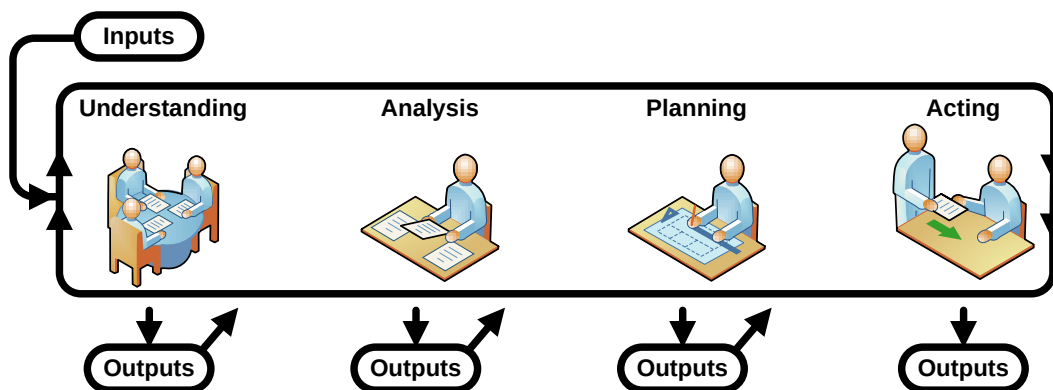
The execution, measurement and feedback levels of the model show that producing a set of strategic and tactical plans is not an end in itself but a step in a larger process. Tactical plans that get final approval and funding are executed in the form of projects or new/changed FM activities.

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/clients to prove or disprove the validity of the strategy. The strategic planning process thus forms an iterative life cycle that can continually improve upon prior results.

Strategy life-cycle model overview

Just as the overall strategic planning process can be shown as a life-cycle model, the FM organization’s activities in the business unit strategic planning and tactical planning levels have their own life cycle. Exhibit 3-34 shows an overview of the strategy life-cycle model used for this document. A version of this graphic is repeated in each topic to show specific inputs, processes, and outputs related to that topic.

Exhibit 3-34: Strategy Life-Cycle Model



The phases of the strategy life-cycle model are addressed as follows:

- Topic 2 addresses the Understanding phase.
- Topic 3 addresses the Analysis phase.
- Topic 4 addresses the Planning phase.
- Topic 5 addresses the Acting phase.

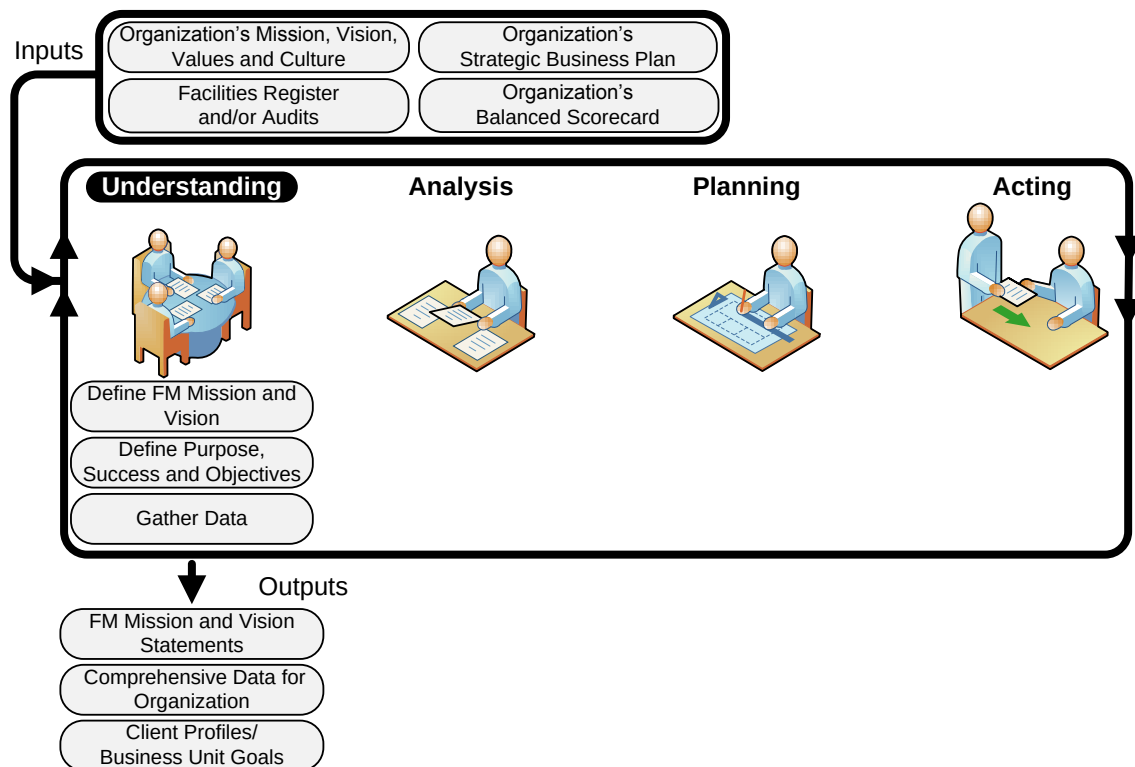
✦ Topic 2: Align Facility's Strategic Requirements to Entire Organization's Requirements

For FM organizations, the most important strategic issue is how to align the FM organization's strategy to the entire organization's strategy. In other words, the end goal of FM strategic planning is to enable the entire organization to accomplish its objectives.

Overview (under- standing)

When aligning the FM organization strategy to the entire organization's strategy, the facility manager and possibly a small planning team develop a thorough understanding of the organization's purpose and needs and 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 3-35 as a way of organizing the inputs, processes and outputs related to this phase.

Exhibit 3-35: Strategy Life-Cycle Model (Understanding)



Note that in this topic the inputs, processes and outputs related to the FM mission and vision are discussed together. Following this discussion, the other inputs, processes and outputs related to aligning the facility's strategic requirements to the entire organization's requirements are discussed.

Mission and vision

The inputs, processes and outputs related to mission and vision are as follows:

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

Inputs— organization's mission, vision, values and culture

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

- The **mission statement** is a sentence that describes the benefit the organization provides to customers and other stakeholders.
- The **vision statement** is the ultimate goal of the organization.
- **Organizational values** are collective judgments regarding the relative worth or goodness of behavior, 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. It indicates how things get done at the organization.

Many organizations have a strong mission statement, meaning that it has been adopted by executives and staff and integrated into organizational values and culture. FM organizations that understand and accept this mission will share a unity of purpose and a set of underlying principles that guide individual behavior.

The organization's vision statement helps facility managers and FM organizations visualize how the entire organization wants the world to view it. When FM organizations understand these aspirations, it helps them make decisions related to what products and services to develop, who to hire and what expectations to set—in other words, how to design FM strategy.

Process—define FM mission and vision

The FM organization's mission and vision are defined to complement the entire organization's mission and vision. The process of producing mission and vision statements is important because without involvement, there is no commitment to the final statements.

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 bring all FM staff together in a meeting to have them generate mission and vision statements from the bottom up.

The benefit of requiring 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.

Output—FM mission statement

FM mission statements need to be in harmony with organizational 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 customers, its desired reputation among constituents, 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.** Principles are the character traits and values that the FM organization staff agree are the most vital for long-term success.
- **Opportunities.** Opportunities are the FM organization's strengths that provide competitive edge and ability to satisfy the needs of the entire 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 an indispensable partner to customers, who share complete 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 employees 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 can be written in a variety of ways, because the best "way" is if the statement means something to the person who wrote it. An example of a FM work management center staffer'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. The vision statement expresses foresight and determination, and so it could be revised each time the FM organization revisits its strategy. Facility managers focus discussion on the following components of a vision statement:

- **Purpose.** Purpose is what FM staff agree is the reason for the FM organization’s existence within the entire organization—for example, enablers of success or ability to innovate and marshal change.
- **Values and beliefs.** Values and beliefs or business philosophies are what define the FM organization—for example, quality, organizational development or customer orientation.
- **Goals.** Goals are 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.

Two examples of FM vision statements follow:

- The FM organization will become world-class by creating intrinsic rewards for staff and a satisfying workplace environment for the entire organization.
- The FM organization will be viewed as a highly successful provider of facility best practices and sustainer of the workplace environment. We will understand customer requirements and surpass their expectations. We will succeed in a rapidly changing environment. We will create a FM organization that is alert, responsive, proactive, thrifty and fun.

Other inputs related to aligning strategy

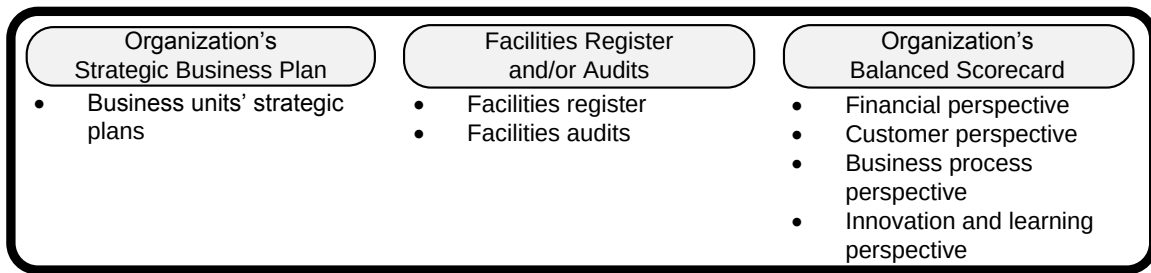
A wide variety of information is required to produce strategic plans, including the following:

- Conversations with senior executives and other department heads
- Marketing plans, inventory plans and sales forecasts by product/service
- Risk estimates
- Site-specific operating costs for human resources, including relocations
- Organizational policies, procedures and practices

Exhibit 3-36 provides an overview of the initial inputs to facility strategy that are discussed further.



Exhibit 3-36: Inputs to Facility Strategy



Organization's strategic business plan

Organizations may have an existing strategic business plan or corporate strategy, and if so, it is a direct input to facility strategy. The strategic business plan spells out the organization's perspectives on its:

- 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 (such as goals and the means to achieve them).

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.

The organization's strategic business plan often 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.



Business units' strategic plans

Because the FM organization serves all other 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.

Business units may overlook informing the FM organization about changes even when the facility 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 and/or 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, facilities portfolio, asset list or asset inventory 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.

Three facilities register examples are shown in Exhibit 3-37. The first two examples are for leased facilities; the third example is an owned property.



Exhibit 3-37: Facilities Register Examples**Example # 1: 123 Main Street City/State/Region/Country (Leased Facility)**

Location: City/State/Region/Country	Strategy:	To be determined	
Occupants: Research and Design (R&D)	Gross ft ² (m ²)	25,000 (2,323)	Gross ft ² (m ²) /Employee: 833 (77.4)
Number of People: 30	Assignable ft ² (m ²): 19,000 (1,765)		Assignable ft ² (m ²) / Employee: 933 (86.68)
Rental Rate: US\$18.00/ ft ² (m ²)	Estimated Fair Market Value (FMV):	Not applicable (NA)	
Vacancy Rate: 70%			
Lease Expiration Date: 10/21/20xx			
Building Capacity: 100			
Notes: Existing lease expires in 10/20xx. Landlord has another tenant interested in the space and has mentioned a US\$20.00/ ft ² (m ²) renewal rate.			

Example # 2: 10 Promenade Way City/State/Region/Country (Leased Facility)

Location: City/State/Region/Country	Strategy:	To be determined	
Occupants: Vice President; Administration; Finance	Gross ft ² (m ²)	20,000 (1,858)	Gross ft ² (m ²) / Employee: 400 (37.16)
Number of People: 50	Assignable ft ² (m ²)		Assignable ft ² (m ²) / Employee:
	17,000 (1,579)		340 (31.59)
Rental Rate: US\$16.00/ ft ² (m ²)	Estimated Fair Market Value (FMV):	Not applicable (NA)	
Vacancy Rate: 38%			
Lease Expiration Date: 10/31/20xx			
Building Capacity: 80			
Notes: Existing lease expires in 20xx, However, there is an “early out clause.” In addition, there is a rental “bump” to US\$17.50/ ft ² (m ²) in 12/20xx (two years before the lease expires).			

Example # 3: 5 Circle Drive City/State/Region/Country (Owned Facility)

Location: City/State/Region/Country	Strategy:	Retain ownership	
Occupants: Various	Gross ft ² (m ²):	58,882 (5,470)	Gross ft ² (m ²) / Employee: 208 (19.32)
Number of People: 283	Assignable ft ² (m ²):	46,254 (4,297)	Assignable ft ² (m ²) / Employee: 163 (15.14)
Annual Rent: Not applicable (NA)	Estimated Fair Market Value (FMV):	US\$3.6 million	
Capacity Vacancy Rate: 21.4%	Vacant ft ² (m ²):	0	
Building Capacity: 4 Offices; 356 Cubicles	Lease Expiration Date:	Not applicable (NA)	



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 and determine whether the organization's strategic direction is likely to increase or decrease these gaps.

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.

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. Facilities audits help answer questions such as:

- Should the organization increase investments to improve productivity or 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 (e.g., square meters [square feet] per employee monetary unit [e.g., dollar] of profit)?
- Does current production capacity satisfy both short- and long-term marketing objectives?
- Has training produced the desired results?
- Are 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?

Organization's balanced scorecard

The organization may use a balanced scorecard system to translate its strategy into action, and if so, it becomes a key input to aligning FM strategy to organizational strategy. The balanced scorecard is a long-term strategy implementation tool developed by Robert S. Kaplan and David P. Norton that guides staff by providing measurable goals and feedback. It balances short-



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: financial, customer, process and 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 thus 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 (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.

Example:

A balanced scorecard and strategic objective for the process perspective is to "improve service delivery." In the area of service delivery, performance drivers or predictive measures might be daily equipment downtime, HVAC failures or false fire alarms that lead to an unnecessary building evacuation.

- **Outcome measures.** 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.

Example:

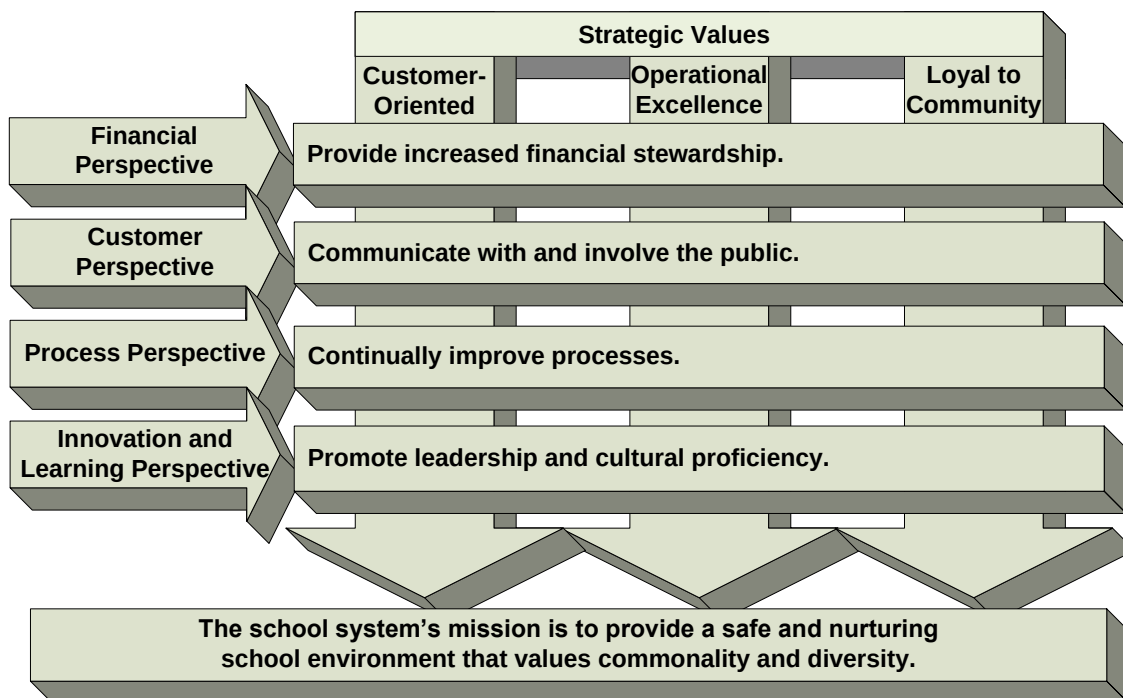
For the same service delivery balanced scorecard and strategic objective, an outcome measure would be customer or occupancy satisfaction measures that are collected from a survey. The equipment failures and false fire alarms would likely be early indicators that the subsequent feedback on a customer satisfaction survey would likely not be positive.



The balanced scorecard, when used correctly, provides the FM organization with information on how the entire 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 3-38 provides an example of a school system’s balanced scorecard strategic objectives. Note that in Topic 4 of this chapter this example is continued, showing how the FM organization plans to meet this school system’s objectives.

Exhibit 3-38: Example of Balanced Scorecard Strategic Objectives for a School System



The four perspectives of the balanced scorecard are discussed next.

Financial perspective

The 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.

Customer perspective

The customer perspective provides information on the organization’s current and potential customers and their preferences. Facility managers use this



information to understand how the entire organization creates value for its customers.

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

Process perspective

The internal business process perspective indicates the processes the organization plans to use to achieve its goals. FM strategy can contribute by creating complimentary FM processes, for example, using similar business terminology, report styles, technology and tools (e.g., balanced scorecard).

The balanced scorecard can also help organizations devise new business processes to solve strategic problems. For example, an organizational 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 maintenance strategy effectiveness.

Innovation and learning perspective

Organizational 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.

Topic 4 of this chapter provides more information about the balance scorecard.

Other processes related to aligning strategy

The processes used to align FM strategy to organizational strategy involve individual research followed by meetings to develop a shared understanding of the collected information. Group meetings between the facility manager and team members are used to brainstorm ideas, make reports on findings, and achieve consensus on the current and future state of the 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 uses knowledge of the 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 organization's vision, mission and strategy.

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

Define purpose, success and objectives

Defining what constitutes success in FM strategic planning up front or starting with the end in mind helps facility managers and staff generate a plan to reach that goal. Purpose, success criteria and strategic objectives can all be used to define the end goal to be achieved for a particular round of strategic planning.

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.

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.

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

A purpose can be expressed through one or more strategic objectives. The IFMA 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.

Defining purpose and success are necessarily 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. However, later analyses may reveal new strategic directions, so it is important to allow the best method of accomplishing goals to be dictated by the results of research. In other words, 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 organizational and business unit data discussed previously in this topic. 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.

Other outputs related to aligning strategy

The outputs of aligning FM strategy to organizational strategy may include:

- FM mission and vision statements (discussed previously).
- Comprehensive data for the organization.
- Client profiles/business unit goals.

Comprehensive data for organization

The organization's strategic plans and other comprehensive data compiled for the organization should reflect the organization's type (e.g., service, manufacturing, government, academic and so forth), its competitive strategy and the relative maturity of its products. This information, in turn, provides FM organizations with broad FM strategy goals.

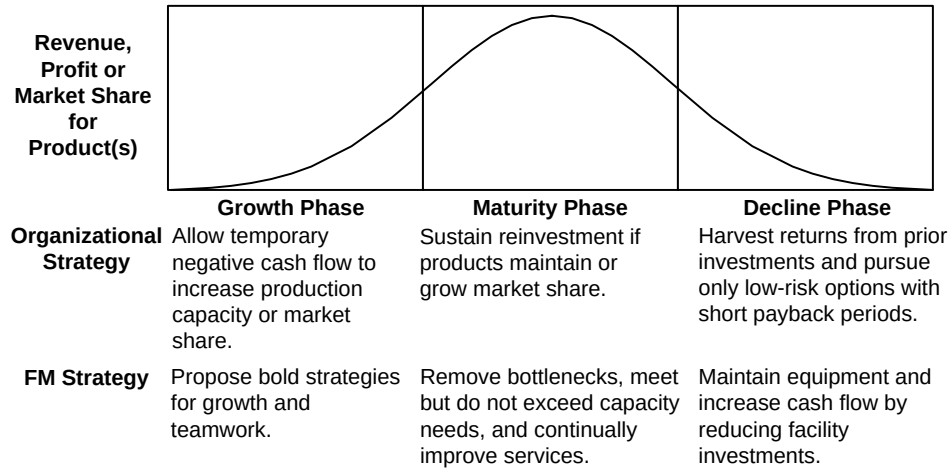
An organization's competitive strategy relates how the organization intends to succeed in a competitive environment. Michael Porter proposed the following generic competitive strategies:

- **Cost leadership strategy.** The organization pursues efficiency through economies of scale and standardization of products. FM strategies could respond by increasing outsourcing and standardization of services.
- **Differentiation strategy.** The 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 organization finds niche market segments that are resistant to competitors due to entry barriers or the organization's strengths. FM strategies increase these niche strengths.

Another way to document organization (or business unit) strategy is to determine the maturity of the organization's products in a product life cycle. Exhibit 3-39 shows a simplified product life cycle with examples of organizational and FM strategies.



Exhibit 3-39: Differences in Organizational and FM Strategy due to Product Life-Cycle Phase



Client profiles/ business unit goals

Client profiles, or business unit goals, are summaries of the strategic objectives and requirements, mission, vision and goals for each business unit within the organization or of each 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:

- Demographics
- Service requirements
- Facility register data
- Budgets for facilities
- Culture and values
- Financial data

✦ Topic 3: Develop and Implement a Strategic Planning Process

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

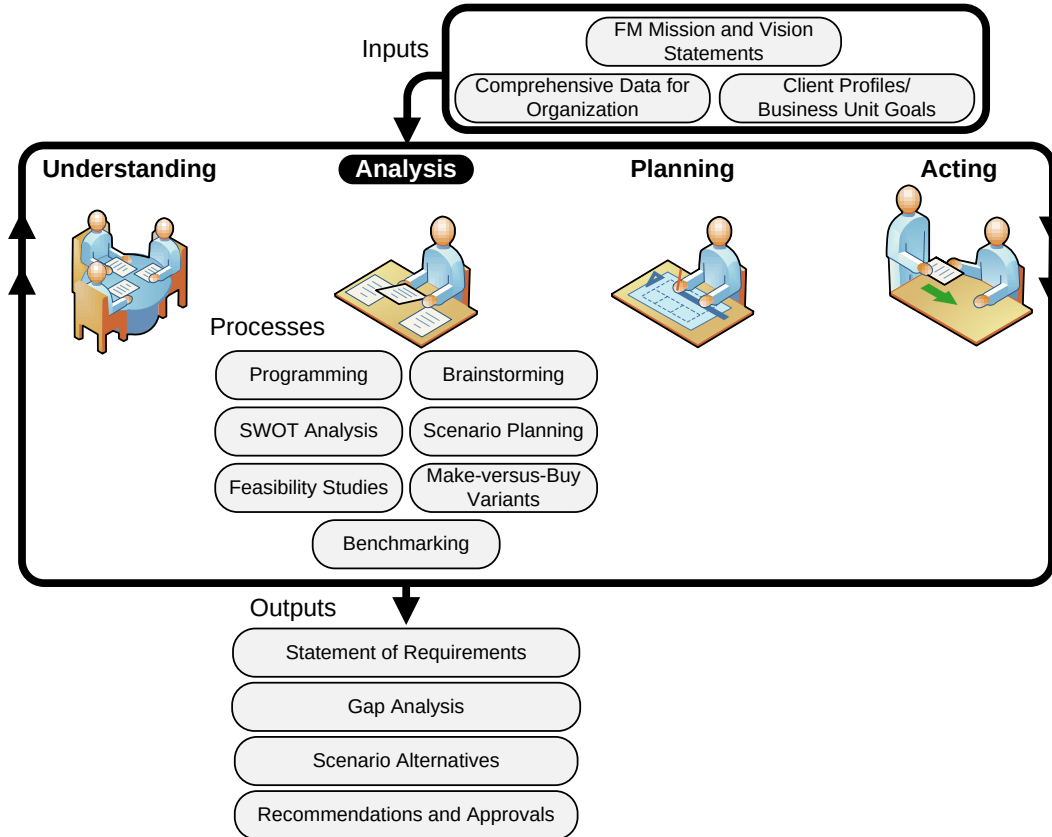
This topic presents a number of tools that can be used during the processes of strategic analysis and plan assessment. Facility managers can select the processes and tools that are appropriate for their organization and strategic planning needs.



Overview (analysis)

Exhibit 3-40 shows an overview of the inputs, processes, and outputs of the Analysis phase within the strategy life-cycle model.

Exhibit 3-40: Strategy Life-Cycle Model (Analysis)



Inputs

The outputs from the Understanding phase are the inputs for the Analysis phase.

Processes

Developing and implementing a strategic planning process involves determining the methods and tools to use to measure the gap between current and long-term facility requirements and developing business-driven scenario alternatives that can feasibly address this gap. The process should provide information on how to balance priorities between the following categories of requirements to be addressed in the strategic facility plan/ facility master plan:

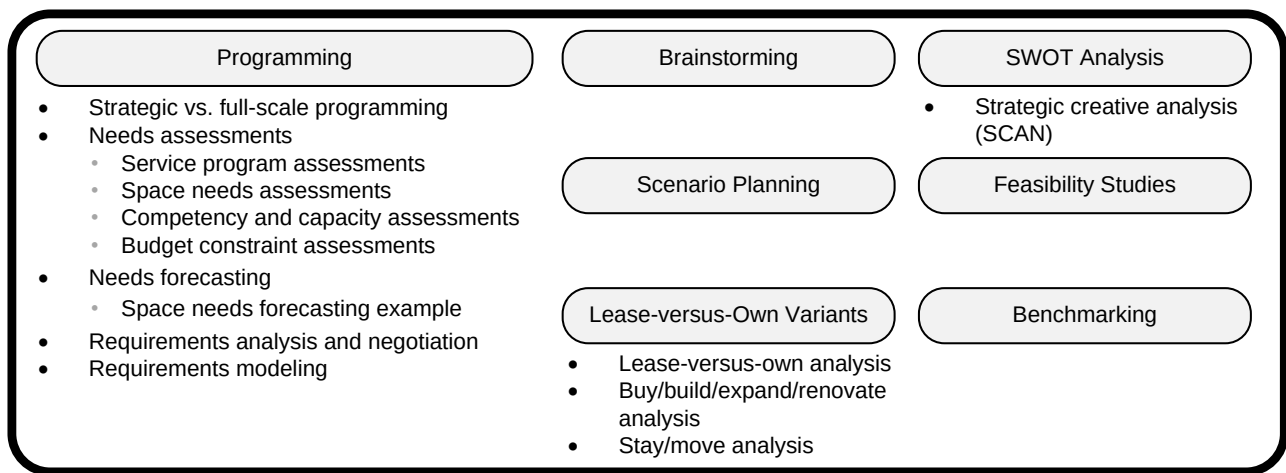
- Workforce demographics
- Research and development, operational and customer service processes
- Organizational culture and structure
- Occupant services requirements



- Government regulatory and community requirements
- Market share and position
- Production capacity rates and volumes

Exhibit 3-41 provides an overview of some of the tools and methods that can be used to develop and implement a strategic planning process. These 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.

Exhibit 3-41: Processes Available for Developing and Implementing Strategic Planning



Programming

Programming is a type of analysis that employs user observation, interviews and surveys to show how to improve a specific function in an organization. The goal of programming in a strategic analysis is to produce a set of strategic requirements that consist of:

- Strategic requirements of the entire organization that the FM organization can directly influence.
- A set of derived requirements based on requirements of the entire organization that the FM organization can indirectly influence.
- High-level user requirements produced through needs assessments, needs forecasting, requirements analysis and negotiation, and requirements modeling.

Derived requirements are requirements resulting from the analysis of other requirements, created to move from the general to the specific, account for codes or regulations, or 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 strategic facility 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 (e.g., 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.

While strategic programming lacks elements such as scheduling, it uses many of the same steps as full-scale programming and can be completed quickly due to the lower level of detail expected. Strategic programming can provide the groundwork for later full-scale programming efforts if a facility master plan is to be generated following development of a strategic facility plan or as a part of projects or other tactical plans.

Either type of programming helps make the link between the strategic facility plan/facility master plan and the entire organization's requirements transparent, because it indicates actual customer/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 want.

The needs assessment is based upon various methods of information gathering such as:

- Formal interviews
- Informal conversations
- Direct observation
- Focus groups
- Collaborative meetings
- Customer surveys or questionnaires
- Checklists
- Workflow diagrams and process models
- Review of use cases (the interaction between people and systems and processes as a series of simple steps)
- Review of service level agreements (SLAs)

Did You Know?

Needs assessment tools are sometimes classified as active or passive according to the amount of interaction needed with the information provider. For example, from the list above, formal interviews, informal conversations, direct observation, focus groups and collaborative meetings are considered active and the remaining tools are passive. A best practice is to use a mix of both active and passive tools to allow for user preferences and time constraints.

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.

General types of FM 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 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 may include a variety of specialized assessments (such as assessment of the facility interior/exterior, building envelope, technology, processes, own/lease strategies and security) 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.

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

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 make projections for:

- The 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.
- The ratio of offices to open space (cubicles).
- The need for more control over space by increasing owned space.
- The need for more flexibility by increasing leased space.



- Decisions on whether to renew expiring leases or change lease terms.
- Sustainability or maintainability policies for purchasing and contracting.
- Policies for acceptable vacancy rates (percent unoccupied).

A best practice is to forecast organizational needs by deriving the forecast data from the 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, such as staff capability training, budget constraints, service programs, or space needs. Forecasting analysis tools vary depending on the service being forecasted.

Let's look at an example of space needs forecasting. 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 (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.

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.

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 (e.g., strategic facility 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:

- Essential.
- Conditional.
- Optional.

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.

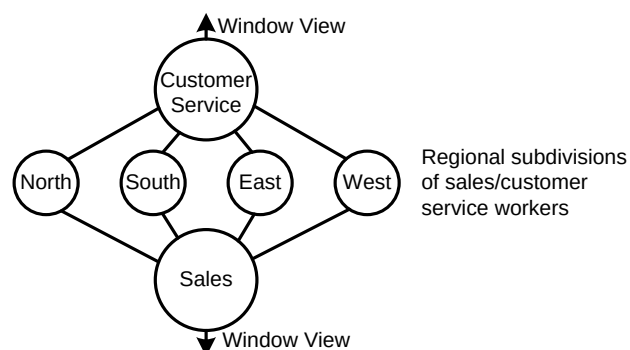
Requirements modeling

Various models exist that can graphically illustrate how the requirements as a whole interrelate and help verify that the requirements are complete and cohesive. Many modeling tools are software-based to simplify creation and distribution.

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

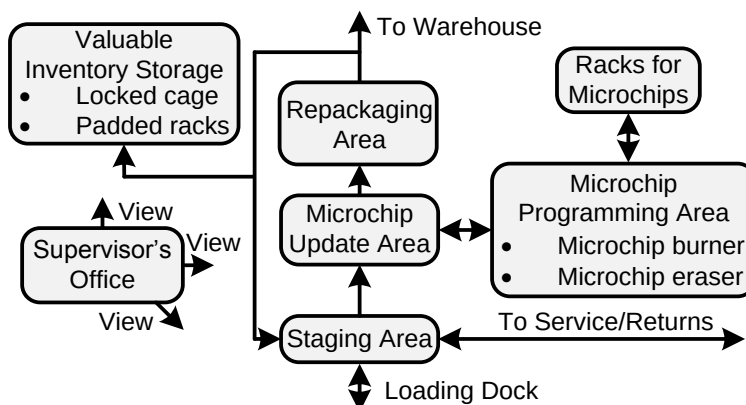
- **Bubble diagrams.** Bubble diagrams are adjacency diagrams that illustrate primary and secondary adjacencies between major work groups or departments. Exhibit 3-42 shows a bubble diagram.

Exhibit 3-42: 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 3-43 shows a workflow diagram.

Exhibit 3-43: 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 the cradle to the grave, including programming, design, construction, operations, maintenance, repairs and use. It also compensates for how well the required competencies are performed. (Better service extends an asset's life.)

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.

SWOT analysis

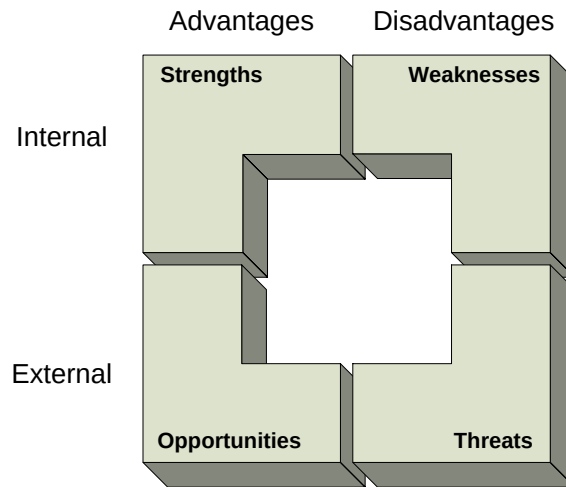
A SWOT analysis is a process in which data on the organization's current state is arranged into four categories:

- **S**—Strengths.
- **W**—Weaknesses.
- **O**—Opportunities.
- **T**—Threats.

Exhibit 3-44 shows how the SWOT categories are formed from a focus on advantages versus disadvantages and on internal versus external forces.



Exhibit 3-44: 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.

External opportunities and threats are observations of market trends and risk analyses. Opportunities are external advantages that can be acted upon to move the organization forward but if ignored or improperly developed can become threats. Threats are risks that can hold the organization back unless appropriately handled (and possibly turned into opportunities).

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.

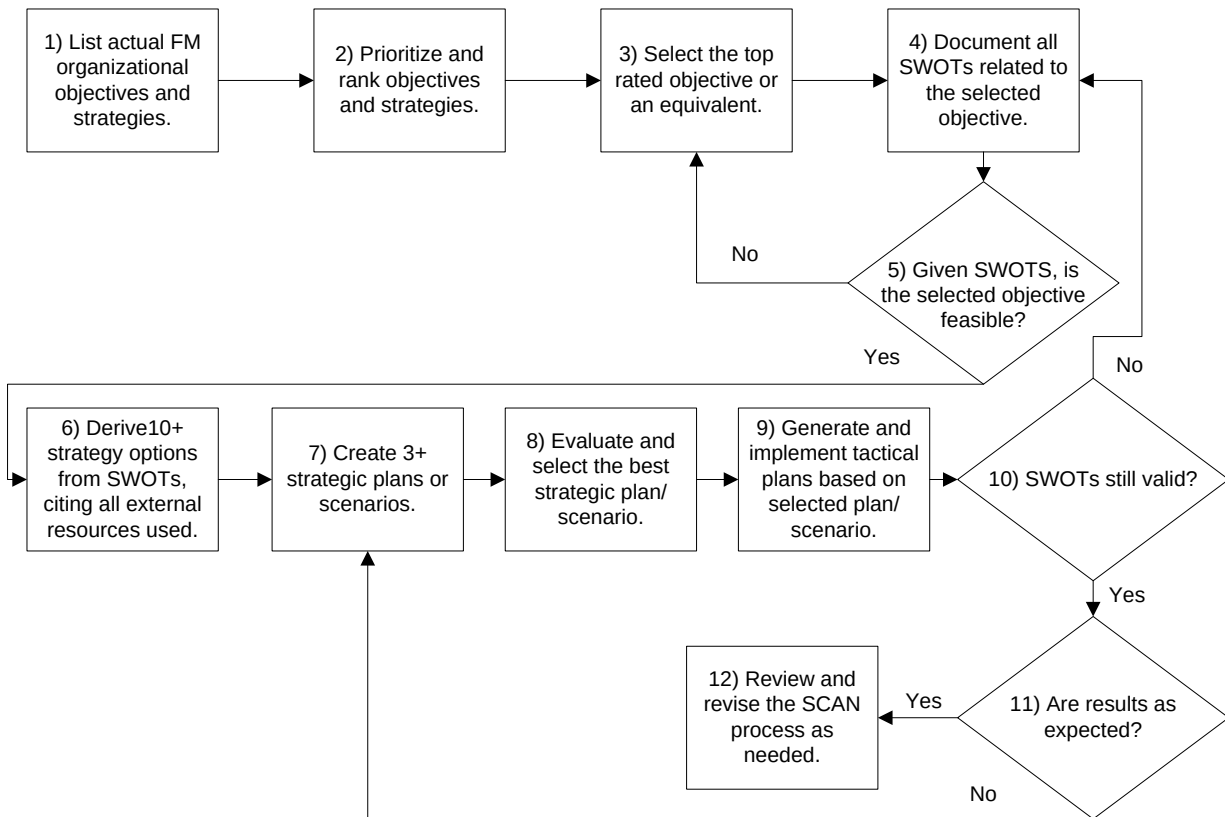
Assembling data on external forces may require environmental scanning. Environmental scanning is a systematic process of collecting and analyzing external data on market forces; competitor prices and offerings; labor pools; demographic changes; new laws, taxes and regulations; technology; changing client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



Strategic creative analysis

One method of implementing a SWOT analysis in strategic planning is to perform a strategic creative analysis (SCAN). It requires facility managers to generate multiple options and then, from these options, multiple strategies. SCAN also includes strategy implementation and process improvement. Therefore, the primary advantages of the SCAN process are that it is simple but complete. Exhibit 3-45 illustrates the steps in the SCAN process.

Exhibit 3-45: SCAN Process



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.

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, *and then* they ask how their competitors and customers would react, *and then* they ask what their response to that reaction would be, 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 likely to have an impact on the FM organization. Scenarios include estimates of profitability, cash flow, productivity, efficiency, etc.
3. Brainstorm potential strategies that could respond 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.

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 may not result in a final strategy, but it is useful for finding creative ways to prepare for external risks that can simultaneously 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.

Feasibility studies

Feasibility studies are a method of determining whether a strategy, scenario or other option is likely to produce its promised results, what the actual costs and benefits are likely to be, and 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:

- **Economic feasibility.** The return should exceed the investment.
- **Time feasibility.** The time available should be sufficient to enact the strategy soon enough to create the desired result. (For example, can purchase/lease and relocation occur quickly enough to meet entire organization goals?)
- **Organizational feasibility.** Success should be likely after considering effects on morale, ability to adapt to change, or the need to change policy.
- **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 life-cycle costs and ease of maintenance should be improved by the changes.
- **Sustainability.** A sustainability analysis should be able to show that the organization's sustainability policies are being upheld.

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

- Provide the highest return at the lowest risk.
- Demonstrate alignment to the entire organization's strategy.

Due to the importance of these 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.
- Ranked cost-benefit analysis of alternatives.

Feasibility studies can also take highly specialized forms that may not be part of the development of a strategic facility plan/facility master 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.

Lease-versus-own variants

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

Lease-versus-own analysis

A lease-versus-own analysis requires understanding the organization's situation and needs at each site. Owning is generally less costly over the long



term if the asset is maintainable and sustainable. However, the organization needs to be confident that its business situation will be stable for long enough to realize these savings.

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.

Stay/move analysis

A stay/move analysis involves calculation of 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.

Benchmarking

Benchmarking is 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. 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.

Outputs

Exhibit 3-46 provides an overview of the outputs of developing and implementing a strategic planning process.

Exhibit 3-46: Outputs of Developing and Implementing a Strategic Planning Process



Statement of requirements

The strategic or full-scale programming effort results in documented high-level user requirements for strategic facility plans or a full set of user requirements for 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 (e.g., balanced scorecard performance and outcome measures).



- Individual requirements are concise, obvious, unambiguous, feasible, verifiable, prioritized and quantifiable.
- The set of requirements as a whole 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. Various types of gaps can be measured, including productivity gaps, quality or best-value gaps, market potential gaps, competitive gaps and the relative gap between strategic options.

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 the materials and their presentations are professionally marketed, 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 strategic facility plan or facility master plan.

✦ Topic 4: Develop a Strategic Facility Plan or Facility Master Plan

Collecting strategic requirements, conducting a gap analysis, developing scenario alternatives, and having an approved strategic direction enable the facility manager to generate and validate a strategic facility plan and/or facility master plan. In addition, facility managers establish a strategic plan change process to keep plans current with new facts as part of or between major updates.

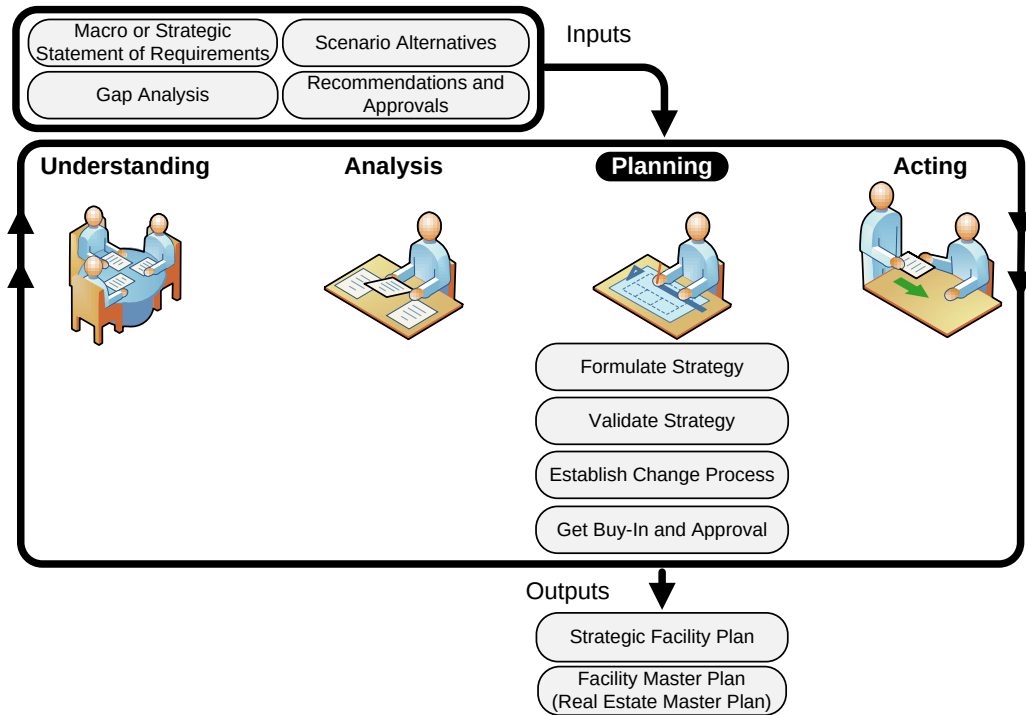
The final step once a strategic facility plan/facility master plan is drafted is a leadership task for facility managers. They market the strategy to senior executives/clients, line managers, and other stakeholders to get buy-in and formal approval so that the FM strategy receives an organizational mandate.



Overview (planning)

Exhibit 3-47 shows an overview of the inputs, processes and outputs of the Planning phase within the strategy life-cycle model.

Exhibit 3-47: Strategy Life-Cycle Model (Planning)



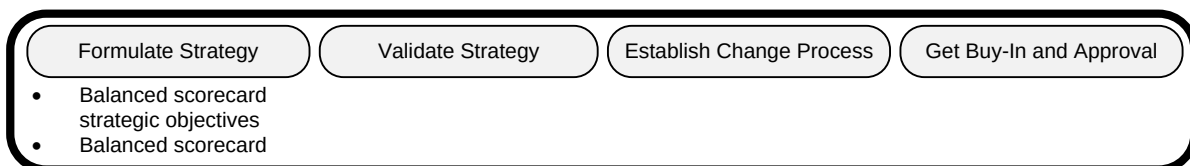
Inputs

The outputs from the Analysis phase are the inputs for the Planning phase. Note that some organizations wait until the Planning phase to perform gap analysis and feasibility studies, which were discussed in this document as part of the Analysis phase.

Processes

Exhibit 3-48 provides an overview of the processes involved in developing a strategic facility plan and/or facility master plan.

Exhibit 3-48: Processes for Developing a Strategic Facility Plan and/or Facility Master Plan



Formulate strategy

Strategy formulation is the process of finalizing and documenting the FM organization's strategic requirements and objectives overall and per

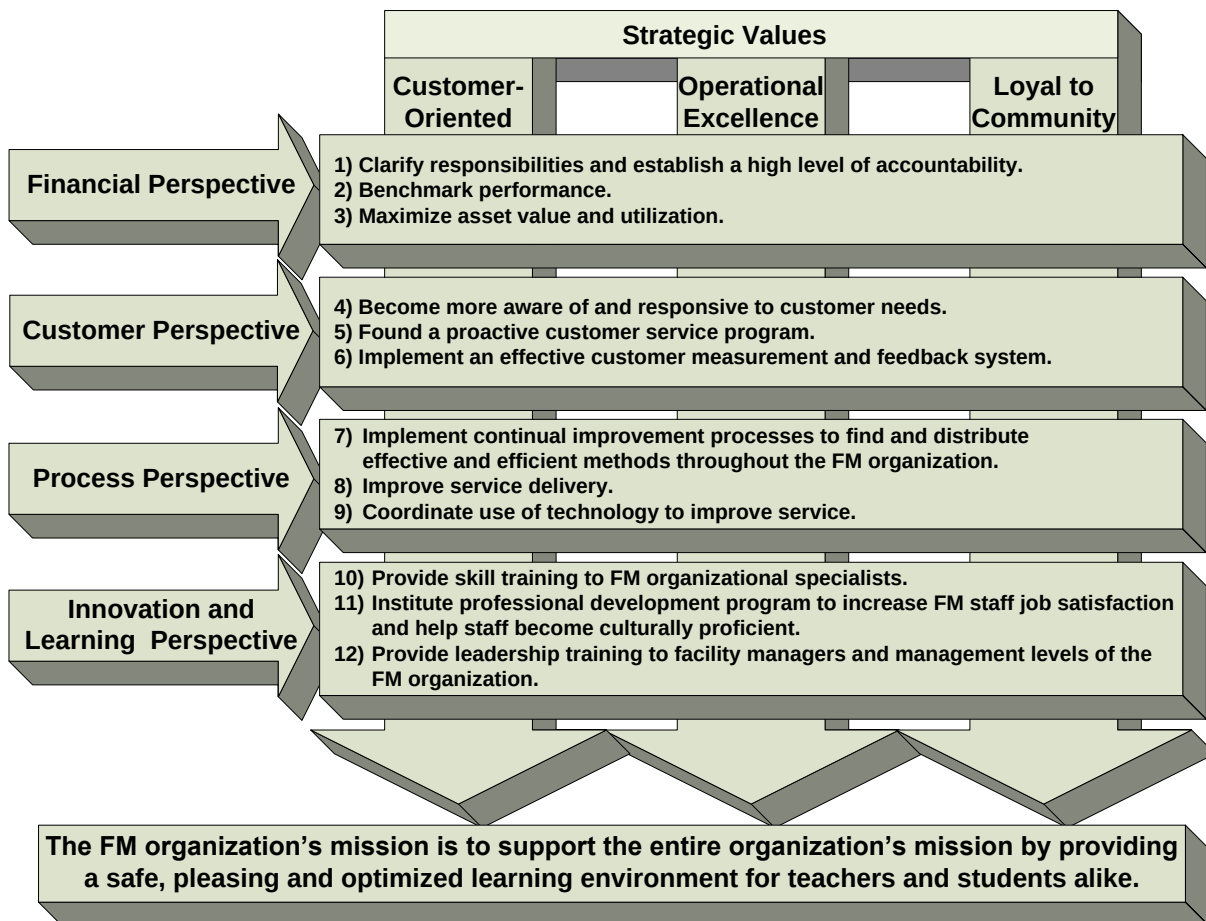
building or site, focusing on the gaps observed and on a strategy for closing the gaps.

Every organization will follow its own methodology for formulating strategy. Because IFMA recommends use of the balanced scorecard for strategy formulation, an example of the use of this methodology follows.

Balanced scorecard strategic objectives

Exhibit 3-49 shows a set of balanced scorecard strategic objectives designed for the educational institution example continued from the initial balanced scorecard discussion in Topic 2 of this chapter (Exhibit 3-38).

Exhibit 3-49: Example of Balanced Scorecard Strategic Objectives for a School System



Balanced scorecard

The balanced scorecard is based upon a set of performance drivers and outcome measures that are used to determine whether strategy is being implemented properly and measurements quantifying the level of success it is creating.



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:

- While performance drivers are linked to daily tasks and outcome measures are linked to long-term goals, these leading indicators are linked to the lagging indicators and both are linked to strategy.
- Performance drivers assign responsibilities because they are linked to specific job roles and individuals.
- FM leaders review and formally sign off on recorded values for performance drivers and outcome measures to provide accountability.
- Outcome measures are included in service level agreements as key success indicators.
- FM organization outcome measures are linked to the entire organization's outcome measures.

Validate strategy

Once a strategy has been formulated and some type of measurement system is in place, the facility manager and the team members validate the strategy by distributing copies of the strategic plan and measurements to the stakeholders who provided requirements.

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 manager and team members meet to determine how to address constituent issues and incorporate missing elements before writing a final strategic plan.

Establish change process

Facility managers ensure that strategic facility plans or facility master plans are updated at least annually. The update can be managed by reiterating the strategy life cycle.

But what happens when a strategy is in place and events occur (either internal or external to the organization) that require changing FM measurements, strategic requirements or strategic objectives in between updates? For example, an organization's strategic requirements may change and necessitate parallel changes in FM strategy. There may be a budget crisis that necessitates reducing FM strategic objectives. Or analysis may reveal previously unknown options that offer superior benefits.



Whether changes are major or less momentous in nature, a formal change process allows a plan to remain flexible and pertinent between updates. Consider the following guidelines.

If the change is ...	The change actions taken ...
Significant	Typically require the facility manager or a more senior staff member to prepare and present a detailed business case promoting the need for the change and its costs and benefits
Relatively minor	Are made at the facility manager's discretion
Optional	May be deferred to the next major planning period (unless they are time-critical)

The change process leading up to the next strategy cycle involves documenting deferred changes as well as particularly successful or problematic areas within the strategic plans. This gives planners useful feedback for the next strategy cycle, and strategic plans can incorporate continual improvement.

A sole approval authority, usually the facility manager (or a senior executive 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 but also 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, line managers, contractors and customers. They also update documents and tools such as strategy documents, balanced scorecard measurements, policy manuals or FM software.

Get buy-in and approval

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

Prior to the presentation, facility managers can develop a marketing plan by studying their audience and preparing presentations oriented toward the audience's needs and desired level of detail. Facility managers can use leadership skills to present a vision of what the strategy will accomplish. They may present several options or scenarios along with their own recommendations in a brief presentation.



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.

Outputs

The outputs of assessing the services needed to meet organizational requirements may include a completed and approved strategic facility plan and facility master plan (real estate master plan).

In general, either type of plan is written to create a shared vision for the strategy. Either explains both the desired results and the process for enacting the changes clearly enough to enable everyone to move forward in harmony.

Strategic facility plan

The strategic facility plan is defined in relation to the entire organization's and the FM organization's mission and vision. A successful strategic facility plan demonstrates the following:

- Understanding 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 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 (i.e., identifying objectives requiring a specific facility response)

The strategic facility plan starts with a detailed analysis of existing conditions to ensure that proposals are business-driven and support the entire 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.

Contents of a strategic facility plan may include:

- An executive summary with presentation materials for approval.
- A schedule of facility development activities.
- Required facility types, recommended geographic locations, estimated costs and timelines to bring the facilities to desired states.
- A facility portfolio, including documentation and analysis.



- A service program portfolio with recommendations for additions/changes (sometimes addressed separately as a strategic facility services plan).
- Industry benchmarking studies and analysis.
- Condition surveys.
- Capacity analysis and other building and site usage data.
- Staffing projections over the planning horizon.
- Technology projections over the planning horizon.
- List of recommended projects with estimated costs.
- Facility projected budgets.

**Facility master plan
(real estate master
plan)**

Facility master plans, real estate master plans or campus plans are site-specific frameworks with specific schedules for implementing a strategic facility plan when the strategy/site is complex enough to mandate more detailed plans.

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

Strategic facility plans ...

Are set at a relatively high level

Incorporate a strategic or macro statement of requirements

Provide only high-level objectives for individual facilities

Provide long-term strategic analyses of strategic drivers and constraints

Incorporate numerous analyses and expert opinions

Provide general goals for each facility

Facility master plans ...

Provide additional direction and value for persons responsible for executing the strategy

Use a statement of requirements from full-scale programming to propose functional and aesthetic plans for buildings, infrastructure, topography, services and community fit

Consider the context of the surrounding properties and demonstrate an understanding of the community's requirements and expectations

Make use of analysis results as a guide when forming detailed site plans

Add expanded analysis and opinion such as regulatory analysis or service support and amenities planning

Present site-specific scenarios or alternative organizational configurations to enact the strategic facility plan goals

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.



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

✦ Topic 5: Implement Strategy Using Tactical Plans

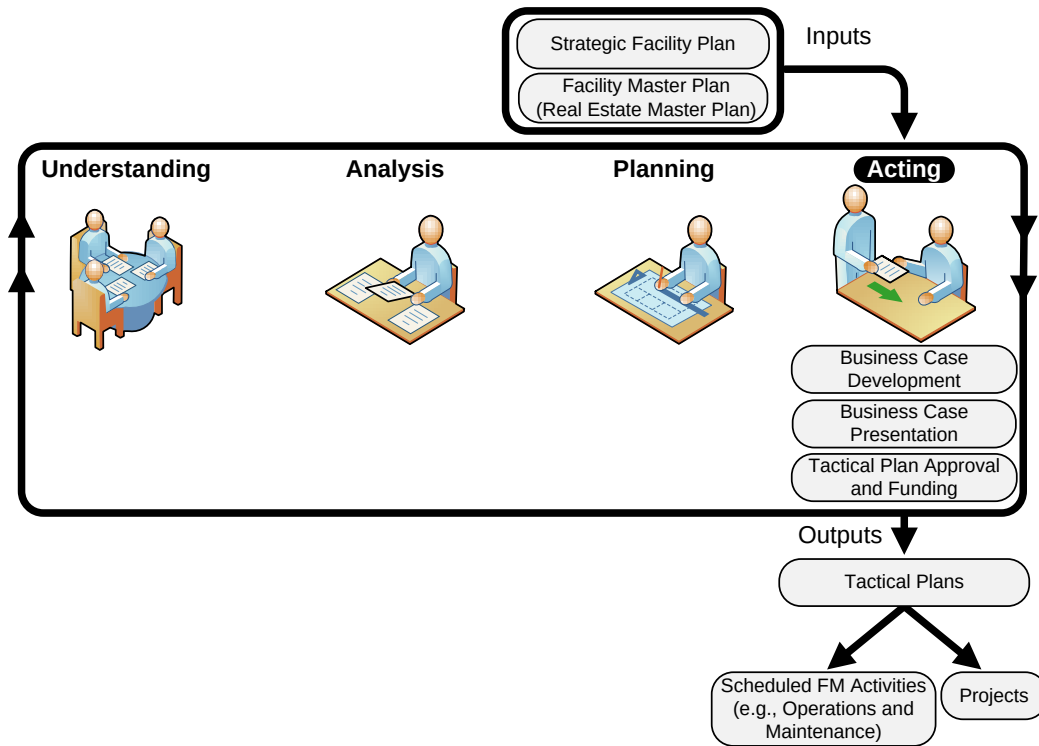
Implementing strategy using tactical plans is a critical phase for facility managers because they feel the success of having produced a set of strategic plans but nothing has yet been realized. A large number of strategic endeavors fail at this point because the strategy document remains on paper and is never implemented. Therefore, generating business cases for tactical plans and getting them funded and approved is the most critical point in the strategy life cycle. 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.

Overview (Acting)

Exhibit 3-50 shows an overview of the inputs, processes and outputs of the Acting phase within the strategy life-cycle model.



Exhibit 3-50: Strategy Life-Cycle Model (Acting)



Inputs

The inputs to implementing strategy using tactical plans are the strategic facility plan and/or the facility master plan (real estate master plan). Some FM organizations rely solely on strategic facility plans while others make the facility master plan the primary strategy document.

Facility managers typically treat strategic facility 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. Because they are subject to change due to external market conditions or internal forces, many organizations view the strategic facility plan as the “current” strategic facility plan in planning meetings. When facility master plans are used, the scenarios generated in facility master plans may anticipate likely changes, so additional planning may not be necessary.

Processes

Exhibit 3-51 provides an overview of the processes involved in implementing strategy using tactical plans.

Exhibit 3-51: Processes for Implementing Strategy Using Tactical Plans



Business case development

Some strategic objectives may require only the facility manager's approval if they are straightforward and fall within a preapproved internal budget. Strategic objectives that exceed a certain complexity level, have costs in excess of the internal budget, or request funds from other business units may require approval by executives/clients in the form of business cases. Business cases that are approved are developed into 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 usually also 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.

Business case presentation

Presenting business cases is primarily a leadership skill, and it involves knowing one's audience, highlighting the most likely information to move that audience, being engaging and speaking well, and 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.

For more information, see Topic 4 of Chapter 2. Also, the *Finance and Business* competency includes content on business cases.

Tactical plan approval and funding

Without approval and funding of a business case for a tactical plan, the tactical plan or project does not exist. 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 strategic facility 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.

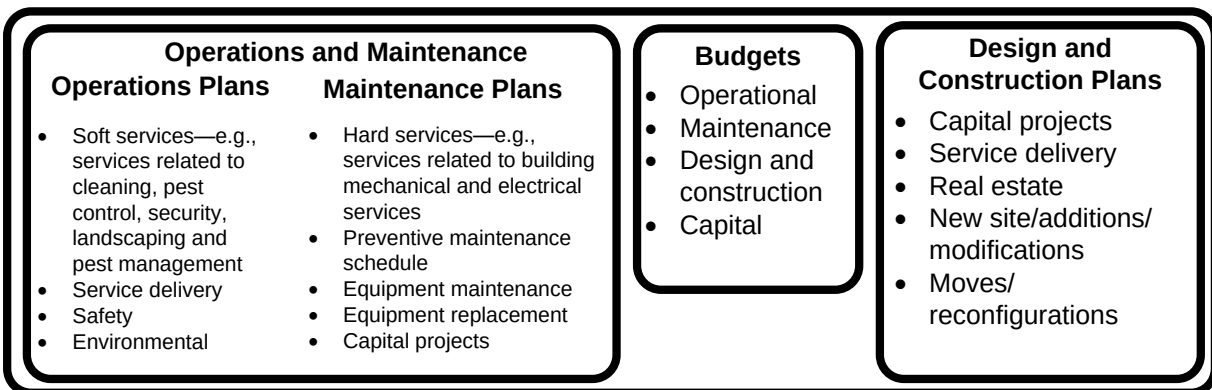
Tactical plans

Tactical plans are detailed plans that indicate how to implement strategic plans for facilities or services. Tactical plans are traceable back to the strategic facility 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 (e.g., 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 3-52 provides examples of various types of tactical plans that can be produced for an FM organization.

Exhibit 3-52: Various Types of Tactical Plans



Progress Check Questions

Directions: Read each question and respond in the space provided. Answers and page references follow the questions.

1. Which of the following is an example of an important but not urgent activity?
☐ a. Your phone rings while you meet with an important client.
☐ b. You ask customers about their business problems.
☐ c. You are responsible for a project deadline.
☐ d. You read and then delete junk e-mail.
2. Which of the following types of plans creates a gap analysis for an entire portfolio of facilities?
☐ a. Strategic facility plan
☐ b. Master facility plan
☐ c. Tactical plan
☐ d. Project plan

3. Place the following steps in a strategic planning process in the proper order.

<i>Step</i>	<i>Order</i>
a. The FM organization develops operations plans.	_____
b. The FM organization develops a strategic facility plan.	_____
c. Execution is measured and the strategy is validated.	_____
d. The entire organization develops a strategic plan.	_____

4. Which of the following is true of an organization's mission, vision, values and/or culture?
☐ a. Mission is the ultimate goal of the organization.
☐ b. Facility managers cannot influence an organization's values or culture.
☐ c. Understanding and accepting an organizational mission helps guide individual behavior.
☐ d. The process used to produce mission statements is not important.
5. Which of the following is the first step in the process of aligning the FM strategy to organizational strategy after assembling various inputs and producing FM mission and vision statements?
☐ a. Organize and compile comprehensive data for 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.



6. Which of the following analysis tools may include environmental scanning because it is divided into internal versus external perspectives and advantage versus disadvantage perspectives?
- ☐ a. Balanced scorecard
 - ☐ b. SWOT (strengths, weaknesses, opportunities, threats)
 - ☐ c. Strategic or macro-level programming
 - ☐ d. Scenario planning
7. Which of the following 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
8. Which of the following points in the strategy life cycle is the most critical because it is where many strategic endeavors fail?
- ☐ a. Aligning the facility's strategic requirements to the entire organization's requirements
 - ☐ b. Developing strategic facility plans or facility master plans
 - ☐ c. Assessing services needed to meet organizational requirements
 - ☐ d. Implementing strategy using tactical plans
9. Which of the following 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 strategic facility 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.



Progress check answers

1. b (p. 3-138)
2. a (p. 3-142)
3. a-3, b-2, c-4, d-1 (p. 3-142)
4. c (p. 3-146)
5. c (p. 3-155)
6. b (p. 3-165)
7. d (p. 3-171)
8. d (p. 3-178)
9. a (p. 3-174)



Chapter 2: Lead and Manage the Facility Organization

After completing this chapter, students will be able to:

- Understand the differences between and complementary nature of leadership and management.
 - Apply theories of individual behavior and leadership to understand motivations and provide guidance and advocacy.
 - Lead, inspire, influence and manage the FM organization in support of the entire organization's goals.
 - Coordinate people, place, processes and technology.
 - Understand management and leadership styles and grow as a leader.
 - Achieve an FM organization that excels through best practices, continual improvement, and change management and reengineering.
 - Advocate for facility management needs and priorities.
 - Organize and staff the facility function by creating a strong organizational structure and teams.
 - Develop and support policies, procedures and practices for the organization.
 - Clarify and communicate responsibilities and accountabilities for staff and contractors through proper job design and work coordination.
 - Resolve conflicts by understanding root causes and using principled negotiation.
-

✦ Topic 1: Introduction to Leadership and Management

Facility managers who master the fundamentals of leadership and management can better communicate with staff, peers and superiors; accept and adapt to other persons' viewpoints; advocate for FM needs; and mentor, guide and protect their team.

Much of the information presented here on leadership and management is not unique to facility management. Where possible, specific examples of how to apply a concept to facility management are provided. In addition, facility managers can select from among the theories, concepts, tools and methods presented as the situation demands.



Leadership and management, defined

Leadership and management can be defined as follows:

- **Leadership** is guiding and directing others' actions and decisions through one's position power and personal influence. Effective leaders use their power and influence to channel the energy and activities of others in support of the entire organization's goals. To do this requires them to act as role models and advocate, inspire others and address conflict in a forthright manner.
- **Management** is (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.

In general, leadership is about style and direction and management is about technical organization, but both are means to an end. In the case of facility management, the end goal is to align the FM organization to the entire organization's strategy. In other words, leadership ensures that the FM organization is motivated to move down the right path, while management ensures that the FM organization has the right plans, organization and controls to get down that path efficiently and effectively.

A management process model helps show how leadership and management concepts are complimentary. Exhibit 3-53 provides a management process model that places leading as an element in the management process.

Exhibit 3-53: Management Process Model



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

Related terminology

Inspiration and influence as well as planning, organizing and controlling are terms related to leadership and management.

- **Inspiration** is from a Latin root meaning “to breathe in.” In relation to leadership, 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** is 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. Compare these definitions to the following definitions of planning, organizing, and controlling:

- **Planning** is setting a direction for an organization in terms of goals, performance objectives, policies, procedures and practices.
- **Organizing** is 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** is 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.

Revisiting how management was defined above, the first definition is that of the overall management process, which includes leadership. The second definition refers to management’s use of control as a tool over subordinates, which differs from leadership’s use of inspiration and influence as tools. While the ability to direct others’ work can be accomplished through inspiration and influence or control, the source of authority for each of these tool sets 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.



Exhibit 3-54 defines position power and personal influence. Note that personal influence can be enhanced by position power, but position power cannot create personal influence.

Exhibit 3-54: 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 access or control access to information. • 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.

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. That is, leadership augments management by motivating desired behavior and increasing a manager's sphere of influence. Competent leaders manage themselves and lead others.

Earning personal influence

Personal influence is earned over time through ongoing relationship building. Ongoing relationship building is a trust-building process.

Its success is achieved by getting others to understand and accept:

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



When dealing with other persons, leaders practice respect, listening and understanding, empathy, trust and collaboration.

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

Personal influence can be increased over time, but it can also be reduced or destroyed by abuse of trust—for example, by asking persons to do things that go against their values.

✦ Topic 2: Theories of Individual Behavior and Leadership

Numerous researchers have proposed theories of individual motivation and behavior and theories on leadership. A representative set of these theories is presented in this topic; however, it is up to facility managers to decide which theories are most relevant to them and their staff.

Individual motivation and behavioral theories

The first step for facility managers seeking to develop their staff is to understand 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.

Did You Know?

There are three human behavior principles underlying motivation and behavior.

- *All human behavior is caused.* This simply means that people have a reason for doing whatever they do.
- *Behavior is directed toward achieving a goal.* In other words, behavior is not random. People do things to accomplish something.
- *Each person is unique because of a different heredity and environment.* No two people are alike or have the same exact characteristics.

Learning about 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.

In this chapter we look at four notable theories of individual 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 addressed in Topic 6 of this chapter, "Develop Effective Teams."

Theory X and Y

Douglas McGregor observed the prevailing management theories of the 1950s. He summarized these as Theory X and proposed a counter to this philosophy as Theory Y.

Exhibit 3-55 compares these two theories.

Exhibit 3-55: Theory X versus Theory Y

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 (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.
The average individual values security over ambition, wants to avoid responsibility, and therefore likes being directed. Innovative problem solvers are narrowly distributed in the population.	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.

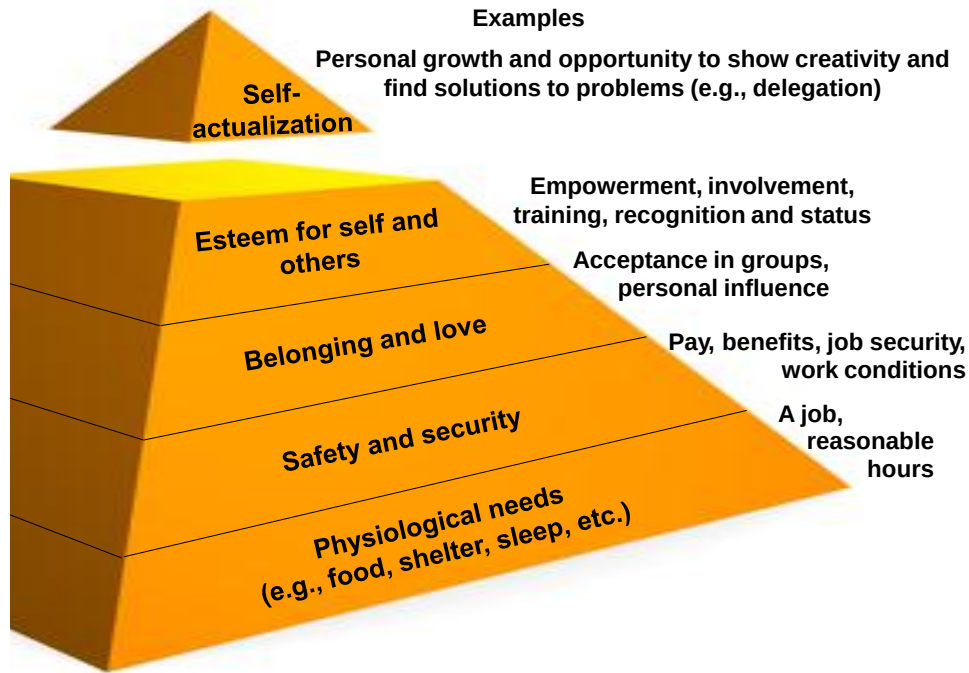
Maslow's needs hierarchy

Abraham Maslow developed 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 3-56 on the next page, can show facility managers that low level needs are always important.

Recognizing where an individual is at in the hierarchy can help the facility manager tailor an approach for that individual.



Exhibit 3-56: Maslow's Needs Hierarchy



Herzberg's motivation-hygiene theory

Frederick Herzberg's motivation-hygiene 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: pay, job security, work conditions, supervision, coworker relations, etc. 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: 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.

Myers-Briggs personality types

The Myers-Briggs Type Indicator (MBTI®) is a personality assessment that can help facility managers to understand individual differences, motivations and work preferences (including their own) so they can provide the most positive work environment for all workers. The MBTI assessment may be administered as a formal test, or a Myers-Briggs personality type can be informally assessed.



Based on work by Carl Jung, Katherine Briggs and Isabel Briggs-Myers developed a system of personality preferences, as shown in Exhibit 3-57.

Exhibit 3-57: Myers-Briggs Type Indicator (MBTI®)

Extraversion (E)	vs.	Introversion (I)
<i>The E vs. I preference shows how people interact with the environment and direct their energy. Extraverts prefer to talk things through; introverts need to think things through.</i>		
Sensing (S)	vs.	Intuition (N)
<i>The S vs. N preference indicates the types of information people naturally perceive. Sensors trust what is established and “tried and true”; intuitives value imagination and can see the “big picture” and future possibilities.</i>		
Thinking (T)	vs.	Feeling (F)
<i>The T vs. F preference shows how people make decisions. Thinkers are objective and make logical decisions; feelers are empathetic and consider others before making decisions.</i>		
Judging (J)	vs.	Perceiving (P)
<i>The J vs. P preference indicates whether people prefer settled decisions and structure or to see options and be spontaneous. Judgers like routines and “to-do” lists; perceivers like flexibility and can “go with the flow” of surprise or changing plans.</i>		

Individuals can be located somewhere along a continuum between the personality preferences (except the exact center). The combination of individual preferences forms the personality type. In various combinations, the eight preferences (shown above) form 16 distinct personality types. 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. The key point for facility managers to understand is that people are motivated differently and have different work styles.

Leadership theories

Leadership theories are methods proposed by researchers to explain what makes leaders effective. 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. Understanding leadership theories is another part of a facility manager’s tool kit for developing effective leadership skills.



Behavioral theories Behavioral theories arose in the 1940s and questioned the prevailing philosophy that leaders were born and not made. Instead, 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 such as by explaining decisions or mentoring their careers.

On-going research on these dimensions shows mixed results as to whether one or the other or both better predict success and indicates that situation plays a role.

Situational theories In the 1960s, a number of theories defined the maturity level of employees as the primary situational differentiator of leadership success. Hersey-Blanchard's situational leadership theory is a well-known example.

Hersey-Blanchard's situational leadership theory

Rather than assuming one style of leadership is ideal for all scenarios, Hersey-Blanchard proposed leaders should change their leadership styles based on the maturity of the people they are leading and the details of the task.

Employee task maturity is given a rating of M1 through M4 and described as shown in Exhibit 3-58.

Exhibit 3-58: Task Maturity Ratings

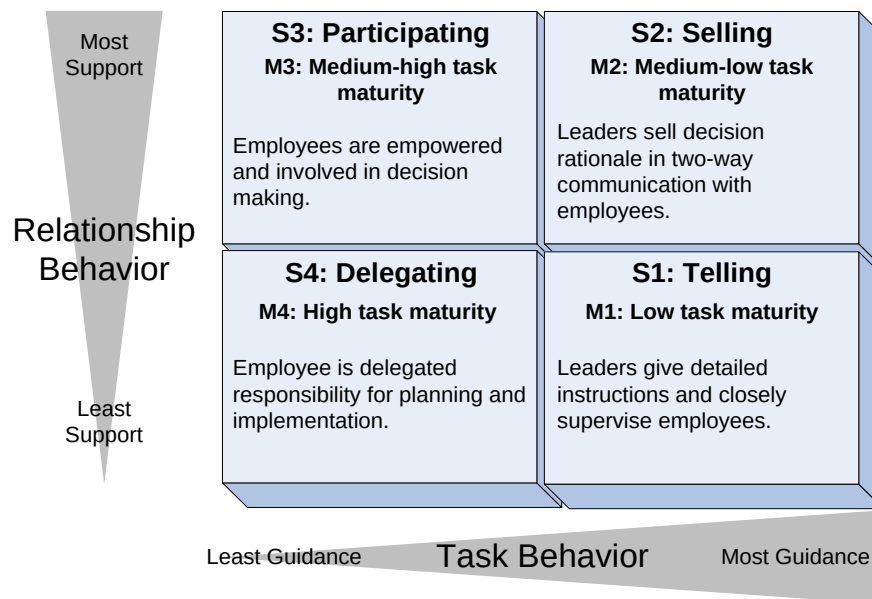
Level	Description	Implication
M1	Unable and unwilling or insecure	Individuals lack the knowledge, skills, or confidence to work on their own, and they often need to be pushed.
M2	Unable but willing or motivated	Individuals are willing to work on the task, but they lack the skills to successfully perform it.
M3	Able but unwilling or insecure	Individuals have more skills than the M2 group, but they are still not confident in their abilities.
M4	Able and willing or motivated	Individuals are able to work on their own; they have high confidence and strong skills and they are committed to the task.



Based on an individual's maturity, the leader's style can focus more or less on task behavior or on relationship behavior. Exhibit 3-59 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

Exhibit 3-59: 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.

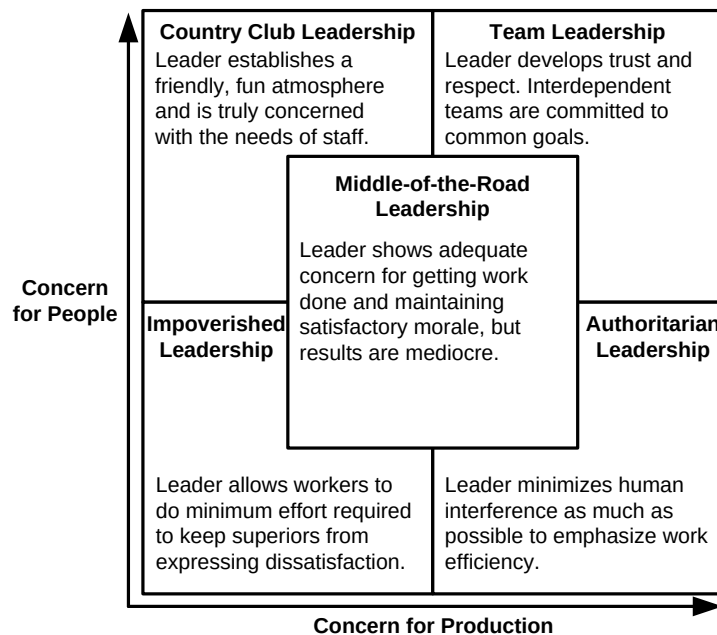


The Managerial Grid is based on two behavioral dimensions:

- **Concern for people**—the degree to which a leader considers the needs of team members, their interests and areas of personal development when deciding how best to accomplish a task.
- **Concern for production**—the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Exhibit 3-60 illustrates the Managerial Grid. Using an axis to plot leadership “concerns for production” versus “concerns for people,” Blake and Mouton defined five leadership styles. Of the five styles, impoverished leadership is undesirable and team leadership is an ideal. The other types of leadership might be useful in certain work environments.

Exhibit 3-60: 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 (e.g., size, structure and culture).
- The facility manager’s personality and natural style.
- The personalities of those being managed and led.
- The sustainability of the style (i.e., 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 (e.g., 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. He defines situational favorableness as the product of three factors:

- **Position power**—the amount of hierarchical authority a manager has.
- **Leader-member relations (i.e., 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 changing one or more of the three factors listed above is more effective than training leaders to change styles.

✦ **Topic 3: Lead, Inspire, Influence and Manage the Facility Organization**

Facility managers balance leadership to inspire and influence FM staff and contractors with proper management to plan, organize and control tasks, resources and persons. 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.

Strategic partner role

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

Facility management in a support role can be defined as the operation and maintenance of facility elements, supervision of services such as cleaning and security, timely reaction to complaints, and planning and implementation of facility projects.

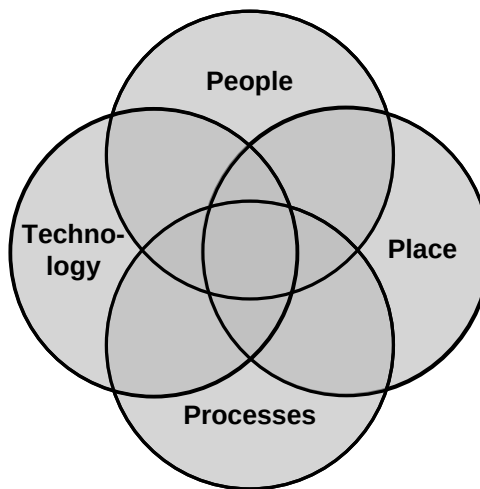


Facility management in a strategic partner role is incorporated into the IFMA definition of facility management:

The practice of coordinating the physical workplace with the people and work of the organization; the FM integrates the principles of business administration, architecture, and the behavioral and engineering sciences.

Coordinating the physical workplace with the people and work of the organization can be broken down into coordinating people, place, processes and technology, as shown in Exhibit 3-61.

Exhibit 3-61: Strategic Partner Role



Facility managers start with an external focus on the entire organization and work backwards from there to develop goals for the FM organization. Facility managers use leadership to develop and communicate an understanding of client/customer:

- People: organizational structure, culture, job roles, visitor levels, etc.
- Processes: industry, manufacturing/service, workflow, etc.
- Technology: networks, technology trends, automation, etc.

Facility managers apply an understanding of the organization's people, processes and technology to determine the requirements for a safe, healthy and productive workplace. They also apply this understanding to determine the requirements for the FM organization's people, place, processes and technology.



To elevate the FM organization to a strategic partner role, facility managers benefit from having sufficient authority or position power. At a large 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 that:

- Facility managers have sufficient political sway over others in the organization when advocating for facility needs.
- The organization has a proper sense of the importance of facilities.

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

Organizational hierarchy placement is less of an issue at smaller organizations or when the FM organization is an external service provider.

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

Leadership roles of facility managers

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

- Developing and communicating a comprehensive mission, vision and strategy aligned with requirements of the entire organization (addressed in Chapter 1, "Plan Strategically").
- Seeing the big picture.
- Creating momentum to stimulate or cope with change.
- Developing connections with people by relating to them at their level (e.g., speaking to executives using the language of business).
- Positioning themselves as the go-to person for guidance (being approachable) on facility issues for all persons in the organization.
- Seeking wise counsel prior to making decisions and acting with confidence and proper timing once a decision is made.
- Being a good follower when a project requires a facility manager to be a participant (i.e., lead by setting an example).

Exhibit 3-62 provides an overview of the leadership roles of facility managers discussed further in this topic.



Exhibit 3-62: Leadership Roles of Facility Managers

Provide Guidance to Staff
and Service Providers

Influence Decisions and
Attitudes

Conduct Organizational
Development (OD)

**Provide guidance
to staff and service
providers**

Providing guidance to staff and service providers is both a management and a 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 ways to reduce the number of reactive or emergency activities.
- Promoting emergency preparedness 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 facility manager's potential impact.
- Becoming an advocate for both one's own staff and contractors and for the needs of building occupants to staff/ contractors.
- Seeking out expert advice as needed (knowing the limits of one's technical knowledge).
- Managing by walking around to generate forthright, two-way discussion and direct observation so that facility managers can verify reported results while getting hands-on experience with their staff and contractors.

**Influence decisions
and attitudes**

Facility managers are the primary conduit between senior management and facility staff/contractors, and therefore they are the key advocates for the facility organization's needs. Often this means 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. Influencing extended stakeholders is addressed further in Chapter 3, "Provide Leadership to the Entire Organization."



Facility managers who show confidence in their own abilities and earn personal influence with relevant stakeholders can become an indispensable part of the entire 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 (local or organization-specific labor representatives who may or may not be affiliated with a labor union). Facility managers stay conversant 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.

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, but if facility managers and staff can develop mutual trust, the staff can become partners in pursuing facility excellence.

To develop the FM organization into an efficient proactive team, facility managers pursue organizational development and practice empowerment, employee/contractor involvement, and/or delegation.

Organizational development (OD) is a strategic effort that applies behavioral science to improve the resilience of an organization to internal or external changes and to enhance its ability to proactively solve problems. OD is not a single concept but a collection of proven methods. To make organizational development a reality, it should be included in the FM organization's mission, vision and strategy.

The philosophy behind empowerment, employee/contractor involvement, and delegation is that a leader's potential is determined by the strength of



those around him or her. Empowerment, employee/contractor involvement, and delegation can be defined as follows:

- **Empowerment** is 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.
- **Employee/contractor involvement** is a management decision to engage employees/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** is 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.

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.

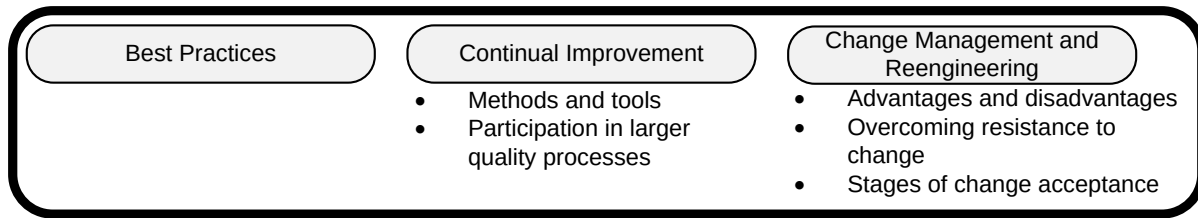
FM organization's goals

When facility managers are building an FM organization that is a strategic partner to its organization/clients, they need to define not only their leadership roles but also the end results or goals that the FM organization should achieve.

Exhibit 3-63 provides an overview of the common FM organizational goals that are discussed further in this topic.



Exhibit 3-63: 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 generally being the most effective and consistently providing the desired results.

Best practices can be used to improve the FM organization by being implemented as a project and then maintained, or by being incorporated into policies, procedures and practices. Best practices can range from simple advice (e.g., “outstanding internal customer service leads to outstanding external customer service”) to more detailed proposals that summarize proposed changes and list benefits and limitations.

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 British Institute of Facilities Management (BIFM) Good Practices Guides on the IFMA Web site. Facility managers can also 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. Changes suggested are not major upheavals, so work can continue uninterrupted while continual improvements are implemented.

Methods and tools

The following methods and tools can be used in enabling continual improvement:

- Leadership
- Rewards and penalties
- Routine measurement and evaluation



- Plan, Do, Check, Act (PDCA) problem-solving model
- Root cause analysis
- Benchmarking

Note: PDCA, root cause analysis and benchmarking are all discussed in more detail in the *Quality* competency.

Participation in larger quality processes

In addition to using the methods and tools listed above, FM organizations may be active participants in a larger quality effort incorporating continual improvement:

- Six sigma (6σ)
- Total quality management (TQM)
- Just-in-time (JIT)
- Lean

Note: The *Quality* competency provides more information about six sigma and TQM.

Change management and reengineering

When the FM organization requires changes that go beyond minor improvements, they can take the form of change management or reengineering:

- **Change management** is a process that involves defining, refining and implementing plans for changes. It emphasizes overcoming stakeholder and bureaucratic resistance through coordinated communications and stakeholder involvement. After a change is enacted, change management entails assessing the impact of changes and providing long-term maintenance.
- **Reengineering** is a major rethinking of a process from start to finish.

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.
- Refocusing on core capabilities.
- Construction/renovation projects with concurrent process reengineering.
- Quality efforts such as TQM, continual improvement, etc.
- Making the FM organization more oriented to project management.
- Implementing best practices.



Advantages and disadvantages

Advantages of change management or reengineering include the following:

- Major changes or reengineering can produce productivity or profitability increases that cannot be realized through incremental improvements.
- The velocity of organizational change is increasing, so change management is becoming more and more necessary.
- The ability to quickly change can be a source of competitive advantage.
- Organized change processes support the facility manager's role as a chief change agent and increase the chances of a successful change.
- Change management/reengineering can be used to implement strategy.

Disadvantages of change management or reengineering include the following:

- Change management can be overused if one change effort follows another. Continual improvement is the goal once a change process is complete.
- Change is a process, not an event. Declaring victory too soon is a danger.
- Change management in projects currently under way may be an excuse to mask a poorly defined project purpose or a poorly planned project.

Major changes or reengineering can produce productivity or profitability increases that cannot be realized through incremental improvements. They can be a source of competitive advantage.

Overcoming resistance to change

Resistance to change depends on the relative size and nature of the change.

Each of the following elements is necessary for change to take place:

- Vision
- Skills
- Incentives
- Resources
- Action plans

Overcoming resistance to change also requires that facility managers understand the psychological stages of change acceptance.

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

Leadership styles, management styles, and leadership and management methods and tools are some of the means by which facility managers can 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 particular facility manager's personality and situation. Exhibit 3-64 provides an overview of the styles, methods and tools discussed in the remainder of this topic.

Exhibit 3-64: Leadership/Management Styles, Methods and Tools

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 <i>The Seven Habits of Highly Effective People</i>) • 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

Leadership styles

Leadership styles refer to the behavioral pattern of leaders as perceived by followers over a period of time. A leader may use elements from more than one of the following leadership styles.

- **Situational leadership.** The four quadrants of the situational leadership model (telling, selling, participating and delegating) presented in Exhibit 3-59 were developed into the Situational Leadership II model, which emphasizes that leaders have a natural style that can be adapted to a given employee's/contractor's task maturity:
 - **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 engage followers with more experience or confidence by selling their ideas to them and giving them a chance to ask for clarification.



- **Supporting leadership.** Leaders involve and empower followers who have significant experience and a strong desire for responsibility.
- **Delegating leadership.** Leaders hand off tasks entirely to followers with expertise and independent initiative, asking only for results.
- **Transactional leadership.** Transactional leaders offer promises of rewards or threats of punishments to induce participation. 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 exercise control on work in process only if errors or standards violations are discovered.
 - **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. They persuade people to follow them by providing compelling arguments about the importance of an outcome or placing the needs of the group over personal interests.
- **Transformational leadership (superleader).** Transformational leaders have a well-rounded set of leadership skills, honestly care about their followers, and possess the knowledge to be effective in their position. They develop, inspire and motivate followers to become interdependent and achieve something greater through teamwork. Tools used include:
 - Charisma
 - Inspiration
 - Motivation
 - Individual attention

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 (e.g., charismatic or transformational) can be learned given appropriate training. Their research also notes that transformational leaders can be effective at all organizational levels. However, a study of organizations with extraordinary performance by business consultant, author, and lecturer James C. Collins found that the most critical leadership qualities are humility and firm resolve, not



charisma, so it could be a mistake to overemphasize the importance of becoming a charismatic or transformational leader when a more down-to-earth style may suit a particular facility manager.

Not all styles will be effective or appropriate for a given situation. Sometimes the best form of leadership is simply to get out of the way of workers. Furthermore, some styles may be a better fit for a facility manager's personality than others.

Management styles Management styles refer to the means chosen to accomplish the management tasks of planning, organizing 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.

The following is a list of best practices that can be combined to form a positive management style:

- Manage as a cyclical process (e.g., Plan, Do, Check, Act or a similar problem-solving process model).
- Emphasize positive messages.
- Practice principles over rules.
- Concentrate on responsibility to staff.
- Secure hands-on experience.

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.

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 *The 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. 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** is mental, emotional and/or physical reliance on others. Mentally it is reflected in "you" (for example, "You are to blame").
- **Independence** is the ability to care for oneself mentally, emotionally and/or physically. Mentally it is reflected in "I" (for example, "I am responsible").
- **Interdependence** is 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 understanding of other people's perspectives and issues.

Active and empathic listening should be embraced by a facility manager. 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.

Note: Active listening and nonverbal communication are discussed in the *Communication* competency.

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 entire 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.

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 an acronym where each goal is:
 - **Specific**—unambiguous, clearly written, and consistent with business unit and organizational objectives.
 - **Measurable**—can be tested to verify if it is satisfied.
 - **Achievable**—can be met using existing skills/assets.
 - **Realistic**—feasible and an optimal use of time/funds.
 - **Timely**—has a challenging but achievable deadline.
- **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.

SMART goals typically are performance requirements that the employee or contractor is expected to meet or exceed, and rewards/penalties for results may apply. 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.

Even when an organization sets stretch goals, the SMART goals should still be challenging because challenging goals motivate employees. However, SMART goals should be achievable and realistic or staff may feel that management is out of touch with the reality of the task.

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-person 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 (e.g., pay for performance, bonuses, profit sharing, employee stock ownership, 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.

Generally, intrinsic rewards provide the best reward efficiency and effectiveness if there is a good job-person fit. However, not every individual will respond to the same motivators in the same way. Therefore, 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.

✦ Topic 4: Advocate for Facility Management Needs and Priorities

Advocating for FM needs and priorities is a process of communicating and marketing the strategic importance of FM resources, plans and activities. Assuming that facility managers have formally or informally developed an FM strategy that is aligned with the organization's strategy, facility managers can make the business case that FM needs and priorities are the 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 sufficient funding.

Stated another way, in being an advocate for FM needs and priorities, a facility manager must market the FM value proposition. The logic of the FM value proposition is:

If ...

FM strategy is aligned with the organization's strategy ...

and

FM is an enabler of organizational success . . .

Then ...

FM's needs and priorities are the organization's needs and priorities.

Marketing the FM organization

Facility managers are often are faced with growing customer demands and requirements but shrinking resources. In such an environment, it is not sufficient to just 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.

Facility managers must approach their public duties as they approach other challenges: They devise a strategy, generate a plan, and follow it. FM organizational marketing plans need not be complex. A simple annual plan that



indicates the stakeholder groups who need attention and basic approaches to improving relations with them can be sufficient. 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.
- Market FM organizational staff and facility qualifications (e.g., CFM or FMP designations; LEED rating for a sustainable facility).

A primary message that facility managers market is that the FM organization is a critical sustainer of core business effectiveness such as production capacity. FM organizations sustain core business effectiveness by maintaining facilities and initiating changes so that workers can maintain or increase their efficiency and effectiveness.

Marketing the FM organization is a political task that is essential in competing for scarce financial resources. The political aspects are important because:

- The needs of facilities are not usually obvious, and explaining these needs is a vital marketing task.
- Facility management as a profession is not well understood, so facility managers are in a position to show others that they are business leaders in addition to explaining what they do as managers.
- A facility manager’s enthusiasm 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.

Facility managers advocate for FM needs and priorities through internal promotion, external promotion, and public relations.

Internal promotion

Facility managers internally promote the needs of the FM organization with superiors or clients, colleagues, operating managers and internal departments. Facility managers can convey the message that FM needs and priorities are organizational 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 (e.g., space requirements, business drivers, 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, including clients, facility managers market facility priorities using language that demonstrates an understanding of the stakeholder’s perspective. The following are examples.

- When working with executives/clients, facility managers speak the language of business so that they will be taken seriously, meaning that they avoid FM-specific terminology and learn the business terminology prevalent in their organization’s or client’s upper management culture.
- Facility managers empathize with the purchasing department to show that 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.



External promotion External stakeholders for the FM organization include customers, suppliers, building owners and prospective clients. The goals of the FM organization are to advertise the FM organization and develop sustainable and mutually beneficial long-term relationships with external stakeholders.

Public relations Part of the facility manager’s annual marketing plan could address the FM community, the public in general and facility visitors in particular.

For more information on external promotion and public relations, see Topic 2 of Chapter 3.

Tools and methods for FM advocacy Facility managers can employ a number of tools and methods to advocate for FM needs and priorities. Exhibit 3-65 provides an overview of the tools and methods that are discussed in the remainder of this topic.

Exhibit 3-65: Tools and Methods for FM Advocacy

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	• Strategic facility plans • Facility master plans (real estate master plans) • Tactical plans • Business cases • Programming reports • Annual facility reports	• Maintaining a positive attitude • Knowing your audience • Speaking and writing • Using social media

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 them 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 reports

Facility managers may need to present a number of reports, including the following:

- Strategic facility plans
- Facility master plans (real estate master plans or campus plans)
- Tactical plans
- Business cases
- Programming reports
- Annual facility reports

A common weakness in FM reporting is the use of heavily data-oriented materials with audiences that do not need to know such 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 or dilemmas, it is best to present the information in person and get the bad news out on the first page of the report. Some facility managers color-code reports, 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.



The particular style of presentation is driven by the organizational policy and culture. Some organizations promote organizational charts and graphics, others mandate that presentations start with a one-page executive summary. Facility managers know and follow their organizational style.

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 a positive attitude
- Knowing your audience
- High-quality speaking and writing
- Using social media

Note that other important communication techniques are addressed elsewhere in this competency. Negotiation is addressed in Topic 9 of this chapter. Customer service techniques are addressed in Topic 2 of Chapter 3. The *Communication* competency also looks at effective techniques.

✦ Topic 5: Organize and Staff the Facility Function

Organizing and staffing the facility function are primarily management tasks. Facility managers hire and contract to provide the right number of persons with the appropriate mix of skills, assign tasks, and generate schedules. To organize and staff properly, facility managers develop an understanding of organizational structure and conduct organizational design if the structure needs to be changed or reengineered.

Organizational design and structure

Facility managers engage in organizational design when developing or changing an organizational structure for the facility function. These terms can be defined as follows:

- **Organizational design** is the process of selecting and instituting an organizational structure, rewards, penalties, and policies, procedures and practices appropriate to the organization's strategy, size, desire for innovation, constraints and operating environment.
- **Organizational structure** is the formal power structure and hierarchy of an organization and the types and number of job positions per department, often communicated through charts and descriptions.
- **Functions** are the particular job positions, activities and roles that an organization performs.



Prior to determining an optimal design, facility managers typically assess the current state of the FM organizational structure.

Assessing organizational structure

When facility managers assume responsibility for an existing facility management 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 likely 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, any hidden agendas, and expected support for entire organization and FM organization strategic objectives
- Information on how staff and contractors feel they are supporting objectives and their sentiments on current organizational structure
- 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 an understanding 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 reengineer the organization's structure.
- Refine the current structure.
- Work to understand the current structure and mitigate its weaknesses.

As with other change efforts, organizational structure changes require careful planning, influencing and marketing to stakeholders, project management, enforcement and maintenance. When forming plans, facility managers consider the factors influencing organizational structure.

Factors influencing organizational structure

When designing organizational structure to optimize service provision and cost, clarify responsibilities, and reduce the risk of unintended consequences, facility managers need to consider a number of factors:

- Entire organization structure and culture
- Degree of centralization/decentralization



- Chain of command and span of control
- Line versus staff management and functional/structural versus matrix models
- Owned versus leased property and other contracting influences
- Spatial differentiation
- Standardized versus specialized services
- Relocation and churn rate

Entire organization structure and culture

When facility managers assess an existing FM organizational structure, they need to understand the history of a particular practice or process in order to understand 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’ve always done it.” Most organizational structure decisions were initially made for a reason, but this reason may or may not still be valid.

Degree of centralization/decentralization

The degree of centralization versus decentralization refers to the amount of decision-making authority retained by executives (centralization) versus that distributed to lower levels of management (decentralization). It also refers to the level of decision-making authority at 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. Headquarters facility managers are only consulted with or informed regarding 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, however, 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** is the number of reporting authority levels between a given job position and the top authority level in the sequence. A chain of command can have vertical (line) and/or horizontal (staff) reporting relationships. Positions with multiple reporting relationships have complex chains of command.
- **Span of control** is 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:

- Task maturity level of subordinates in terms of confidence and ability to accept responsibility (or need for supervision).
- Complexity level of subordinate positions in terms of knowledge, skill and ability requirements.

If organizations downsize by eliminating middle management positions to produce a flatter, more responsive organizational structure, a priority for facility managers is to retain control over all FM functions. Facility managers may need to pursue increased contracting and consulting to allow a flat FM organization to continue providing full services.

Line versus staff management and functional/structural versus matrix models

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:

- **Line management** is a vertical chain-of-command reporting relationship in which each management-subordinate relationship increases in specialization as it gets lower in the hierarchy.
- **Staff management** is 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** are 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** are 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.

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 suboptimal 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. Silos make it more difficult for staff to see larger FM organization objectives, much less the entire organization’s objectives.

Owned versus leased property and other contracting influences

Organizations tend to use a higher proportion of internal staff when property is owned and tend to use more contracted services and minimal staff when property is leased due to a desire on the part of landlords to minimize costs.

Regardless of the reason for the use of internal versus contracted resources, the desired balance of staff/contractors may affect the organizational structure. For example, when functions are internally managed, it may require more levels of management control. When functions are contracted out, it generally allows organizations to become flatter and to save money on infrequently used services. Use of individual contractors for specific positions can be accomplished in any organizational structure.

Spatial differentiation

Spatial differentiation is the distance between sites and the total number of sites in an organization. Facilities may be made up of a single building, a



campus with multiple facilities in a limited geographic area, or multiple sites that are geographically distant.

FM organizations with high spatial differentiation have a number of questions to consider regarding their organizational design:

- Should there be an administrator position at each site to aggregate and assess customer requirements? Should the authority level of the administrative position be increased if the site is larger or more distant?
- 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 that have a mission of providing a high degree of customization may organize differently than those that provide standardized services. Matrix organizations with project management orientation tend to be better at specialization due to the interaction between organizational units. Functional/structural organizations tend to be better at minimizing costs and providing a similar customer experience in each interaction.

Relocation and churn rate

The frequency of minor relocations (churn) within a facility may require facility managers to determine whether to devote permanent job positions to handle frequent relocations or to treat minor relocations as a shared task initiated as a small project. Major relocations (e.g., building to building) are invariably treated as projects.

FM organizational models

While the organizational structure of FM organizations will differ, some commonly cited models can illustrate best practices for FM organizations in similar situations. These models are intended to show broad similarities in organizational choices, but two organizations with very similar size and features may still differ significantly in organizational structure:

- Their missions may vary in terms of what services the organization needs. (The FM organization is mapped out 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 most support for the services in highest demand. They are usually organized around business units for custom service, fast response time, and flexibility in services and delivery as needs shift. Reviews are directly linked to customer objectives. Some business units 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.
- **One location, one site model.** Organizations that own a single facility or campus may operate a staffed, full-service FM organization. Facility managers may have subordinate managers for major functions. Contractors are used for peak usage or specialized services.
- **One location, multiple sites model.** Organizations that have a headquarters and plants, labs or branches in a similar area generate homogenous organizational structures led by site administrators while 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.

Selecting organizational structure

Once facility managers understand the current state of the FM organizational structure, they can determine whether or not to recommend changes to the organizational structure to meet strategic objectives or mitigate deficiencies.



Best practices for developing an optimal organizational structure include:

- Considering cost constraints on 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 organizational structure to reflect long-term strategy rather than short-term resource limitations.
- Making personnel moves objectively and as soon as feasible following adequate consultation, agreement, and use of required formal processes.
- Assessing a new organizational structure over time before declaring it a success or failure.

Given an adequate facility organizational structure, facility managers can concentrate on staffing the facility function.

Staffing

Staffing provides the right mix of skills and experience and the optimum balance of employees versus contractors. The following are some examples of ways facility managers can ensure that the FM organization has the best possible staff and contractors:

- Developing a career succession plan for promoting existing employees
- Hiring contractors or consultants who have a proven track record
- Getting to know entry-level FM programs at colleges and universities, offering internships, and hiring or contracting with promising interns
- Recruiting members of facility associations such as IFMA
- Offering facility staff at other organizations the chance for promotion
- Hiring or contracting with facility managers who are retiring/resigning from the military

Facility managers generally place more weight on practical experience than on education simply because the number of candidates with FM-specific educational backgrounds may be limited. In some situations, facility managers may need to rely on manufacturers' training (e.g., HVAC manufacturer) to provide additional technical knowledge.

Other considerations for hiring or contracting include assessing individuals' personality and likely behavior to ensure a good job-person fit. In general, facility managers look for individuals who are likely to excel at teamwork, 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

While designing organizational structures, facility managers link the responsibility for each FM function and asset to a job position. When assigning work, facility managers issue task assignments based on these responsibilities.

Assigning work involves providing workers with a clear idea or vision of expected results and possibly providing written specifications to staff or a scope/statement of work to contractors. Facility managers may or may not specify a detailed process that workers should follow. Facility managers ensure that any rewards or penalties associated with the task are explained from the start. 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, and deadlines are fair but challenging.

Note that the *Project Management* competency includes information on a number of scheduling methods and tools.

✦ Topic 6: Develop Effective Teams

Facility managers develop effective teams by understanding team types; applying team-forming life-cycle theory; controlling the inputs, processes and outputs of teams; understanding team behavior theories; and properly motivating teams. When facility managers understand these concepts, they can transform independent work groups into interdependent 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.

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 accomplish far more than the same number of persons would have if working individually for the same amount of time.



Team types

Facility managers may need to form teams for many different purposes. Some common types of teams include formal, informal, virtual and ad hoc. Some formal team types include committees, project teams, self-directed teams, task forces and work teams.

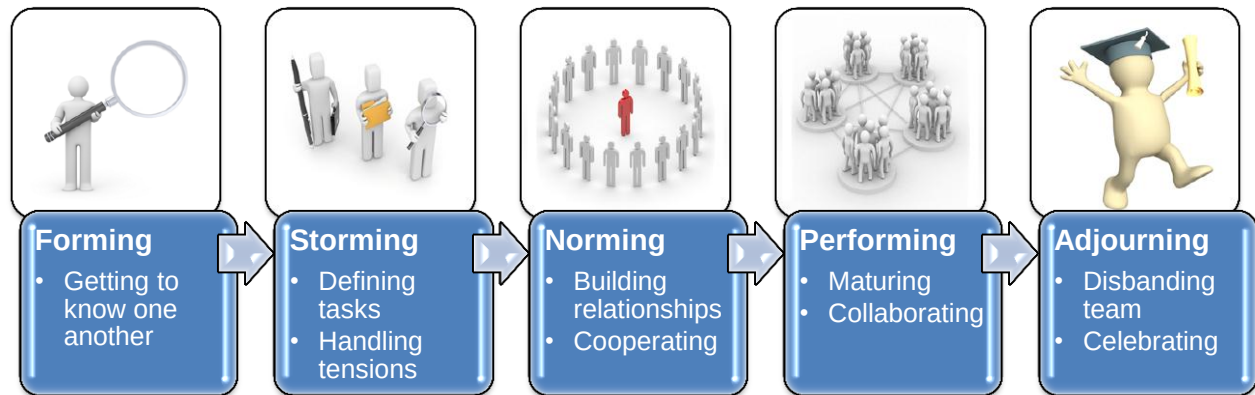
Team life-cycle model

No matter what type of team is formed, teams develop over a life cycle.

Tuckman's team life-cycle model

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 3-66.

Exhibit 3-66: Tuckman's Team Life-Cycle Model



At each team life-cycle stage, both the leader and the followers encounter different challenges. Note that teams can skip stages if their members are veterans at teamwork, but teams can also move backwards if not properly led. Facility managers understand the following differences between cycle stages.

- **Forming.** Facility managers enable teams at this stage when they:
 - Set a tone for courteous behavior and policy compliance.
 - Satisfy team members' task concern (the desire of team members to know how the team will move forward in accomplishing its tasks) by establishing a shared mission and vision.
 - Satisfy team members' maintenance concerns (the need for team members to feel that their input is valued and they are welcome).



- **Storming.** Facility managers guide members to a problem-solving mindset when they:
 - 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.** During norming, facility managers carefully guide expectations when they:
 - Emphasize group cohesion by developing a climate of leadership through empowerment and involvement.
 - Facilitate exchange of information between team members to clarify priorities and help individuals express issues and concerns.
- **Performing.** 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 adjourn teams as they:
 - 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.

Inputs, processes and outputs of teams

Facility managers develop an understanding of what to provide to teams and how to facilitate group dynamics so that teams will be likely to achieve desired results. In other words, facility managers understand team inputs, team processes and team outputs.

Team inputs

Team inputs include the following:

- **Tasks.** Facility managers communicate a vision of expected results and clearly define tasks.
- **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 (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.
- **Status.** Facility managers account for the relative status of members in terms of seniority, age, education, etc. 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 understanding 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

Intergroup dynamics are 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 identified the following aspects of decision making:

- **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.
- **Minority rule.** Two or more dominant members force the group to go along with them by making a suggestion and requiring a fast decision.
- **Majority rule.** Voting can resolve conflicts but tends to create factions or a win/lose mentality.
- **Consensus.** Teams discuss issues and settle on a mutually acceptable solution. (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.

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, meaning that each member (or sub-team) talks with each



other member (or sub-team). Larger teams may need a centralized communication network 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 3-67 illustrates these two network types.

Exhibit 3-67: Centralized vs. Decentralized Networks

Centralized networks



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 also benefit from an understanding of team behavior theories.

Team behavior theories

Team behavior theories predict certain aspects of individual behavior when persons are working 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's 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:

- **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 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.
- **Teamworker.** Teamworkers are listeners and conflict resolvers who avoid confrontation and may be taken for granted until they are absent and conflict ensues. Teamworkers 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

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 are focused on ensuring that the work is started and finished.
- Maintenance roles focus on maintaining harmony in team relationships.
- Self-interest roles are negative roles that focus on individual interest over teamwork and, if left unchecked, could destroy a team from within.

Task and maintenance roles have a positive impact on group dynamics if they are kept in balance with one another. Self-interest roles have a negative impact on group dynamics.

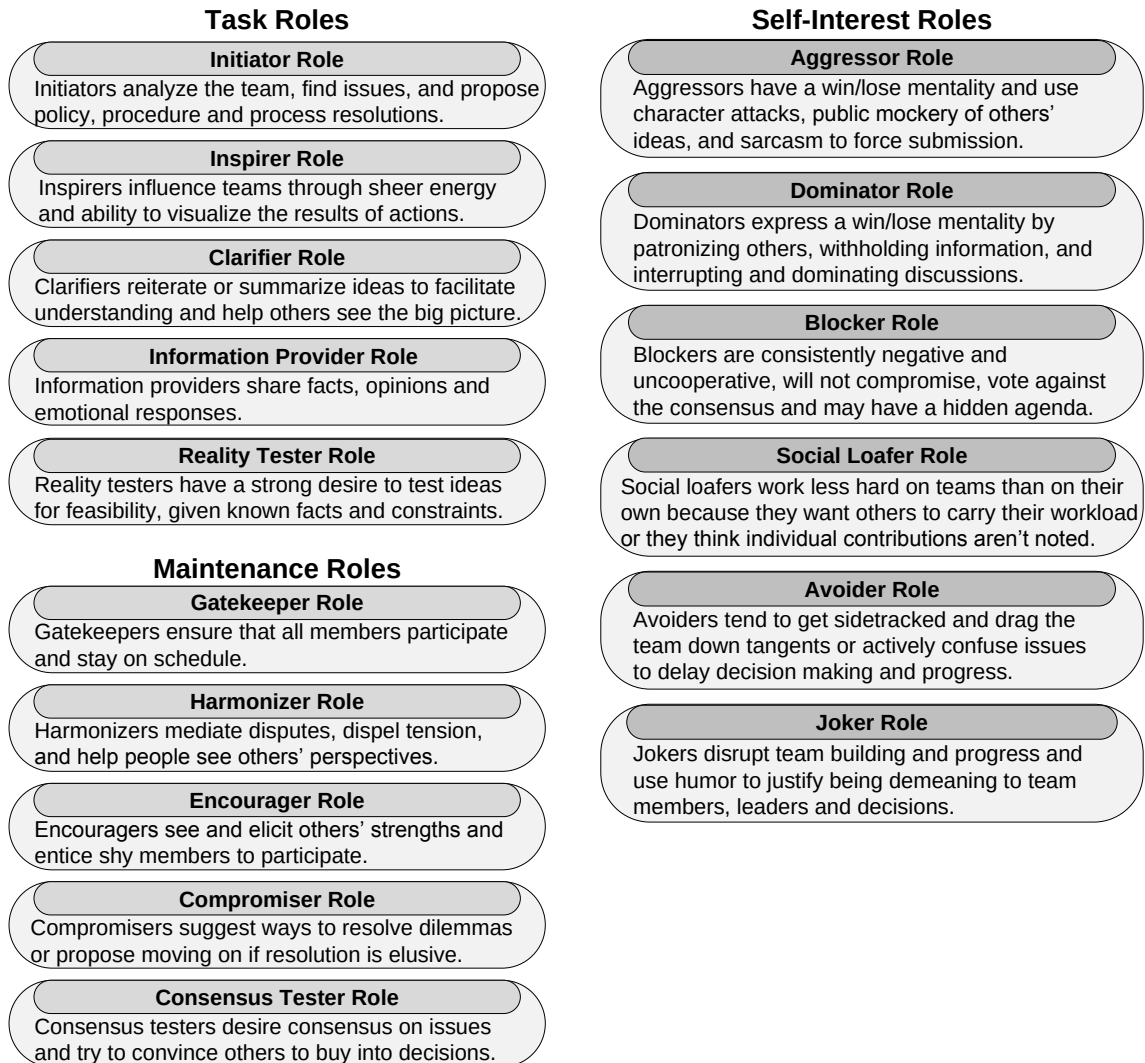


There are several options when a team has one or more members who are occupying self-interest roles:

- 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 3-68 is a list of roles in these three categories. While role names may differ between organizations, teams usually include some of these roles.

Exhibit 3-68: Individual Roles on Teams



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

Team rewards

Teams can be motivated by intrinsic and extrinsic rewards:

- **Intrinsic team rewards** are 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** are 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 simply saying teamwork is valued is insufficient. 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 also 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 periodically evaluate their team's efficiency and effectiveness. A best practice for evaluations is that teams be assessed on multiple factors. For example, purpose, strategy, processes and more. Individual 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.

A team leader should also be assessed. 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.

✦ Topic 7: Develop, Implement and Evaluate FM Policies, Procedures and Practices

Developing, implementing and evaluating FM policies, procedures and practices is primarily a management task, but getting staff and contractors to voluntarily adopt these guides for expected conduct requires leadership. It also requires leadership to gain support for proposed policy, procedure or practice changes, especially for changes that affect the entire organization.

Policies, procedures and practices can be defined as follows:

- **Policies** are broad guidelines designed to focus organizational activities.
- **Procedures** are customary tactics for performing activities.
- **Practices** are explicit guidelines that may be based on best practices and that control and restrict individual and group behavior.



All three of these organizational tools are intended to enable day-to-day coordination of people, place, processes and technology. Policies, procedures and practices are designed to 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.

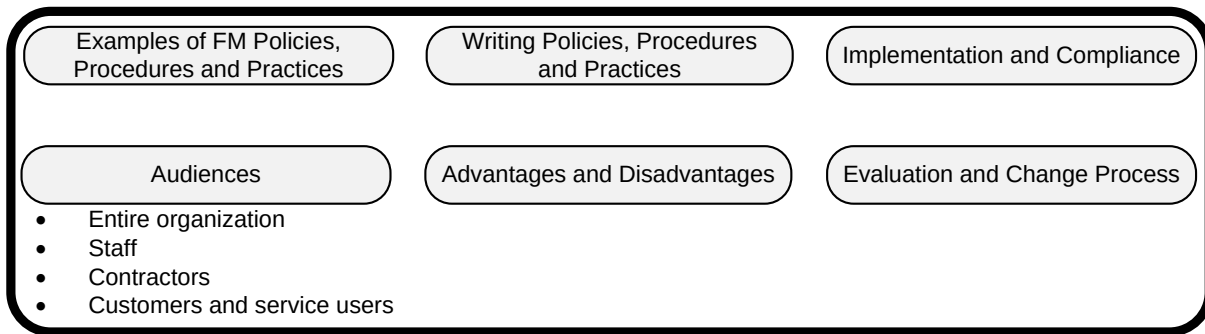
The differences between these tools can be summarized as follows:

- Policies guide compliance. They show *what* should/should not be done.
- Procedures guide processes. They show *how* functions should be done.
- Practices guide timing and selection of processes. They are more prescriptive and show *when* to apply standards, policies and procedures (e.g., predictive vs. preventive maintenance).

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 3-69 provides an overview of the subjects discussed in the remainder of this topic related to developing, implementing and evaluating FM policies, procedures and practices.

Exhibit 3-69: Developing, Implementing and Evaluating FM Policies, Procedures and Practices



Examples of FM policies, procedures and practices

Facility managers may develop numerous policies, procedures and practices for the FM organization such as finance and budget, administration, contracting, customer service, office support, engineering, manufacturing support, contingency planning, environmental health and safety, information technology and more.



Examples (for the area of contracting):

Policy

A corporate statement outlining the conceptual approach that all procurement activities will be conducted in a competitive manner to ensure the best value in all purchasing activities.

Procedure

A procedure may dictate that the purchasing organization has the responsibility for managing all procurement activities, including the competitive bidding for renovation and building construction activities required by the FM organization.

Practice

A detailed practice for procurement may mandate that construction bidders must go through a pre-qualification process prior to being invited to bid for any construction work. The practice may also detail the minimum numbers of bidders, bid intervals and the process for review and analysis of actual bids.

**Writing
policies,
procedures
and practices**

When writing policies, procedures and practices, facility managers may be required to work with the organization's human resources and legal departments. Even if these departments must take the lead, facility managers should stay involved in the process to ensure that policies, procedures and practices are written as intended.

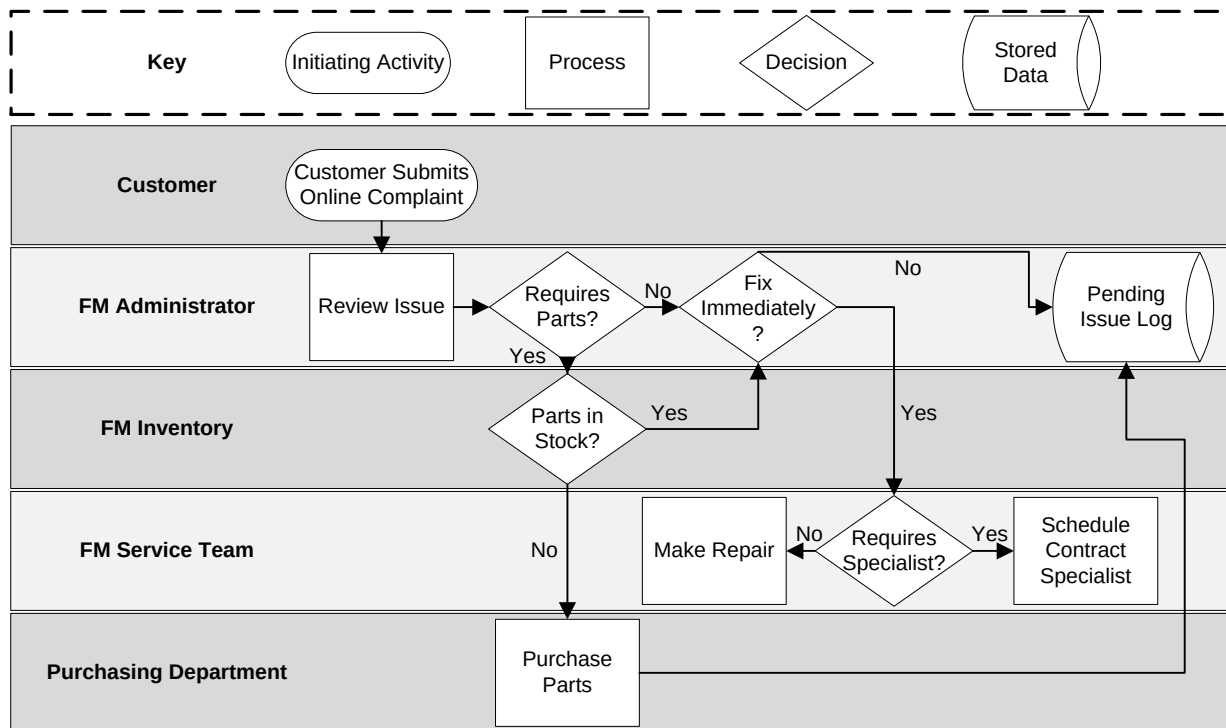
Numerous examples of quality policies, procedures and practices from various sources can be used to help develop FM policies, procedures and practices. For example, national or international standards can be included by reference, and external FM organization policies, procedures and practices can be used as benchmarks against current or planned FM guidelines.

**Implementation
and
compliance**

While writing policies, procedures and practices is a relatively straightforward process, implementing them and ensuring compliance are more difficult tasks.

Implementing policies, procedures and practices requires use of a variety of organizational tools to ensure that they are easy to understand and apply. For example, Exhibit 3-70 shows an example of a cross-functional flowchart or "swim lane" tool for a customer complaint resolution procedure. Each swim lane is a vertical or horizontal box that clarifies the responsibilities of each job position or team. Note how the swim lane makes it obvious that the service team is empowered to directly contact a specialist contractor if necessary.



Exhibit 3-70: Cross-Functional (Swim Lane) Flowchart

Another best practice for implementing policies, procedures and practices is to generate checklists with the fewest number of points needed to prevent the most common errors in a complex activity. Brief checklists are more likely to be considered useful. Mandatory sign-off on checklists can enforce compliance.

If policies, procedures and practices are perceived as fair and useful rather than onerous and needlessly restrictive, and if they are implemented using easy-to-use and easy-to-interpret tools and techniques, enforcing compliance can be more a matter of training and leadership than of management and control.

Audiences

Audiences for FM policies, procedures and practices include the entire organization, staff, contractors, and customers and service users.

Entire organization

Many facility management policies, procedures and practices affect the entire organization. Facility managers use surveys and talk to persons 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. Roles and responsibilities are unambiguous, and the required skill levels for services are taken into account.



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 aggregated into a contractor manual, which could be referenced as a contract addendum. Other facility managers request that contractors provide a service delivery plan or an equivalent to indicate how they intend to operate, and the 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 policies, procedures and practices. Policies, procedures and practices for contractors instead 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 provided 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 provided with 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 provide guidance on how to find out about available services, request a service or report a problem, properly use a service, track an issue's resolution, and report satisfaction or dissatisfaction with services, service delivery or facility staff.

Advantages and disadvantages

Understanding the advantages and disadvantages of using FM policies, procedures and practices can help facility managers to evaluate whether the guidance they are providing is effective or if it is causing unintended consequences.

Advantages of using FM policies, procedures and practices include:

- A management tool (to enforce minimum standards).
- A leadership tool (to encourage desired behavior by providing best practices and tools).
- Culture reinforcement.
- Guidance for managers.
- Consistency for customers. and workers.
- Legal defense for disciplinary actions.
- Management of contractors.
- Compliance with regulations.



Disadvantages of using policies, procedures and practices include:

- Conflicts with job enrichment and empowerment.
- Conflicts in process and output procedures and practices (e.g., conflicts that create a dilemma for workers who may need to decide which rules to follow).
- Reduced opportunities for continual improvement and customized service.

Evaluation and change process

Existing policies, procedures and practices must be periodically evaluated to ensure that they are complete and appropriate. They may need to be revisited:

- To remove or revise outdated policies, procedures or practices.
- To reflect the impact of new laws, union agreements, regulations or corporate policies.
- To incorporate room for continual improvement.
- To remove or revise rules that cannot be enforced.

Evaluations may be initiated on a regular basis as well as after a complaint, compliance issue, or continual improvement suggestion. Techniques for evaluation may include quantitative quality measurements as well as qualitative information gathered from customers and staff/contractors.

The change process for policies, procedures and practices includes a formal approval process in which prescreened changes are given a final review by the facility manager. HR may be involved to ensure that the policies, procedures and practices integrate well with policies, procedures and practices of the entire organization. If the organization has labor unions or work councils, contracts or collective bargaining agreements may specify required union representation and agreement on policy, procedure 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.

★ Topic 8: Clarify and Communicate Responsibilities and Accountabilities

Clarifying and communicating responsibilities and accountabilities is a leadership and management task that involves determining levels of accountability, designing jobs, coordinating work, and evaluating performance.

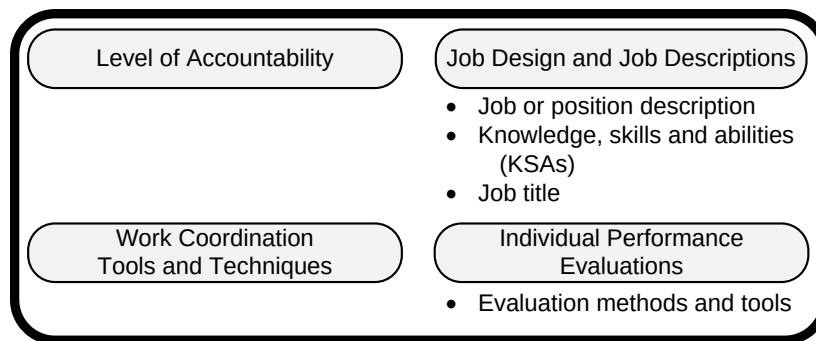


It is a management task because it involves directing work and setting a standard against which performance can be measured and controlled. It is a leadership task because letting followers know what is expected of them and then letting them do it is a sign of trust and respect.

If workers know what they need to do, they can resolve their own problems (empowerment).

Exhibit 3-71 provides an overview of the subjects discussed in this topic. Note that team performance evaluations, addressed previously in Topic 6, are also an important component of clarifying and communicating responsibilities and accountabilities.

Exhibit 3-71: Clarifying and Communicating Responsibilities and Accountabilities



Level of accountability

Facility managers assign a level of accountability to a job position or task partly through the organizational hierarchy location of the job position or importance of the task and partly by the facility manager's assessment of the employee's willingness to accept responsibility (psychological maturity) and relevant knowledge, skills and abilities (task maturity). Assigning accountability to job positions or tasks can help create a shared understanding of what is expected.

Job design and job descriptions

Job design is the process of determining:

- Tasks that are best accomplished by a particular job position.
- Responsibilities and accountabilities of the position.
- Knowledge, skills and abilities needed to succeed in the position.
- Relationship of the position to other job positions.
- Work arrangements that will enable the person in the position to be effective and motivated.



Facility managers can reassess and redesign jobs to link them to strategic goals. Other reasons for job design include continual improvement or changes in organizational structure, the work environment, and technology.

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** is 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** is a horizontal loading of additional tasks, meaning that added tasks are similar in responsibility and effort.
- **Job rotation** is 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.
- As noted in Topic 3 of this chapter, **job enrichment** is a vertical loading of higher-order motivating factors into a job, including responsibility, freedom, growth opportunities, recognition and achievement.

Frederick Herzberg (of Herzberg's motivation-hygiene theory, discussed in Topic 2 of this chapter) identifies job enrichment as the most effective method to encourage job satisfaction and 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 or add "meaningless" tasks.

However, job enrichment has an associated cost in terms of salary expectations and may not be appropriate for each position depending on the expected psychological and task maturity of the person intended to fill the position. Additional methods can be used to determine which aspects of a job should be enriched. One method is the job characteristics model.

The job characteristics model specifies that the following characteristics can be individually customized for a particular job:

- **Skill variety.** Skill variety is the number of different tasks a job involves and the variety of skills and talents required of the worker.
- **Task identity.** Task identity measures whether the worker handles a portion of a task or a task from start to finish.



- **Task significance.** Task significance measures how much the task matters to the FM organization, the entire organization or society.
- **Autonomy.** Autonomy measures the control the worker has in setting schedules, choosing processes and making decisions.
- **Feedback.** 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.

Knowledge, skills and abilities

Knowledge, skills and abilities (KSAs), or position specifications, include the minimum competencies an individual should have to give him or her a reasonable chance of being successful in a position. KSAs can be defined as follows:

- **Knowledge** is the information needed to succeed at assigned tasks.
- **Skills** are the proficiencies needed to perform assigned tasks.
- **Abilities** are the capabilities needed to succeed in the job position.

Facility managers can consult with HR or people who perform similar work when deciding on minimum KSAs.

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 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



Work coordination tools and techniques

- Section head: has subordinates who are supervisors
- Manager: has subordinates who are supervisors
- Director: has subordinates who supervise other supervisors

Work coordination is an organization's activities, policies, procedures and practices 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 similar to those of project management, except that work coordination is an ongoing task that involves coordinating 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 and communicate 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.
- **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 organization and do not conflict (e.g., 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.

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.

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 FM 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.
- **Forced distribution.** Managers are given only so many “very good,” “good,” “average,” etc., rankings to hand out to all subordinates and must choose and use all rankings.

Absolute evaluation tools include the following:

- **Graphic rating scales.** Managers 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.
- **Behaviorally anchored rating scales (BARS).** Managers focus on actual behaviors that are determined to be critical for completing a job task or doing the job properly (rather than looking at more general employee characteristics such as personality or vague work habits). The manager rates employee behavior against levels of performance according to items on a numerical scale.

Example:

Rather than a general performance statement for a work management center employee (such as “Answers phone promptly and courteously”), a BARS approach may break down that task into specific behaviors:

Answers phone within four rings.

Greets caller with “Hello. This is FM Services. How may I help you?”

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-degree 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.

✦ Topic 9: Resolve Conflicts

Conflicts can occur due to misunderstandings or confusions about accountabilities, roles, responsibilities and work quality. When conflicts occur between co-workers, organizational departments, superiors and subordinates, or FM organizations and customers or stakeholders, facility managers who have



developed trust with each party may be allowed to mediate the dispute. In other words, 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.

Discovering conflicts

In order to resolve conflict, the facility manager must recognize when conflict exists. Because parties in 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

Once facility managers are aware of a conflict, they work to develop an understanding of each party's perspective. Understanding the root causes of the conflict allows solutions to address problems and not just symptoms.

Listening 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 don't trust that the mediator fully understands the problem.

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 (e.g., flaw in job design or policy).
- Organizational structure (e.g., matrix two-boss problem).
- 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 facility management or entire organization culture.
- Greater misunderstandings due to diversity.

Poor communications and the resulting misunderstanding about other people's positions is such a general cause of conflict that if it is combined with any of the above factors, it escalates the problem considerably.

When determining the root causes 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 occurring differentiate between constructive conflict that produces accord and useful results and dysfunctional conflict that causes discord and reduces performance. Rather than producing a climate that avoids all conflict, facility managers understand that constructive conflict may be necessary for change.

Constructive conflict has the following 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 opinions to support positions.
- People allow others to speak and actively listen to these points of view.

Dysfunctional conflict is disruptive, generates unnecessary delays, engenders poor decision making, is self-interested, and 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 to conflict resolution as well.

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 conflicts. However, always resolving problems in face-to-face meetings could result in parties avoiding stating they have problems or having a meeting that creates more discord.

In conflict resolution, situational leadership may involve:

- Preventing conflicts by understanding potential conflicts and organizing to avoid them (e.g., 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.
- Resorting to face-to-face resolution.

Levels of conflict

Classifying the seriousness of a conflict involves weighing two factors:

- Intensity level of the conflict
- Difficulty level in resolution

In general, scheduling, priority and resource conflicts tend to have a high intensity 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.

Negotiation techniques

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 adopting a soft negotiation technique value agreement and avoid a contest of will to the extent that they disclose their bottom line and are willing to change their position or accept one-sided agreements that involve concessions only on their part.
- **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.



Roger Fisher and William Ury of the Harvard Negotiation Project propose an alternative negotiation technique. They define soft and hard negotiations as positional-based tactics and state that though these techniques may succeed at reaching an agreement, they do not meet several criteria for long-term gain.

The Harvard Negotiation Project developed the technique of principled negotiations. Principled negotiation is an interest-based bargaining style based on several premises:

- **Separate the people from the problem.** Parties that adopt principled negotiation see themselves as problem solvers rather than friends or adversaries. They start by taking people and emotions out of the equation and attack the problem rather than each other.
- **Focus on interests, not positions.** When people establish positions, their egos promote defending the position. It is better 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, principled negotiators identify interests and do not take a bottom line at all.
- **Invent options for mutual gain.** Inventing options for mutual gain means that principled negotiators 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.
- **Insist on use of objective criteria.** Principled negotiators insist 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.

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, as well as the 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.



Progress Check Questions

Directions: Read each question and respond in the space provided. Answers and page references follow the questions.

1. Which of the following is true of the use of 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. Fill in the blanks: “Facility managers apply an understanding of the organization’s _____, _____ and *technology* to determine requirements for a safe, healthy and productive *place* (i.e., workplace).”
3. Deciding to engage workers on a regular basis in decision making on operations for their work areas is the definition of which of the following?
☐ a. Organizational development
☐ b. Empowerment
☐ c. Employee/contractor involvement
☐ d. Delegation
4. According to Herzberg’s motivation-hygiene theory, which of the following is an example of a motivation factor that can result in job satisfaction?
☐ 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
5. Which of the following situational leadership styles is being used when leaders engage followers with some experience or confidence by selling their ideas to them?
☐ a. Directing leadership
☐ b. Coaching leadership
☐ c. Supporting leadership
☐ d. Delegating leadership
6. Which of the following is true of 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.



7. When using marketing techniques to advocate for FM needs and priorities, which of the following is the next step after justifying a solution?
- ☐ a. State the problem.
 - ☐ b. Propose a solution.
 - ☐ c. Address concerns.
 - ☐ d. Ask for approval.
8. Which of the following guides the timing and selection of processes and standards?
- ☐ a. Policies
 - ☐ b. Procedures
 - ☐ c. Practices
 - ☐ d. Codes of conduct
9. 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



Progress check answers

1. d (p. 3-188)
2. Facility managers apply an understanding of the organization's *people*, *processes* and *technology* to determine the requirements for a safe, healthy and productive *place* (i.e., workplace). (p. 3-197)
3. c (p. 3-201)
4. a (p. 3-191)
5. b (p. 3-205)
6. a (p. 3-213)
7. c (p. 3-216)
8. c (p. 3-235)
9. d (p. 3-241)



Chapter 3: Provide Leadership to the Entire Organization

After completing this chapter, students 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.
 - Understand the common components of a code of conduct and be familiar with the IFMA Code of Ethics.
 - Develop and manage/oversee relationships with all stakeholders by understanding the goals and principles of relationship management.
 - Gain sensitivity for the needs of stakeholder groups, including customers, internal stakeholders, suppliers and indirect stakeholders.
 - Ensure compliance with corporate social responsibility policies by leveraging the role of facility managers as stewards of security, safety, energy consumption and facility space.
-

✦ Topic 1: Promote, Encourage and Adhere to a Code of Conduct

Facility managers can provide leadership to the entire organization in part by promoting, encouraging and adhering to a code of conduct and practicing and promoting ethical behavior.

Codes of conduct

Codes of conduct are the principles that guide decision making and behavior within an organization. They serve as guidelines for employee and contractor behavior in order to promote:

- Professionalism, work performance and 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.
- Nondiscriminatory behavior.
- Workplace diversity.



Note: The *Communication* competency discusses cross-cultural communication and cultural diversity in the workplace.

Most organizations will devise their own code of conduct for employees and contractors who want to work at the organization. Codes of conduct may be a single document or a set of individual codes/policies (for example, a gifts policy, a hospitality policy). Organizations operating in multiple countries may vary codes of conduct to reflect regional values.

Some organizations produce a brief set of principles, while others establish rules. Principles are fundamental doctrines or assumptions that set a general expectation and therefore can be brief. Rules spell out specifics on what is and is not allowed and generally need to be more detailed to avoid exceptions.

Codes of conduct for entire organizations often exist, and, if so, facility managers enforce these codes. When facility managers design FM codes of conduct, they ensure that they are compatible with the organization's codes, are enforceable, and aren't redundant. Compatibility with the organization's codes means that no rules or principles conflict and that the FM code matches the organization's tone or level of strictness. Items in the organization's codes can be included by reference in FM codes.

Codes of conduct enforcement

Codes of conduct can be and are enforced by use of position power, but their intent is to replace force with reason. Codes of conduct relate to rights, duties and principles (e.g., fairness, honor) but also spell out the consequences of failure and the benefits of adoption so that persons make wise choices independently.

Enforceable codes are easy to understand and relatively easy to prove when they are in violation, given sufficient evidence. Codes of conduct can include examples of compliance and violation to guide interpretation.

Enforcement is accomplished through management control and leadership influence. Management control includes general oversight as well as other tactics, for example, a confidential whistle-blower hot line or requiring all new employees to read the code and sign a statement attesting that they know the code and will abide by it. Leadership influence takes the form of ethical leadership.

Ethics

Ethics is a system of moral principles and values that establish appropriate conduct. In a business environment, the rules or standards of ethical behavior should govern the conduct of an organization's officers, directors, and all employees—including facility managers.



Most people in the workplace have a sense of what is right and wrong so the purpose of ethics is not to teach the difference between the two. Instead, ethics provide a window into generally accepted standards of professional behavior and the tools for thinking through the moral implications of decisions and actions.

Consider the following distinctions between a decision that is ethical and one that is unethical.

- An ethical decision is one that reasonable or typical stakeholders would find acceptable because it supports stakeholders, the organization, employees, the community and society.
- An unethical decision, by contrast, generally represents a decision the individual(s) would prefer to disguise or hide from others because it enables the particular individual or organization to gain at the expense of other stakeholders, employees and so forth.

Did You Know?

Ethics is not synonymous with legality. Unethical actions may still be deemed legal. However, organizations today must be concerned with more than simply not breaking the law. Investors, employees, and communities all look to businesses to act both legally and ethically and to fulfill their social responsibilities by modeling ethical behavior to employees and the community at large.

Ethical leadership

Ethical leaders incorporate principles of ethics into their behavior and characters and thus their decisions, goals and daily interactions. Facility managers who practice ethical leadership can positively shift the entire organization's mindfulness toward ethics and codes of conduct.

Without a strong commitment to ethics, leaders may not by nature express moral behavior. Archie B. Carroll, a business ethics author, asserts that most organizational leaders tend to be amoral and a few are immoral. Amoral leaders are not intentionally unethical, but they do not generally consider the ethical impact of decisions. For example, amoral leaders may be biased by stereotypes or take credit when it is owed to others. Immoral leaders flaunt ethics and act for unfair personal or organizational advantage (for example, conducting insider trading, exploiting loopholes in laws, or undermining other employees to get promoted).

The presence of amoral and immoral leadership makes it easier for others in the organization to justify ignoring codes of conduct. Therefore, facility managers consciously promote ethical leadership by example both to their subordinates and



to other managers and executives or clients. Facility managers also promote ethical leadership by recognizing when an issue has ethical impact.

Assessing ethical impact of decisions

When determining whether an issue has an ethical impact, facility managers realize that most ethical issues affect two levels simultaneously:

- **Personal impact.** Personal impact relates to consequences and how a person's own conscience will be affected by a choice.
- **Interpersonal impact.** Interpersonal impact relates to how a choice will affect or be regarded by others.

Therefore, when assessing the ethical impact of decisions, facility managers follow not only their own values but organizational and societal values.

IFMA Code of Ethics

The IFMA Code of Ethics is a good reference for all facility managers and is required for all IFMA members. Exhibit 3-72 on the following pages reproduces the IFMA Code of Ethics verbatim from the IFMA Web site as of June 2012.

Note that this code is supplied as an example but is not meant to imply that facility managers should adopt this code for their FM organizations. The IFMA code was written for its members, and so it does not include some elements found in employee/contractor codes of conduct such as attendance.

Also keep in mind that codes of ethics for businesses, government agencies, not-for-profit organizations and others will differ from the IFMA Code of Ethics. For example, many organizations have separate codes of conduct, confidentiality and conflict of interest documents. In some organizations, employees may be required to read the code documents and sign a statement acknowledging that they have done so and understand them. However, it should also be noted that in some countries, regulations may prohibit an employer from requiring formal employee signoffs.

Content throughout this *Leadership and Strategy* competency has discussed many aspects of the FM environment and function that strengthen or weaken its ability to accomplish its strategic plan. The issue of ethics directly relates to vision and mission statements and in this way may be considered a strategic issue.



Exhibit 3-72: IFMA Code of Ethics (continued on next page)

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

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.

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.

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.



Exhibit 3-72: IFMA Code of Ethics (concluded)

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 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.

✦ Topic 2: Develop and Manage/Oversee Relationships

When working with executives/clients, suppliers, business partners, service providers, occupants, tenants, the community and government regulators, facility managers seek to understand and balance the objectives and constraints of each stakeholder and develop solutions that are mutually beneficial for all parties.

Relationship management

Relationship management is the process of developing and maintaining communications with relevant stakeholders and developing and maintaining an understanding of their needs, objectives, character and constraints so that long-term, mutually beneficial solutions can be created for all parties.



The goals of relationship management include:

- Orientation with internal and external customer needs.
- Seeing the big picture and contributing to the organization's goals.
- Integration of FM organizational culture with the culture of the entire organization.
- Increasing supply chain integration or partnerships for mutual gain.
- Creating loyalty and trust.
- Managing delivery of products and services.
- Verifying and improving quality.

Managing relationships with stakeholders requires understanding who the FM organization's stakeholders are and developing sensitivity to their needs and expectations. Facility managers gain sensitivity by asking questions such as "What would I be doing if I were in this stakeholder's place?"

The following is a partial list of stakeholders, including some examples of typical expectations for the group:

- **Customers.** Customers have high expectations regarding the usefulness, cleanliness and environmental quality of facilities. They may not think consciously about facilities unless there is a problem. Customers may include tenants, occupants (including employees or contractors), and visitors or other building users.
- **Internal stakeholders.** Internal stakeholders are focused on economic gain, sustainability and growth of production, and their own particular facility needs. Internal stakeholders may include executives, boards of directors, individual departments/business units, labor unions or work councils, and landlords.
- **Suppliers and partners.** Suppliers and partners are focused on economic gain and possibly long-term relationship building. Suppliers and partners include vendors (e.g., food service, janitorial, telecommunications), professional services (e.g., architects, engineers, movers), and transportation and delivery services.
- **Indirect stakeholders.** Some indirect stakeholders have expectations regarding organizational growth and profit while others are concerned with environmental and social impact. Indirect stakeholders include shareholders, the community, and government (e.g., regulatory inspectors, utility suppliers).

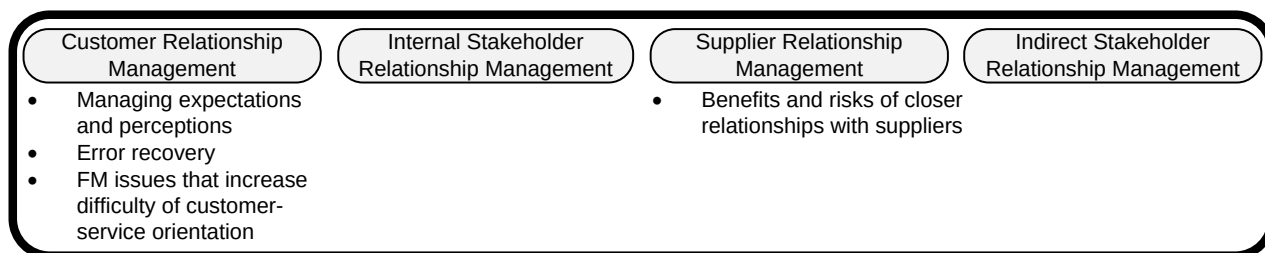


While the expectations of stakeholders are more complex and varied than can be expressed here, it should be clear that stakeholder expectations and requirements for facilities often conflict. Facility managers should use leadership skills to guide stakeholder expectations and balance stakeholder needs rather than let a dominant stakeholder exercise undue influence on facility strategy and policy.

A key assumption facility managers make in relationship management is that every relationship is political. Politics are defined here as the process of sharing power by allowing stakeholders to have a degree of influence on how decisions are made. Politics requires building personal relationships and seeking common ground with each stakeholder. Small courtesies such as remembering names, caring about others, and fair dealings are basic leadership skills that can enable facility managers to excel at the political aspects of relationship management.

Exhibit 3-73 provides an overview of the types of relationship management discussed in this topic.

Exhibit 3-73: Types of Relationship Management



Customer relationship management

Customer relationship management is a business technique that puts the customer first. Data on existing and potential customer needs is collected, analyzed and used as the basis for organizational strategy for sales, marketing and support services, including facilities.

The key leadership task of customer relationship management is to manage customer expectations and perceptions. Following that discussion, error recovery and FM issues that increase the difficulty of customer service orientation are discussed.



Managing expectations and perceptions

Customers define what quality means to them. If they have unreasonable expectations that have not been managed, good work may not seem good enough.

Facility managers promote the following value proposition to guide customer expectations and perceptions:

- **Purpose.** Facility managers clearly express the purpose of the FM organization's services so that customers can properly value this service.
- **Necessity.** Facility managers market the necessity of their services in enabling business continuity.
- **Importance.** Facility managers link the necessity of their services to customer perceptions of their significance. Note that if customers find FM services to be important, they usually have high expectations.
- **Results.** Facility managers seek to understand what the customer feels the outcome of services should be so they can guide their expectations.
- **Costs.** Facility managers evaluate whether they are cost-competitive with the outside FM market and, if so, make sure their customers know it. They also evaluate how sensitive their customers are to cost. Some customers value only lowest cost, while others will be more willing to accept higher cost in return for higher service (e.g., staff empowered to provide custom services and fast turnaround).
- **Risks.** Facility managers ensure that the FM organization is reliable so that the customer's perception of the risk of doing business with them is minimal. Simultaneously, they promote the concept that the use of facility management services reduces organizational risks.

Facility managers can apply customer service techniques to manage expectations and perceptions by:

- Approaching, addressing and departing every customer encounter as if these customers' concerns are their highest priority.
- Under-promising and over-delivering to customers so that customer perceptions and expectations are consistently exceeded. (However, overuse of this tactic or significant under-promising could be damaging.)
- Distributing regular customer satisfaction surveys and ensuring that results are analyzed and acted upon by providing feedback to survey providers.
- Coordinating with other business functions to minimize redundancy.
- Confirming occupancy levels and types.
- Involving customer executives in space planning and strategy sessions.



- Orchestrating communications using technology to record and respond to customer issues and provide post-service follow-up.
- Training staff to create a shared vision of how to best meet customer needs.
- Rewarding staff/contractors for good customer service.

Error recovery

Services are by definition delivered in real time and are usually delivered direct to the customer. When FM organizations make errors, customer service techniques can help facility managers make an appropriate recovery.

Setting and following procedures for recovery can prevent customers from becoming dissatisfied and excellent or creative recovery can be a source of customer satisfaction. The procedure is basic: Explain the fault, make a sincere apology, and, as feasible, immediately repair the error. Rather than assigning blame, FM organizations realize that the customer will continue to be important long after any conflict has been resolved. Staff empowerment is often critical to enable immediate recovery.

FM issues that increase difficulty of customer service orientation

Good customer service may be difficult to provide in highly bureaucratized organizations because bureaucracy tends to limit the way in which employees can respond to customers. Instead of empowering employees to take the initiative to fix a problem, bureaucratic organizations tend to defer issues up the chain of command (using a “someone will get back to you” response).

Internal stakeholder relationship management

Facility managers manage internal stakeholder relationships in order to advocate for FM needs and priorities and gain a leadership position in the organization.

Succeeding at organizational politics is the primary objective for facility managers in internal stakeholder relationship management. Best practices for mastering organizational politics include:

- Treating politics as a normal process for getting things done within a given organizational culture rather than giving it a negative connotation.
- Thinking of politics as a straightforward leadership task of obtaining organizational support for FM strategy and policy directions.
- Asking for support rather than expecting it but expecting to be asked for support in return. (Give support if it is wise and ethical.)
- Letting others champion FM ideas as their own if it will increase the chances of being approved.
- Socializing with peers to be seen, known and included.



Supplier relationship management

Supplier relationship management refers to the development of enhanced relationships with key FM suppliers, vendors and professional service providers to fulfill mutual goals, ensure mutual profitability, meet facility requirements and build trust.

To enhance supplier relationships, facility managers can promote the following value propositions:

- Have suppliers communicate the purpose, necessity, importance, results, costs and risks of the relationship to show that they understand the FM organization's perspective and can guide their expectations.
- Expect suppliers to work toward the organization's goals rather than putting their short-term needs ahead of the client's goals.
- Arrive at mutually beneficial prices and contract terms to promote long-term relationships. (A fair return to the supplier is acceptable and the financial relationship should therefore be on an "open book" basis.)
- Communicate frequently to build trust and avoid potential problems.
- Explicitly document the buyer's purpose for engaging external suppliers rather than using internal services.
- Reward the successful delivery of products/services and meeting client satisfaction goals.
- Recognize suppliers when they contribute expertise and innovation.

Supplier relationship management and customer relationship management are collectively referred to as supply chain management, because customers, the FM organization, and suppliers and service providers (even ones not directly contracted with) are links in a chain. Seeing suppliers as part of an extended chain helps facility managers realize the importance of managing the whole relationship.

While some relationships with suppliers will remain at arm's length, such as open market purchases of commodities, other relationships can grow over time as trust is developed. At the highest levels of trust, long-term supplier relationships may include collaboration and business process integration, such as 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 adversaries. Enhanced relationships have both benefits and risks.



**Indirect
stakeholder
relationship
management**

Benefits and risks of closer relationships with suppliers

Benefits of closer relationships with suppliers include:

- Improving resource planning and cost-effectiveness.
- Integrating budget planning.
- Improving information sharing leading to sustainable, maintainable, best-value products and services and process improvements.
- Facilitating the rating of suppliers based on satisfaction of service level agreements.

Risks of closer relationships with suppliers include the following:

- Supplier failures may be linked to the FM organization.
- The FM organization faces a greater potential of ethical issues and conflicts of interest and a breach of confidentiality.
- The FM organization could rely too much on supplier advice.
- Parties may find it more difficult to end a degrading relationship (i.e., maintain an exit strategy).

Indirect stakeholder relationship management involves public relations activities. Public relations for facility management does not need to be expensive or complicated, for example:

- Preparing a brief facilities report as an addendum to the management discussion and analysis section of the organization's financial reports.
- Increasing custodial services in public areas for a good first impression.
- Training for security staff to handle visitors with respect.
- Writing an article or white paper for a trade magazine or Web site.
- Presenting best practices at a facility management conference.
- Being proactive in compliance with government laws and regulations.
- Promoting 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 entire organization's name.



✦ Topic 3: Ensure Compliance with Corporate Social Responsibility Policies

Facility managers ensure compliance with corporate social responsibility (CSR) policies by exercising leadership and setting relevant FM organizational policies, procedures and practices. The facility manager's goals are to guide the behavior of employees, contractors and other stakeholders toward social responsibility and to be able to demonstrate that the organization is a good corporate citizen.

Corporate social responsibility policies

A corporate social responsibility (CSR) policy or corporate citizenship policy is a form of organizational self-regulation that integrates the interests of the community and environment into the organization's business model and extends its bottom line beyond a sole interest in profits. Organizational policy mirrors the business model so that staff and contractors hold themselves accountable for compliance.

Topics frequently addressed by a CSR policy include:

- Health (e.g., repetitive stress disorders, mental stress, indoor air quality).
- Safety (e.g., occupational hazards, proper lighting, security).
- Environmental stewardship (e.g., carbon footprint, energy usage).
- Sustainability and maintainability (e.g., life-cycle cost).
- Employment (e.g., equality and fair pay).
- Accessibility.
- Community reinvestment and use of local goods and services.
- Charity and volunteering.
- Work/life balance for employees.

Note that while corporate social responsibility is a self-regulatory process, numerous laws, regulations, government executive orders and government policies exist to protect the environment and worker's rights, health and safety. CSR policies are written to meet or exceed laws, regulations and other guidance that apply to the organization's activities. Expert/legal review investigates the extent to which laws, regulations and other guidance apply to the organization prior to inclusion in CSR policies.

A commonly accepted method of implementing CSR policy in an organization's business model is to follow Savitz's Triple Bottom Line. This model is similar to a balanced scorecard in that it measures success by balancing economic, social and environmental bottom lines rather than measuring success using only an economic bottom line.



FM leadership on CSR policy

Because CSR policy is typically integrated into an organization's business model, an organization's corporate strategy and the FM organization's strategic facility plan (see Chapter 1) may specify means of implementing or changing some CSR policy elements.

Corporate social responsibility is a commitment of the entire organization, so facility managers use leadership skills to actively promote a CSR policy if it is not already in place. Facility managers are ideal leaders on this issue because they are the stewards of security, safety, energy consumption, space shared with the public, and many other aspects that a CSR policy addresses. Therefore, they may be in a unique position to market aspects of these policies from a long-term economic cost-saving perspective.

Facility managers are also in a strong position to ensure compliance with CSR policies because of their stewardship role. They lead the effort in CSR compliance by:

- Setting facility-related CSR policies that affect the organization.
- Enforcing FM staff and contractor compliance using leadership and management skills.
- Stipulating compliance in contracts with suppliers and professional service providers.
- Promoting a whole-life perspective on facilities, from construction to demolition and landfill.
- Providing information on facility energy ratings for existing and proposed facilities.
- Empowering FM staff and contractors to find areas to improve CSR policy efforts.
- Informing not only workers directly affected by certain health and safety policies but also educating the purchasing department to minimize purchases of hazardous materials.
- Acting as expert resources for executives and participating in strategy sessions.

Facility managers collect and analyze data prior to setting CSR policy.

CSR policy analysis

Facility managers analyze the advantages and disadvantages between various options when designing CSR policies for the entire organization, the FM organization, and the FM supply chain to ensure that the policies lead to wise choices over the long term. Facility managers compare traditional versus alternative methods in analyses because in some cases a less "green" option is still more sustainable over the lifetime of the facility.



For example:

- The policy can specify the use of paints, adhesives and other materials that have low emissions of volatile organic compounds to reduce the root causes of indoor air quality problems, but alternate materials are assessed for their durability to determine whether an increased reapplication rate increases the total lifetime emissions.
- The policy can specify the use of natural materials such as wool carpet over nylon carpet to avoid formaldehyde but weighs its use against the need to use potentially harmful preservative products to delay decay or rot.

In other situations, the policy may need to reflect a choice between competing priorities. For example:

- When designing supply chain policy, facility managers may place higher priority on local production or on fair trade.
- Facility managers set priorities between the use of local material production or a local workforce and the use of best available resources.

Note that many natural and toxin-free materials and energy-efficient systems are equally or more durable and maintainable than traditional options and the only trade-off to be considered is life-cycle cost. Even when additional cost offsets energy savings for many years, facility managers may be able to justify the expense by noting an option's environmental and social advantages.

Advantages and disadvantages of promoting CSR policy

Advantages of promoting CSR policies may include:

- Intrinsic benefits such as reduced health problems and lower risk of legal liability and lawsuits.
- FM organization, staff and contractors being seen as leaders in the area of social responsibility and essential to achievement of corporate goals.
- Organization (or customer's organization if tenants/occupants) being considered a quality workplace environment for its employees.
- Improving the organization's brand image.
- Improving the organization's ability to access buyer short lists.
- The community and neighboring occupiers perceiving the organization in a positive light.

Disadvantages of CSR policies may include the following:

- Environmental and social responsibility policies may be disregarded in times of economic hardship for the entire organization.
- Once policies become the accepted standard, they become expected and are no longer differentiators. For example, energy reduction was once a value and became a hygiene factor for new and retrofitted facilities.



This phenomenon highlights the need for the FM organization to have a continual improvement culture. For example, in place of energy reduction, a goal for many FM organizations is to achieve sustainability through sustainable design, sustainable material choices, and use of a supply chain that supports sustainability goals.

CSR policy example

Exhibit 3-74 provides an example of a corporate social responsibility policy for a diversified global company.

Exhibit 3-74: Example of a Corporate Social Responsibility Policy (continued on next page)

Mission, Vision, Culture and Values

At all times, XYZ Company seeks to act in a socially 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 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

XYZ's Code of Ethics Policy promotes ethical business practices, including the following:

- Bribery and political donations are prohibited.
- Free and fair competition is promoted.
- Customers, suppliers, and national and local authorities are dealt with honestly and fairly.
- Extended supply chain worker welfare and employment conditions are monitored to ensure that suppliers meet or exceed internationally recognized standards.

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 Labour Organization conventions. Hiring policies prohibit the employment of underage staff.



Exhibit 3-74: Example of a Corporate Social Responsibility Policy (concluded)

Employees, continued

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.

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.



Progress Check Questions

Directions: Read each question and respond in the space provided. Answers and page references follow the questions.

1. Which of the following is true of codes of conduct?
 - ☐ a. The IFMA Code of Ethics is intended to be emulated by individual organizations' codes.
 - ☐ b. Multinational organizations should generate a single code of conduct for use in all facilities.
 - ☐ c. Principle-based codes of conduct can be brief but still be effective.
 - ☐ d. FM organization codes need to repeat items from the entire organization's codes of conduct.
2. According to the IFMA Code of Ethics, which of the following should a member do if presented with an ethical choice not addressed by the Code?
 - ☐ a. The member is free to act on his or her own conscience, the only factor in ethical decisions.
 - ☐ b. The member extends the Code's general guidelines or seeks more guidance.
 - ☐ c. The member acts in what appears to be the best interests of the organization.
 - ☐ d. The member makes whichever choice will demonstrate loyalty to his or her boss.
3. Which of the following is true of ethical leadership?
 - ☐ a. Most managers and executives are already ethical leaders.
 - ☐ b. Immoral leaders cannot have an impact on the organization's overall ethical behavior.
 - ☐ c. Amoral leaders flaunt ethics for unfair personal or organizational advantage.
 - ☐ d. Ethical leadership must be practiced by the majority of leaders to be effective.
4. Which of the following is true of an FM organization's stakeholders?
 - ☐ a. Facility managers need to develop sensitivity to both stakeholder needs and expectations.
 - ☐ b. Stakeholder expectations are rarely in opposition to one another.
 - ☐ c. Facility managers confronted with a dominant stakeholder should defer to this party's needs first.
 - ☐ d. Politics in stakeholder relationships is the exception, not the rule.
5. Communicating the purpose, necessity, importance, results, costs and risks of a relationship with a customer are meant to accomplish which of the following?
 - ☐ a. Preemptively apologize for errors likely to be made.
 - ☐ b. Manage expectations and perceptions.
 - ☐ c. Define what quality means for the customer.
 - ☐ d. Gather suggestions from customers for facility strategy.



6. Which of the following is true of supplier relationship management?
- ☐ a. Facility managers should maintain an exit strategy for all FM partners.
 - ☐ b. Facility managers should pursue long-term relationships and partnerships with all suppliers.
 - ☐ c. Closer partnerships allow FM organizations to relax their relationship management efforts.
 - ☐ d. Supplier relationship management has little impact on customer relationship management.
7. Which of the following is true of 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.
8. Which of the following is a way facility managers can use leadership (rather than management) skills to ensure compliance with a corporate social responsibility policy?
- ☐ a. Make a speech denouncing managers who are failing to uphold the CSR policy in their departments.
 - ☐ b. Set organization policies to restrict use of materials containing volatile organic compounds even if alternatives require frequent reapplication.
 - ☐ c. Discipline or terminate employees who have been proven to have violated the policy.
 - ☐ d. Empower staff to suggest improvements in the CSR policy.



Progress check answers

1. c (p. 3-254)
2. b (p. 3-257)
3. d (p. 3-255)
4. a (p. 3-259)
5. b (p. 3-261)
6. a (p. 3-264)
7. c (p. 3-265)
8. d (p. 3-266)

Next Steps

You have completed this competency of the IFMA Facility Management Learning System. Next, check your understanding by completing the online competency-specific chapter quizzes and case study to help you identify any concepts that need additional study. Check your understanding another way by selecting the competency-specific eFlashcards, or visit the Resource Center to download printable flashcards.

Once you have completed the chapter quizzes, reviewed the eFlashcards, completed the case study and feel confident that you have mastered the information, you can advance to the next competency.

