

# THE IDENTIFICATION OF FACILITIES MANAGEMENT STANDARD SERVICE CATEGORY FOR INDUSTRY

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## ABSTRACT

*In Facilities Management (FM) industry, there are demands for different standards of service ranging from superior to basic for similar service provision. The establishment of the standard service category is essential to provide guidance and a framework for the development of the scope of service. However, the standard service category for FM service provider in Malaysia has not been established yet. Thus, this paper is aimed to propose a FM standard service category to be as guidance in Malaysia FM industry. The identification of the appropriate standard service category is the key to the success of FM services delivery.*

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## 1.0 INTRODUCTION

Facilities Management in Malaysia has started as early as 1990s during the development of mega projects such as Putrajaya in 1999 (Noor and Pitt, 2008). In addition, Noor and Pitt (2009) declared that the earliest privatization of FM service contracts was implemented in the public health services by the Ministry of Health and followed by the Federal Government Buildings located in all states in the country. Whereas in the private sector, Telekom Malaysia was the leading Government Link Company (GLC) to outsource the FM services for all non-telecommunication facilities in the Peninsular Malaysia.

Among the scope of work in Facilities Management includes providing guidance and managing the operation and maintenance of buildings, infrastructure and others on behalf of the owner. There is no universal approach to manage facilities. Each organization, even within the same sector will have different needs. Understanding those needs is the key to effective facilities management measured in terms of providing best value. Facilities management may be introduced at an early stage, i.e. during the planning and design stage, so that the design failure can be avoided. The space planning also can be made better in order to avoid problems in the future, thus the upgrading or renovation costs as well as maintenance costs can be expected earlier.

### 1.1 Problem Statement

At present, the standard category for FM service provider in Malaysia provided by Pusat Khidmat Kontraktor (PKK) only listed the type of services or trade, not by the category or class as practice in the construction industry. Through this study, a list of standard service category terminology which

has been chosen to suit with the nature business of Malaysia FM industry will be proposed.

## **1.2 Research Objective**

The objective of this study is to propose a standard on facilities management service category to be applied in Malaysia FM industry.

## **1.3 Scope of Study**

The extent of this study is subjected to FM organizations in private sectors and only the personnel at management level are assessed. The respondents are only limited to those within peripheral of Klang Valley and Perak state.

## **2.0 LITERATURE REVIEW**

There are several references used as the research literature in order to have better knowledge prior to this study. The literature review will focus on the facilities management review, standard facilities management service category and facilities management core and non-core business.

### **2.1 Facilities Management Review**

The development of FM in Asian countries like Hong Kong, Malaysia and Singapore is based on three areas, namely practice, research and education (Adnan, Mustafa and Jusoff, 2008). A survey of these countries by Moore and Finch (2004) showed clear signs of progress in Hong Kong and Singapore and mixed signals in Malaysia. It has been concluded by the little evidence of real tangible and visible

progress is the key drivers that hamper the development of FM in Malaysia.

Nevertheless, recent studies on FM industry in Malaysia showed surprising results and do not reflect what has been anticipated many years ago. Ariff (2007) claimed that the service quality is low. It is possibly due to the low standard of maintenance set. This could possibly stem from the provider's lack of awareness regarding the high standard of service that needs to be delivered to the users or customers. It is supported by Ruslan (2007), which regarded the factor of still practicing a traditional FM as one of the factors that causes low service quality in Malaysia.

Nik and Pitt (2014) believed that there is also a lack of standards to measure the quality level and performance and the implementation of FM is not growing due to lack of guidance on the service standard and performance.

Nik and Pitt (2014) add, FM has not been promoted and implemented by the Malaysian Government in any organized way. Contrary to other countries where the IFMA, BIFM and FMA of Australia have been established in recognition of FM, the Malaysian Association of Facilities Management (MAFM) is still not known to the public and other professions. The association was first formed in 2001 (MAFM, 2012) and yet, up to now there is no remarkable outcome or major steps taken by them to promote the FM profession locally.

## **2.2 Facilities Management Standard Service Category**

FM is not just about a support service of a business. Good practice facilities management can also make a significant positive contribution to a range of key business concerns; risk management, productivity, reputation, corporate social responsibility and the talent agenda. Equally, poor FM may have a negative impact on such issues.

The following terminology for the standard service category were suggested by several authors which been gathered in preliminary desk-study and will be the basis in questionnaire to seek for agreement by FM key player to be adopted in Malaysia FM industry.

**i. Single Service** (Lowden, Pearson, Brownless and Worland, 2011)

Single service frequently procured as a separate exercise. The companies which offered single service are less likely to take risks with customers' reputations when striving to achieve financial efficiencies. Other than that, the companies which offer single service usually are master and specialist in their field because they only focus on one type of activity. For example single service companies do the activities such as cleaning, pest control, security, and so on.

**ii. Bundled Service** (Lowden, Pearson, Brownless and Worland, 2011)

The bundled service delivery route is defined as two or more distinct processes or functions contracted to a service provider. This allowed the organization to outsource its soft FM to a single provider while retaining more direct control over service element. This type of service has many advantages including securing the benefits of cross-service efficiencies, economies of scale and professional development of the services. Bundling allowed it to do this while leaving the

hard FM with another provider under the landlord contract. Another benefit of bundled service offers is that both client and provider have an opportunity to develop trust and grow the contract over time as partnering value is demonstrated. Examples of type of services which can be bundled together are cleaning, security, reception, landscaping and workplace management services.

**iii. Integrated Facilities Management** (Lowden, Pearson, Brownless and Worland, 2011) and (De Toni, Fornasier and Nonino, 2012)

Integrated facilities management is the bringing together of several support services into a single management structure. It results in the simplified management and reduction in administration, as compared to managing multiple contractors, enables efficiency benefits to cost savings. This avoids duplication and direct resources towards a customer-focused service for the building user. This also can build an open relationship and clearly defined the objectives which shared by the client and the service delivery team.

**iv. Total Facilities Management** (Lowden, Pearson, Brownless and Worland, 2011) and (De Toni, Fornasier and Nonino, 2012)

Total Facilities Management (TFM) describes the delivery of a full service in the main areas of

FM in an integrated and coordinated way, often including mechanical and electrical maintenance, building fabric, cleaning, catering, security, grounds maintenance, waste management and front-of-house services via one lead contractor. The core principle of TFM is the provision of a ‘joined-up’ service with a single point of delivery. This approach, when fully implemented, can provide customers with the following benefits:

- Clear accountability for the delivery of services
- Reduced management layers in both customer and supplier organizations
- A common data platform, giving open access to all data
- Single reporting and billing
- No margin on margin

Value is created through the quality of the relationship between the customer and the provider - true of all FM contracts, but particularly in the case of TFM.

v. **Single-Multi Service** (De Toni, Fornasier and Nonino, 2012)

A single-multi service company may specialize in one or more services which often provide and procure the non-core services.

**vi. Building Related Service** (Wohlfart, Bilan and Schimpf,2010)

Provide all services related to building such as maintenance, cleaning and repair.

**vii. User Related Service** (Wohlfart, Bilan and Schimpf,2010)

Provide services to building user such as catering, childcare and energy use consultation.

### **2.3 Facilities Management Core and Non-Core Business**

The nature of the FM services offered by an organization and the procurement method are different from one to another. Zawawiand Ismail (2014), explain that the core facilities are services which directly support the business whilst non-core facilities are the services that indirectly support the business. Hence, any activities which do not contribute to the income of the organization should be considered non-core; does not lie at the heart of the raison of the organization.

An organization core and non-core business is identified based on its nature of business, goals and objectives, and user's requirements. Procurement of quality facilities usually transpires at strategic, tactical and operational level in order to achieve quality services towards achievable vision, mission and objectives (Zawawi and Ismail, 2014). Since FM within organization covers a wide range of activities, therefore several services which are non-core, usually outsourced or contracted-out by the organization.



### 3.0 METHODOLOGY

The methods of this study are through analysis from desk-study, qualitative and quantitative approach and also referrals from sources related to facilities management industry in Malaysia. The questionnaires have been distributed to 50 respondents who were determined early to represent the population within the scope of this study.

Table 1 shows the summary of the research methodology framework, which has been adopted in this study.

Table 1: Research Methodology Framework

RESEARCH METHOD	
(1) Primary Data Collection	(2) Secondary Data Collection
Questionnaire	Journals, Articles, Books, Guidelines, etc.
(3) Data Analysis (Qualitative Approach)	
(4) Discussion on Research Findings	
(5) Review on FM industry development, current practice and suggestion of standard service category terminology	
(6) Conclusion and Recommendation	

(Source: This study, 2015)

### 4.0 RESULTS AND DISCUSSIONS

Since there are numbers of procurement approach which can be chosen by the organization, but the proper application of facilities management practices enables organization to

provide the right environment for conducting their core business on a cost-effective.

#### **4.1 Finding and Discussion on Current Practices**

In the current practice, building owner only can choose the FM service provider by trade, one by one to suit the need of their nature of business. In the analysis of the service category list for FM which provided by Pusat Khidmat Kontraktor (PKK), there has miscellaneous service in each category that shows the following matters:

- FM industry in Malaysia has no standard approach and unorganized in terms of its implementation.
- All service providers are easily penetrated into FM industry and claim them as qualified without any proof that they can perform the services as expected.
- The current approach implemented in our FM industry is also prone to outsource almost every single service. This phenomenon will cause FM in our country to be stunted to move forward hence the gap in the implementation is impossible to be bridged.

The above issues should be addressed properly by the government to improve the industry to a higher level. This is important to ensure that FM industry can contribute optimally to national income.

## 4.2 Finding and Discussion on Proposal of Standard Service Category

There are few terminologies of FM standard service category suggested by various numbers of researchers to be adopted in Malaysia (see Table 2). The terminologies will be used as basis to find the terms which best describe FM nature business in Malaysia.

Table 2: Standard service category suggested by various authors

<b>Service Category</b>	<b>Single Service</b>	<b>Bundled Service</b>	<b>Total Facilities Management</b>	<b>Integrated Facilities Management</b>	<b>Single-Multi Service</b>	<b>Building Related Service</b>	<b>User Related Service</b>
<b>Author</b>							
Lowden, Pearson, Brownless and Worland (2011)	/	/	/	/			
Wohlfart, Bilan and Schimpf(2010)						/	/
De Toni, Fornasier and Nonino (2012)			/	/	/		

It has been analyzed that all respondents agreed with the intention to introduce facilities management standard service category in proper terminology, which can be suggested for the use in contract documents. Table 3 shows the standard

service category, which have been chosen by respondents in ascending priority.

Table 3: The facilities management standard service category

<b>Ranking</b>	<b>Standard Service Category</b>
<b>1</b>	Total Facilities Management
<b>2</b>	Integrated Facilities Management
<b>3</b>	Single Service
<b>4</b>	Bundled Service
<b>5</b>	Building –related Service
<b>6</b>	User-related Service
<b>7</b>	Single-Multi Service

(Source: This study, 2015)

However, the term (terminology) of Total Facilities Management (TFM) and Integrated Facilities Management actually have been widely used as procurement method or approach in Malaysia FM industry but not introduced as the category of FM organization. Therefore, the title of category is proposed to be awarded to FM organizations that have successfully carried out the TFM or Integrated FM in their past project.

Among the advantages if we have the proper service category are:

- When we have a single FM organization which can offer all kinds of services in a roof, the owner will not have to worry anymore about the services may not meet the expected standard.

- The FM organization which registered in standard service category as proposed shall be bound with regulations implemented in FM industry so as they will successfully deliver the services that also have a positive impact to building owner and building user as well as our FM industry.

## 5.0 CONCLUSION

Through this study, the researcher was able to make comparative analysis and determined the impact of the current situation in Malaysia FM industry. FM key player is still lack of understanding of FM concept since they come from various backgrounds and may not receive the formal education of FM course.

FM industry in Malaysia regarded to have low quality of service due to no proper guideline and enforcement body to monitor the FM key player and its development.

This is proven when there is no standard service category introduced to ease the process of contracting facilities, the matter will always be argued and as a result, our FM industry will be lagged behind other countries.

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