



PRACTICE PAPER

Development of facilities management in Malaysia

Development of
FM in Malaysia

75

Syahrul Nizam Kamaruzzaman

*Department of Building Surveying, Faculty of Built Environment,
University of Malaya, Kuala Lumpur, Malaysia, and*

Emma Marinie Ahmad Zawawi

*Faculty of Architecture, Planning and Surveying,
Centre of Research and Postgraduate Studies,
University of Technology Mara (UITM), Selangor, Malaysia*

Received July 2009
Accepted October 2009

Abstract

Purpose – This paper aims to provide better understanding of the practices and experiences of facilities management (FM) in Malaysia.

Design/methodology/approach – The paper discusses contemporary roles, issues and future challenges facing FM in Malaysia. It also reviews other western countries where FM is better and more effectively managed. In addition, the paper generates ideas on the future plans and strategies for the development of FM in Malaysia.

Findings – The paper finds that Malaysia still lacks a maintenance and facilities culture. Many things need to be established in order to satisfy both the public and private sectors. Out-sourcing is identified as one of the best options for FM in Malaysia, which may involve more companies, with more contracts being tendered out.

Originality/value – This literature review offers insight into FM in Malaysia. It suggests that more technical expertise in this field should be encouraged in order to improve the status of FM in the country.

Keywords Facilities, Maintenance, Malaysia

Paper type Literature review

Overview

Facilities management (FM) previously has been regarded as the poor relation within the real estate, architecture, engineering and construction professions. This is because it was seen in the old-fashioned sense of care-taking, cleaning, repairs and maintenance. Nowadays, it covers real estate management, financial management, change management, human resources management, health and safety, contract management, in addition to building and engineering services maintenance, domestic services and utilities supplies. It is clear that FM is an umbrella term which covers a wide range of properties and user related functions. All these are brought together for the benefit of the organisation and its employees as a whole. Therefore, the aim of FM should not focus on optimising the running costs of buildings only, but also raising the efficiency and suitability of the management of space and other related assets management for people and processes. This is so that the mission and goals of the organisation can be achieved in the best combination of efficiency, cost and quality.



In Western countries such as Japan, Australia, New Zealand, Hong Kong and Singapore, FM has been successfully developed and established. It is recognised in these countries as an activity that can achieve more effective management of the buildings, services and associated workforce, in support of the strategic objectives of an organisations. Professional association and institutions such as the International Facility Management Association and The British Institute of Facilities Management have been established as separate disciplines in recognition of FM. Those institutions provide information on the state-of-the-art developments of FM, which helps members to make more informed business decisions through effective management of complexity that may lead to providing advantages. Australia, Hong Kong and Singapore have also established associations of FM.

According to Pillay (2002), the development of FM in Malaysia started in the second half of 1990s. The government has played a major role in the development of FM in Malaysia. In 1996, the government has privatised the non-clinical support services in the government hospitals to three FM companies. It was indeed the biggest FM contract by the government at that time. It also marked the starting of the new era of FM in Malaysia. In February 2001, during the opening of the Kuala Lumpur 21 Convention and Exposition, the then Deputy Prime Minister of Malaysia in referencing to the state of FM in Malaysia emphasised that:

Unless Malaysians change their mentality to become more aware of the need to provide good services and improve the upkeep of buildings, we will forever be a Third World country with First World Infrastructure (Prime Minister of Malaysia, 2001).

Since then, Malaysia has put great focus and emphasis on the development of FM particularly in public sector. Encouragement towards resolving FM issues and problem are being seriously looked at for better realisation. A proper and more systematic monitoring of facilities are also in the final implementation. Holistic approach towards integrating effort and collective responsibility is now the main agenda for greater performance of FM in Malaysia.

Issues and challenges

Generally, FM involves a number of disciplines and services, particularly the development, coordination and management of all the non-core specialist services of an organisation along with the buildings and their systems, plant, IT equipment, fittings and furnishings with the overall target of assisting any given organisation in achieving its strategic objectives. According to Barrett (1995), FM services can be divided into three areas: premises services, office services and central services as shown in Table I. A survey by Moore and Finch (2004) found that the former categories would typically represent core areas of FM involvement, that environmental/health and safety issues, which are not traditionally recognised as high priority factors in South-East Asia as shown in Figure 1. In this respect, it is a very challenging responsibility and task for an FM organisation to achieve efficiency as it involves various elements that have their own objectives and goals.

According to Ruslan (2007), the key issue currently facing FM in Malaysia is the low service quality. The failures found in the adoption and implementation of FM in Malaysia can be categorised into four factors as described in Table II. According to Hassan (2007), Chief Secretary of Government of Malaysia, despite the government

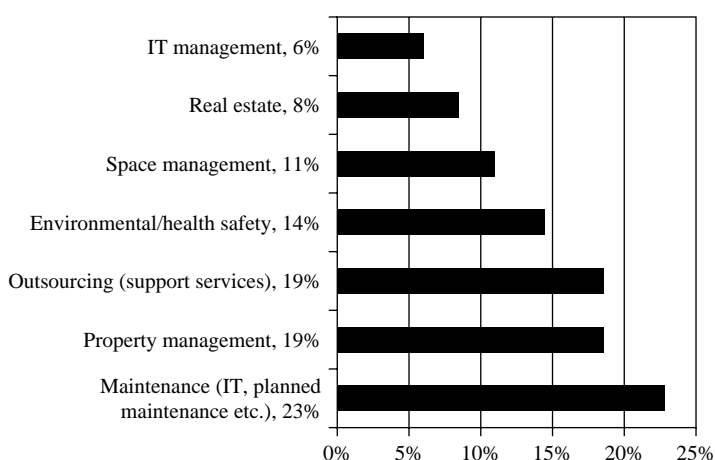
commitment with the allocation of RM1.079 million (US\$306,012.47) for upgrading renovation, there is evidence of shoddy work and buildings falling into despair. Annies (2007), Head of Maintenance Sector, Public Works Department Jabatan Kerja Raya (JKR), Malaysia, perceives that the standards of maintenance in government buildings are not up to the expectations.

Ballesty (2007) pointed out that FM challenges include lack of recognition, education and training needs; professional status, career pathways, information standard, performance benchmarking, cost value versus value in service procurement and corporate and community contribution of FM. Moore and Finch (2004) indicate that whilst Malaysia has successful examples of the development of FM, overall mixed signals remain. There would appear to remain a general lack of understanding and eventually progress, of the key drives which continue to hamper the successful development of FM. These key drivers include globalisation and IT, built environment, economic and business environments. At present, in Malaysia, only property management is recognised through the main professional body, i.e. The Board of Values, Appraisers and Estate Agents. This provides little identity for property management as a profession in its own right leading to the perception that FM is part of property management. In this respect, FM service quality and best practices, for

Premises	Office services	Central services
Building maintenance	Mailing	Catering
Decoration work	Stationary	Room booking
Sub-contractors	Photocopying	Insurance
Telecommunication	Vehicles	Archival
Security	Printing	
Safety		
Cleaning		

Source: Barrett (1995)

Table I.
Difference facilities
services



Source: Moore and Finch (2004)

Figure 1.
FM services in
South-East Asia

Table II.
FM failures on managing
building features

Failing factors	Description
Tactical failing	Inadequate performance standard
Strategic environmental failings	Low maintenance of cleaning standards
	Lack of building performance monitoring data
	Failure to anticipate the consequences of change
	Failure to understand the non-linear nature of building complexity
Tactical cultural failings	Slow response of systems used
	Responding slowly to complaints
	Ignorance job stress
Strategic cultural failings	Failure to provide appropriate advise on design and planning based on overall performance
	FM issues not prioritised
	Over reliance on automated systems used
	Flagging improvement due to lack in technical knowledge and background

Source: Mustaffa *et al.* (2008)

Malaysia, require greater emphasis, which will take time to be adopted by FM practitioners in Malaysia.

Ways forward

The then Prime Minister has stressed that year 2007 is the time of implementation, and more importantly to monitor the implementation of the various projects and government initiatives to ensure the success. There is lack of maintenance and facilities culture in Malaysia, apart from the government circulars and directives outlining processes and procedures to ensure systematic asset and FM (Hassan, 2007). For example:

- In 1967, the Factories and Machineries Act outlined safety and health standard to ensure best value on workmanships.
- In 1974, rules were circulated for the maintenance of buildings, public roads, sewerage systems of buildings as well as the role and responsibilities of the JKR.
- In 1992, the government issued the *Guidelines for Total Quality Management in the Public Service*.
- In 2002, the *Pekeliling Am Bilangan 1 Tahun 2002* defined the role of maintenance committee.
- In 2007, The *Pekeliling Perbendaharaan Bilangan 5 Tahun 2007*, provided guidelines for the management of moveable assets.
- In 2009, *The Manual of Total Asset Management*, outlining the policy of total management of government assets.

Besides these directives, the Malaysian Government has given the ministries jurisdiction and responsibility over the management of their assets and facilities. Under the 9th Malaysian Plan, the maintenance and the facilities contents is included in the concession agreements of privatised infrastructure projects. The private finance initiative specifies the private sector’s responsibility in the construction, management, maintenance, refurbishment and replacement of public sector assets.

Further, under the 9th Malaysian Plan, the government has allocated more than RM1 trillion, for “upgrading and renovation” as part of its developmental budget. It clearly reflects the government’s commitment in ensuring that facilities are upgraded, maintained and managed.

Currently, the main drivers impacting the FM industry in Malaysia is the government’s outsourcing practice to local bumiputera companies and the expectation that more contracts will be tendered out. As the commercial and education sector are heavily pushing third party FM, outsourcing to third party players remains strong compared to typical in-house management.

New analysis reveals that the market earned revenues of \$268.1 million in 2006 and is estimated to reach \$535.0 million in 2013 (Frost & Sullivan, 2007). Thus, showed the government privatisation and corporate restructuring is expected to benefit the third party FM market. The combination of outsourcing and privatisation is boosting demand for FM services and driving revenue within the industry in Malaysia.

The establishment of National Asset and Facility Management shows how serious the government is on the establishment of a systematic management. It came with the intention of improving the public delivery system because a well-functioning national assets and facilities will contribute to a more efficient and effective public service. The chief secretary of the government put a stress on the use of key performance indicators to improve the process of maintenance and of monitoring projects.

The greater complexity in today’s building facilities also demands a more professional approach to managing and maintaining these physical assets. The two quality systems that are been implement in FM are the total quality management (TQM) concept and the ISO 9000 certification. The TQM concept for customer satisfaction means that facilities manager has to provide professional, reliable and consistent delivery of management services to the client. ISO certification means that a company has adopted a detailed, documented approach to achieving consistency in output. It involves the process of studying the “best-in-class” processes and procedures of successful organisations and using these investigations as reference points and models for improvement (Kelly, 1994). This would mean making continuous effort in reviewing process, practice and method. To date, research has shown that quality schemes in public sector are perceived to improve FM and staff motivation (Lentell, 2000, 2001; Robinson, 1995, 2003; William, 1994). Evidence also suggests that quality principle leads to positive impact to performance and satisfaction in the public sector.

Conclusion

FM is of interest to Malaysia in its quest to achieve its vision of 2020. what appears to be inhibiting development is lack of understanding of the roles of FM and some conflicts between professionals disciplines as to which one should be recognised as licensed proprietor. According to Hamilton (2003), FM is essentially a team effort. Some types of organisations may require more technical expertise that others and this may well have a bearing on the professional discipline from which facilities manager is chosen the vital ingredients are to know business and be able to manage well. Nevertheless, FM is a balance between technical, managerial and business acumen that may be related to operational, tactical and strategic decision-making processes. The operational activities are concerned with effective functionality of service, the tactical with the organisation and administration procedures and the strategic with the match

between facilities and corporate objectives. It is essentially a management function and it is at the strategic level that FM can have the greatest impact; to be involved with forward planning decisions. In the future, the challenges facing FM in Malaysia are those of finding new ways of leading, of cultivating environment for performing and finding new ways of communication with clients, customers and staff (Price and Akhlaghi, 1999). Successful FM teams will be able to embrace the language of the core organisations they serve, clarify and serve their strategic contribution in terms of business relevant outcomes (Hallam, 2000).

References

- Annies, A. (2007), "Current issues and challenges in managing government's assets and facilities", *Proceeding of the National Asset and Facilities Management (NAFAM) Convention, Kuala Lumpur, Malaysia, 13 August*.
- Ballesty, S. (2007), "Best practices and success stories in asset and facility management", *Proceeding of the National Asset and Facilities Management (NAFAM) Convention, Kuala Lumpur, Malaysia, 13 August*.
- Barrett, P.S. (1995), *Facilities Management: Towards Best Practice*, 2nd ed., Blackwell Science, Oxford.
- Frost & Sullivan (2007), *World UPS Market*, Frost & Sullivan, San Jose, CA, available at: www.marketresearch.com/vendors/viewVendor.asp?VendorID=383 (accessed 1 July 2009).
- Hallam, S. (2000), "FM research – the leading edge", *Facilities*, Vol. 18 No. 7.
- Hamilton, B. (2003), "Overview and trend in facilities management", paper presented at Facilities Management Seminar 2003, University of Technology Mara (UITM), Selangor.
- Hassan, S. (2007), "National asset and facility management development", *Proceeding of the National Asset and Facilities Management (NAFAM) Convention, Kuala Lumpur, Malaysia, 13 August*.
- Kelly, J.M. (1994), *Total Quality Management: A How-to Program for the High-Performance Business*, Prentice-Hall, Englewood Cliffs, NJ, p. 225.
- Lentell, R. (2000), "Untangling the tangibles: physical evidence and customer satisfaction", *Managing Leisure: An International Journal*, Vol. 1, pp. 1-16.
- Lentell, R. (2001), "Customer views of the results of managing quality through untangling the tangibles: physical evidence and customer satisfaction", *Managing Leisure: An International Journal*, Vol. 1, pp. 1-16.
- Moore, M. and Finch, E. (2004), "Facilities management in South East Asia", *Facilities*, Vol. 22 Nos 9/10, pp. 259-70.
- Mustaffa, S.A.H., Adnan, H. and Jusoff, K. (2008), "Facilities management challenges and opportunity in the Malaysian property sector", *Journal of Sustainable Development*, Vol. 1 No. 2, pp. 79-85.
- Pillay, M.S. (2002), *Privatization of Hospital Support Services*, Springer, Berlin.
- Price, I. and Akhlaghi, F. (1999), "New patterns in facilities management: industry best practice and new organizational theory", *Facilities*, Vol. 17 Nos 5/6, pp. 159-66.
- Robinson, L. (1995), *Quality Management – An Investigation of the Use of Quality Programme in Local Authority Sport and Leisure Facilities*, Institute of Sport and Recreation Management, Melton Mowbray.
- Robinson, L. (2003), "Committed to quality: the use of quality schemes in UK public leisure services", *Managing Service Quality*, Vol. 13 No. 3, pp. 247-55.

Ruslan, N. (2007), "Campus facilities management experience", *Proceeding of the National Asset and Facilities Management (NAFAM) Convention, National Asset and Facility Management Development, Kuala Lumpur, Malaysia, 13 August*.

William, R.I. (1994), *Essentials of Total Quality Management A Worksmart Series*, Chapman & Hall, New York, NY.

Development of
FM in Malaysia

Corresponding author

Syahrul Nizam Kamaruzzaman can be contacted at: syahrulnizam@um.edu.my

81
