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**Facility management — Existing performance management in facility management organizations — State of the industry**

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CH-1214 Vernier, Geneva  
Phone: + 41 22 749 01 11  
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## Foreword

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The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO ~~documents~~document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see [www.iso.org/directives](http://www.iso.org/directives)).

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This document was prepared by Technical Committee ISO/TC 267, Facility ~~Management~~management.

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Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at [www.iso.org/members.html](http://www.iso.org/members.html).

## 0 Introduction

### 0.1 Purpose

Facility management (FM) directly involves or impacts a significant portion of the world's total workforce, indicating that improving FM can have a significant impact on how Demand Organizations demand organizations function worldwide. As a result, effective FM performance measurement and management is essential within the FM profession to make certain facility ensure FM professionals both and their organizations understand and meet the objectives of the Demand Organizations.

demand organizations. While there is a large body of existing efforts to providing provide meaningful performance measures that align to the with demand organization's organization objectives and business practices, there does not seem to be a clear and consistent approach across the FM industry.

This document provides a summary of existing research, methodologies, and performance indicators, and creates a recommended path forward for standard development which addresses the ed performance measurement and management needs.

~~This document is intended to allow for involvement by a broader range of participants and provide an opportunity for Project Manager and Technical Expert roles from a broader representation of National Standardization Bodies (NSBs) who may have found participation or leadership more difficult with all the activity organized in a single work output versus a framework with multiple work outputs.~~

~~This document will establish the **FM Performance Management – Measurement and Improvement Framework**, Identifying the requirements that will collectively constitute Performance Measures and Improvement strategies for Facilities Management organizations across the spectrum of Demand Organizations. Each work item within the Framework will similarly offer an opportunity to advance the approved work outputs.~~

### 0.2 Background

Since its beginning in 1980's, FM has evolved from a function with responsibility for buildings, furniture, and equipment, to a professional discipline concerned with people, processes, data, environment, and health and safety. This has raised the profile of the discipline along with other support functions such as human resources, management, and information technology.

While there is a large body of existing efforts to providing meaningful performance measures that align to the demand organization's objectives and business practices, there does not seem to be a clear and consistent approach across the FM industry.

This document incorporates performance measurement and management references from over 1,600 source documents provided in the appendices. While common thinking exists across many of the documents, the reviewed literature is inconsistent in its use of terminology and approaches the development of performance measurement and management with varying methodologies and performance metrics.

### 0.3 Opportunities

Today, many authors have recognized that FM is an emerging discipline that is gaining recognition around the world. It remains strong and consistently increases by the day in today's service-oriented business management.

Effective FM performance measurement and management is essential within the FM profession to ensure FM professionals and their organizations understand and meet the objectives of the Demand Organizations.

~~Performance management programs provide feedback based on specifics rather than generalizations and are based on specific objectives derived from the desired outcome of performance measurement results.~~

#### ~~0.4 Challenges~~

~~Reliable, quantitative empirical data to inform business strategies and measure organizational performance are still scarce. A reason for this lack of data and problematic interpretations of cause-effect relationships may be the broad scope of FM. This makes it difficult to trace and measure the impact of particular FM input. Clear standard performance indicators are in its infancy~~

~~Additionally, the FM practice and broader industry application of performance measurement and management appears inconsistent in its methodology, terms, definitions, and application of standardized concepts. Industry research and existing technical publications indicate a strong need for clear and consistent performance terminology that create a foundation for a performance management framework and associated development methodology that incorporates historical, current, and future indicators for FM.~~

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# ~~Facility management — Existing performance management in facility management organizations — State of the industry~~

## ~~1 Scope~~

This document builds ~~from~~on previous efforts completed ~~within by ISO/TC 267 for Performance Measures and Improvement, efforts from working groups within the TC 267 regarding performance measures and improvement.~~ The underlying strategy is ~~three-fold~~threefold and designed to provide efficient progress towards a well-organized ~~family~~collection of work outputs:

- a) ~~Explore~~exploring a broad understanding of the current state of FM ~~Performance Measures~~performance measures and ~~Improvement~~improvement across all ~~Demand Organizations~~demand organizations with an anticipated greater interest and engagement from a broad-based perspective.;
- b) ~~Modularize~~modularizing work output development into smaller, more focused initiatives that are part of the broader framework (allowing greater ~~and expert~~ participation and a work output focused ~~to~~on meeting specific requirements).;
- c) ~~Create~~creating a long-range approach that can be adjusted and enhanced as circumstances dictate. allowing for improved life ~~-~~cycle management of the work ~~outputs~~output products.

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# Facility management — Existing performance management in facility management organizations — State of the industry

## 1 Scope

This document ~~is intended to provide~~ provides a robust understanding of existing performance measures in facility management (FM) organizations and the needs of both ~~the~~:

- ~~Demand Organization and~~

~~— the demand organization;~~

- ~~the~~ FM organization across the breadth of public and private sector organizations, profit and 'not for profit' with FM needs.

## 2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 41011, *Facility management — Vocabulary*

## 3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 41011 apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <https://www.electropedia.org/>

## 4 Context

### 4.1 History

Since its beginning in ~~1980's~~ 1980s, as ~~the~~ studies related to the history of FM ~~showed~~ show, the profession has ~~moved~~ evolved from a function with responsibility for dealing only with ~~"hardware,"~~ such as buildings, furniture, and equipment, to dealing a professional discipline concerned with ~~"software," which looks,~~ looking at people, processes, data, environment, and health and safety.

For some, FM went from being the custodial function of a building superintendent/janitor concerned largely with operational issues of maintenance, cleaning, and tenant security to a more complex one, where the cost of its management and operation has led to the need for tactical and strategic functions.

This has raised the profile of the discipline along with other support functions such as human resources management and information technology.<sup>[22]-1</sup>

Demand ~~Organizations~~ organizations range from private sector entities with a financial performance focus to public sector and federal government organizations whose primary objectives are often not financially driven. Similarly, profit versus not -for -profit influences ~~Demand Organization~~ the selection of the demand organization's performance indicators ~~selection,~~ and, in many instances, FM organizations become nested

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with supporting roles between ~~an Demand Organization~~ a demand organization and a third-party service provider delivering some or all of the FM activities to the ~~Demand Organization~~ demand organization. These entities ~~would~~ typically have different objectives.

How different countries with dissimilar social-economic milestones adopt FM must also be considered. The research by Anna-Lissa<sup>[19]</sup> ~~revealed~~ reveals how the diverse approaches adopted by societies in cultivating leadership and organizational growth are directly influenced by societies and social, economic, and historical progress. Every country has its own culture, type of organization, and leadership, resulting in different levels of ~~facility management~~ FM at different stages of development. Due to these differences in leadership and organizational structure, it ~~would be~~ is logical that the demands set for ~~the~~ facility professionals ~~will~~ differ and the quality realized ~~will be~~ is valued differently. Differences in FM leadership and organizational structure ~~will~~ also impact the way ~~that~~ in which FM is performed, measured, and managed.

Historically, performance management and measurement has mainly focused on outcomes, utilizing available information to establish a quantifiable indicator, and then measuring whether the desired performance was achieved in the context of the performance measurement. More recently, performance management has expanded within FM organizations to incorporate forward-looking performance management that also incorporates measurements assessing ~~the organizations'~~ an organization's ability to identify and adapt to future requirements versus historical performance.

Performance measurement is important because it provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, to identify areas of strengths and weaknesses, and to decide on future initiatives, while aiming to improve organizational performance.<sup>[2,1]</sup> The function of performance measurement is to generate a class of information that will be useful in a wide variety of problems and situations. It focuses on the means and results (ends) or processes and outcomes and can be described in terms of practices and metrics. ~~The importance and need for performance~~ Performance measurement ~~include~~ includes:

- ~~Enhancing~~ enhancing improvements;
- ~~Adopting~~ adopting a long-term perspective;
- ~~More~~ more precise communication;
- ~~Allocating~~ allocating resources to the most attractive ~~improvements~~ improvement activities;
- ~~Effective~~ an effective and efficient planning, control, and evaluation system;
- ~~Motivating~~ motivating individuals and ~~encourage right organization behaviour~~ encouraging the correct organizational behaviour;
- ~~Supporting~~ supporting management initiatives and ~~managing~~ managing change.

Organizations ~~could~~ can use performance measures, ~~in order~~ to:

- ~~Identify~~ identify success;
- ~~Identify~~ identify whether they are meeting customer requirements;
- ~~Understand~~ understand their processes (to confirm what they know or reveal what they do not know);
- ~~Identify~~ identify where problems, bottlenecks and waste ~~exists~~ exist, and where improvements are necessary;
- ~~Ensure~~ ensure that decisions are based on facts, and not supposition, emotion or intuition;

— ~~Show~~show if the improvements planned, actually happened.

A performance measurement system can be defined as a complete set of performance measures and indicators derived in a consistent manner according to a forward set of rules or guidelines. It is a means ~~to~~of monitoring and maintaining organizational control, i.e., the process of ensuring that an organization pursues strategies that lead to the achievement of overall goals and objectives. Performance measures can be used to force an organization to focus on the right issues.

To reduce the complexity of performance measurement, a wide range of measurements ~~need to~~must be arranged or categorized. Representing the cause-and-effect relationship of an organization's strategy ~~showed~~has shown to be helpful to categorizing a huge number of measurements in connection to core business and surroundings.<sup>[12]</sup> On the other hand, the overview of key performance indicators (KPIs) can be useful to organizations in different contexts and on different levels: operational, tactical and strategic.

The measurements can provide performance management information that affects positive change in organizational culture, systems, and process. The shift from performance measurement to performance management is accomplished by helping to set the agreed-upon performance goals, and allocating and prioritizing an organization's resources.

Many authors have reflected on general performance measurement and performance criteria, i.e., different aspects or areas of performance, and tried to link and categorize performance to concepts such as quality, effectiveness, efficiency, productivity, innovation, profitability/budgeting and others.

Performance management ~~programs~~programmes provide feedback based on specifics rather than generalizations and are based on specific objectives derived from the desired outcome of performance measurement results.<sup>[2]</sup>

#### 4.14.2 Impact of FM on the ~~World~~world

~~Effective FM performance measurement and management is essential within the FM profession to ensure facility professionals and their organizations understand and meet the objectives of the Demand Organizations. FM directly involves or impacts a significant portion of the world's total workforce, indicating improving FM can have a significant impact on how Demand Organizations function worldwide.~~

The ~~significancessignificance~~ of FM's impact on global gross domestic product (GDP) suggests that improved performance management and measurement can directly contribute to global economic productivity with both quantitative and qualitative benefits. This applies to practitioners, ~~Demand Organizations,~~demand organizations and ~~those~~ individuals that are directly or indirectly the beneficiaries of improved performance with clearly quantifiable benefits across all seventeen<sup>17</sup> of the United ~~Nation's~~Nations (UN) Sustainable Development Goals (SDGs).<sup>[11]</sup>

Enhancing FM performance measurement and management represents a clear opportunity to both support ~~Demand Organization~~demand organization objectives and ~~concurrently be complimentary to~~complement global economic performance and established sustainable development goals.

#### 4.24.3 State of the ~~Industry~~industry

This document discusses performance measurement and management based on reviewinga review of over 150 source documents. ~~A selection of relevant information is provided in the appendices.~~ While common thinking exists across many of the documents, the reviewed literature is inconsistent in its use of terminology, and approaches the development of performance measurement and management with varying methodologies and performance metrics.

According to the literature, performance measurement has been developed in two phases.<sup>[16]</sup> In the first phase ~~that~~(which went on until the 1980s~~),~~ performance measurement primarily focused on financial criteria.