
Towards Outsourcing of Facilities Management Services in Educational Sector (A Case Study of Borno State Tertiary Institutions, Nigeria)

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Abstract: *This paper examines outsourcing of Facilities Management Services in Borno State tertiary institutions. Literature on the nature and meaning of facilities management; the development of facilities management in Nigeria, types of facilities management techniques as well as the advantages and disadvantages of outsourcing were reviewed. For the purpose of this study questionnaire was administered on a sample of one hundred and twenty (120) respondents who were randomly selected from the four (4) state owned tertiary institutions in Maiduguri Metropolis of Borno State through simple and purposive random sampling techniques. Tables and simple percentages were used to analyze the data acquired. The analysis of data indicated that the most commonly outsourced facilities management service in the education sector is grocery and catering in order to provide for the growing number of students and staff and that the main driver for these services is cost reduction as a result of inadequate funding of the sector from the government, hence, the decision to outsourced remains an important strategic solution. Therefore, there is the need for exploring facilities management services in order to gain quality services from another organization's expertise. This is possible through the involvement of professional Facilities Managers and Estate Surveyors and Valuers as they are not only professionals in the management of land, buildings, plant and machinery but also experts in outsourcing of facilities management services.*

Keywords: *Facilities management, Outsourcing, Outsourcing techniques*

Introduction

Facilities Management (FM) is an integrated approach to maintaining, improving and adapting the buildings of an organization in order to create an environment that strongly supports the primary objectives of that organization (IFMA, 2006). The scope of FM therefore, is not limited to the physical characteristics of buildings alone. The services vary from providing and managing the accommodation to ensuring that employees, clients' and guests feel welcome, cared for and safe (Kok, Mobach and Omta, 2011).

In contrast to other management disciplines, FM is in its developing stage. It has increased recognition as a profession in a number of regions across the world, including the UK, Central Europe, North America and Asia among others. In Africa, FM was accorded recognition in two countries: Nigeria and South Africa (Natukunda, Pitt and Nabil, 2013). The development of FM in Nigeria is not only evident by the introduction of the Nigerian branch of IFMA in 1997; and

the enactment of Public Procurement Act in 2007; but, also the maintenance of ageing stock, the reuse and adaptation of buildings, up-to-date furniture and equipment, the use of premises for more than one purpose and the reduction of premises (Anifowose and Lawal, 2013). A study conducted by Adewunmi, Ajayi and Ogunba (2009) revealed that FM was introduced into Nigeria in the 1980s from the USA to assist Chevron and Mobil, which are multinational companies in the relocation activities of both companies. This introduction is as a result of globalization of professional practices (Ojo, 2002; Moore and Finch, 2004; and Adegoke and Adegoke, 2013; Adewunmi et al., 2009); and subsequently its acceptance by the Nigerian Institution of Estate Surveyors and Valuers as expert agents for management of land, buildings, plant and machinery and facilities. This is a reflection of the increasing acceptance accorded to FM in Nigeria's business world (Adewunmi et al., 2009); and has necessitated some government agencies, corporations and non-governmental organizations to adopt FM, specifically outsourcing services realizing that its function within traditional organizational structures are unsatisfactory (Adegoke and Adegoke, 2013). This has made the adoption of FM in some private and public organizations in Nigeria (Anifowose and Lawal, 2013; and Natukunda, Pitt and Nabil, 2013). Although, there has not been practical indication of its widest application in the tertiary institutions.

Similarly, other reasons for the development of FM in Nigeria identified by Ojo (2002); Moore and Finch (2004); and Adegoke and Adegoke (2013) are the globalization of professional practices, information technology and advancements in telecommunications, high cost of space, rising employee expectations, cost of mistakes, labour costs, regional economy, property market, general business environment, market maturity and procurement systems, and the removal of trade barriers. In support, Adewunmi et al. (2009) posited that big multinational companies, banks, manufacturing companies, schools and others are now appreciating the benefits of responding to changes in management of facilities, thus there is increased demand for FM. Although, the degree of adoption of FM by a given organization depends on the peculiar nature and characteristics of organizations and professionals managing those organizations (Adegoke and Adegoke, 2013). This view is consistent with Chotipanich (2004) who also noted that FM has been adopted differently in different organizations, and in different contexts. The scope and responsibility of FM in a given organization may be wider than other organizations.

Outsourcing as part of FM services has existed within the FM industry longer than the entire concept of FM, although in its earlier incarnations in a very different form as it is practiced today (Usher, 2003). Outsourcing refers to any situation where an organization contracts with another organization for the provision of a service that could equally be provided by a person, unit or department within the organization that requires the service (Barrett and Baldry, 2004). It is used as a strategy for increasing organizational efficiency and effectiveness (Ikediashi, Ogunlana and Boateng, 2014).

In recent years inadequate funding still remains a major challenge. The government is facing constraints in funding the education sector specifically the tertiary institutions even with the intervention of the Tertiary Education Trust Fund. Yet these institutions are expected to provide an enabling environment to their staff and students whose population has been growing rapidly. This has brought about challenges not only of maintaining the available facilities but also of

improving the quality of their services. Given this challenge, the institutions' investment decision with respect to outsourcing has become increasingly critical. Therefore, the means and costs of achieving and maintaining these quality standards must be recognized and controlled by the application of effective procurement strategies.

It is against the above backdrop therefore that this study is undertaken to examine the outsourcing of FM services in the education sector in Borno state with particular reference to state owned tertiary institutions; it will identify FM services being outsourced in the institution; the main reasons for the adoption of the identified outsourced services; and the current challenges with respect to outsourcing of FM services in the institutions with a view to making appropriate recommendations.

Meaning and Nature of FM

Many definitions of FM have been proposed by different researchers. The most generally recognized is the one given by the IFMA (2006) that, FM is an integrated approach to maintaining, improving and adapting the buildings of an organization in order to create an environment that strongly supports the primary objectives of that organization. This definition is consistent with the view of Becker (1990) cited by Amaratunga and Baldry (2000) who defined FM as the co-ordination of all efforts related to planning, designing, and managing buildings and their systems, equipment and furniture to improve the organization's ability to compete successfully in a rapidly changing world. FM, therefore, operates on the premise that the efficiency of any organization is related to the physical environment in which it operates and that the environment can be improved to increase its efficiency (Amaratunga, Baldry and Marjan, 2000). FM, like all other forms of management, remains an inexact science and continues to evolve, to a large extent reflecting something of an umbrella term under which a range of both property and user related functions are brought together (Moore and Finch, 2004).

FM Techniques

According to Adegoke and Adegoke (2013) there are three types of FM techniques: In-house technique, One-site technique and Outsourcing technique. The In-house technique is a conventional way of managing facilities by making use of internal man power to see to the welfare of physical environment and available facilities within the system. This exercise is normally undertaken by maintenance department of that very organization. While, One-site technique is the one that automates the service request, make ready, and asset management processes, incorporating easy to use pocket (PC) devices. The system gives property managers the information they need to monitor maintenance activities and then act to lower costs and improve efficiency. Services requests can be captured through direct entry into the system by office personnel, over the internet using the cross-fire resident portal or by certified specialists provided by the cross-fire call centre.

The Outsourcing Technique

Outsourcing is the situation where an organization contracts with another organization for the provision of a service that could equally be provided by a person, unit or department within the organization that requires the service (Best, Langston and Valence, 2003 and Barret, 1995). Its advantages as identified by Hassanain and Al-Saadi (2005) are higher quality of service; lower

cost of services in the long term; specialist expertise and skills that are not available in-house; and that managers have more time to concentrate on higher priorities. The concept is to have the third-party service provider, and putting in place the internal facilities manager to supervise the entire job performed by the FM Company (Nutt, 2004). The evolution of more efficient information technology that makes it easier to initiate contractual relations and to manage contracts is probably the strongest explanation for the spread of outsourcing (Brochner, Adolfsson and Johansson, 2001). Although, outsourcing is not without weaknesses. Authors like Hassanain and Al-Saadi (2005); Udechukwu (2012) and Usher (2003) are of the view that it has the following disadvantages as well: perceived loss of control; transaction costs; monitoring costs; security risks/threats to confidentiality; and loss of in-house skills/expertise.

Moreover, some researchers have investigated outsourcing of facilities management services in different organizations. Hassanain and Al-Saadi (2005) studied outsourcing of asset management services in the municipal sector and found out that outsourcing is being utilized in almost all functions relating to the management of municipal infrastructure, and that the criterion for selecting a specific contractor for a service is lowest price. Rasila and Gersberg (2007) assessed the service quality of outsourced facility maintenance services from end-user perspective. The survey indicated cost reduction is the most important driver for outsourcing FM services. Yik and Lai (2005) explored the trend of outsourcing for building services operation and maintenance work for commercial buildings. The survey indicated that the trend of outsourcing will continue if contractors keep on upgrading their knowledge and skills to provide quality services more economically than the in-house workforce. Natukunda et al. (2013) examined the current procurement (outsourcing) practice of facilities management services in different Small and Medium enterprises and found out that the most common driver for outsourcing was the necessity to gain quality services from another organization's expertise. For the organizations that procure services in-house, the most common motivation to do so was the desire to control the service quality and response time.

From the above review, FM is a term that covers a wide range of activities involved in the effective management of built assets. It encompasses the total management of all services that provides support to the main business of the organization. In addition, the similarities in the definitions have not only specify the objectives and scope of FM, but also provided a common platform that is important for a cohesive theoretical development in FM. While, outsourcing of FM services is being practice predominantly in commercial organizations. There is inadequate literature that indicates it widest application in the public-sector organizations such as institutions of higher learning in Nigeria. Therefore, this study is aimed to explore outsourcing of FM services in tertiary institutions in Borno State, Nigeria.

Methodology

The data for this study relied on two main sources; primary and secondary data. The primary source of data consisted of questionnaire, personal observations, and personal interviews. These was conducted in Kashim Ibrahim College of Education, Ramat Polytechnic, Mohamet Lawan College of Agriculture and College of Health Technology Maiduguri. On the other hand, the secondary source of data involved the information that were extracted from relevant studies or

research conducted by other researchers from journals archives such as SciVerse, Science Direct, SwetWise, Emerald, and Elsevier as well as search engines (such as Google and Google Book).

However, the population for this study is limited to principal officers from the Bursary and Works Unit of the four institutions which comprises one hundred and sixty (165) personnel. Out of the questionnaires administered, one hundred and thirty-three (133) were filled and returned out of which One hundred and twenty (120) were able to retrieved and analysed appropriately and this represented 80% of the total questionnaire administered which is considered adequate for the study.

Findings

Outsourced Services in the tertiary institutions

The study sought to find out the number of outsourced services in the institutions. Questions were put to the respondents in order to determine those services outsourced by the institutions. Although, the list contained in the questionnaire is not exhaustive of the entire range of FM services, it covered the most significant number of support services outsourced by organizations. The responses obtained as shown in Table 1 reveals that the first most commonly outsourced service is grocery and catering (85%). This is evident by the large number of restaurants in the campuses that are active in addition to the existing cafeteria/canteens to cater for the staff and students in the institutions. The second most commonly outsourced service is cleaning (81%). This is as a result of the large number of manpower needed for this task. Building operation and maintenance (63%) is the third most outsourced FM services in the institutions. This is due to the shortage of professional staff as many have been affected by retirement and job migration as stated by some respondents during the interview. Training/human development represented 53% of the total responses. Being tertiary institutions there are certain level of programmes that are not attainable which has to be acquired (outsourced) outside the institutions specifically in the universities. Advertisement (53%) is also outsourced from the local media in the metropolis. Next to advertisement is legal services (51%). This is not unconnected to the fact that employment of a lawyer on permanent basis is uneconomic to the institution due to low rate of litigations. Landscaping (39%); Information Technology (33%) and mail services (23%) are commonly provided in-house.

Table 1: Outsourced services by the tertiary institutions.

<i>Outsourced services</i>	<i>Response</i>			
	Yes	%	No	%
Grocery and Catering	102	85	18	15
Cleaning	97	81	23	19
Building operation and maintenance	76	63	44	37
Training/human development	64	53	56	47
Legal services	61	51	59	49
Advertisement	64	53	56	47
Landscaping	47	39	73	61
Information Technology	39	33	81	67
Mail services	28	23	92	77

Source: Field survey, 2020.

Drivers for outsourcing FM Services in the institutions

Table 2 shows the main drivers for outsourcing FM services in the institutions. The most common reason for outsourcing FM services is cost reduction. 82% of the respondents are of the view that cost reduction is the major driver for outsourcing. Although, Natukunda, et al. (2013) have argued that the cost savings benefits arising from outsourcing are more difficult to define because sometimes it costs money to outsource FM services. The benefits of gaining quality service from another firm's expertise; workforce flexibility and being able to concentrate on core business needs came in equal second place with 77% of the respondents citing the three as a driver. This finding is in agreement with the results of research conducted by Usher (2003), Kakabadse and Kakabadse (2002) that tapping other firms' expertise and flexibility in the workforce makes the organization to concentrate on core services. Preference for small employee size and reduced vacancies (68%) are another reason for adopting outsourcing in the tertiary institutions as noted by the respondents. Other drivers include; higher net revenue (55%), higher rents, reduced operating cost and potential for reduced depreciation and obsolescence (41%), efficient reporting to stakeholders (32%), and corporate social responsibility (23%). The least influential driver is improvement of the institutions' ability of change and growth (18%).

These findings are similar to the outcome of past studies by Ikediashi et al. (2014), Adedokun, Ibronke, and Babatunde (2013), Adegoke et al. (2013), Rasila and Gersberg (2007), Usher (2003), Kakabadse and Kakabadse (2002), Natukunda et al. (2002) and Brochner et al. (2001) on the reasons for outsourcing of FM by organizations which show that outsourcing is being adopted for the main reasons of cost reduction, better access to superior quality, flexibility in responding to economic change and opportunity to focus on core competences.

Moreover, the Tertiary Education Trust Fund (TETFund) as an intervention agency funding tertiary institutions for the provision and maintenance of essential physical infrastructure for teaching and learning has also encouraged the institutions to explore available techniques for procurement which include outsourcing. Hence, the institutions can stand to gain the advantages of new ideas, technologies and improvement potentials; and that, the staff are exposed to the expertise of the procured specialists and thus have the opportunity to develop new skills and gain more experiences.

Table 2: The drivers for outsourcing FM services

Drivers for outsourcing FM services	Response	%
cost reduction	98	82
Gain quality service from another firm's expertise	93	77
A contracted workforce is more flexible	93	77
Concentration on core business	93	77
Preference for small employee size	82	68
Reduced vacancies	82	68
Higher net revenue	66	55
Higher rents	49	41
Reduced operating costs	49	41

Potential for reduced depreciation & obsolescence	49	41
Efficient reporting to stakeholders	39	32
Corporate social responsibility	27	23
Improvement of the institution's ability of change and growth	22	18

Source: Field survey, 2020.

Challenges for Outsourcing FM Services in the Tertiary institutions

From the interview conducted with respondents on the challenges of outsourcing, majority of the respondents were of the view that there is a low perception of the benefits of outsourcing as compared to in-house technique on part of the management of the tertiary institutions. This is because as the study revealed, in all the institutions, the Directorate of works serve as the facility manager of the institutions and reports directly to the management. Hence, it allows the Directors to exercise strategic influence on the institutions' planning and policies on the built assets and procurement. This will invariably pose challenges in the decision to outsource by the institutions which in effect has further clarified the above assertion of the respondents.

Conclusion

The findings of the study revealed that the tertiary institutions are outsourcing some services. The most commonly outsourced FM service is grocery and catering so as to provide for the growing number of students and staff in the institutions. Since the main reason for outsourcing grocery and catering and the other support services is to reduce cost as a result of inadequate funding even with the TETFund intervention, the decision to outsourced remains an important strategic solution to the provision of a range of FM services. It is therefore concluded that professional Facilities Managers and Estate Surveyors and Valuers in tertiary institutions should be fully involved as they are the professionals in the management of land, buildings/facilities, plant and machinery.

Recommendations

The following recommendations have been made based on the findings of the study: -

1. It is strongly recommended that Professional Facilities Managers and Estate Surveyors and Valuers in tertiary institutions should be fully involved in FM as they are the experts for management of land, buildings, plant and machinery and facilities. Therefore, either of these two should be appointed as Facilities Manager to oversee the services being rendered by FM Companies in the tertiary institutions.
2. Outsourcing as an FM technique should be embraced to take care of built asset in institutions of higher learning. This is in line with the fundamental argument for introducing outsourcing in order to reduce costs.
3. There is the need for carrying out cost-benefit analysis before adopting outsourcing in tertiary institutions given that the decision to outsource is complex and fraught with uncertainties.
4. The attitudes of stakeholders towards FM in institutions of higher learning should be positive so as to provide and maintain the essential physical infrastructure for teaching and learning.

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