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An overview of facilities management strategies employed in shopping centers in Johannesburg, South Africa

Toe, Dadley D.

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AN OVERVIEW OF FACILITIES MANAGEMENT STRATEGIES EMPLOYED IN SHOPPING CENTERS IN JOHANNESBURG, SOUTH AFRICA

Dadley D. Toe

A research report submitted to the Faculty of Engineering and the Built Environment, School of Construction Economics and Management, University of Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Science in Building (Property Development and Management).

Johannesburg, 2015

Declaration

I declare that this research report is my own unaided work. It is being submitted for the Degree of Masters in Building (Property Development and Management) at the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other University.

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(Dadley D. Toe)

____27___the day of April 2015

Dedication

To God be the glory for giving me the divine favor to complete this research work, to my parents Mr. & Mrs. Padahedia G. K. Toe Sr. and my loving wife Mrs. Hawa O. Toe who always encouraged me when I nearly give up due to financial problem.

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Abstract

Purpose- The purpose of this study is to identify the facilities management strategies employed in shopping centers in Johannesburg South Africa. Furthermore it allows owners, shareholders, facilities manager and property manager etc. of shopping centers to know the facilities management strategy that bring tenant's satisfaction and encourage them to renew their lease. To conclude the research seeks to find out the underlying factors that determine the choice of facilities management strategy to be employed.

Design/Methodology/Approach- A combined online/paper questionnaire was administered to ten companies owning shopping centers and one hundred tenants renting in shopping centers.

Findings- The result of this survey shows that the three facilities management strategies employed in shopping centers in Johannesburg South Africa are in-house, out-sourcing facilities and out-tasking of facilities management services. Out-tasking is the most frequent facilities management strategies applied in regional and super-regional shopping centers. Furthermore the survey identifies that a focus on core business, organizational policy, availability of specialist knowledge and quality concerns are the factors that determine the choice of facilities management strategies employed in shopping centers, but focus on core business and specialist knowledge are the most important determinants of the strategies employed. The survey would appear to indicate that security, lift maintenance, cleaning, decoration, health and safety, energy management, solid waste management, liquid waste management, disaster recovery, emergency coordination, refurbishment, environmental control, maintenance building fabric, communication management, space planning, document flow and control and call center management are the actual scope of work of facilities management in shopping centers.

Originality/Value – This paper provides the first comprehensive study on facilities management strategies employed in shopping centers in Johannesburg, South Africa

Key words – Facilities Management, In-House management, Out-sourcing, Out-tasking and Shopping Centers

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1.0 INTRODUCTION

1.1 Introduction

Shopping centers are usually large facilities and therefore needs to have proper facilities management in place to maintain it. Atkins and Brooks (2000) define facilities management as an integrated approach to operating; maintaining, improving and adapting the building and infrastructure of an organization in order to create an environment that strongly support the primary objectives of that organization. Tay and Ooi (2001) argue that facilities management is an integrated management of the workspace that enhances the performance of the organization. McLennan (2004) highlighted the lack of facilities management framework as the reason why facilities management remains misunderstood in the general public. The South African property sector contributes significantly to the country's economy and it comprises 8.3% of the (GDP) (SOPOA, 2009). The Finance, Real Estate and Services (FIRES) sector contributes 21.2% to the GDP in the fourth quarter of 2013, which is 0.5% point based on the growth of 2.4% (STAT, 2013). Furthermore the property sector of South Africa is worth R4.9 Trillion, while the retail property has the highest percentage of commercial property worth R340 Billion out of a total value of commercial property worth R780 Billion (PSCC, 2012). The PSCC report is a clear indicator that the property sector of South Africa is very important and a good place of investment especially in retail property.

The importance for any investment are income return and capital growth. To achieve income return and capital growth in shopping centers the management of the property needs to be efficient. This research will concentrate on the facilities management aspect of shopping centers. The aim of this research is to analyze the facilities management strategy which is adopted by a variety of shopping centers, the reasons behind this and the actual function of facilities management in shopping centers in Johannesburg. According to Frasquet et. al., (2001) the retail environment is of high importance in keeping consumers in shopping centers. Since retail environment plays an important role on consumer choice, it has to be managed properly and this activities fall within the function of facilities management. Intensive efforts have been made to find the best strategies for facilities management including shopping centers facilities management. This research aims to explore which

facilities management strategies may lead to the highest satisfaction of tenants for the various types of shopping centers in Johannesburg.

1.2 Problem Statement

In international research there are differing opinions as to which strategy is best for shopping centers facilities management. According to Shaw and Haynes (2004) facilities management in shopping centers is focusing on cost whilst neglecting the unique, satisfaction and needs of its tenants (customer). Loch (2000) argued that by adopting the cost only approach, facilities management is in danger of becoming simply a commodity service bought at the lowest price from a range of non-differentiated suppliers. Dubbs (1992) argued that out-sourcing leads to slower response, increased contract cost, loss of control and if the right service provider is not chosen will lead to higher operating cost than expected. Dubbs further argued that outsourcing the service of an entire function might cost more and might be harmful from a strategic perspective. Another group of researcher such as Greaver, (2007), Wise (2007) etc. sees in-house facilities management as the way to reduce operating cost and get the highest satisfaction of tenants. Jennings (2002) argued that outsourcing facilities management offers wide range of benefits to organizations such as cost reduction, better access to superior quality, and flexibility in responding to market change, opportunity to focus on core competencies and facilitate the development of product diversification. According to Kleeman (1994) and Hui, and Tsang (2004) out-tasking is the best option for facilities management to yield the highest satisfaction. Wise (2007) argue that in-house facilities management leads to long term financial benefits rather than out-sourcing option and furthermore tenants satisfaction due to the immediate response to problem. Greaver (2007) argued that the use of in-house facilities management increases cost and is not the right option to be used. According to Atkins and Brooks (2009) an in-house service team can adapt to meet change in requirements by supporting the core business effectively and efficiently and reduce the operating cost to provide best value. Kurdi, Abdul Tharim, Jaffar, Azli, Shuib and Waheed (2011) stated that out-tasking could be the right decision but if not carefully studied could lead to increase in cost which could increase the cost than expected.

Musa and Pitt (2009) stated that the success of shopping centers (retail property) depends on how well they are managed and on how strategies cope with maintaining a balance between the income generated and the cost incurred in managing the properties.

Base on the literature review there is still a knowledge gap as to which facilities management strategies is being employed and lead to the satisfaction of tenants in shopping centers in South Africa. It also appears unclear what are the underlying factors used for the selection of facilities management.

1.3 Significance of the problem

Retail property as an investment needs to achieve income return and capital growth. Facilities management is an enabling tool for retail property in order for it to achieve investment objectives such as lower operating costs and higher returns. The management of facilities in shopping centers needs to be properly executed as this may lead to tenant's satisfaction and encourage them to renew their leases. Good facilities management in the shopping centers may encourage consumers to shop at the shopping center. Consumer shopping constantly in shopping centers allows tenants to maintain good cash flow and encourage renewing leases in the shopping centers. The renewing of tenants lease will definitely reduce the vacancies rate and increase the income return which may lead to capital growth.

1.4 Objectives

The objectives of the research are

-To identify the facilities management strategies that is being used for the various types of shopping centers in Johannesburg.

-To identify the actual scope of work of facilities management in shopping center.

- To identify the criteria use to determine the facilities management strategy employed in shopping centers.

-To assess the level of satisfaction of tenants with the facilities management strategies that has been adopted.

1.5 Research question

In order to fulfill the above objectives the following questioned will be addressed:

- Which facilities management strategies are being employed in shopping centers in Johannesburg?
- What is the scope of work of facilities management in shopping center?
- What criteria is use to determine the facilities management strategy employed in shopping center?
- How satisfy are tenants with the facilities management strategy employed in shopping in Johannesburg?

1.6 Scope and importance of the research

This research is based on facilities management activities in shopping centers in Johannesburg South Africa. This research is important to property owners to enable them benchmark facilities management strategies by identifying the functions (scope of work) of facilities management in shopping centers in an important retail center in an emerging market. In addition it provides information to the different asset owners about how satisfied tenants are with their facilities management services.

1.7 Limitation of the study

The study was limited to the views expressed by shopping centers owner and tenants having shopping centers and renting shop in shopping center in Johannesburg, South Africa. Jick (2009) argued that survey of mangers is bias and its validity could be increased by supplementing the survey result with interviews with sub-sample of the respondent. In other word supplementing the survey with interview could increase the chance that the results are acceptable representations of the data generated in the survey. Another issue not covered by the study is how efficient and effective are the facilities management strategies employed with the various type of shopping centers. This limitation was a deliberate effort to narrow the scope of the study.

1.8 Structure of the research

The research report is divided into five chapters.

-Chapter 1- provide an introduction, problem statement, research question, research objectives, scope and importance of the research, limitation and structure of the research report.

-Chapter 2-review of the literature on facilities management, which focuses on the general overview of facilities management, function of facilities management, the importance of facilities management to shopping centers and how performance of facilities management can be measured. Furthermore it explains the three school of taught of facilities management which includes in-house, out-sourcing and out-tasking.

-Chapter 3-this chapter of the research shows the research philosophies, research approaches, methodological choice and research strategy used. It also highlights the ethical issues in the research.

-Chapter 4- examines the data analysis chapter. This chapter comes up with findings collected from the data in relation to the literature review.

-Chapter 5- concludes and recommends the best way facilities management can enhance the core function of shopping centers, the best facilities management strategies to use, the actual scope of work of facilities management in shopping centers and the criteria to use in the selection of facilities management strategies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Facility management is a relatively new profession, which has gradually gained a foothold as a discipline and profession within the property industry (Tay and Ooi, 2001; Ventovuori et al., 2007). Facilities management in recent years has taken a wider approach then just cleaning services as it has been known to be. Retail properties are mainly built or owned with an expectation of income return and capital returns. The aim of facilities management should be to raise efficiency of the management of space and related assets for people and processes as well as to optimize running cost of building, in order that the mission and goals of the organization may be achieved to the best combination of efficiency and cost (Spedding, and Holmes, 1994). Atkins and Brooks (2000) define facilities management as an integrated approach to operating; maintaining, improving and adapting the building and the infrastructure of an organization in order to create an environment that strongly support the primary objectives of those organizations. Tay and Ooi (2001) contribute to knowledge by defining facilities management as an integrated management of the workplace which enhances the performance of the organization. According to (Musa and Pitt, 2009) the success of shopping centers (retail property) depends on how well they are managed and on how strategies cope with maintaining a balance between the income generated and the cost incurred in managing the properties. Smith (2009) define facilities management as the planning, co-ordination, supervision, acquisition, disposition, and allocation of the movable assets and resources used within an organization or building. Waheed and Fernie (2009) state that facilities management in retail property should be viewed as a core business function. There are many definition of facilities management, but for the purpose of this research (Atkins and Brooks, 2000) definition of facilities management will be adopted.

Facilities management in shopping centers can be employed in three different ways in-house, out-sourcing to external providers and out-tasking facilities management. In-house facilities management of shopping centers is where the facilities management is executed by employees of the shopping centers. Out-source facilities management in shopping centers is where the entire process is carried out by a facilities management organization. Out-tasking facilities management in

shopping centers is where facilities management entity carried out particular activities of the facilities management function and also an in-house team of employees is maintained. There are still lots of debates of facilities management function in shopping centers. The choice of management strategy depends on whether facilities management in retail property is seen as a core business or as a non-core business function. Chotipanich and Nutt (2008) argued that organizational policy is by far the most significant internal factor that impact on facilities management support arrangement. This literature review attempts to give an overview of facilities management in shopping centers by discussing the three strategies of shopping centers facilities management.

This chapter reviews in-house management, out-sourcing and out-tasking of facilities management in shopping centers. The review covers the advantages, dis-advantages, risks, tax implication, inconsistence, gaps, weakness, tenant's satisfaction, and unresolved issued related to these three types of facilities management in shopping centers.

2.2 The scope of Facilities Management

Facilities management entails a number of professions embedded in one to achieve its goals (Drion, Melissen, and Wood, 2012). Alexander (1996) observe that the scope of the facilities management discipline covers all aspect of property and space management, environmental control, health and safety, and support services it is required that the appropriate monitoring and control centers are established in the organization. Organizational policy is by far the most significant internal factor which impacts facilities management. Support arrangements and the facilities management skill market is the most important external factor affecting the options for facilities management service delivery, particularly whether to out-source, manage in-house or out-tasks (Chotipanich, and Nutt, 2008).

2.2.1 Activities that constitute facilities management

Drion et al, (2012) argue that facilities management is multi-disciplinary in nature, where facilities managers have to deal with the challenge of integrating principles of organization from professions such as business administration, architecture, engineering, social and behavioral science. The authors argue that facilities management is central to the core business process of an organization. Facilities

management in this study will be considered as a non-core function that when achieved helps organizations or business carry on their core function. Elmaulim (2010) further expand this by stating that sustainable facilities management will need to take in account social, economic and environmental aspects to deliver around service.

To determine the success of facilities management in shopping centers the views and satisfaction of tenants must be taken into consideration. Noor and Pitt (2009) argue that the relationship between organization strategic (core business) and operational (non-core business) activities is vital in facilities management, which is highly focused on organization effectiveness. Barrett and Baldry, (2003) classified the activities of facility management as facility planning, building operation and maintenance, real estate building and construction and general or office service. Facilities management in itself adds value to the core business as well as the environment for the benefits of multiple stakeholders: owner's staff, customers and society (Jensen, 2012a).

2.2.2 Classifying responsibilities for facilities management

Then and Akhlangi (1990) classify the activities involved in facilities management into three distinctive groups: strategic (mission statement and business plan), tactical (corporate structure and procurement policy) and operational (service delivery and quality control). Jensen (2008) in his article on the Danish Broadcasting Corporation as a case study look at their pattern of growth, point out that for change of the corporate organization into core business and support functions was aimed at reducing cost by outsourcing. Jensen (2008) observed that both building related and service related strategic, tactical and operational activities can all function together to yield better facilities management practice.

The finding from his study is that facilities management can be classified into three functions namely; strategic, tactical and operational. Smith (2009) classifies facilities managers' responsibility into three parts asset management (fixed property, movable assets, tangible and intangible consumables and resource management), internal service operation management (human resource management, communication management, financial management, environment management, maintenance co-ordination, document flow and control and emergency and disaster recovery co-

ordination), and external service operation management (call center management and service quality management).

2.3 Characteristics of Shopping center

Shopping center is an investment and its core business can be determined from the business of the owners of the shopping center. Owner of shopping centers are probably local authority, Multinational Corporation, life insurance companies, developers, properties companies etc. There is a wide variety of shopping center ranging from large enclosed shopping center to single tenants building in pedestrian zones. Many shopping centers have an anchor tenants which is well known retailer that acts as a draw to the centers. The demand of shopping centers comes about from location, visibility, population density, population growth and relatively income level. Owners buy or develop shopping center as an investment and expect property manager to maximize return from the property and enhance the capital value of the center (Hines, 1988). The highest amount of income from shopping centers is rent and is crucial to the business of shopping center. According to McGoldrick and Thomson (1992) tenant mix is a critical factor in the success and failure of shopping center.

2.4 Tenant's satisfaction in shopping center

Tenants of shopping centers can be referred to as customers of shopping centers owners and shareholders. Facilities management performance in shopping centers can be measured from the satisfaction of tenants and shoppers satisfaction with the service provided. McNay's (1999) argued that tenant's satisfaction is the second most important priority after loss of business due to facilities failure, hence urging criticality of facilities management services as key determinant for measurement. According to Robledo (2001) tenant's satisfaction and loyalty, as consequences of high quality, provide long term survival and success of shopping centers. Customer satisfaction can be used as efficient way to evaluate and reflect the performance of facilities management strategies employed in shopping center. The effect of tenant's satisfaction of shopping centers is that if tenants are not satisfied they may not renew their lease and will lead to high vacancy rate which may reduce the income and also affect the capital value of shopping center.

2.5 Function and importance of facilities management in shopping centers

The function of facilities management is not static across all shopping centers. It has a broad function depending on the design of the shopping centers and how senior managers perceive it to be. Facilities management function is to support core business of the organization. Alexander (1996) states that effective facilities management focuses on corporate asset management to add value to core business activities and provide enabling environment for offering superior service quality in support of business operations.

Yim-Yiu (2008) derives four strategic roles of facilities management namely: the sourcing of service (strategic outsourcing), sourcing of workspace (space management), sourcing of funds from infrastructure facilities (project finance and investment) and sourcing of performance (quality and performance assessment). The inference of the research by Yim-Yiu (2008) in the actual scope of facilities management is not known.

Facilities management is very important to shopping centers and could influence the type of tenants that occupy space and retailers that comes to the shopping center. Improper or inadequate facilities management decreases the life span of the facilities. Park (1994) state that long term influences on property is very important to facilities management. It is also important in that it adds value to shopping centers by increasing its productivity, efficiency, and effectiveness compare to other organization in that same business. Organizations rely on facilities and services to support and sustain their business operations (Chotipanich, and Nutt, 2008). Facilities management in shopping centers is important in that it helps shopping centers to achieve it strategic goals, increase their value and encourages bigger entities to occupy space in the shopping centers. Elmualim, Valle, and Kwawu (2012) state that facilities management helps to integrate the sustainability with core business strategy of an organization which is very important. All the authors have pointed out that facilities management is of high importance to the survival of any organization. From the importance of facilities management we are going to discuss the three strategies of facilities management in-house, out-source and out-tasking

and examine their advantages and dis-advantages (risk involve, cost implication, tax liability, etc.).

2.6 Facilities Management strategies

2.6.1 A review of (a) definition of Out-Sourcing Facilities Management

What is out-sourcing as a facilities management strategy? According to (Salonen, 2004) outsourcing facilities management means when companies contract out facilities management, a contract usually arises between the client's long term strategies and the supplier's incentive to provide quality service. Outsourcing in facilities management referred to as turning over the complete management and decision and decision making authority of an operation to somebody outside the organization (Kurdi, et al, 2011). Outsourcings in facilities management includes contracting an external company who is experienced in facilities to carry on the entire facilities management process. It gets rid of the internal staff and all delivery depends on the company that is out-sourced.

Many organizations perceive out-sourcing as a way forward to better facilities management and yet there are many difficulties with out-sourcing. According to Alexander (1996) in order to make sensible decision about outsourcing it is useful to look at some of the reasons that lead to its use including, skill shortages, manpower shortages, flexibility, specialist knowledge, lower cost or affordability and competitive pressure. Jennings (2002) argues that outsourcing facilities management offers a wide range of benefits to organizations such as cost reduction, better access to superior quality, and flexibility in responding to market changes, opportunity to focus on core competencies and facilitate the development of product diversification. Kremic and Tukel (2003) show the benefits (cost saving, increase quality and augmented staff), risks (cost saving, increased quality, augmented staff) and factor that are encountered with outsourcing. Hui and Tsang (2004) characterize that outsourcing as a whole package of support functions carried out by external service providers. The authors illustrate the importance in understanding how to contract out, who should do it, what options are available and how to manage the process. The findings of their study was out-sourcing was better when it applies to cost and efficiency. According to (Hui, and Tsang, 2004) the major risks of outsourcing is managing the risks of service agents opportunism. The authors further state that

when outsourcing is practiced, the company usually employs a small number of staffs to serve as coordinator of eternal service providers. Kakabadse and Kakabadse (2004) argue that from a strategic perspective that out-sourcing decision should take into account both the space and the purpose of sourcing.

Usher (2004) highlighted some of the issue relating to out-sourcing and emphasized that there is no standard facilities management contract or model that can be offered when creating an out-sourced contract.

Sullivan (2005) stated that when making decision about the best way to staff, facility executives should keep the focus on finding the right skills, not achieving short-term cost savings. According to (Goyal, 2007) outsourcing enables an organization to access the best resources available and it is a decision taken with optimistic intentions and expectation with desired qualities of innovation new thinking and extraordinary responsiveness. Kurdi et al (2001) argued that out-sourcing maximizes returns on investment and establish long term competitive advantages in the market place. Out-sourcing in itself has lot of short coming if the process is not carefully done and the right provider is not selected for the process. In securing the services of an out-sourcing facilities management provider, it is advisable that the organization takes into consideration the past record of the out-sourcing company, the satisfaction tenants will get and should not select supplier only on cost basis. Service provider intent on winning a contract, could bid very low and if selection is based on cost there is a possibility that, the provider may not live up to expectations. With the low bid outsourcing facilities management provider will want to cut down cost to get profit, as the aim of any business is to maximize profit which may lead to the facilities not being managed properly.

2.6.1.1 Advantages of out-sourcing facilities management

There are lots of advantages of outsourcing ranging from professionalism, technology and cost saving. Dubbs (1992) gives his contribution by categorizing the advantages of out-sourcing maintenance as focus on core competencies, improved accountability, cost saving, operational flexibility and access to special know.

Advantages in out-sourcing can also be achieved in out-sourcing through operations, strategy or both (Lankford and Parsa, 1999).

According to Fill and Visser (2000) out-sourcing enables organizations to achieve cost reductions expand service and expertise, improves employee productivity and morale, and greater potential toward sharpening corporate image. The authors further stated that the key to deciding what to out-source rest with those elements that differentiate the organization especially in the area of value and quality. Barrett and Baldry (2003) categories the advantages of out-sourcing based on a study of user perception as shown in table below:

Table 1: User perceived advantages of outsourcing in rank order (Source: Barrett, and Baldry, 2003)

Ranking by weighted average	**Categories of potential advantages**
1	Reduced costs/economies of scale
2	Concentration on core business/strategic appreciation of service
3	Right-sized head count/reduce space
4	Improved productivity/operational efficiencies
5	Increased flexibility/work load pattern
6	No obsolescence/latest technology/specialist/knowledge/current statutory knowledge
7	Overcome skill shortage/specialist equipment shortage
8	Added-value(at no extra cost)/quality/value for money
9	Reduced management burden
10	Career path development
11	Implementation speed(start-up)/response time
12	Improved management control/performance levels targeted
13	One-stop shopping/one invoice/contractor acts as screen between users and suppliers
14	Improved accountability/performance level monitored levels monitored/user risk reduced
15	Optimal equipment configuration
16	Assist user to obtain competitive advantages in market –place
17	No operational headache
18	No capital outlay/latest technology for least capital outlay

Greaver (2007) put forth his point in that the advantages of out-sourcing depends on organizationally driven, improvement driven, financially driven, resource driven, employees driven and cost driven.

Wise (2007) stated that out-sourcing can enhance organization, by picking the best providers in terms of experience, quality, speed and efficiency and short term financial analysis. The cutting down of cost seem to be the main benefits of out-

sourcing, but in most instances it is not achieved. The achieve cost saving in out-sourcing facilities management entity should be experience and the contract must last over a long period of time. It should be noted that there are lots of lapses also in the out-sourcing process that needs to be carefully studied and organization needs to get the right facilities management entity to reduce these problems.

2.6.1.2 Dis-advantages of out-sourcing facilities management

Many researchers have seen outsourcing to be the best way forward for facilities management, yet it has a lot of risks, if these risks are not managed properly, could cause more harm to organizations. Barrett and Baldry (2003) categorize the dis-advantages of out-sourcing based on a study of user perception as shown in table below:

Table2: User perceived dis-advantages of outsourcing in ranking order (Source: Barrett, and Baldry, 2003)

Ranking by weighted average	**Categories of potential dis-advantages**
1	Claimed savings based on forecast hopes/not always cost effective
2	Personnel problem –shift from user to supplier/those leaving versus staying; unions/redundancies
3	Lack of control of supplier
4	Risks of selecting a poor supplier/supplier market being incompetent
5	Personnel problem-loyalty to user
6	Confidentiality to data/security issue
8	Worse strategic focus/can't separate strategic from operational
9	Strategic risk/outsourcing critical segments may jeopardize user's organization
10	Lose in-house expertise or capability
11	Long term fixed contracts
12	Supplier's capacity
14	Ownership of new applications with supplier
15	Ignores in-house solution
16	Supplier's commitment being questionable
17	Supplier's availability not reliable
18	Supplier's continuity not assured
19	Hidden costs surface at the critical stage
20	Decision time required when considering outsourcing
21	Lack of independent advice by supplier
23	Slower response time to problem
24	Lack of flexibility
25	User tends to wrongly rationalize outsourcing decision as correct

The chart above gives a complete synopsis of the disadvantages of out-sourcing of facilities management and that it has its own short coming but also rely on the process or trend taken in the selection of the out-sourcing entity. Some of the disadvantages of out-sourcing are control, communication, diversified interest, loss of skills, organizational change implication, supply market risks etc. The traditional method of facilities management refers to as in-house facilities management is going to be discussed now.

2.6.2 In-house facilities management

Barrett and Baldry (2003) defines in-house facilities management as a service that is provided by dedicated employees by the client organization, where monitoring and control of performance is normally conducted under the terms of conventional employer/employee relationship, although internal service-level agreements may be employed as regulating mechanism. From the researchers observation most organization has stop using in-house facilities management and turn to out-source facilities management. Yet in-house facilities management if done right can achieve the same objectives for which organization are turning to outsource facilities management.

According to Atkins and Brooks (2009) in-house service team must be able to adapt to meet change in requirements in order to support the core business effectively and efficiently to provide best value. In-house facilities management team can achieve its goals by working together as a team and having in mind that if not done correctly as per the standards they could lose their jobs by organization contracting out the facilities management service. In-house facilities management team must work harder so that facilities management is not out-sourced to external provider.

2.6.2.1 Advantages of in-house facilities management

There are lots of benefits of in-house facilities management that can be achieved if done right and the in-house facilities management team decides to delegate themselves to the process. Some advantages of in-house facilities management are understanding organization culture, total control over facilities management activities, improving workers capacity, good flow of communications, alignment of

interest, safe guarding important secrets, security, decision making time is less as everything is done in-house and does not have to leave the organization to a facilities management company who have its own procedure before making a decision, and response time is much faster. Wise (2007) states the following as advantages of in-house facilities management people who are in-house own their work, in-house employees usually perform better than out-sourcing employees who make decision based on how they will affect their own employer, not the people they are working for, in-house offer the company the opportunity to grow instead of hiring from outside and so provide career prospect that reduce staff turnover, result of long term financial analysis usually in-house rather than out-sourcing option and in-house improves employee as well as customer satisfaction at the same time.

Finally Christuduson (2008) argued that in-house facilities management advantages are continuity, control and easy communication.

2.6.2.2 Dis-advantages of in-house facilities management

There are lots of dis-advantages with in-house but can be avoided if those in-house service team is capable to handle the responsibilities compare to an external provider. The dis-advantages of –in-house facilities management also depend on the location, availability of professional in the fields and the mind sets by senior managers in out-sourcing. Atkins and Brooks (2005) state that the knowledge and skill that employees possess is highly relevant to in-house facilities management. The authors stated that the disadvantages for in-house service teams to adapt to change are a requirement in order to support the core business of the organization. The difficulties exist in measuring the performance of in-house personnel, complacency from in-house team, higher supervision and lower customer satisfaction. According to Conors (2003) the disadvantages of in-house facilities management are:

1. The prolonged application of increasingly outdated concepts to the organization’s changing requirements.
2. Well-managed in-house departments frequently run up cost of facilities way above outsourced norm simply by over providing quality of service.
3. In-house teams sometimes do not have the authority to take on temporary relief staff as easily as their external counterpart.

Some of the serious disadvantages with in-house facilities management are the lack of professionals, increased cost, larger burden on management, staff quality, liability, etc.

2.6.3 Out-tasking facilities management

Many writers fail to distinguish the difference between out-sourcing and out-tasking in facilities management. Outsourcing is where the entire facilities management process is giving out to an external company whereas out-tasking major part of the facilities management is contracted out and an in-house team is maintain which is responsible for the entire process. This is one of the most used facilities management process that is been used today. Dubbs (1992) highlights that outsourcing the service of an entire function might cost more to the company and might be harmful from a strategic perspective. Kleeman (1994) stated that out-tasking is a common practice in the field of facilities management, its usage out numbers that of outsourcing. The system is used where tasks can be well defined or a specialized techniques or capacity is required which does not occur frequently (Campbell, 1995). Hui and Tsang (2004) state that service activities to be out-tasked are well defined tasks. The authors provide a table that looks at the similarities and difference of outsourcing and out-tasking as seen in the table below.

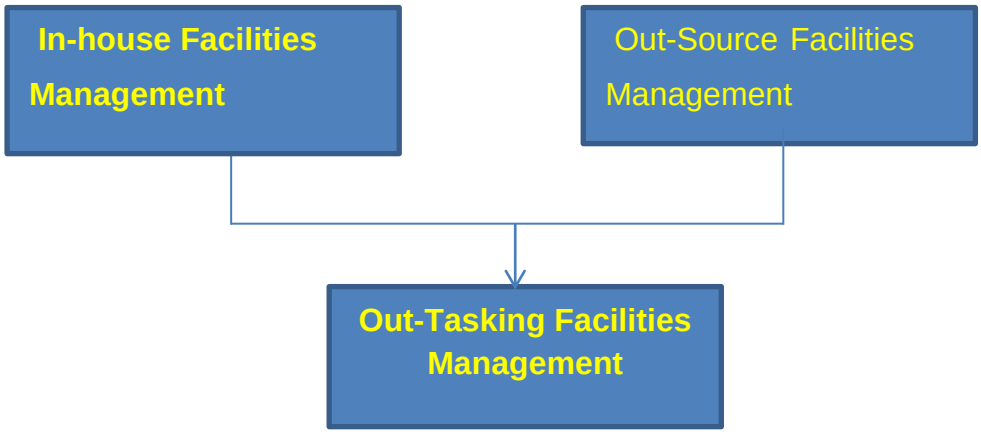
Table3 Comparison btw outsourcing and out-tasking Source (Hui, and Tsang, 2004)

Comparison		**Out-sourcing**	**Out-tasking**
Similarities	Choice between buy and make	Buy	Buy
	Expected impact	Saving in head count	Lean organization
Differences	Scope of work	Entire function of maintenance	Part of maintenance
	Durations	Medium to large	Short
	Control	Contract administration	Contract management
	Size of Contractors	Large	Small
	Roles of in-house staff	Coordinating	Proactive

(Kurdi, et al. 2011) stated that out-tasking involves keeping the overall technical competency and decision making authority in-house and using outside specialist services on a temporary basis to supplement in-house capabilities. In an out-tasking the in-house takes the responsibility for ant problem.

2.7 Retail Property Facilities Management

Retail property facilities management entail managing the retail property so as to make it fit for the shop's owner and customers. According to Paul (1999) the maintenance in shopping centers is more than just equipment, fixing roof leaks and checking broken tiles but it is about securing the future of the asset of shopping centers in a planned facilities management programme. According to (Fenwick, 2007) total facilities management provides the day to day elements such as maintenance, security and cleaning. Musa and Pitt (2009) in their study point out that shopping centers management must ensure that the facilities are managed efficiently, as this would keep the tenants and customers happy which is a good indicator of an efficient business. Shopping centers facilities management provided to the customers (tenants, consumers or owners) are typically parking spaces, toilet, signage, utilities, heating, ventilation and air-conditioning system, lifts and escalator, public phones, cash machines and so on. The facilities provided by shopping centers apparently facilitate and attract the tenants and consumers to occupy and visit the shopping (Musa, and Pitt, 2009). The results of their study state that out-sourcing facilities management will allow property managers to focus on strategic and value enhancement rather than trying to manage diverse number of different service suppliers. The gap in their research is that the study was based on literature review. Facilities management in shopping centers is usually done in the common areas in the shopping center. There are three facilities management strategies that can be applied in retail property. They include in-house, out-house and out-tasking facilities management. The three strategies of facilities management in shopping centers can be illustrated from the figure below.



The above figure illustrate that out-tasking is the combination of both in-house and out-sourcing facilities management.

2.8 Performance Measurement in Facilities Management

Performance measurement is very important for retail property facilities management it enables property managers of retail property, to know whether the facilities management option is helping to achieve its strategic goals, increasing value, tenant's satisfaction and reducing cost. Performance measurement in facilities management measure what the facilities management team has done to what was expected of them. Varcoe (1993) states that the three key criteria for facilities management assessment are cost, quality and delivery. Facilities management should be measured by the combination of product and people based performance measurement (Flemmings, 2004). Benchmarking as a tool of measuring the performance of facilities management should not be just too focused on measuring outcomes but should be equally concerned with the process employed to produce the outcomes. According to Alexander (1994) performance measurement in facilities management is refer to the extent to which facilities respond to the needs of its users. According to Barrett and Baldry (2003) the areas concerned in performance measurement are the technical quality and the functional quality. Alexander (1994) make similar contribution by stating that the performance process can be addressed from four perspective namely; the technical aspect, technological environment, business looking for the support of a rapidly changing working environment and lastly the ultimate focus on the individual looking for human scale and the ability to directly control. Performance measurement differs across organization as each organization set their own standard as it objectives is to improve the facilities management process.

Benchmarking provides management with a tool for making decision about policies and procedure in regard to how service should be produced (Atkins, and Brooks, 2009). Varcoe (1996) say that benchmarking should not be seen as a quick fix solution, but an exercise that requires commitment to succeed. Wauters (2005) define benchmarking as comparison with a best practice peer group with the primary aim of emulating inputs, process etc. with a view to increase output performance of the organization. Atkins and Brooks (2009) state that organization need to appreciate

that benchmarking should not be used simply to compare cost of service but where appropriate, to measure the effectiveness of the process that leads to those costs and a given performance. They develop eight steps to benchmarking exercise;

1. Identify the subject of the exercise
2. Decide what to measure
3. Identify who to benchmark within sector and outside
4. Collect information and data
5. Analyze findings and determine gap
6. Set goal for improvement
7. Implement new order
8. Monitor the process for improvement

Another method used to measure performance in facilities management is the balanced scorecard which was develop by (Kaplan, and Norton, 1992). According to Bourne, Kennerly, and Franco-Santos (2005) senior management of any organization are not interested in an elaborate structure or sophisticated technology but functional operation and management of strategic system at the workplace interface that produce tangible and timely results. The balanced scorecard seeks to measure the performance of an organization from four interrelated perspective;

1. Financial Perspective: How do we look to shareholder?
2. Customer Perspective: How do customers see us?
3. Internal business perspective: What must we excel at?
4. Innovation and learning Perspective: Can we continue to improve and create value?

Source (Kaplan, and Norton, 1992)

The measurement of performance must include the physical performance, functional performance and financial performance (Loosemore and Hui, 2001).

2.9 Conclusion

Many authors in past literature on facilities management employ literature review, while others use literature review followed by quantitative or qualitative methods and few use both qualitative and quantitative methods to empirically substantiate their study. The literature review indicates that facilities management in shopping centers

is neither constant nor consistent across all shopping centers and that there are various methods to manage the facilities management process in shopping centers.

All the researchers concluded that selecting facilities management should not be based on cost. There is a lack of consistency among researchers on the actual function of facilities management and the rightful strategies to employ in shopping center facilities management that will add value. All of these inconsistencies are going to be tested empirically to recommend the best facilities management strategies to be used. Shopping centers is an investment and the reason for every investment is for income return (that is purely income return that is deemed from one month to another from the investment) and capital growth (that is the difference between the purchase price and the sale of the property). In order to achieve this investment in retail property, facilities management plays an important part in the process. When facilities management strategies are implemented properly, it increases tenant satisfaction, reduces the cost of property management which increases the income return monthly and increase the value of the property that is the capital growth. This research is going to contribute by recommending the best strategies to use in retail property facilities management in South Africa, Johannesburg that will make the facilities management process to yield the greatest satisfaction of tenants which contribute to achieving both the income return and capital growth of shopping centers.

Chapter 3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research approach and research methodology and the reasons for employing them. It further describes the data gathering process the target population and sampling techniques and the reliability as well as validity of the entire process. It also describes how ethical issue raised by the research methods was addressed and the work schedule for the entire research process.

Given the limited amount of research that has been conducted on tenants satisfaction of the facilities management strategies employed in shopping centers, this study seeks to explore and describe the types of strategies that yield the greatest satisfaction. A number of questions need to be answered with respect to the satisfaction of tenants on the facilities management strategies used in shopping centers.

1. What facilities management strategies are employed in Johannesburg in shopping centers?
2. Do the facilities management strategies employed take into consideration tenant's satisfaction?
3. Is there a link between facilities management strategies employed and the different types of shopping centers?
4. How satisfied are tenants with the facilities management strategies employed in the different shopping centers?
5. What is the effect of employing the wrong facilities management strategies in shopping centers?

According to Kumar (2005) the two main paradigms that form the basis of research in the social science are the positivism and the interpretivism (anti-positivism). Fraser and Robinson (2004) describe paradigm as a set of belief about the way in which particular problem exist and a set of agreement on how such problem can be investigated. This research is based on the interpretivist philosophy because of the nature of the research problem in chapter 1. According to Kumar (2005) the two main paradigms that form the basis of research in the social science are the positivism and the interpretivism (anti-positivism). Fraser and Robinson (2004) describe paradigm as a set of belief about the way in which particular problem exist and a set of agreement on how such problem can be investigated. This research is based on the interpretivist philosophy because of the nature of the research problem.

Easter-by-Smith et al. (1991) defines interpretivist philosophy as a research philosophy in which the observer is part of what is observed, using multiple methods to establish different view of phenomenon. There are no existing theories in facilities management on this research problem. Saunders, et al. (2012) states that if a research takes the philosophy of interpretivism one will collect data about a reality that can be observed and search for regularities and causal relationships in the data to generalize. The inductive approach is being used because this research starts with no theory and data was collected to contribute to body of knowledge. Hussey and Hussey (1997) define inductive research as a study in which theory is developed from the observation of empirical reality. This research instead of developing a theory is adding to the body of knowledge in this subject area. Atkinson et al. (1996) state that inductive reasoning is when one draws conclusion about something on the balance of probability that a statement is true based on what has previously occurred.

3.2 Research Design

The function of a research design is to ensure that the evidence obtained enables the researcher to answer the research question and objectives as unambiguously as possible. According to Coolican (2004) quantitative methods aims to measure, quantify or find the extent of a phenomenon whereas qualitative methodology is usually associated with describing experience, emphasizing meaning and exploring the nature of an issue. The methodological choice used is mono method quantitative. This method was used by most researchers in similar study and they yield result (Kelly, et al. 2005, Kanning, et al. 2008, Penny, W. Y. K., 2007 and Bröchner, J., 2008). To have coherency in my research design, this research is adding to the body of knowledge on tenant's satisfaction in shopping centers. According to Kaplan and Duchan (1988) the combination of research methods improves the quality of research. However the research strategies used was survey. The quantitative methodology makes use of a questionnaire by purposive sampling. This methodology was used based on the research question formulated as well as the research objectives and to yield coherency from the research philosophy, approach and purpose. One major consideration of this method is the time factor, resource available and the ability to get access. The research makes use of cross-sectional studies looking at the time factor. Finally this methodology was used by many

researchers in this field and yield reliable and validity result (Kelly, et al. 2005, Kanning, et al. 2008, Penny, W. Y. K., 2007 and Bröchner, J., 2008).

3.3 Data Source

The data collected for this research consists of both primary and secondary data. The data included self- administered questionnaire and other document in the public domain.

3.4 Data collection techniques

The primary data was collected through structured self-administered questionnaire in PDF format. The primary data collected through self- administered questionnaire obtained informed consent from those parts taking in the survey.

The research sampling consisted of self- administered questionnaire that was given to property owner and tenants that are leasing in shopping centers in Johannesburg. The questionnaires were self- administered and distributed by email as an attachment.

3.5 Reliability and Validity

Cohen et al. (2007) stated that the discussion about reliability and validity should be framed by the paradigm and methodological approach taken. This research is making use of both quantitative data of which the reliability and validity was look at from both perspectives. According to Blaxter et al. (1996) validity has to do with whether the method, approach and techniques actually relate or measure the issue the researcher have being exploring, while as reliability relates to how the research has been carried out. Reliability when using a qualitative methodological approach involves trying to ensure that different researchers are consistent in the way they interpret or categorizes observation or interview or that the same researcher will show consistency over time (Silverman, 2005). Validity in qualitative research tends to relate to the extent that the research provides authentic account of the participants voices Hughes (2001), as well as a reflective account of the researcher own role in the production of data (Coffey, 1999). According to Foddy (1994) to yield a reliable and valid research the question must be understood by the respondent in the way intended by the researcher and the answer given by the respondent must be

understood by the researcher in the way intended by the respondent. To yield reliable and validity research careful consideration was given to the design, delivery and return of the questionnaire. According to Van Teijlingen and Hundley (2001) a pilot test is meant to check the adequacy of the questionnaire, check the applicability of the item included in the questionnaire and the respondent understanding of the questionnaire. Base on the author's argument a pilot testing was done to the questionnaire to make sure that the questionnaire design will ask the questions that are necessary to answer the research objectives. The pilot testing help the questionnaires for both the owners and tenants to be restructure in order to answer the research question and achieve the objectives of the study.

3.6 Sampling techniques

Purposive sampling was employed in this research, taking into consideration regional, super-regional, small regional and community shopping centers. The sampling size of the questionnaire will make use of property owners and 100 (one hundred) tenants, that are leasing in the various types of shopping centers in Johannesburg. The questionnaire included a five point likert scale with respondent rating them. An open end section was available for respondents. According to Green and Thorogood (2009) there are no strict rules in literature specifying the sample size in a quantitative research, except that the sample must be truly representative.

Twenty five questionnaires were distributed to each of the four type of shopping center. One shopping center was selected under each type of shopping centers and twenty five questionnaires were distributed to each one of them.

3.7 Definition of key terms, concept and variables

According to Amaratunga et la. (2002) reliability is the accuracy of a given measurement and is aimed at reducing the errors and biases in a study. Questionnaire is the method of data collection in which each person is asked to respond to the same set of questions in a predetermined order (deVaus, 2002). Gill and Johnson (2010) defines explanatory research as a research that enables the researcher to examine and explain relationship between variables, in particular cause and effect relationships. The key concepts in this study are that facilities management is vital to shopping centers objectives. Furthermore to achieve these

objectives which are income return and capital growth there is a need to take into consideration tenant's satisfaction and the selection of facilities management strategies should not be based only on reduction of cost.

3.8 Data analysis and interpretation

The cluster analysis was used to find out if there are any difference in response according to training, work experience and work place responsibilities. The mean, medium and mode analysis was used to describe the central tendency. The correlation and regression was used to assess the strength of relationships between variables and the chi-square to test whether the values differ significantly from a specified population. Furthermore the regression analysis was used to predict values. The interpretation will make used of tables to show specified values, bar charts and multiple bar charts. In additional pie chart and percentages component bar charts was used to show proportions.

3.9 Ethical consideration

Ethics refer to the standards of behavior that guide the researcher conduct in relation to the rights of those who become the subject of the research work or are affected by it (Saunders et. al., 2007). There are many ethical concerns in this research work. Zikmund (2000) states that the ethical issue linked with a survey are those associated with more general issue such as privacy, deception, openness, confidentiality and objectivity. Ethical issue in this research work was taken into consideration from the inception of the research problem to the conclusion of the research findings. This research take into consideration confidentiality of data and maintenance of anonymity of those taking part in the research work.

Informed consent of those taking part in the research work was obtain. Sufficient information and assurance about taking part was given to all those involve in the process to reach a fully informed participant. The participants were made to know that they are free to withdraw at any time in the process and they obtain the right not to participate in the research process is unchallengeable. The right of all participants was recognized and their dignity respected.

In my analysis of the data and presentation the primary data were not altered and result were not falsified. Respondent identity was not disclosed as the questionnaire

did not have and question about identity. According to Sekeran and Bougie (2009) in face to face interview the researcher should avoid over-zealous questioning and pressing the participant for a response of which this research is going to take into high consideration. The return questionnaires are being kept away from everyone until six months and will be discarded.

CHAPTER 4: RESULTS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter represents data collected from questionnaire administration and is analyzed. As mentioned in the literature review the survey or questionnaire was divided into two types, one type was for companies owning shopping centers and the other for tenants in shopping centers. The questionnaire was discussed and analyzed based on the objectives of the study. There are fifteen companies owning shopping center in Johannesburg, out of which ten (10) questionnaires was distributed to companies owning shopping centers in Johannesburg whereas hundred (100) questionnaires was distributed to tenants renting or leasing in shopping centers in Johannesburg. For the companies owning shopping centers only four (4) responses was received by the cut-off date which represented 40% response rate whereas thirty eight (38) responses was received on the cut-off date from tenants which represented 38% response rate. The demographic data serve not only to classify respondent but also to scrutinize particulars of the respondent to ensure compliance that those answering the questionnaire are those that it was intended for.

4.2 Respondents' profiles

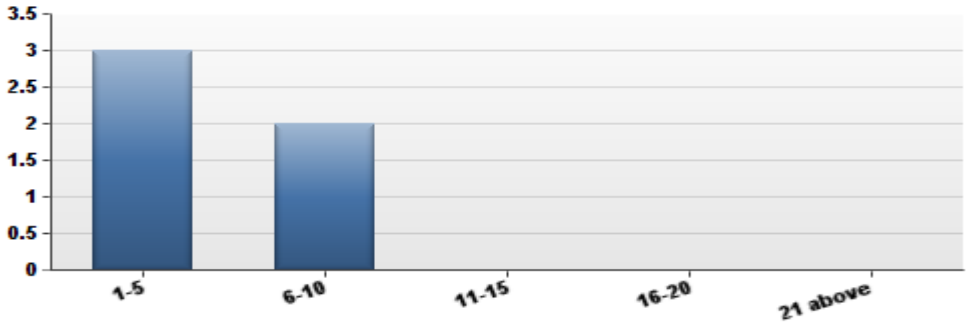
4.2.1 Length of experience of the respondent with the company

The length of respondent with the companies owning shopping centers is shown in table below.

Table 4: Length of experience with company

Description	Response	Percent
1 to 5 years	3	60%
6 to 10 years	2	40%
11 to 15 years	0	0%
16 to 20 years	0	0%
21 years above	0	0%
Total	5	100%

Figure 2: Length of experience of respondent with company



The majority of the respondent has worked with the companies owning shopping centers between 1 to 5 years which constitutes 60% of the responses, whereas the rest of the respondent has worked with the companies between 6 to 10 years constitutes 40%. This shows that none of the respondent has worked with the companies owning shopping centers for more than 10 years.

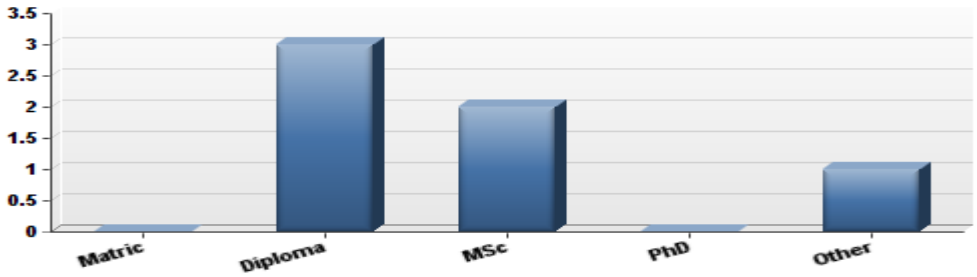
4.2.2 Level of educational obtained

The level of education obtained by the respondent from companies owning shopping centers is shown below.

Table 5: Level of education obtain by respondent

#	Answer		Response	%
1	Matric		0	0%
2	Diploma		3	50%
3	MSc		2	33%
4	PhD		0	0%
5	Other		1	17%
	Total		6	100%

Figure 3: Level of education obtain by respondent



According to the response the highest level of education obtained is MSc which constitutes 33% of the response, BSc constitutes 17%, Diploma constitutes 50% and none of the respondent have below diploma. This profile indicates that all of the respondents have some formal education and this contributes to the quality of the response and to the reliability and validity of the conclusion to be drawn from the findings.

4.2.3 Job Title of Respondent

The job title of respondent from companies owning shopping centers is shown in table below.

Table 6: Job Title of Respondent

#	Answer		Response	%
1	Portfolio Manager		0	0%
2	Asset Manager		0	0%
3	General Manager		2	33%
4	Sector Head		2	33%
5	Operational Manager		2	33%
6	Other		0	0%
	Total		6	100%

Figure 4: Job title of respondent

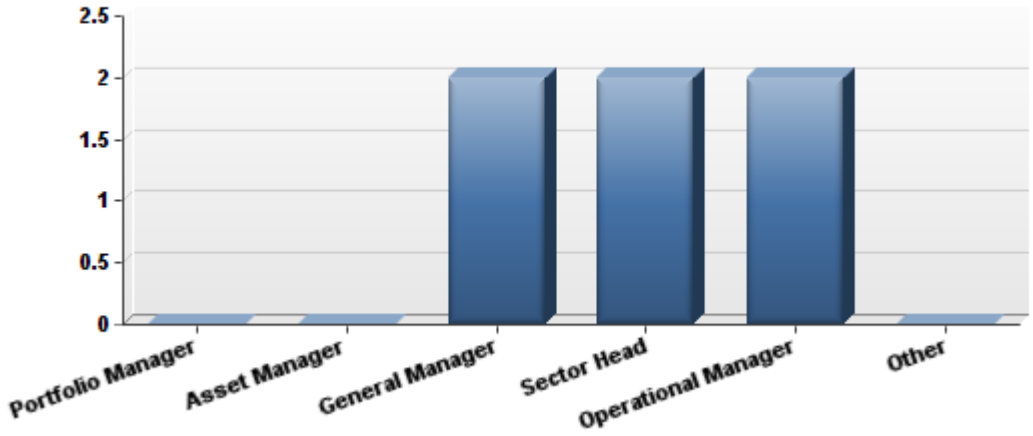


Table show that all of the respondents are knowledgeable of the entity that they represent. General Manager constitutes 33% of the response, Sector Manager constitutes 33%, and Operational Manager constitutes 33%, whereas there was no response from Asset Manager and Portfolio Manager.

4.3 Nature of respondent companies

Table 7: Employees working on retail portfolio

1	1 - 15		0	0%
2	16 - 30		4	67%
3	31 - 45		0	0%
4	46 - 60		0	0%
5	Greater than 60		2	33%
	Total		6	100%

Figure 5: Employees working on retail portfolio

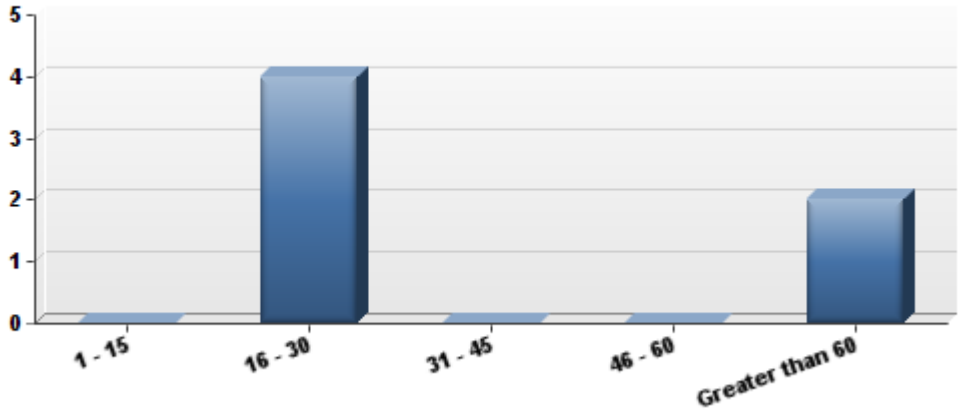


Table 8: BBBEE level of respondent companies

1	1		1	17%
2	2		1	17%
3	3		0	0%
4	4		3	50%
5	Greater than 4		1	17%
	Total		6	100%

Figure 6: BBBEE level of respondent companies

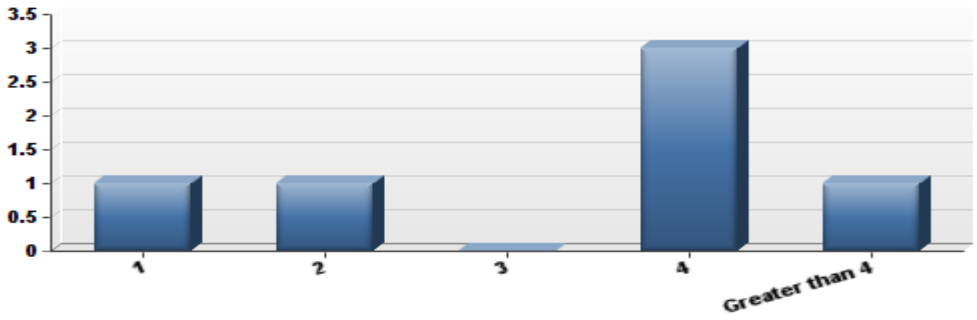
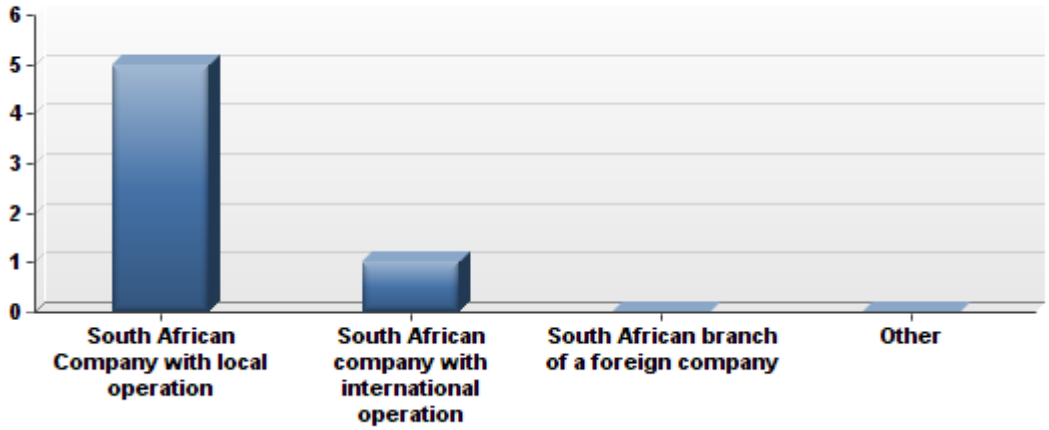


Table 9: Type of respondent company

#	Answer		Response	%
1	South African Company with local operation		5	83%
2	South African company with international operation		1	17%
3	South African branch of a foreign company		0	0%
4	Other		0	0%
	Total		6	100%

Figure 7: Type of Respondents Company



The above table and diagram above indicates that companies that responded have 16 to 30 person working on their retail portfolio constitutes 67% whereas companies that have above 60 person working on their retail portfolio constitutes 33% of the response. The companies that responded 17% of them have BBBEE level of 1, 17% have BBBEE level of 2, 50% have BBBEE level of 4 and 17% have BBBEE level of above 4. Furthermore it indicates that 83% are South African companies with local operations and 17% are South African companies with international operation.

4.4 Facilities Management strategies employed in shopping centers

4.4.1 Amount and value of Shopping Centers in the portfolio of respondent

The amount of shopping centers respondent have in their portfolio is shown below.

Table 10: Number of shopping centers in respondent portfolio

1	1-5		5	83%
2	6-10		0	0%
3	11-15		0	0%
4	16-20		0	0%
5	21-25		0	0%
6	25 above		1	17%
	Total		6	100%

Figure 8: Number of shopping centers in respondent portfolio

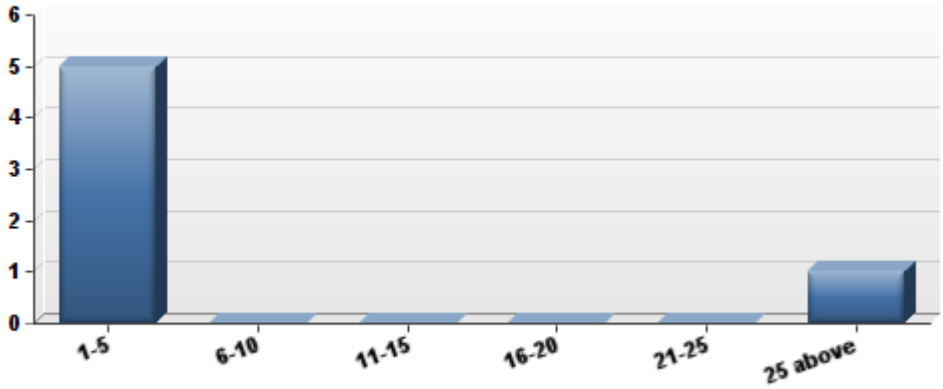
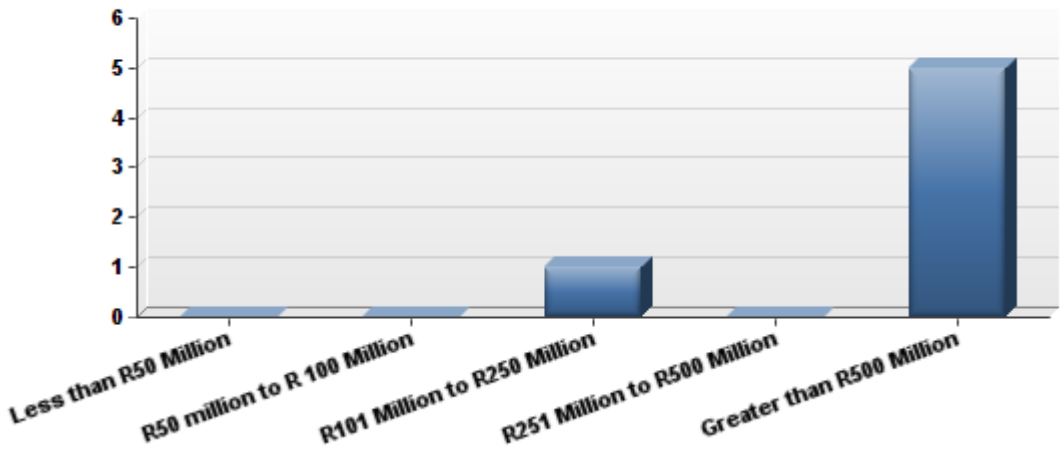


Table 11: Value of shopping centers in their portfolio

#	Answer		Response	%
1	Less than R50 Million		0	0%
2	R50 million to R 100 Million		0	0%
3	R101 Million to R250 Million		1	17%
4	R251 Million to R500 Million		0	0%
5	Greater than R500 Million		5	83%
	Total		6	100%

Figure 9: Value of shopping centers in their portfolio



The above table and figure indicates that 83% of the respondent have shopping centers of five (5) and below whereas 17% of them have more than twenty five (25) shopping centers. They further show that 17% of the shopping centers have value of R 100 million to R200 million whereas 83% of the shopping centers in their portfolio is worth above R 500 million. Eighty three (83) percent of the companies owning the shopping centers are South African company with local operation and 17% are South African company with international operational.

4.4.2 Types of shopping centers in retail portfolio of respondent

The table and diagram below shows the types of shopping centers in the retail portfolio of respondent.

Table 12: Type of retail portfolio in shopping centers

Description	Super-Regional	Regional	Neighborhood	Community	Total response
1 to 5	2	4	0	0	6
6 to 10	0	0	0	0	0
11 to 15	0	0	0	0	0
16 to 20	1	0	0	0	1
21 to 25	0	0	0	0	0
Greater than 25	0	2	0	0	2

Table 10 above indicates that all of the companies that responded do not own Neighborhood and Community Shopping Centers. This table indicates that most of the responses came from companies owning Regional Shopping Centers which constitute 66.7% and Super-Regional constitute 33.3%.

Table 13: Organization of Facilities Management of shopping centers

Description	In-house	Out-Source	Out-tasking(Partly In-House and Partly Out-Source)	Total Reponses
Super-Regional	0	1	1	2
Regional	0	1	4	5
Neighborhood	0	0	0	0
Community	0	0	0	0
Total	0	2	5	7

Table indicates that all of the companies that responded do not practice In-house facilities management whereas 28.6% of them organize their shopping centers facilities management as out-sources facilities management and 71.4% of them organize their shopping centers facilities management as out-tasking facilities management.

4.5 Scope of work of facilities management in shopping centers

Table 14: Organization of activities under facilities management in shopping centers

Description	In-House	Out-Source	Total response
Security	1	4	5
Lift maintenance	1	4	5
Cleaning	1	4	5
Decoration	2	2	4
Health and Safety	4	1	5
Energy management	3	2	5

Solid waste management	2	3	5
Liquid waste management	2	2	4
Disaster Recovery	5	0	5
Emergency coordination	5	0	5
Refurbishment	2	3	5
Environmental Control	4	1	5
Maintain Building fabric	3	1	4
Communication management	3	1	4
Space planning	3	2	5
Document flow and control	4	1	5
Call center management	4	1	5

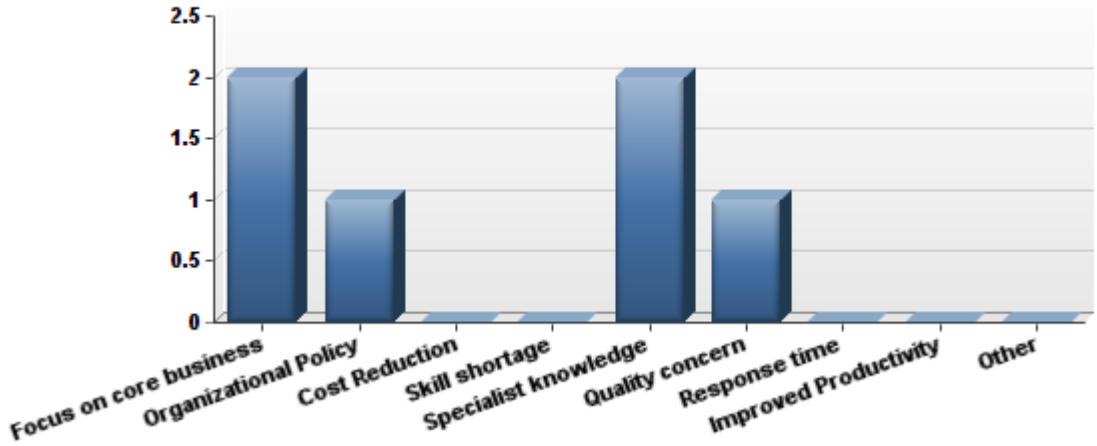
Table shows the activities that constitutes facilities management in shopping centers in Johannesburg. This indicates that facilities management is great task, which constitutes series of profession and needs to have knowledgeable professional to run this department within in any organization. However looking at individual activities under facilities management in shopping centers, security cleaning and lift maintenance, 80% is out-sourced whereas 20% is in-house. Furthermore Decoration and liquid waste management, 50% is out-sourced whereas 50% is in-house. Document flow, call center management, environment control and health and safety, 80% is in-house whereas 20% is out-sourced. Communication management and maintaining building fabric, 75% is in-house whereas 25% is out-sourced. Solid waste management and refurbishment, 40% is out-sourced whereas 60% is in-house.

4.6 Factors that determine the choice of facilities management strategy

Table 15: Factors that determine choice of facilities management strategies

#	Answer		Response	%
1	Focus on core business		2	33%
2	Organizational Policy		1	17%
3	Cost Reduction		0	0%
4	Skill shortage		0	0%
5	Specialist knowledge		2	33%
6	Quality concern		1	17%
7	Response time		0	0%
8	Improved Productivity		0	0%
9	Other		0	0%

Figure 10: Factors that determine choice of facilities management strategies



The table and figure above indicates that Focus on core business constitutes 33% of the reason for choice of facilities management strategies, organizational policy constitutes 17% in determining the choice of facilities management strategies, specialist knowledge constitutes 33% in determining the choice of facilities management and quality concern constitutes 17% in determining the choice of facilities management in shopping centers. However specialist knowledge and focus on core business are the most important factors that determine the choice of facilities management strategies to be employed in shopping centers.

4.7 Respondent profile of tenants

Figure 11: Nature of business tenants are engaged in

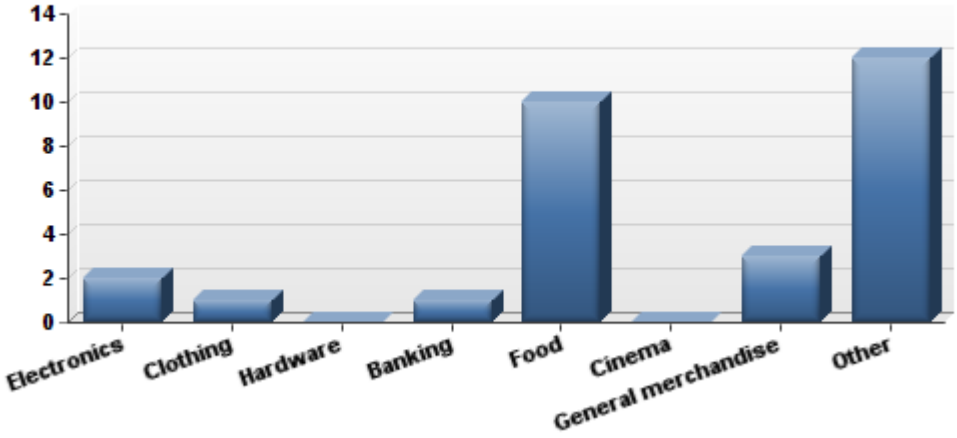


Figure 12: Job title of tenants representatives that responded

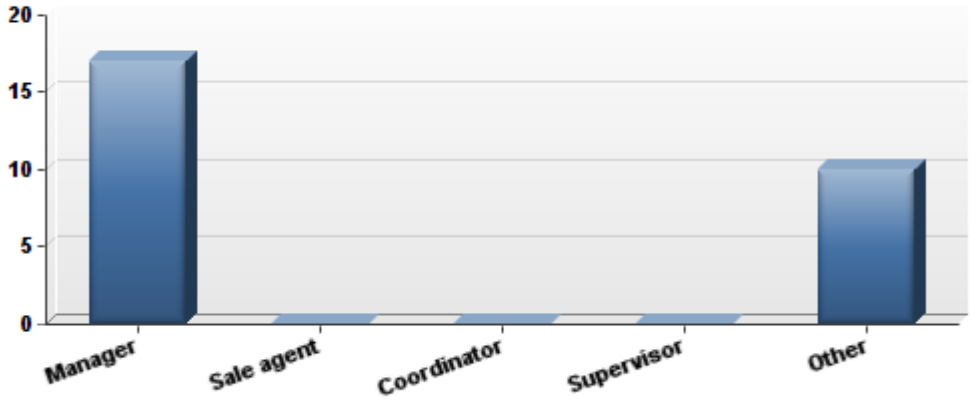


Table 16: Length of years tenants have lease in shopping center

#	Answer		Response	%
1	1 - 5		12	44%
2	6 - 10		3	11%
3	11 - 15		6	22%
4	16 - 20		5	19%
5	21 years above		1	4%
	Total		27	100%

The tables and figure above indicates that response was received from various types of tenants leasing in shopping centers which include electronics, clothing, hardware, banking, food, cinema, general merchandise and others. These tenants respondent were Manager which constitutes 63% of the respondent. From the data collected it shows that 44% of the tenants that responded have lease in the shopping centers from 1 to 5 years, 11% of the tenants have lease in the shopping centers from 6 to 10 years, 22% have lease in the shopping centers from 11 to 15 years, 19% have lease in the shopping centers from 16 to 20 years and 4% of then have lease in the shopping centers for more than 21 years.

4.8 Factors that determine the choice of tenants leasing in shopping centers

The table and figure below shows the factors that determine the choice of tenants leasing in shopping centers.

Figure 13: Factors that determine choice of leasing in shopping centers

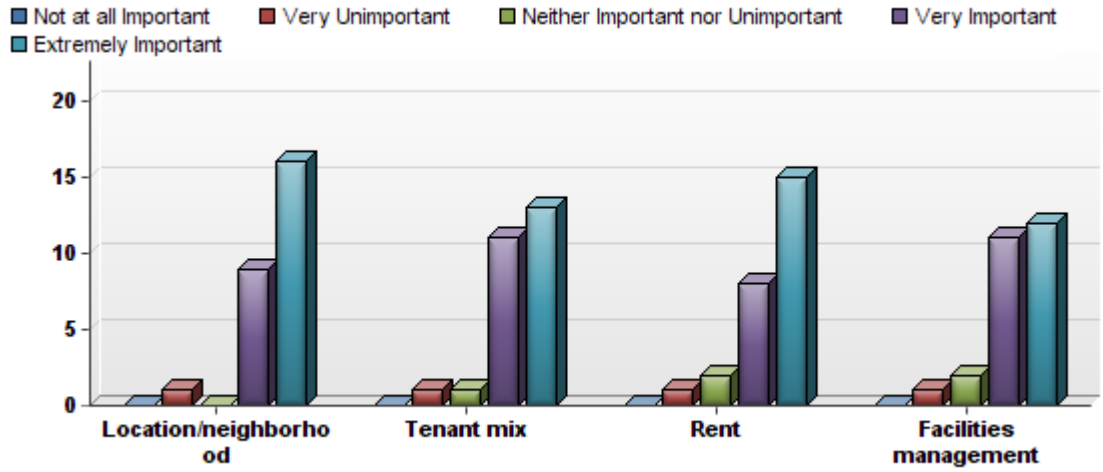
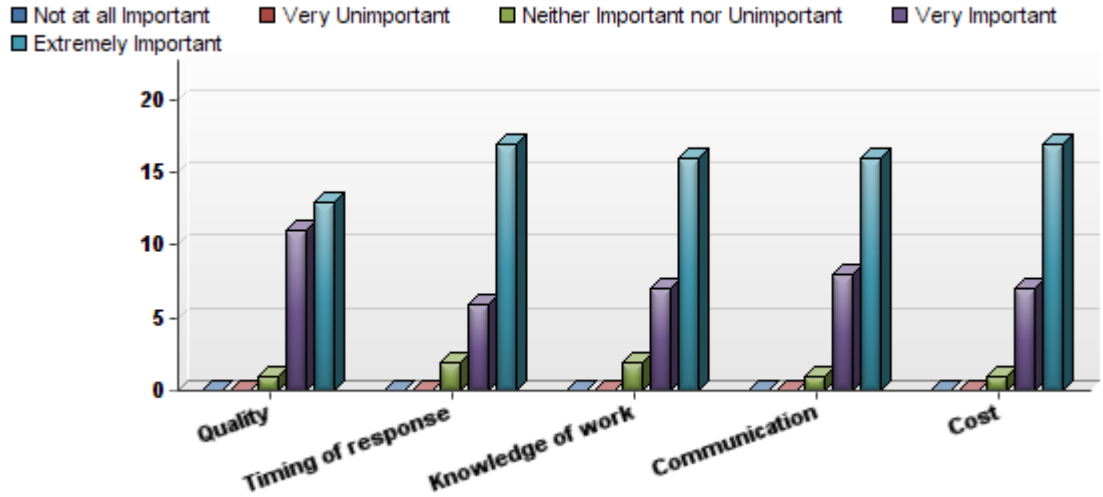


Figure 14: Perception of Facilities management activities



The table and figure above indicates location, tenants, rent and facilities management play an important role in the choice of shopping centers tenants leased in. Furthermore tenants mix quality, timing of response, knowledge of work communication and cost are very important in the perception of tenants when it comes to facilities management services.

4.9 Satisfaction of tenants with facilities management strategies employed

Table 17: Satisfaction of tenants with facilities management activities

Description	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied	Total response
Security	1	1	7	14	3	26
Lift maintenance	0	7	2	14	1	24
Cleaning	0	6	6	11	3	26
Decoration	0	3	4	13	5	25
Health and safety	1	2	4	17	1	25
Energy Management	1	1	13	9	1	25
Solid waste management	0	3	10	10	2	25
Liquid waste management	0	2	10	12	0	24
Disaster Recovery	1	3	8	12	1	25
Emergency Coordination	0	3	7	13	2	25
Refurbishment	1	3	6	12	3	25
Environmental Control	0	3	7	13	1	24
Maintain building fabric	2	5	6	12	0	25
Communication management	3	4	8	11	0	26
Space planning	1	3	9	10	0	23
Document flow and control	1	4	12	8	0	25
Call center management	2	4	8	10	0	24
Total	14	57	127	201	23	422

The table above shows that on the average tenants there was total of twenty five responses received. 3.3% of the tenants was very dissatisfied with facilities management activities in shopping center, 13.51% of the tenants was dissatisfied, 30.1% of tenants was neutral in the process, 47.6% of the tenants was satisfied with the facilities management activities in the shopping centers. And 5.45% of the tenants were very satisfied with the facilities management activities. However the result shows that health and safety, decoration and security is the best activities of facilities management that tenants are satisfied with, while as lift maintenance and communication management and maintaining building fabric are the facilities management activities that tenants are dissatisfied with.

CHAPTER 5 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The objectives of this study is to identify the facilities strategies employed in shopping centers in Johannesburg, South Africa, to identify if there is underlying association between the nature of shopping center and the facilities management strategies employed, to identify the actual scope of work of facilities management in shopping centers and the level of satisfaction tenants received from the facilities management strategies employed.

Result of investigation and analyses into the facilities management strategies employed in shopping centers in Johannesburg, South Africa. It is evident from the literature review that the facilities management strategies employed in shopping centers are in-house facilities management, out-sourced facilities management and out-tasking facilities management. However out-source and out-tasking facilities management and being employed in regional and super-regional shopping center in Johannesburg South Africa while in-house facilities management is not being employed. In this context out-tasking is the most frequently employed facilities management strategies in regional and super-regional shopping centers which correspond to the finding of Kleeman (1994) that out-tasking is a common practice in the field of facilities management and it usage out number that of out-sourcing and in-house facilities. However due to lack of response from companies owning community and neighborhood shopping centers no conclusion can be drawn for community and neighborhood shopping centers.

Result of investigation and analyses into identifying association between the nature of shopping center and the strategies employed conclusion cannot be reach because there was no response received from companies owning neighborhood and community shopping centers. However investigation shows that the factors that determine the choice of facilities management strategies employed are focus on core business, organizational policy, and specialist knowledge and quality concern. Comparing the result to Chotipanich and Nutt (2008) findings, organizational policy and skill market are the factors that determine the facilities management employed. In this context the major factor used to determine the choice of facilities management strategies employed is focus on core business and specialist knowledge.

From the result of the survey the actual scope of work, facilities management in shopping center provides are security, lift maintenance, cleaning, decoration, health and safety, energy management, solid waste management, liquid waste management, disaster recovery, emergency coordination, refurbishment, environmental control, maintain building fabric, communication management, space planning, document flow and control and call center management. However security, maintain building fabric and call center management are the activities that fall under the scope of work of facilities management in almost all regional and super-regional shopping centers. Furthermore tenant's choices of leasing in shopping centers are location, tenants mix, rent and facilities management. Even though facilities management is not the most important factors on the choice of leasing but it plays an important role. The perception of tenants on facilities management activities are determine by timing of response, knowledge of work, communication, cost and quality.

To conclude from the result of this survey the three facilities management strategies employed in shopping centers in Johannesburg South Africa are In-house facilities management, Out-house facilities management and Out-tasking facilities. Out-tasking is the most frequently facilities management strategies apply in Regional and Super-regional shopping center. Furthermore the survey identifies that focus on core business, organizational policy, specialist knowledge and quality concern are the factors that determine the choice of facilities management strategies employed in shopping centers, but focus on core business and specialist knowledge are the most determinants of the strategies to be employed. The survey also provide that security, lift maintenance, cleaning, decoration, health and safety, energy management, solid waste management, liquid waste management, disaster recovery, emergency coordination, refurbishment, environmental control, maintain building fabric, communication management, space planning, document flow and control and call center management are the actual scope of work of facilities management in shopping centers. Although similar studies of this nature have been carried out in other countries, this paper present the first to provide an overview into shopping centers facilities management practices from a South African perspective.

5.2 Recommendation

Facilities management is very important in shopping centers and the strategies used have a great influence on the satisfaction of tenants and consumer in shopping centers. The survey results recommend that the choice of facilities management should focus on core business and specialist knowledge. However out-tasking is the best facilities management strategies to use in shopping centers because major task will be out source to facilities management companies while minor activities can be carrying on by in-house facilities management team. Furthermore much attention is needed to the method use to the following facilities management activities which include communication management, maintaining building fabric and lift maintenance

5.3 Study limitation and areas for further research

The limitations of this study were time frame and access to owners of shopping centers. However since this study is the first of its kind in South Africa, there remaining numerous factors that require further research. Detailed research is needed to determine the satisfaction of tenants with the facilities management strategies employed in shopping centers. Furthermore a detailed research is needed to see if there is underlying association between the type of shopping centers and the facilities management strategies employed and the facilities management strategies employed in community and neighborhood shopping centers. However there is still lot of improvement that needs to be carried out in facilities management of shopping centers in order to yield maximum satisfaction.

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QUESTIONNAIRE FOR SHOPPING CENTER OWNERS

University of Witwatersrand

Faculty of Engineering and Built Environment

School of Construction Economics and Management

Research Survey: AN OVERVIEW OF FACILITIES MANAGEMENT STRATEGIES EMPLOYED IN SHOPPING CENTERS IN JOHANNESBURG, SOUTH AFRICA

SECTION A: Background Information

Please tick the appropriate answer (√)

1. What is your level of education obtained?

- ☐ Matric
- ☐ Diploma
- ☐ BSc
- ☐ MSc
- ☐ PhD
- ☐ Others (please specify)

2. How long have you worked in the company?

- ☐ 1 to 5 years
- ☐ 6 to 10 years
- ☐ 11 to 15 years
- ☐ 16 to 20 years
- ☐ 21 years above
- ☐ Others (please specify)_____

3. What is your job title in your entity?

- [ ] Portfolio Manager
- [ ] Asset manager
- [ ] General Manager
- [ ] Sector Head
- [ ] Operational Manager
- [ ] Others (please specify) _____

4. How many retail centers do you have in your portfolio in Johannesburg?

- [ ] 1 to 5
- [ ] 6 to 10
- [ ] 11 to 15
- [ ] 16 to 20
- [ ] 21 to 25
- [ ] Others (please specify) _____

5. What is the value of retail asset in your portfolio in Johannesburg?

- [ ] Less than R50 Million
- [ ] R50 million to R100 Million
- [ ] R 101 to R250 Million
- [ ] R251 Million to R500 Million
- [ ] Greater than R500 Million

6. How many employees work on your retail portfolio?

- [ ] 1 to 15
- [ ] 16 to 30
- [ ] 31 to 45
- [ ] 46 to 60
- [ ] Greater than 60

7. What is your BBBEE level?

- [ ] 1
- [ ] 2
- [ ] 3
- [ ] 4
- [ ] Greater than 4

8. What is the nature of your company?

- [ ] South African company with local operation
- [ ] South African Company with international operation
- [ ] South African branch of a foreign company
- [ ] Other(s) please specify_____

9. Please indicate the number of the following asset in your retail portfolio

	Super-Regional	Regional	Neighborhood	Community
1 to 5				
6 to 10				
11 to 15				
16 to 20				
21 to 25				
Greater than 25				

10. Please indicate which of the following activities your facilities management involves.

Security

Lift maintenance

Cleaning

Decoration

Health and Safety

Energy Management

Liquid waste Management

Solid waste management

Disaster Recovery

Emergency Coordination

Refurbishment

Decoration

Environmental Control

Maintain Building Fabric

Communication Management

Space planning

Document flow & control

Call center management

Electrical,

H-VAC

11. How do you organize facilities management activities in the various types of shopping centers?

Type	In-house	Out-Source	Partly in-house and partly out-source
Regional Shopping Center			
Super-Regional Center			
Community Shopping centers			
Neighborhood Shopping center			

12. If you partly in-house and partly out-source, indicate which of the following activities is in-house and which is out-source.


In-house
Out-source
Security
Lift maintenance
Cleaning
Decoration
Health and Safety
Energy Management
Solid Waste Management
Liquid waste management
Disaster Recovery
Emergency Coordination
Refurbishment
Decoration
Environmental Control
Maintain Bld Fabric
Communication Management
Space planning
Document flow and control
Call center management

13. Which of the following factors determine your choice of facilities management strategy?

- Focus on core business
- Organizational Policy
- Cost Reduction
- Skill shortage
- Specialist knowledge
- Quality concern
- Response time
- Improved Productivity

Others (please specify_____

14. How would you rank the importance of the following factors in your decision to select the facilities management strategy in shopping center?

	Very Important	Important	Neutral	Less Important	Not Important
	1	2	3	4	5
Organizational Policy					
Cost Reduction					
Skill shortage					
Specialist knowledge					
Increase quality					
Time response					
Improved productivity					

Comment_____

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THANKS FOR YOUR TIME IT IS HIGHLY APPRECIATED

QUESTIONNAIRE FOR TENANTS

University of Witwatersrand

Faculty of Engineering and Built Environment

School of Construction Economics and Management

Research Survey: AN OVERVIEW OF FACILITIES MANAGEMENT STRATEGIES EMPLOYED IN SHOPPING CENTERS IN JOHANNESBURG, SOUTH AFRICA

SECTION A: Background Information

Please tick the appropriate answer (√)

1. What business do you engaged in?

- ☐ Electronics
- ☐ Clothing
- ☐ Hardware
- ☐ Banking
- ☐ Food
- ☐ Cinema
- ☐ General merchandise
- ☐ Other(s) please specify

2. How long have you been leasing this shop?

- ☐ 1 to 5 years
- ☐ 6 to 10 years
- ☐ 11 to 15 years
- ☐ 16 o 20 years
- ☐ 21 years above

3. Kindly indicate your job title in your entity

- ☐ Manager
- ☐

Sale agent

Coordinator

Supervisor

Others (please specify)_____

4. How satisfied are you with the following activities that would constitute facilities management in this shopping's center?



5. How important are the following factors in your choice of leasing in this shopping centers?

Very Important	Important	Neutral	Less Important	Not Important
1	2	3	4	5

Location/neighborhood					
Tenant mix					
Rent					
Facilities management					

6. How important are the following characteristics in your perception of the facilities management service you enjoy?

	Very Important 1	Important 2	Neutral 3	Less Important 4	Not Important 5
Quality					
Timing of response					
Knowledge of work					
Communication					
Cost					

Comment_____

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_____ **THANKS FOR YOUR TIME IT IS HIGHLY APPRECIATED**