

The Next Generation of Facility Management: Nurturing Millennial Leadership

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Workforce demographics are changing as baby-boomers approach retirement. By 2020, nearly half of the workforce will be younger than 35. This poses a challenge in industries that are dominated by older employees. This paper examines how changing workforce demographics will affect one of these at-risk industries, facility management. The authors propose that to mitigate the negative effects of an employee exodus, the FM industry (and other similar industries), will have to embrace the next generation of leadership. The authors suggest that young employees may not have the same technical training as older employees, but they can still effectively assume leadership roles if they are taught to properly integrate new technology and utilize the expertise of others. This teaching methodology is the “FM of the Future” approach. This research shows the results of implementing the “FM of the Future” approach in an International Facility Management Associate student chapter to create a pipeline of high-performing students to assume FM roles. The results of the effort reveal two key findings: college students can implement this model to effectively manage industry projects which result in significant cost avoidance (\$4 million), and second, high school students can use this training to develop leadership skills to help them become less stressed, more stable, and better students. The authors recommend additional case studies with both college students and high school students.

Keywords: Education, Facility management, test results, performance.

Introduction

Over the past several decades, the baby-boomer generation (born around 1940 – 1960) has been the driving force of the economy. To this day, they are still the largest generation in the U.S. population; comprising about 65 million people (see Figure 1). Generation X (1960 - 1980) is next in line to replace the baby-boomers, but the population is about 10% smaller (59 million people). Each year, the millennial generation (1980 – 2000) becomes a larger presence in the workforce as student’s graduate college. This age group is about 4% larger (61 million) than Gen X. By 2020, 25% of the labor force will be older than 55 and 46% will be millennials.

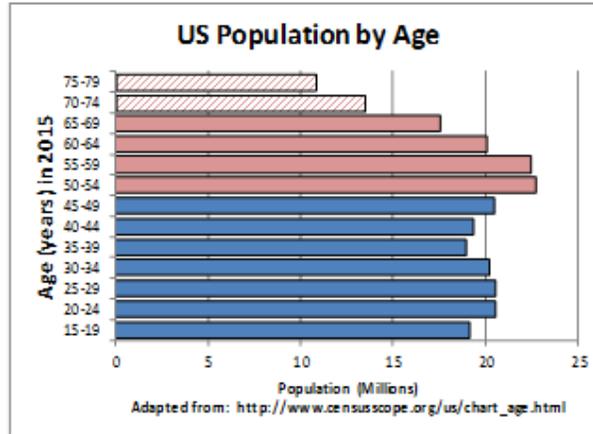


Figure 1: Age distribution of the US population in 2015 (in millions, U.S. Census, 2012).

These workforce trends are having a significant impact on various industries, particularly in construction, and facility management. The problem is twofold:

1. Fewer young professionals are entering the construction and facility management industries.
2. Companies across the U.S. state that millennials lack the necessary training to enter the workforce.

Workforce Shortage

Seventy-nine percent (79%) of general contracting firms report a shortage of craft laborers and 52% report a shortage of full-time salaried professionals (AGC, 2015). The International Facility Management Association (IFMA) has identified that a large group of Facility Managers (FM) in upper level management/leadership roles are in the twilight of their career and there is a perceived shortage of FMs who can fill their leadership/management positions once they retire (Hightower, et al. 2013, Sullivan, et al. 2010). The 2017 joint industry report from IFMA and RICS states:

“A shortage of skilled Facility Management talent is the most significant challenge identified by both the survey respondents and the executives who were interviewed directly. Facility Management is not attracting enough new talent to replace its retiring professionals,” (RICS, 2017).

The report goes on to mention that less than 15% of FMs are under 40. This has inspired the motivation for Global Workforce Initiative: “to fill the growing FM workforce talent gap as more than half of today’s practitioners are expected to retire in the next 5-15 years,” (Career builder..., 2015).

The average pre-millennial worker in the United States remains at their job for 4.4 years. Ninety-one percent (91%) of millennials (born between 1986 and - 2000) have reduced that number by half and are projected to have 15-20 jobs in their lifetime (Meister, 2012). The number of graduates with construction and FM related degrees continues to decrease by 5 – 6% each year

(Gallup, 2013). Millennials are not interested in working the same way, or in the same career fields, as their parents.

Millennial Preparedness

A recent study suggests that 89% companies across various industries think that recent graduates are ill-suited to enter the workforce (Gallup, 2013). Less than 50% of recent graduates possess the 17 most desirable skillsets as identified by most employers (Jaschik, 2015). McKinsey and Company identified that 61% of new graduates are unhappy with their careers, and 57% of employers agree that they cannot find enough skilled entry-level workers (McKinsey & Co., 2013). Another study assessed survey results of 2,322 students over a four-year period. Test results identified that 45% of the students made no significant improvement in their critical thinking, reasoning or writing skills during the first two years of college (2013).

Understanding the Problem

There is discord among researchers regarding the cause of these workforce trends. Authors such as Simon Sinek feel that the issue are a result of bad parenting, technology addiction, and workplace culture (McKinsey & Co., 2013). Many agree with Sinek in their belief that millennials are lazy, entitled, narcissistic, and socially inept. On the other hand, other researchers claim the mindset and habits of millennials are very similar to previous generations when they were in their twenties (2017, April 17). There is no clear consensus on the issue. These studies enable companies to claim that they cannot work with millennials because they are entitled or lazy, but according to the research, this may or may not be true. The best answer is for companies to learn how to adapt to millennials instead of trying to change them.

The problem in the facility management (FM) industry is that most millennials are not interested in the career field. The traditional FM rose to their position through technical ranks (plumbing, electrical, mechanical, custodial, etc.). More millennials are going to college than ever before, so their entrance into the FM industry will need to be drastically different than the traditional route (Rimer, 2011). To engage the millennial workforce, the nature of FM will need to evolve.

The Next Generation of Facility Management

The future is in technology; namely, automation and robotics. As technology advances, more systems and job functions will be replaced by artificial intelligence, information systems, and computers. Many technical job functions will be replaced by machines, and the job functions that cannot be automated will require highly-specialized experts.

International Facility Management Associate (IFMA) Fellow, Dr. Dean Kashiwagi has recently coined two new terms “FM Professional of the Future” and “FM Associate of the Future” (Kashiwagi, 2015). Kashiwagi believes that technology will drastically change the FM industry. FM Professionals will shift their focus away from technical skills and instead focus on leadership. FM Associates will become highly specialized technical experts capable of

accomplishing any tasks that cannot be automated. The FM Professional will be company leaders and a critical part of any C-suite. They will know how to utilize the expertise of the FM Associates as well as integrate with new technology. The FM Professional will take a leading role in organizational management. He or she will not only maintain a building but will also be the driving force behind maintaining and advancing a company's physical assets.

These industry trends perfectly coincide with millennial workforce trends. The young workforce is the first ever to have grown up alongside computers and information technology. Many young employees are highly computer literate and, as a result, are more comfortable incorporating automation in their daily lives. Furthermore, millennials are being hired into leadership positions at younger ages more than any other generation (Bernsin, 2013). Millennials are more interconnected and able to use technology to leverage a wide network of individuals. There is a natural divide in millennials; while all are comfortable using technology, many are preferring leadership positions while the rest are teaching themselves to be technical geniuses at young ages. This makes millennials a natural fit for the FM Professional and Associate dichotomy.

Based on their natural skillsets, millennials might be misaligned. The modern education system is designed to train students to memorize and repeat information, but companies claim that students do not know the right information relevant to job functions. Technical knowledge is not one of the top 10 most important skillsets for recent graduates entering the workforce. Employers feel that interpersonal skills are more valuable because new hires can be trained in technical skills (Burnsed, 2011). Millennials have grown up in a world where they have immediate access to information, so memorizing information is becoming less relevant. Education should not attempt to teach everyone to be technical experts. Instead, the primary role of education should be to help students become industry leaders, capable of aligning expertise. The technical experts will naturally reveal themselves as they are given more opportunities to leave traditional education in favor for trade schools or vocational training.

The authors propose that solution to improving millennial performance is twofold:

1. Millennials need more industry-related leadership opportunities early on in their education.
2. Companies will benefit by leveraging millennials' technical prowess instead of expecting them to possess the same skillsets as traditional FMs.

Case Study – A Student Pipeline

There is a gap between what millennials know today and what companies expect them to know. College graduates do not possess the right skillsets to begin working as FMs immediately. The younger workforce is not drawn to the FM profession because the industry does not leverage their strengths and interests. The best way to mitigate these issues is to create a pipeline that introduces millennials to the industry and allows them to work with professionals early on. This pipeline should expose students to real-world challenges faced by FMs and help them learn valuable leadership skills instead of only technical skills. Leadership driven students will receive real-world experience, and technically-minded students will find guidance early on to begin vocational training.

The concept behind this pipeline is now being tested at the IFMA Greater Phoenix Chapter in Arizona through their Student Chapter at Arizona State University (ASU). Over the past five years, the ASU Student Chapter has been piloting a method that connects college students with industry leaders and high school students.

The remaining contents of this report details a case study examining the ASU Student Chapter's efforts to create an FM pipeline. The case study methodology is as follows:

1. Identify leadership-oriented college students and elect them to run the IFMA student chapter.
2. Students partner with IFMA professionals for mentorship.
3. Students earn degrees by publishing industry-based research.
4. Students apply knowledge on small-scale FM projects with local chapter members.
5. Students mentor high school students exposing them to the FM Professional/Associate pipeline.

Case Study Results

In 2004, IFMA and ASU formed a close partnership to help students earn FM-related degrees and certifications. As part of this effort, IFMA Fellow Rick Corea, helped form the IFMA Greater Phoenix Student Chapter. Over the years, the student chapter has worked to create different mentorship opportunities for students to find internships and network with FM professionals. Since its creation, the student chapter has continued to grow every year, and has won Student Chapter of the Year in 2014 and now in 2017.

The student chapter focuses three continuous efforts:

1. Help facilitate effective FM education.
2. Collaborate and network with industry leaders.
3. Create a sustainable pipeline of new FM students.

These efforts have resulted in the creation of an FM pipeline that unites college students, industry professionals, and high school students. Each of these pipeline components will be examined in this section of the report.

College Students – FM Education

Since 2004, ASU has offered a variety of FM-related classes and provided routes for students to receive their SFP and FMP certification. Over the past 24 years, three different professors at ASU have lead over 1,900 industry-based research projects valued at \$6.8 billion (\$17.6 million in research funding). These research efforts have created numerous opportunities for students to collaborate on FM-related partnerships. As a result, over 300 student-supported papers have been published. Together, the FM classes and research efforts have helped six students earn their doctorates, and eight students earn their master's degrees since 2010 (two graduates per year). Each of these graduates have been able to find prestigious jobs in both academia and the industry. Several have been hired into jobs that are typically filled by FMs with many more years of industry experience, but nevertheless, each employer highly praised these graduates' abilities.

Industry Professionals – Project Collaborations

In 2015, the ASU Student Chapter leaders devised a plan to engage students with real-world FM challenges. The chapter began to reach out to FM professionals and local business leaders to identify small-scale projects that could be assigned to student groups. These projects ranged in disciplines faced by FMs (construction, data analysis, financial projections, and supply chain management). Students would form groups of three or four, and throughout one semester, they would meet with FMs, analyze the problem, propose a solution, execute the project, and present their results. Over the course of two years the program has accomplished the following:

- Partnered with 10 companies
- Completed 25 out of 27 industry projects successfully.
- Average client satisfaction rating is 97%.
- Cost realization of \$100,000 and cost avoidance of over \$4 million.

High School Outreach – Sustaining the Pipeline

In 2013, several student chapter members created a high school outreach program. With the help of Dr. Dean Kashiwagi, the Student Chapter created a high school leadership development curriculum based off portions of the FM curriculum at ASU. During the summer of the 2013, student chapter members taught a week-long course to 13 high school students at ASU. After facilitating summer programs for three years, student chapter members founded a non-profit organization, Leadership Society of Arizona (LSA). LSA enabled chapter members and IFMA professionals to partner directly with high schools during the year and fund programs with grant funding. Over the past four years, Student Chapter members have continually worked through LSA to partner with educators and professionals to develop 23 programs for over 470 high school students. The results are as follows:

Teacher Feedback

- Overall program rating: 100%
- 66% of teachers noted student improvements.
- 77% of students showed improvement in class.
- Student overall class performance improved by 9%.

Student Feedback

- Student satisfaction rating: 98%
- 94% of students feel more accountable.
- 75% of students feel less stressed.
- 64% of students feel more confident.
- 55% of students feel more prepared to succeed in school.

The greatest largest impact for many of these students is seen in their personal lives. Student chapter members sought to provide leadership education to help improve career and college readiness, but to their surprise, these programs changed the lives of many students, for example:

- Student 1 used course concepts to help prevent a friend's suicide.
- The parents of Student 2 claimed that the course did more for their child's confidence than the previous two years of counseling.
- Student 3 overcame depression caused by bullying and learned to resolve her personal conflicts.
- The parent of Student 4 realized that his son did not to follow in his footsteps to be an engineer and was able to improve their relationship.

Conclusion

The FM industry is hard-pressed to engage the millennial workforce. Recent graduates are moving towards other industries in search of leadership positions instead of technically focused career paths (such as traditional roles filled by FMs). Simultaneously, the FM industry is poised to change drastically as technology becomes more integrated with daily job functions. The role of future FMs will likely need to change to remain a vital part of any company. Automation and technology will replace many job functions; the remaining responsibilities will require highly-specialized experts. The industry will be divided into FM Professionals (company leaders) and FM Associates (technical experts). FM Professionals will need to integrate with technology, hire FM Associates, and efficiently unite the two. Since FM Professionals will not be able to master all these technical functions, they will need to assume a leadership role. Since most millennials are migrating towards leadership positions, FM will naturally become more attractive to them as they begin to see its crucial value in a company. FM Associate positions will begin to attract more technically-minded millennials because FM Professionals will value them for the expertise instead of over-managing them.

The IFMA Greater Phoenix Student Chapter conducted a multi-year FM pipeline case study to investigate whether millennials can become effective FMs by learning more leadership-oriented skills opposed to technically-oriented skills. The student chapter created pathways for their members to conduct their own FM-based research, manage real-world micro-projects, and teach leadership skills to high school students. This case study has resulted in 14 FM graduate degrees, over 300 student publications, 25 student lead projects, \$100K in project cost realization, \$4M in project cost avoidance, 23 high school programs, and a lasting impact on over 470 high school students.

The student chapter FM pipeline has shown to be a highly successful initiative capable of producing effective millennial leaders. The authors propose that this model can be recreated with other IFMA chapters to better engage college and high school students. This pipeline will train more effective leaders and will quickly identify technical experts to guide them towards vocational training. The authors believe that as the FM career path becomes more leadership oriented and willing to embrace new technology, it will attract more young employees. As these young employees receive leadership-focused training and are given real-world project responsibilities, they will become highly successful future FMs.

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