

United States Facility Management Industry Demographic Trends and Contemporary Workforce Challenges

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ABSTRACT

Purpose - The purpose of this research is to better understand the current state of the United States' FM profession by evaluating workforce demographic trends in identifying contemporary recruitment and hiring challenges facing the FM industry.

Methodology - A survey was developed based upon available literature including past research and industry surveys. Demographic information was sought to understand respondents gender, race, ethnicity, age, retirement timeframes, and educational attainment. Input from a panel of FM subject matter experts was also secured prior to completion of the survey. The survey was sent electronically in February 2021 to more than 12,400 members of IFMA; a total of 3,557 survey responses were received by April 2021 for a 29 percent response rate. Only information from the 2,069 US respondents was used in this research.

Findings - The US FM industry is getting younger, in part due to the growing number of FM college graduates. Nevertheless, a majority of facility managers will be retiring within the next decade and adoption of FM succession planning is sluggish. While recruitment of entry-level FM talent has become easier, recruiting senior level FM talent is a major challenge. Furthermore, there has been relatively no growth in the portion of females and minorities making up the FM workforce population over the past decade. Understanding challenges related to recruitment and succession of senior level FM profession, and a more inclusive workforce, is imperative for the FM industry to better attract and sustain a competent and diverse workforce.

Originality/value - The results of this research are valuable in understanding current recruitment, retention, and hiring challenges within FM to help the industry address historical workforce attrition concerns.

Introduction

Facility Management (FM) is a profession focused on the maintenance and operations of the built environment to enhance experiences with place while improving productivity of the core business (ISO, n.d.). As billions of dollars are spent each year toward new building construction and ongoing operating expenses (Census, 2021), the demand for FM professionals continues to grow (BLS, 2021). However, previous research purports that an aging FM workforce, coupled with a lack of new talent entering the industry, puts the industry at risk of being unable to fill vacancies with new, competent facility managers (Sullivan et al., 2010). The purpose of this research is to better understand the current state of the FM profession by evaluating workforce demographic trends in identifying contemporary recruitment and hiring challenges facing the FM industry. This study is limited to the general FM industry in the United States and is not specific to any one industry.

Literature review

The National Academies of Science (2008) projected that 78 million members of the baby boom generation would

begin turning 65 by 2011. By 2030, the number of adults aged 64 and older in the United States will have almost doubled over the last twenty-five years, due primarily to increases in life expectancy and the aging of the baby boom generation. To understand how this aging population acceleration was impacting the facility management (FM) industry, Sullivan et al. (2010) conducted surveys of facility managers to establish the state of the FM workforce by obtaining information on gender, age, education levels, factors leading to a FM career, previous field of work, and overall career satisfaction. At that time, FM was a male-dominated and old workforce, as men accounted for 75 percent of respondents with 86 percent of all respondents 40 years of age or older. The average FM was relatively well educated, with 76 percent of respondents having achieved at least a bachelor's degree, but there was no clear career path into the industry which was contributing to low levels of young professional entering FM; this, coupled with an aging FM workforce, created concern about the industry's ability to fill projected vacancies. Establishing a greater number of academic programs was proposed as a solution to this attrition problem, supported by FM industry representatives having a strong desire to recruit and hire new college graduates from FM academic programs.

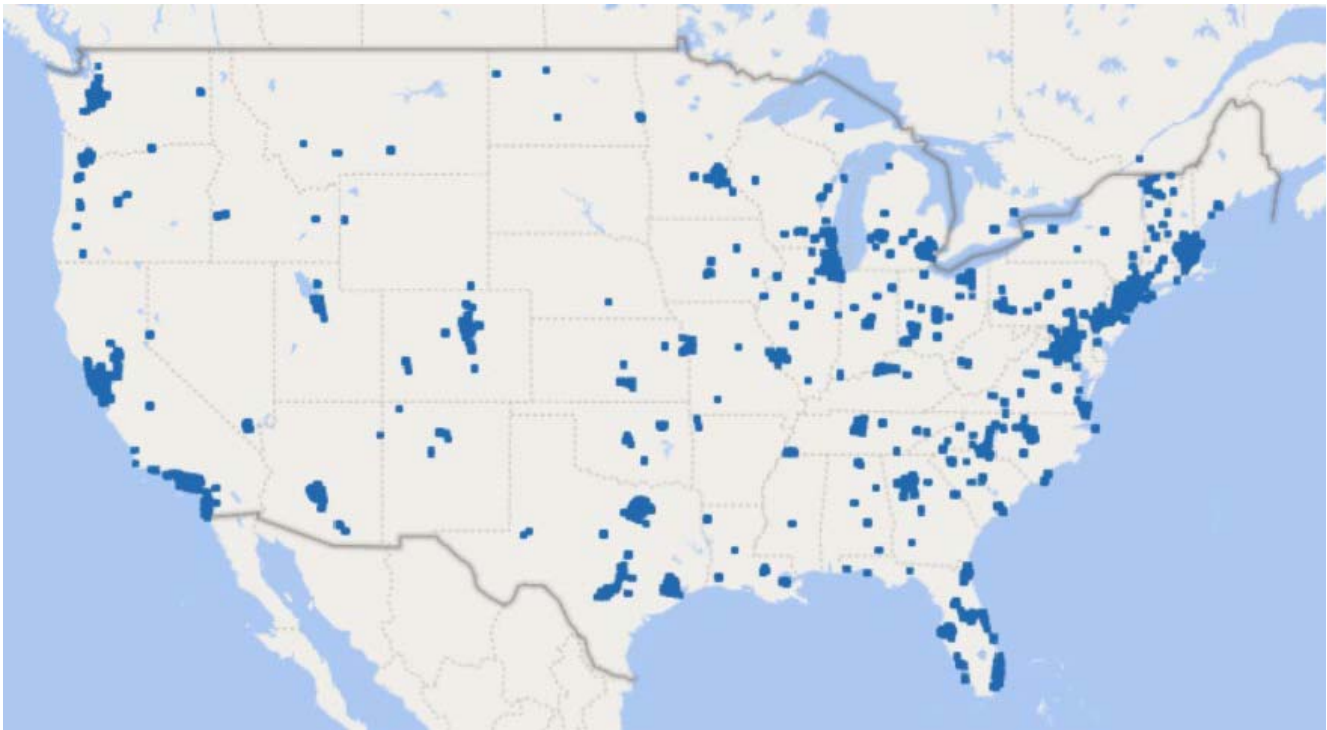


FIGURE 1.—Location of Survey Respondents

The International Facilities Management Association (2011) published a report on FM demographics that also described a population dominated by older, white males with long job employment tenures. Most facility managers (about two-thirds) held a bachelor's degree or higher, with the most common majors in business, engineering, and liberal arts. Although focused within the healthcare industry, Call et al. (2018) conducted surveys of facility managers that provided some current recent insight into FM demographics: very few candidates were entering FM directly from colleges or universities, most entered from the building trades as an internal promotion; The healthcare FM workforce was relatively uneducated and old, with barely half (53%) of respondents possessing at least a bachelor's degree and most (57%) planning to retire within the next decade. Additional work in healthcare facility management has considered other (non-personnel) efforts to address FM team performance through the application of Lean Six Sigma principles (Shirey et. al, 2017). The U.S. Bureau of Labor Statistics (2017) noted that 63 percent of the US workforce working in management, professional related occupations held at least a bachelor's degree with educational attainment rising by 7 percent, on average, since 1992.

Methodology

There is insufficient research data to establish the current state and demographics trends of the overall US FM profession to identify contemporary recruitment and hiring challenges. Therefore, a survey was developed based upon

available literature including past research and industry surveys. Demographic information was sought to understand respondents gender, race, age, retirement timeframes, and educational attainment. Input from a panel of FM subject matter experts was also secured prior to completion of the survey. The survey was sent electronically in February 2021 to more than 12,400 members of the International Facilities Management Association (IFMA); a total of 3,557 survey responses were received by April 2021 for a 29 percent response rate. Only information from the 2,069 US respondents was used in this research (Figure 1).

Data Analysis

Gender, Race, and Age

Respondents were predominately males, with females making up 24 percent of survey respondents (Figure 2); gender mix of FM professionals has remained unchanged over the past decade as females made up 24 percent of respondents from the 2010 Sullivan et al. survey. The large majority of respondents were also white, with non-white respondents making up only 13 percent of the race mix (Figure 3).

The FM workforce is mature but appear to be getting slightly younger when comparing ages from a decade ago. Thirty-one percent of respondents were more than 55 years old (Figure 4), compared to roughly 33 percent of respondents from the 2010 Sullivan et al. survey. Almost half (48%) of respondents don't plan to retire for another 15 years or more; in the 2010 Sullivan et al. survey, only 27 percent of the respondents planned to retire in 15 years or more (Figure 5).

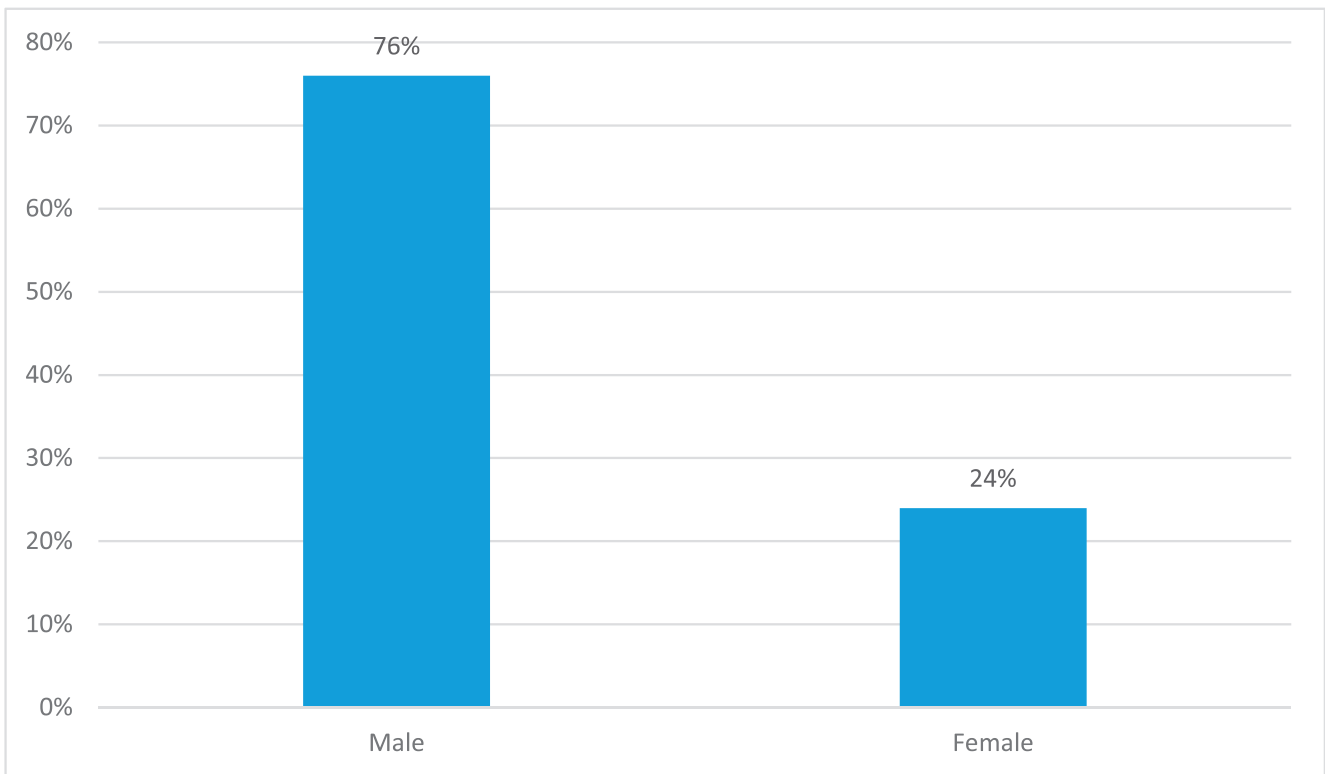


FIGURE 2.—Comparing Survey Respondents Gender

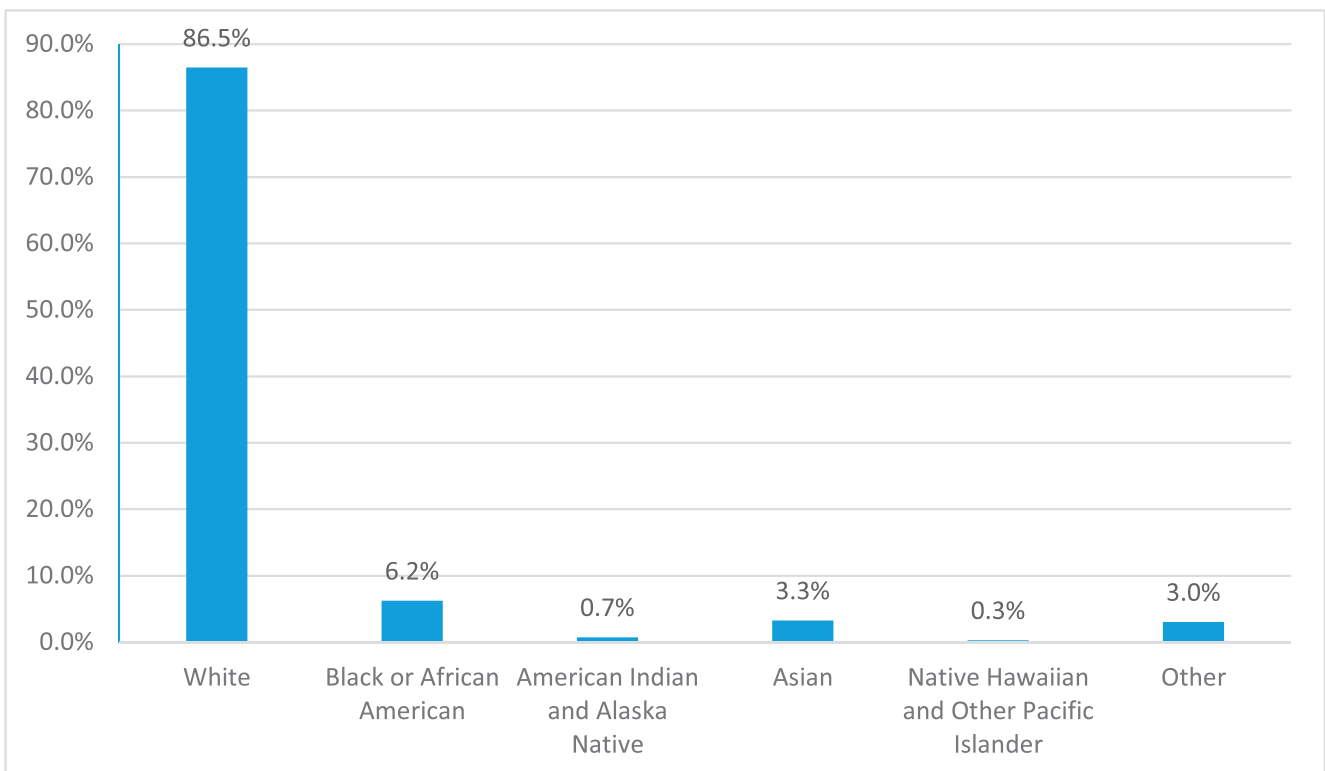


FIGURE 3.—Comparing Survey Respondents Race

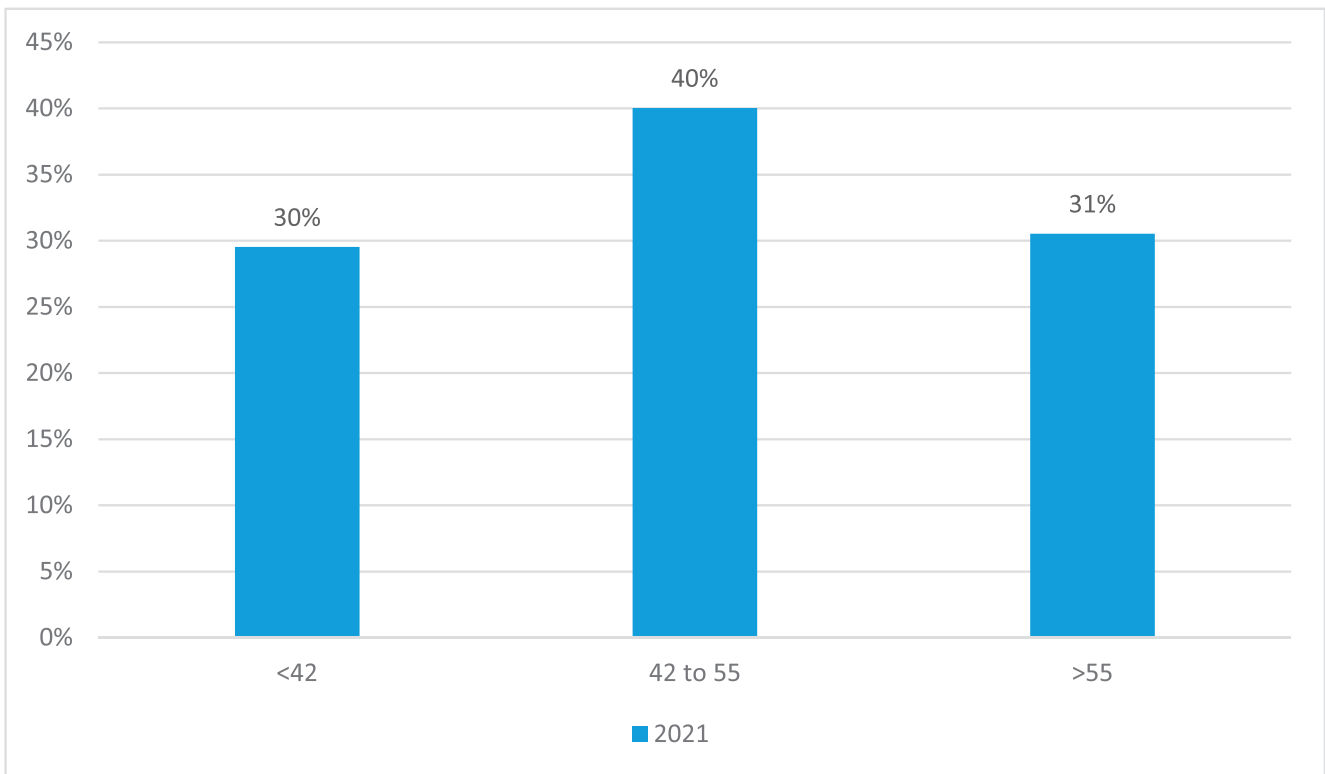


FIGURE 4.—Comparing Survey Respondents by Age

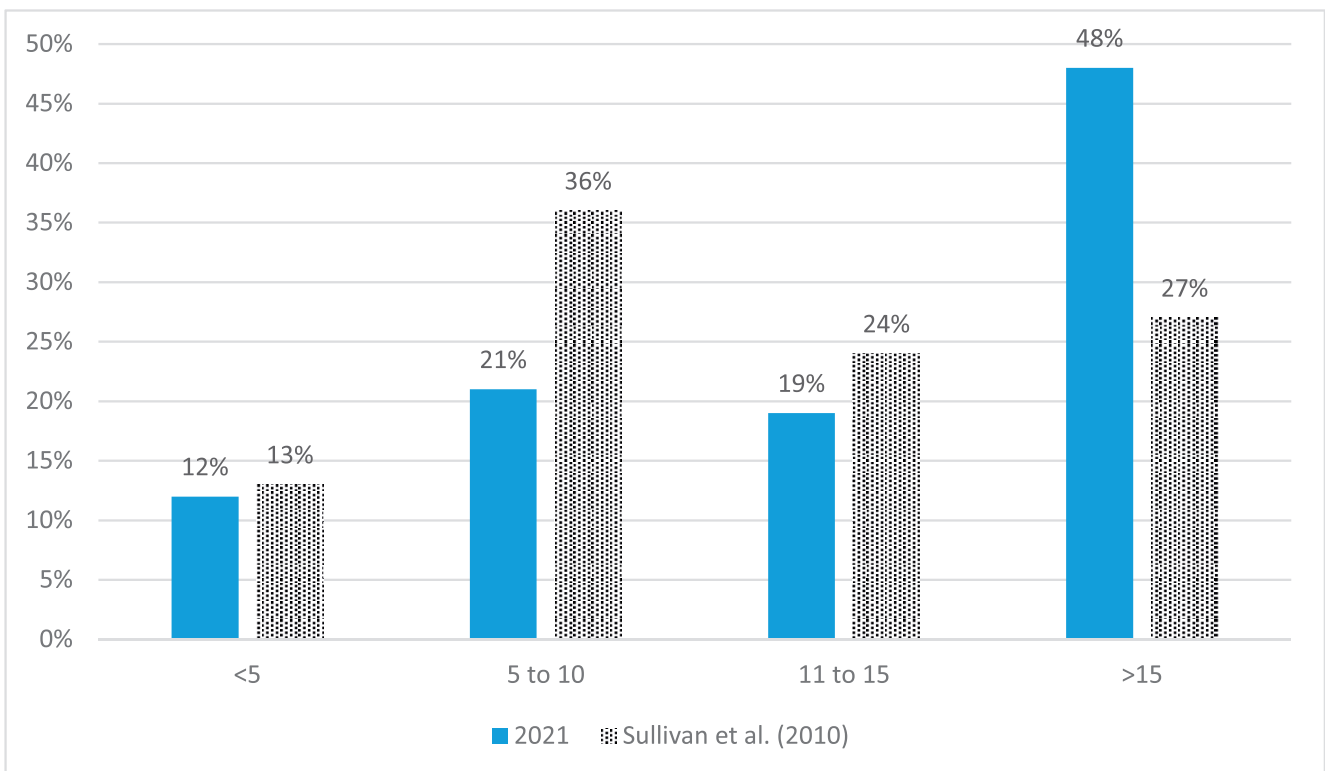


FIGURE 5.—Comparing Survey Respondents and Sullivan et al. (2010) Respondents by Time Until Retirement in Years

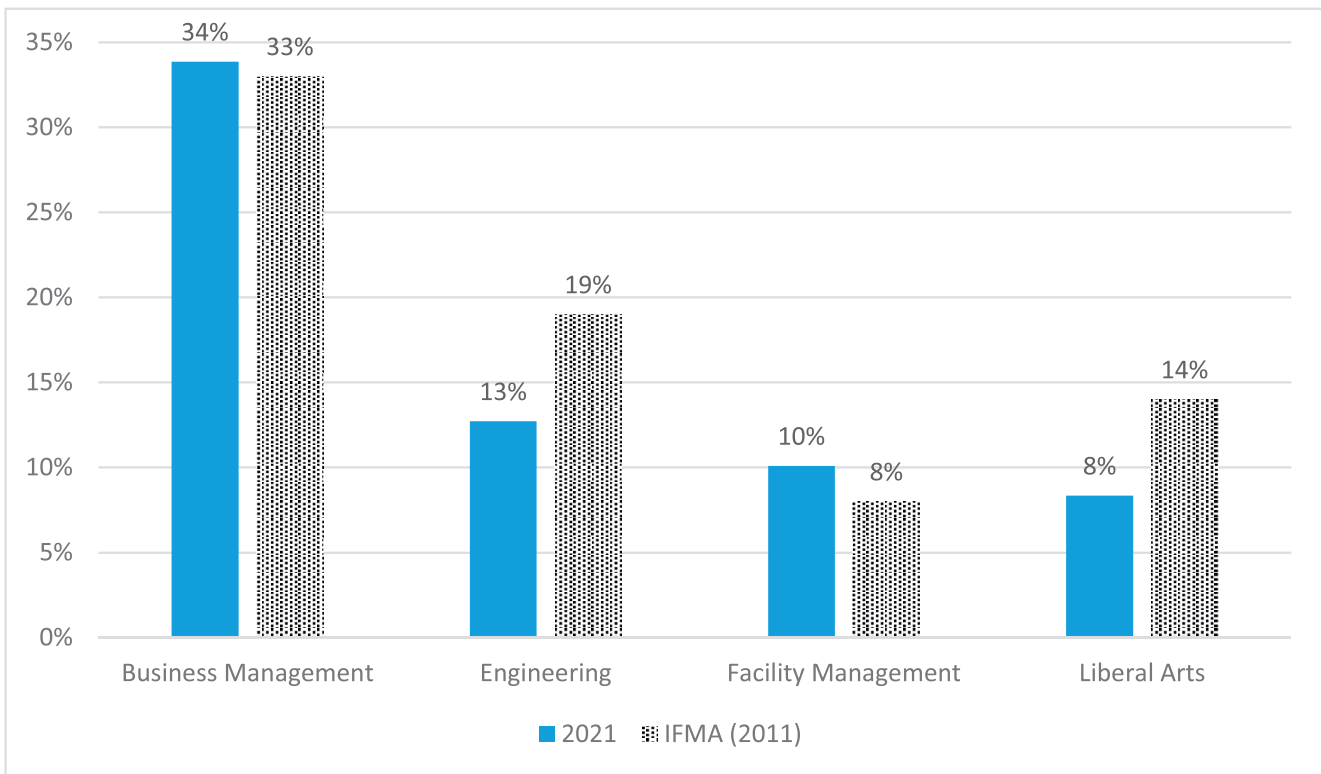


FIGURE 6.—Comparing Survey Respondents with Advanced Degrees by Major

Education

FM professionals are generally well educated with 66 percent of respondents holding advanced degrees: bachelor's degrees (43%), master's degrees (22%), or doctorate degrees (1%). However, educational attainment appears to be declining compared to 2010 when 75 percent of respondents held an advanced degree (Sullivan et al., 2010). The most common degree majors (>5% of respondents) for FM professionals are Business Management, Engineering, Facility Management, and Liberal Arts; these four majors make up 65 percent of advanced degrees attained by respondents (Figure 6). Over the past decade, there appears to be a growing interest in business management and facility management majors among facility management professionals (IFMA, 2021)

When comparing respondents with advanced degrees (Table 1), those with FM degree are younger with a statistically significant difference in average ages between these groups, $t(187.6 = -4.3) = (p < .001)$. Also, respondents with FM degree majors, compared to those with other degree majors (Table 1), are more likely to enter

the FM profession directly from college as there is a significant difference between the proportions of these groups per chi-square test of homogeneity ($p < .001$). This data suggests that FM academic programs have become, and will continue to be, a key solution in addressing FM attrition as a clear pathway into the profession and a sustainable recruitment source for new FM talent.

Recruitment

A possible consequence of this apparent shift toward a younger FM workforce is the improved recruitment of new FM talent. Respondents responsible for their organization's FM talent recruitment had an average rating, on a Likert scale of 1 to 7 (1 = extremely easy to 7 = extremely difficult), as "neither easy nor difficult" to recruit and hire entry-level facility professional. This appears to be a more positive FM recruitment outlook compared to sentiment from the 2010 Sullivan et al. survey when only 32 percent of industry representatives had confidence that enough sufficiently trained young FM talent would be available as a consequence of upcoming retirements.

While the challenges surrounding recruitment of new facility managers into the industry may be less acute compared to a decade ago, replacing senior level facility managers continues to be a source of concern. Respondents responsible for their organization's FM talent recruitment had an average rating as "moderately difficult" to recruit and hire senior level facility candidates (Figure 7); this is a noteworthy increase in the level of difficulty to recruit and hire senior level FM talent compared to entry-level

TABLE 1.—Comparing Age by Survey Respondents with Advanced Degrees

Degree Major	Average Age	% >49 Years Old	% Entering FM Directly from College
FM	44	22%	42%
Non-FM	49	31%	18%

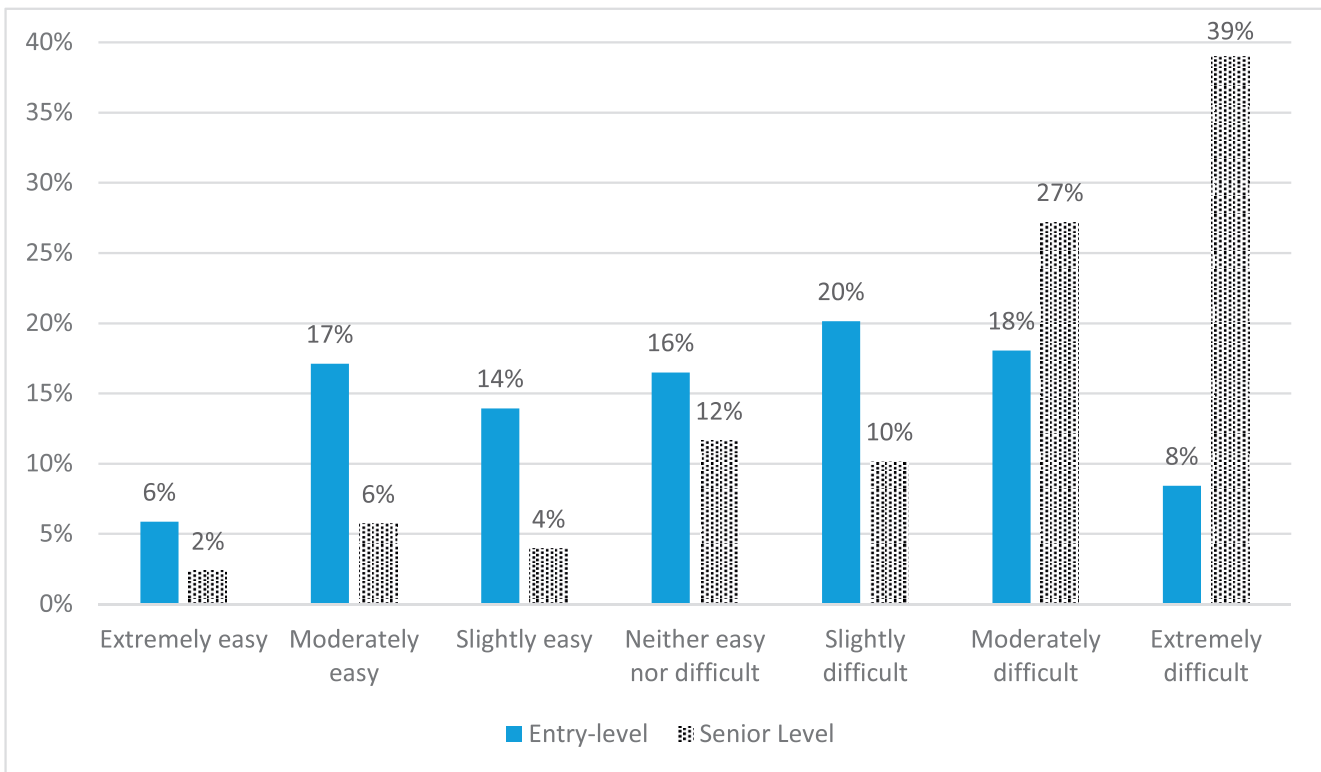


FIGURE 7.—Comparing Survey Respondents by Opinions of Recruiting Entry-Level and Senior Level FM Candidates

positions with a significant difference between the proportions of these groups per chi-square test of homogeneity ($p < .001$).

With the current pessimism surrounding senior level FM recruitment, it is surprising then to show that FM succession planning is still commonly underutilized in most organizations. Of the respondents that recently retired, less than half (46%) acknowledged that a formally documented succession plan was in place prior to them leaving their FM role. Nevertheless, adoption of FM succession planning appears to be improving as only 36 percent of organizations acknowledged that a succession plan was in place for their FM staff a decade ago (Sullivan et al, 2010).

Discussion

The FM industry in the United States appears to be experiencing a shift toward a younger workforce, compared to a decade ago, with far fewer FM professionals planning to retire in the near future. Nevertheless, workforce attrition is still a reasonable concern for the FM industry as the majority of respondents plan to retire within the next 15 years and most employers have not adopted formal succession plans to address looming retirements. This may be partly due to a reluctance to invest in training and advancement programs due to budget constraints, a preference to outsource talent, or even a misunderstanding regarding severity of the FM succession problem as survey

results are typically self-reported rather than from hiring executives outside of the FM profession.

While college graduates with FM majors are entering the FM profession at significantly high levels compared to a decade ago, creating a clearer path of entry into the FM profession, overall advanced education attainment for the FM workforce appears to be declining. This may be due to organizations decreasing expected candidate qualifications, like education or experience levels, to fill FM job vacancies due to baby boomer retirements; this is suggested due to the industry's perception that recruiting and hiring entry-level FM talent is not now generally difficult, but recruiting senior level talent is very difficult. Lowering job qualifications to attract a broader pool of talent, along with an influx of younger FM-educated talent, may be improving entry-level FM recruitment, but the industry still struggling to find workers with advanced educational and experience levels expected of senior level FM executives (ASHE, 2018). As the industry seeks to further enhance its workforce, credentialing or professional education program can also have a positive impact on the skillset of the workforce, thereby increasing overall performance (Hurtado et. al, 2019). Leveraging the talent of a new workforce and incorporating other supporting technologies necessitates the inclusion of organizational change best practices, including change agents, clear benchmarks, and senior leadership commitment (Lines and Vardireddy, 2017).

Additional research is warranted to better understand FM succession planning and why employers have not been more proactive in adopting succession plans even though

FM attrition has been a point of emphasis for more than a decade (Sullivan et al., 2010). Future research could focus on more broadly measuring and quantifying the succession problem by seeking input from FM executives (responsible for hiring entry and mid-level facility managers), chief executives (responsible for hiring senior-level facility managers), and human resource professionals. Shorter research intervals to study FM workforce trends and demographics is also recommended to understand intra and post-pandemic impact.

Conclusion

The US FM industry is getting younger, in part due to the growing number of FM college graduates. Nevertheless, a majority of facility managers will be retiring within the next 10-15 year and adoption of FM succession planning is sluggish. While recruitment of entry-level FM talent has become less difficult, recruiting senior level FM talent is a major challenge; this warrants additional research to better understand challenges related to recruitment and succession of senior level FM profession. Furthermore, over the past decade there has been relatively no growth in the portion of females and minorities making up the FM workforce population. Understanding roadblocks to greater workforce inclusion is imperative for the FM industry to better attract and retain a competent and diverse workforce.

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