

## **A Study of User Satisfaction of Outsourced Facilities Management (FM) Services in Public Residential Towers in Nigeria (A case study of Eko Court Towers and 27, Boyles Street/Boyle's Street Flats)**

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**Abstract:** Residential properties are designed to provide livable environments for people and ought to meet the changing requirements of users. In most cases, the residential users are not satisfied in terms of spaces, (both private homes and public spaces as neighborhoods), facilities and services. Therefore developers and services providers should strive to meet the users need and expectations. The purpose of this project is to examine the satisfaction of the occupants of public residential towers in relation to the outsourced facilities/services. The objectives of this study are to (1) identify outsourced facilities management (FM) services in the case studies, (2) assess the effectiveness of outsourcing as a service delivery approach and (3) assess the level of satisfaction of occupants of FM service delivery. The study adopted questionnaire survey approach to collect qualitative data which were ranked for easy analysis in SPSS using measure of central tendency and frequency distribution. The satisfaction index was calculated to measure the level of satisfaction of the residents. The result shows that outsourcing is best way for FM service delivery as it is cost effective and with efficient services that is acceptable. The satisfaction index also reveals the differences in level of satisfaction. Electricity is of lowest satisfaction due to epileptic supply from national grid but the lifts were provided with standby power generator. An efficient power supply will help in FM service delivery and standardisation is needed in the industry.

**Keywords:** Facilities Management; Outsource, Residential; User Satisfaction.

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### **I. Introduction**

Residential environment quality is one of the basic conditions for quality of life, as well as the main support for economy, culture and society. The improvement of residential quality has become one of the main targets of city policy and urban planning. In the housing sector, fulfilling users need is a key factor. These needs are of two basic types: psychological and physical needs. Psychological needs are related with privacy, personal space, territoriality and personal status. When user needs are not provided for in housing design and in provision of services, satisfactions of users become lower and the desire to change accommodation is increased. Since residential environments are the spaces for users to live in and to be happy with it, all the possible expectations of users should be considered both at the design stage and in provision of relevant services. Montgomery and Johansson [1] noted that life satisfaction is closely related to residential satisfaction. Residential satisfaction is a natural criterion to judge the success of residential choice which reflects a preferred lifestyle of people [2].

In a developing country like Nigeria, the provision of basic needs of life is inadequate; water, electricity, housing, roads, security to mention a few, most users of residential towers however desire good water supply system, 24 hour supply of electricity, security of life and properties, clean environment etc. As a result of the inadequate fund, government could not adequately sustain the provision of these essential services expected in the residential towers. Therefore, some of these services are outsourced to ensure their continuity and sustainability. This paper focuses on the level of the satisfaction derived by the occupants of the residential towers located at Kofo Abayomi street, Victoria Island (Eko Court Towers) and 27, Boyle Street, Lagos Island (Boyl's Street Flats), Lagos Nigeria developed by Lagos State Development and Property Corporation (LSDPC).

## **II. Literature Review**

Over the years, researchers and practitioners have provided many definitions that specify the objectives and scope of Facilities Management (FM). FM is a profession that encompasses multitude discipline to ensure functionality of a built environment by integrating people, places, processes and technology [3, 4]. Becker [5] defines “FM as responsible for coordinating all efforts related to planning, designing and managing buildings and their systems, equipments and furniture to enhance the organisation’s ability to compete successfully in a rapidly changing world”. Then [6] stated that “the practice of FM is concerned with the delivery of the enabling workplace environment – the optimum functional space that supports the business processes and human resources”. Varcoe [7] refers to FM as a focus on the management and delivery of the business “outputs” of both these entities (the real estate and construction industry) namely the productive use of building assets as workplaces. The primary function of FM is resource management, at strategic and operational levels of support [8]. Generic types of resource management central to FM function are the management of financial resources, physical resources, human resources and the management of resource of information and knowledge [9]. In this study FM is the support function of coordinating physical resources and workplace, and support services to user and process of works to support the core business of the organization. The central issues of FM practice consist of place or facility, people or user of the building, and process or activities in the facility.

The above definitions had shown FM is a multifaceted undertaking that involves the development, coordination, and management of all of the non-core supporting specialist services of an organization, together with the buildings and their systems, plant, IT equipment, fittings and furnishings, with the overall aim of assisting any given organization in achieving its strategic objectives [8, 10, 11] FM tends to respond to the needs of organizations in many ways. Although there are common themes and approaches to FM, regardless of the size and location of businesses, these themes and approaches may not necessarily result in common solutions to problems [12]. FM services can be provided in-house or outsourced.

### **2.1 OUTSOURCING**

Outsourcing occurs when an outsider firm (company) is contracted to provide a necessary (business) function that might otherwise be done in-house. Outsourcing is the shifting of the responsibility for provision of service(s) to service provider (contractor) who organize, plan, control and supply a support service or range of support services, leaving the client to concentrate on main core business. Outsourcing can be likened to contracting out some specialized services to be provided by the professionals/specialists to enable an organization focus on its primary goal. Outsourcing reduces overheads, facilitates saving and ensures better service delivery and promotes clients satisfaction.

### **2.2 SERVICE QUALITY**

Parasuraman, Zeithaml [13] defines quality as “exceeding what customers expect from a service”. The current trend in the facilities management industry is now mostly focus on the service. With the rising expectations of the people and the living standard, there is an urgent need for the facilities management organization to raise their standard of the service. It is generally agreed that service quality is an attitude or judgment about the superiority of a service. Parasuraman, Zeithaml [14] identifies five quality dimensions that affect people’s perception of the delivery: Dependability, Responsiveness, Authority, Empathy and Tangible evidence. Service providers aim to produce both a physical result and to deliver it in a way that meets or exceeds client’s expectations. Therefore, it is important to realize that there is objective part of the service quality, where the resources used or the result produced have an actual quality.

### **2.3 CUSTOMER SATISFACTION**

Customer Satisfaction has been widely discussed in relation to quality management. In Facilities Management, customer satisfaction is the key deliverable to success of fulfilling contractual obligation. According to Brown and Bond [15], customer satisfaction can refer to different areas of relationship with the customer including satisfaction with the quality of a product or service, satisfaction with an ongoing business relationship, satisfaction with the price/performance ratio of a product/ service and satisfaction because a product or service met a customers’ expectation. In FM, it is important that the customers’ needs be identified and given priority. Understanding the entire chain of customer needs and requirements are the most important aspect in developing the solution to problems. Customer complaint or request must be recorded accordingly into an integrated maintenance application which is transparent, reliable and dependable. FM service provider should be proactive in figuring out the customer’s needs and wants. Communication is hereby the most important aspect in achieving the goal. Key success factor in managing customer satisfaction is by having measurable and transparent evaluation criteria and there is need to translate the identified needs of customers into service specification.

### III. Methodology

The study adopted a simple questionnaire survey approach, which combined the relevant elements of sampling techniques. The target population which evaluated the issue of user satisfaction with outsourced facilities is the occupants/residents of the two residential towers selected as case studies in Lagos. Purposive sampling was used in selecting the residential towers. Out of 156 flats in Eko Court Towers, 73 were selected randomly and all the occupants of Boyles street (38) were surveyed making a total of 111 flats as respondents for this study. Combinations of closed and open-ended questionnaires were administered to the residents. Collected data were presented with the use of tables. Analysis of level of satisfaction was calculated through the frequency distributions, table, chart, use of measure of central tendency (mean) and satisfaction index calculation for the services.

### IV. Results And Discussion

A total of 111 questionnaires were served in the two case studies as stated above. 84 were retrieved, 57 from Eko Court Towers and 27 from Boyle Street Flats. The success level by percentage of the number of retrieved questionnaires is as follows; for Victoria Island tower, it is 78% and 71% for Boyle Street tower. Cumulatively the success level by percentage of retrieved questionnaires for both case studies was 75.68%. This shows a relatively high percentage of retrieved questionnaires. The identified facilities services provided in the case studies include water, standby generator, lift, security, cleaning and pest control, and refuse disposal. These services are outsourced (Table 1). The main thrust of this paper is to draw the attention of readers to the importance and the need for outsourcing in the general management of an estate facility and also to show the level of effectiveness or otherwise of outsourcing.

Table 1: Identification of Outsourced Services/Facilities in the Residential Towers.

Services	Eko Court Towers		Boyle's Street Flats	
	Frequency	Percentage (%)	Frequency	Percentage (%)
<b>A Water</b>				
Owner/Developer	15	26.3	17	63
Residents	14	24.6	0	0
Manager	11	19.3	5	18.5
Outsourced to Service Provider	16	28.1	0	0
<b>Total</b>	<b>56</b>	<b>98.2</b>	<b>22</b>	<b>81.5</b>
<b>B Electricity</b>				
Owner/Developer	21	36.8	12	44.4
Residents	8	14	5	18.5
Manager	10	17.5	5	18.5
Outsourced to Service Provider	18	31.6	0	0
<b>Total</b>	<b>57</b>	<b>100</b>	<b>22</b>	<b>81.5</b>
<b>C Lift/Elevator</b>				
Owner/Developer	14	24.6	13	48.1
Residents	7	12.3	0	0
Manager	18	31.6	5	18.5
Outsourced to Service Provider	18	31.6	9	33.3
<b>Total</b>	<b>57</b>	<b>100</b>	<b>27</b>	<b>100</b>
<b>D Cleaning/Pest Control</b>				
Owner/Developer	21	36.8	13	48.1
Residents	7	12.3	0	0
Manager	11	19.3	5	18.5
Outsourced to Service Provider	18	31.6	9	33.3
<b>Total</b>	<b>57</b>	<b>100</b>	<b>27</b>	<b>100</b>
<b>E Refuse Disposal</b>				
Owner/Developer	19	33.3	8	29.6
Residents	2	3	0	0
Manager	18	31.6	10	37
Outsourced to Service Provider	18	31.6	9	33.3
<b>Total</b>	<b>57</b>	<b>100</b>	<b>27</b>	<b>100</b>
<b>F Security</b>				
Owner/Developer	13	22.8	4	14.8
Residents	14	24.6	9	33.3
Manager	11	19.3	5	18.5
Outsourced to Service Provider	19	33.3	9	33.3
<b>Total</b>	<b>57</b>	<b>100</b>	<b>27</b>	<b>100</b>
<b>G General Repairs</b>				
Owner/Developer	9	15.8	9	33.3
Residents	17	29.8	0	0
Manager	11	19.3	4	14.8
Outsourced to Service Provider	20	35.1	14	51.9
<b>Total</b>	<b>57</b>	<b>100</b>	<b>27</b>	<b>100</b>

Source: Authors survey, 2010

From Table 1, water, lift service and security provision are outsourced in the case studies while general repairs, refuse and standby generator for electricity supply in case of power failure is provided by the owner/developer of the residential towers through the property manager, a real estate management outfit who in turn engage

service contractor for the services (indirectly outsourced) and the cost of which is offset from the service charge account managed by the property manager. Therefore it can be concluded that all services are outsourced.

**4.1 Assessment Of The Quality Of Service Provided By Service Provider.**

The quality of services provided was assessed using the general aggregate satisfaction level, rating of the services being provided, the percentage rating and the response to complaints' attitude of the service provider (Fig. 1, 2 and 3).

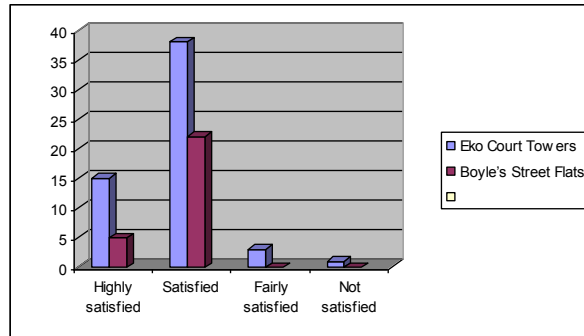


Figure 1: Aggregate satisfaction level of FM services

Source: Authors survey, 2010

The satisfaction level of quality from the service provider as revealed in Fig. 1 is high in both estates above 80% in each estate. This portend that the quality of service rendered by the providers is good, satisfactory and acceptable to the residents.

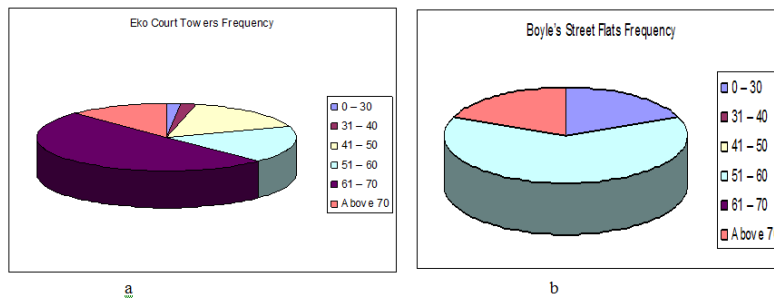


Figure Percentage rating of satisfaction level by the residents

Source: Authors survey, 2010

Fig. 2a and 2b corroborated the position in figure 1, the percentage rating of the satisfaction level ranks between 50% and 70% in each case. The respondents were to rank in percentage their level of satisfaction. For Eko Court Towers, more respondents 28(49.1%) felt that the services provided to them is between 61-70% satisfactory as against 51-60% that rank highest in Boyle Street with 17(63.0%) respondents. This clearly establishes the fact that residents of Eko Court Towers, places a high premium in the general quality of service they enjoy as against Boyle Street flats where the level of satisfaction is put at about average.

Figure 3: Response of service providers to request/expectations of the residents

Source: Authors survey, 2010

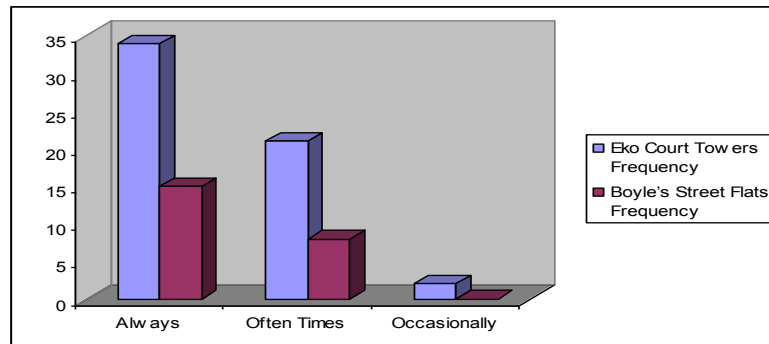


Fig. 3 treated the issue of how often the expectations of the tenants are met. The respondent's in Eko Court Towers viewed that their expectations are always met 34(59.6%). The same situation it was for respondents in Boyle Street flats with 15 (55.6%). This corroborates the position with regards to the residents' level of satisfaction with outsourcing as an efficient method of FM service delivery.

#### 4.2 Satisfaction Index

The satisfaction index was also employed to really establish the satisfaction level using the four-point likert scale system to ascribe value to qualitative variables of satisfaction level – highly satisfied 4; satisfied 3, fairly satisfied 2 and not satisfied 1.

$$\text{Satisfaction index (S.I)} = \frac{\text{sum total of actual score by respondents}}{\text{Maximum possible score by respondents}} \times 100$$

$$\text{Thus, S.I} = \frac{v1r1 + v2r2 + v3r3 + \dots + vnrn}{vhN}$$

where v1,v2,v3,...vn are the values representing satisfaction level variables on the likert scale, r1,r2,r3..rn are no of respondents that chooses the corresponding values of satisfaction level variable, vh is the highest value of the satisfaction level variables expected and N is the total number of the respondents.

The satisfaction index was calculated for both estates and for each service.

Table 2: Satisfaction Index for each of the Services

Services	Eko Court Towers	Rank	Boyle's street	Rank
Lift/Elevator	0.851	1	0.889	1
Cleaning/Pest Control	0.825	2	0.796	4
Refuse Disposal	0.825	3	0.806	3
Water	0.824	4	0.852	2
Security	0.789	5	0.769	6
General Repairs	0.754	6	0.796	5
Electricity	0.715	7	0.75	7

Source: Authors survey and calculation, 2010

Table 2 presents the satisfaction index of the level of satisfaction of each service. The index reveals that all the services has 75% and above in terms of satisfaction level in both estates.

#### V. Discussion Of Findings

From the data analysis, some of the services were directly outsourced (cleaning, security, refuse disposal and lift operation), others that falls within the managerial capacity of the property manager were indirectly outsourced through mere retainership of service technician/contractor in those estates especially where competence is required, recourse is made back to the professionals this clearly shows the benefit and importance of outsourcing. The residents of the case studies are satisfied with the quality of service they are being provided with. The Eko Court Towers residents are more satisfied in general and their level of satisfaction is higher than that of the resident of Boyle Street, Lagos Island. This infers that the quality of services provided in Victoria Island is relatively higher than what is obtainable in Boyle Street. The difference in level of satisfaction between the two residential towers could be attributed to the difference in income level and the social class of people residing in the properties. The expectation of the residents with regards to each service is also a factor. This finding agrees with [16] that income level and social status dictates quality in housing provision with the assertion that there is corresponding increase in housing quality from low income to the high income estates. [17] also asserted that difference in the level of satisfaction between subjects of different social status may reflect variation in the perception of social services and facilities.

The residents are unanimous in their level of satisfaction both in respect of each service and the general aggregate satisfaction level. Moderate level of satisfaction is derived from the facilities and support services. In the word of Mohd-Tawil, Ramly [18], high percentage of occupants of public estate are moderately satisfied with facilities and support services than with dwelling units features and social environment. From the satisfaction index analysis (table 2), with 75% and above, the service delivery is satisfactory and acceptable to the residents. Lift, refuse disposal and electricity were equally ranked in both Eko Court Towers and Boyle's street flats in order of 1, 3 and 7 respectively. This shows that equal level of commitment was given to these services by service provides in both towers. Again, lift is given highest priority in the case studies. This is not unexpected in the multi-storey residential tower since lift enhances vertical movement of people and goods. The question here is that while lift has highest satisfaction index, electricity was ranked lowest, what then powers the lift to most satisfied with. The study found the answer in the fact that dedicated standby power generator were

positioned for the lift in both estates in case of power failure from the national grid, a frequent occurrence, while the lightning of the whole tower is timed between 6:00P.M and 2:00A.M in the case of power outages. For the other services, cleaning and pest control was ranked second in Eko Court Towers but fourth in Boyle's street, water rated 4<sup>th</sup> in Eko Court Towers and second in Boyle's Street Flats, security 5<sup>th</sup> in Eko Court Towers and 6<sup>th</sup> in Boyle's street, General repairs was 6<sup>th</sup> in Eko Court Towers and 5<sup>th</sup> in Boyle's street. While the overall index indicated an acceptable satisfactory level (75% minimum), there is still room for improvement in services delivery. Nevertheless outsourcing gives efficient and quality service delivery.

## VI. Conclusion

From the study, the residents do receive satisfactory FM services delivery. Residential satisfaction may serve as one component of a broader quality and productivity measurement as well as improvement programme in FM service delivery [17]. Assessment of residential satisfaction therefore is an estimate at a particular point in time of the occupants experience and expectancies. This can also be likened to post occupancy evaluation of the buildings. The measurement of service delivery through satisfaction index calculation is revealing of the perception of residents of each components service. Outsourcing has proved to be cost efficient as it gives room for competitiveness of bidding and delivery of services. It is therefore, the best way for FM services. It also removes the burden from management of organizations, developer and manager (living them with coordinating activities) and enables them to focus on the core areas of their respect responsibilities. The study concluded that outsourcing is better than in-house FM practices both in term of cost and service satisfaction. The study recommends standardization of services and uninterrupted power supply for improved FM service delivery all day round.

## VII. Areas For Further Studies

Both Estates are managed by the Lagos State Property Development Corporation (LSDPC) which is a Public (Lagos state government) Corporation that engages itself in property development and management. The questions that may likely arise would be that relating to location and individual user taste. The scope of this study did not provide for such which could form the basis for further research work in future. This study also measure service quality with respect to about seven different services been provided in public estates, the effect is that bias could be introduced as against the study of a particular services which could have dug deeper into the service chosen. Also the study took case studies in the high brow of Lagos which allow for negligible differences in the opinion of residents. The service quality was also investigated from the perspective of the residents alone. Therefore it is further suggested for future research as follow:

- a. A study of the user satisfaction of any (each) of the services in residential estates in Nigeria.
- b. A comparative study of facility management services in residential estate in city centre and the suburb.

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