



The Company's Sustainability Through Facility Management

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ABSTRACT

To develop a sustainable business is nowadays the most important aspect of the company's decisions. Worldwide, there is a need of understanding that facility management is a driver through its positive practices in the three directions: social, environmental and economic.

KEYWORDS

sustainability, facility management, responsibility, progress

INTRODUCTION

New tendencies with a focus on environmental, social and economic aspects were developed and created connections between different concepts as sustainability and facility management.

The world conference on environment held in Rio de Janeiro in 1992 paid special attention to the concept of sustainability, implying the balance between the economic growth and the protection of environment and finding alternative resources. Based on this, the concept of sustainability became a priority of the business environment.

In the same way, the concept of facility management was taken over in the specialty economic language around the 70's and is now present in the business language. People talk more and more about sustainability at micro- and macroeconomic level, about minimising costs, about looking into the future taking into account the social, economic and environmental effects of the actions performed. Facility management through its essential services offer sets the same objectives as the sustainable development.

The stake is to identify as soon as possible the wishes and needs of the parties the company interacts with, to adapt to new reality, to be innovative and open to progress. By taking into account all these aspects, the evolution of the companies is steady.

SUSTAINABILITY – GENERAL PRESENTATION

Sustainability is a well rooted concept introduced in the current vocabulary. The definition most commonly accepted and used is the one given by The World Commission on Environment and Development (1987): "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". As such we understand that society, mainly the companies, must be responsible to the whole mankind and to the future generations.

According to the "Triple bottom line", a sustainable development can be achieved only when the following three aspects are taken into consideration equally: economic, ecologic and social (Figure 1).

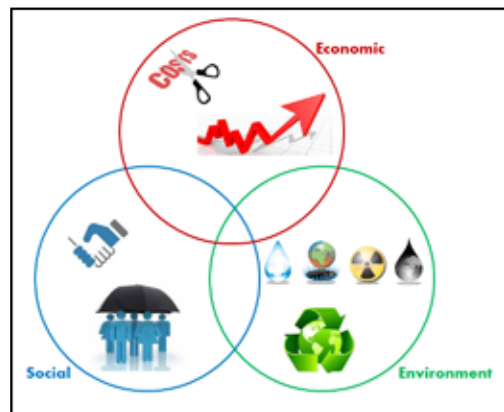


Figure 1: The triple bottom line

Source: own elaboration

The practices of the facility management have the ability to provide sustainability by activities of campus planning and design, building construction, waste management, environmental management, and building and grounds maintenance and cleaning.

CURRENT AND FUTURE TRENDS ON EUROPEAN LEVEL

The European Union's priority is favouring a sustainable and competitive community. Its strategy 2020 aims at providing an intelligent economic growth (by innovations in education), improving the environment (by reducing the carbon dioxide emissions) and at social inclusion. Therefore, five major objectives are proposed:

- Attaining the employment rate of 75% for the active population
- Allocating 3% of GDP for research and development;
- 20% climate change: increasing energy efficiency, increasing the weight of the renewable energy sources, reduction of the gas emissions as compared to the year 1990;
- Enhancing the education level;
- Fighting against social exclusion.

In the following table are highlighted the results of a comparative study of objectives, regarding the strategy of Romania

and Austria as member states of EU:

**TABLE – 1
OBJECTIVES FOR EUROPE 2020 STRATEGY**

EU/member states objectives	Employment rate (%)	C&D (% of GDP)	Reductions of CO ₂ emissions	Renewable sources of energy
AT	77-78 %	4%	-16%	34%
RO	70%	2%	19%	24%
EU/member states objectives	Reduction of energy consumption (Mtoe)	Early school leaving (%)	Tertiary education (%)	Reduction poverty/social exclusion (number of person)
AT	7,16	10%	38%	235.000
RO	10,00	11%	27%	580.000

Source: Adapted from http://ec.europa.eu/europe2020/pdf/targets_ro.pdf

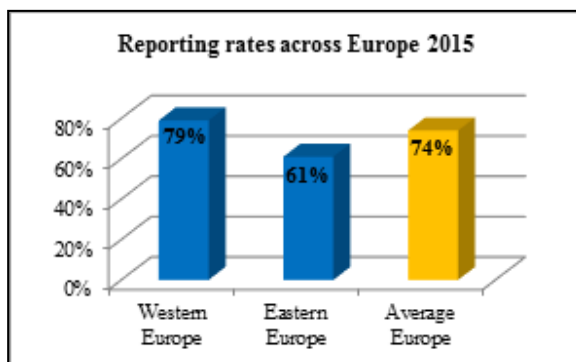
All these desired directions are different for the two countries because of the development stage of each one. Although, in both cases, these directions are transposed into carefully organized activities at microeconomic levels, and together with a supporting legal framework they shall achieve the proposed objectives and develop a healthy and long-lasting society.

ACTIVITIES OF SUSTAINABILITY WITHIN COMPANIES

Supplementing the strategy of sustainability of EU, the European Commission adopted in 2014 the Directive 2014/95/ EU as an amendment to the Directive 2013/34/EU referring to the requirement for the companies of more than 500 employees to report non-financial information.

During the years 2015-2016 the member states shall transpose the directive into the national legislation. The aim is to prevent abuses and encourage the sustainable and development activities at a micro- and macroeconomic level, as well as for a spirit of transparency that shall improve the business behaviour.

The KPMG study about the Corporate Social Responsibility (CSR) reporting shows that in Europe, the reporting percent shall increase significantly until 2017 due to the European regulations and it draws the attention upon the fact that, for the time being, there are significant differences within Europe (Figure 2) which ranked Europe third on an international level. After complying with the legislative rules, these differences will disappear.



**Figure 2: Reporting rates across Europe
Source: own elaboration based on KPMG**

IMPORTANCE OF FACILITY MANAGEMENT IN THE SUSTAINABLE DEVELOPMENT OF THE COMPANY

CSR reporting is an instrument of reporting the annual performances, supplementing the financial statements. It covers

the reference fields for sustainability (environment, social, economic) by waste management, emissions, environmental performance, social performance and community engagement, all of them, fields of facility management.

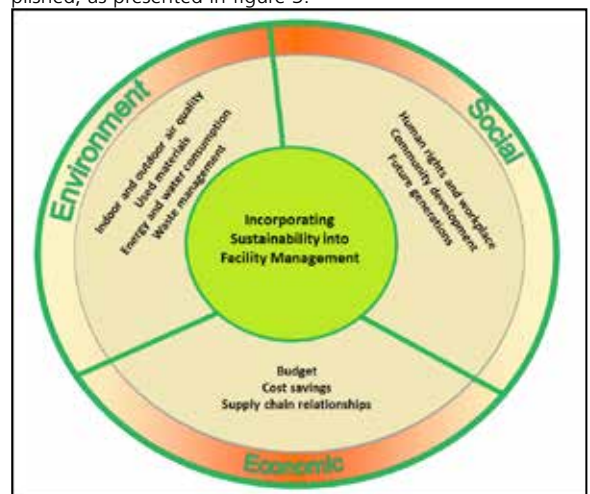
Facility management represents is defined as “integration of processes within an organization to maintain and develop the agreed services which support and improve the effectiveness of its primary activities”. It includes a wide range of activities that agree with concepts like efficient costs, improvement of productivity, innovation, efficient technologies, and high quality of life.

Facility management plays a significant part in supporting the sustainable performances, beginning with the purchases, management of the buildings, management of the employees, waste management, and until the facilities performance, aspects that impact directly upon the social and environmental indicators.

As a part of the sustainable development initiative, the suppliers of facility management services may offer to their customers the implementation of some future oriented technologies and practices. The aim is not only economic but to change the global mentality towards a large responsible opening to the social and environmental needs.

This long term responsibility orientation should take into account the impact the activities of an organization have at a community level. Thus, adopting a CSR strategy in the FM activities, it will result a strategy based on moral values, development, improvement of the situation in the entire internal and external environment of the organization, transparency, risks reduction and last but not least, it will bring improved financial results by the efficient use of the resources, improving the image and the quality of the relations with the stakeholders.

Analysing the Triple Bottom Line Approach, it can easily be noticed in practice that the following aspects are accomplished, as presented in figure 3:



**Figure 3: Incorporating sustainability into facility management
Source: own elaboration based on TEFMA**

IMPACT OF THE FACILITY MANAGEMENT UPON THE SUSTAINABLE POLICY OF THE COMPANY – CASE STUDY OMV GROUP

The international oil and gas company, OMV Group, has been reporting on sustainability since 2001, in order to describe their attitude to the environmental, social and governance issues. The sustainable strategy called „Resourcefulness“ wants to create a long-term win-win situation between this three dimensions and the company.

During the year 2014, OMV Group had an active environmental and energy management, invested EUR 108 mn in environmental protection and carried out 1,250 actions in their top 43 facilities. They supported local economies through local employment and by developing local suppliers and also educational initiatives.

The department of facility management from Romania is responsible for a wide range of activities such as: Business Support (Canteen and catering services, stationery management, travel services), Facility Services (standard working places or office relocation, maintenance services), fleet management, Real Estate asset Project Management (to provide recommendations for portfolio size optimization, modernization and consolidation).

All these activities are centered in such a manner as to attain the objectives of the sustainable policy of OMV group.

One of the fields of interest, pertaining to the facility management, which have been remarked and contributed to the sustainable development of the group in 2014 is „Health, Safety and Security”: activities focused on the employees' physical and mental well-being, accident and human injuries prevention, international cooperation on security, ensure a high level of hygiene and safety against pathogens in the working environment, disinfection and pest control activities, both inside and outside the company and health rules.

Due to the specific field of industry the company activates in, the prevention of accidents is essential and guided by strict rules.

The management of the vehicle fleet takes into account the safety of the employees, by service activities and by ensuring safety travel conditions.

Another component, as part of the employees' ensuring a high level of wellbeing and comfort is the management performed by the Department of Facility Management of the reception, catering and canteen services by a selection of healthy products. By the management of the spaces and areas, the facility management team offers modern workplaces, ergonomic lights according to standards. Projects of planning, design and relocation take place continuously in order to create an attractive work environment, always new and healthy for the employees.

Environmental Management – this field of interest, for the OMV Group, is closely linked to the basic activity of the company, but also to the way facility management deals with the wells, refineries and corporate offices, which are preserved and maintained at high levels of energy and environment efficiency by the facility management. The waste management, the management of energy, water consumption and carbon emissions are the lines of interest in this respect.

In Romania, the company finished in the year 2011 the campus called Petrom City that is endowed with a tri-generation plant (producing electrical power, heat and cooling energy) unique in the country, and in the year 2014 the company finished Petrobrazi refinery modernization, thus improving the economic efficiency by 25% to the year 2009. The Facility Management Department offers recommendations for optimising, modernising and strengthening the real estate portfolio. It performs technical assessments, identifies solutions and starts projects up to the delivery stage of the investment to the recipient, respectively the company.

The facility management department coordinates all these activities, performs internally facility management initiatives and in the meantime it works with subcontractors, specialized companies in the field, adding more value to the activity and supporting the sustainable development.

Sustainability is an important subject on the agenda of the superior levels of management. Companies develop policies in accordance with these international trends and develop society and environment-friendly practices, but in the meantime in compliance with the economic conditions. Reporting these practices is part of the strategy, and the trend is upward. Being new and in a process of development, the field of facility management is directly interested by the compliance with these requirements. All the activities related to this field are developed in order to contribute to the wellbeing of the society at large.

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CONCLUSIONS