

Building Owners Assessment Tool

About

The Building Owner's Assessment Tool: Helping You Understand Your Culture and its Project Delivery Ramifications (BOAT) helps owners determine their organization's decision-making profile to better understand the challenges and alignments between their decision-making profile and different types of project delivery methods.

Using BOAT, building owners can reflect on their decision-making structures, cultures, and project management strategies to mitigate roadblocks and pain points during project delivery, and have productive conversations with their project teams to identify organizational challenges, set expectations around the work, and design specific processes to address challenges. This can help the owner and project team be proactive in addressing owner strengths and weaknesses before a project begins.

Decision-making Profile Characteristics

An organization's Decision-making Profile Characteristics (DMPC) are the cultural, structural, and contextual characteristics that impact organizational decision-making. The DMPC were developed out of an extensive review of business, management, and organizational literature about organizational decision-making and decision-making impacts.

Decision-making Authority concerns how final decision-making is distributed across the owner organization. Decision-making Authority is about who controls and feels empowered to make final project decisions.

Decision-making Processes concern the degree of formalization for making and communicating decisions, which can impact clarity and responsiveness.

Decision-making Style is the organization's approach to incorporating information, communication, and relationships in the making of decisions. Decision-making Styles are about how an owner organization approaches decision-making in relation to what types of information are deemed important for final decision-making and the nature of the relationship between employers and employees when making decisions.

- An **Analytical Style** is driven by analysis compared to intuition when making a decision. There is a focus on formal research from qualified experts in the owner organization.
- A **Participation Style** is committed to employee participation in decision-making and supporting strong human relationships at work. Owner organization leaders and managers seek out collaboration and building morale with all employees.
- An **Adaptive Style** has informal managerial activities, roles, and relationships and can adapt to changing circumstances. There is an open flow of communication, the freedom for employees to adapt to different roles and processes depending on changing circumstances, and comfort with informal decision-making practices.
- An **Authoritative Style** uses rigid processes, contracting, checklists, and issues orders to employees. This is a style that values commitment and compliance from employees and expects employees will not challenge project decisions.

Decision-making Profile Characteristics

Decision-making Culture guides values used in decision processes. The types of cultures owner organizational leaders and managers promote shapes decision-making. Within an organization, there may be several subcultures, but the overall culture type reflects the predominant patterns.

- **Command Culture** is an organizational culture that has a single or small group of leaders determining all decisions. Cultural value is placed on the leadership to make decisions that direct the organization's future while employees carry out the decisions of their leadership.
- **Symbolic Culture** is an organizational culture that makes decisions based on a strong vision or mission. Leadership's role is to inspire and motivate employees to make decisions based on a shared vision.
- **Formal Culture** is an organizational culture that relies on formal structures and planning systems to make decisions. Value is placed on planning and process as the means to successful decision-making and leadership's role is to process the information gathered through formal structures.
- **Experimental Culture** is an organizational culture that encourages employees to experiment and share new ideas for decision-making. An autonomous culture where employees are collective actors in decision-making and leaders select and nurture the best ideas.
- **Learning Culture** is an organizational culture that encourages interaction and learning with key stakeholders for collaborative decision-making. Value is placed on ongoing dialogue with important stakeholders and employee learning and improvement during decision-making. Leadership is viewed as a role that should facilitate and empower employee learning and interaction.

Owner Flexibility is an organization's ability to adapt their processes for making decisions. Owner flexibility is measured by the owner organization's openness to new ideas and willingness to change decisions once made.

- **Open To New Ideas** is the level to which an owner organization is open to information from multiple sources that introduce new ideas and challenge beliefs..

Decision-making Profile Characteristics

- **Open To Change** is the level to which an owner organization is open to change a project decision after the decision has been made when new information is known.

Risk Tolerance is the organization's appetite for risk. This measures how comfortable an organization is taking on investments that are high risk, high reward on projects.

External Business Environment is the larger business context for the owner organization. External business environment is measured by the level of sustained growth, whether the owner organization is in a high-risk industry, and the level of industry stability. The External Business Environment can impact how much risk an owner is willing to take on and how fast decisions may be made.

- **Sustained Growth** is the level in which the owner organization's larger External Business Environment is able to support sustained growth.
- **High-risk Industry** is the level in which the owner organization's larger External Business Environment is hostile, risky, or stressful. In such environments, a false step could be the organization's undoing.
- **Industry Stability** is the level in which the owner organization's larger External Business Environment is economically, socially, and politically stable or predictable.

Project Delivery Method Criteria

Project Delivery Method Criteria (PDMC) are the project delivery method selection and management criteria impacted by the Decision-making Profile Characteristics (DMPC). These criteria were developed from an extensive AEC literature review on project delivery method selection and management.

Delivery Timeframe: The total time that it takes from project conception to project completion, in addition to total time duration for activities.

Predictability: The ability to infer the outcomes of events based on accurate forecasting and analysis in relation to hitting cost and schedule targets, as well as other owner requirements.

Size/Scope: The physical size of the project and how well defined the project scope is in relation to the project's vision including goals, deliverables, tasks, and deadlines.

Management Flexibility: Project leaders' willingness to change, make modifications to projects, and compromise. The ability to make flexible choices, use flexible processes, and work iteratively.

Owner Involvement: The owners desired level of involvement in the project, including communications, leadership, and decision making.

Project Risk Tolerance: The owner's readiness to take risks on a project and make potentially risky modifications in a project.

Technical Complexity: The technical difficulty and intricacy of building systems, which could be brought out by sustainable initiatives, in a construction project.

Early Collaboration: The involvement of stakeholders (e.g., end users, maintenance) and construction team members earlier in the design process from the project onset.

Stakeholder Complexity: The diversity of stakeholders and team members involved in the project, who come with their differing project objectives, goals, desires, and add complexity to goal alignment.

Risk Categories

In the tool, you will find different categories of risk associated with different Project Delivery Method Criteria (PDMC). The risk levels were established using various statistical criteria, such as the Pearson correlation coefficient, p-value, and residual standard error (RSE). The low, low-moderate, high, and high-moderate risk categories demonstrate statistical significance (with a p-value of less than 0.05) and varying degrees of RSE. Any DMPCs that do not fit into the aforementioned categories are categorized as unpredictable risk.

The risk categories are defined as follows:

Low risk: The alignment between the owner's Decision-making Profile Characteristic and the Project Delivery Method Criteria show that few tension points exist that may lead to negative project outcomes. In general, the DMPC and PRMC are well-aligned.

Low-moderate risk: The alignment between the owner's Decision-making Profile Characteristic and the Project Delivery Method Criteria show that owners should be aware of and track certain risk associated with this relationship, although there is still alignment.

High-moderate risk: The alignment between the owner's Decision-making Profile Characteristic and the Project Delivery Method Criteria show that owners should be aware of and track certain risk associated with this relationship, as these points are not aligned.

High risk: The alignment between the owner's Decision-making Profile Characteristic and the Project Delivery Method Criteria where strong tension points exist that are likely to lead to negative project outcomes if not addressed properly by the owner organization.

Unpredictable risk: The alignment between the owner's Decision-making Profile Characteristics and the Project Delivery Method Criteria is mixed. Outcomes vary widely. Owners should discuss potential risks with project teams.