Corporate Culture as the Driver of Transit Leadership Practices

A Synthesis of Transit Practice
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TRANSIT COOPERATIVE RESEARCH PROGRAM

The nation’s growth and the need to meet mobility, environmental, and energy objectives place demands on public transit systems. Current systems, some of which are old and in need of upgrading, must expand service area, increase service frequency, and improve efficiency to serve these demands. Research is necessary to solve operating problems, to adapt appropriate new technologies from other industries, and to introduce innovations into the transit industry. The Transit Cooperative Research Program (TCRP) serves as one of the principal means by which the transit industry can develop innovative near-term solutions to meet demands placed on it.

The need for TCRP was originally identified in TRB Special Report 213—Research for Public Transit: New Directions, published in 1987 and based on a study sponsored by the Federal Transit Administration (FTA). A report by the American Public Transportation Association (APTA), Transportation 2000, also recognized the need for local, problem-solving research. TCRP, modeled after the longstanding and successful National Cooperative Highway Research Program, undertakes research and other technical activities in response to the needs of transit service providers. The scope of vice configuration, equipment, facilities, operations, human resources, maintenance, policy, and administrative practices.

TCRP was established under FTA sponsorship in July 1992. Proposed by the U.S. Department of Transportation, TCRP was authorized as part of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). On May 13, 1992, a memorandum agreement outlining TCRP operating procedures was executed by the three cooperating organizations: FTA, the National Academy of Sciences, acting through the Transportation Research Board (TRB), and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by APTA. TDC is responsible for forming the independent governing board, designated as the TCRP Oversight and Project Selection (TOPS) Committee.

Research problem statements for TCRP are solicited periodically but may be submitted to TRB by anyone at anytime. It is the responsibility of the TOPS Committee to formulate the research program by identifying the highest priority projects. As part of the evaluation, the TOPS Committee defines funding levels and expected products.

Once selected, each project is assigned to an expert panel, appointed by the Transportation Research Board. The panels prepare project statements (requests for proposals), select contractors, and provide technical guidance and counsel throughout the life of the project. The process for developing research problem statements and selecting research agencies has been used by TRB in managing cooperative research programs since 1962. As in other TRB activities, TCRP project panels serve voluntarily without compensation.

Because research cannot have the desired impact if products fail to reach the intended audience, special emphasis is placed on disseminating TCRP results to the intended end-users of the research: transit agencies, service providers, and suppliers. TRB provides a series of research reports, syntheses of transit practice, and other supporting material developed by TCRP research. APTA will arrange for workshops, training aids, field visits, and other activities to ensure that results are implemented by urban and rural transit industry practitioners.

The TCRP provides a forum where transit agencies can cooperatively address common operational problems. TCRP results support and complement other ongoing transit research and training programs.

TCRP SYNTHESIS 47

Project J-7, Topic SF-10
ISSN 1073-4880
ISBN 0-309-06961-0
Library of Congress Control No. 2003105885
© 2003 Transportation Research Board
Price $17.00

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The members of the technical advisory panel selected to monitor this project and to review this report were chosen for recognized scholarly competence and with due consideration for the balance of disciplines appropriate to the project. The opinions and conclusions expressed or implied are those of the research agency that performed the research, and while they have been accepted as appropriate by the technical panel, they are not necessarily those of the Transportation Research Board, the Transit Development Corporation, the National Research Council, or the Federal Transit Administration of the U.S. Department of Transportation.

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TRANSIT COOPERATIVE RESEARCH PROGRAM

are available from:

Transportation Research Board
Business Office
500 Fifth Street, NW
Washington, D.C. 20001

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Printed in the United States of America
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FOREWORD

By Staff
Transportation Research Board

Transit administrators, engineers, and researchers often face problems for which information already exists, either in documented form or as undocumented experience and practice. This information may be fragmented, scattered, and underevaluated. As a consequence, full knowledge of what has been learned about a problem may not be brought to bear on its solution. Costly research findings may go unused, valuable experience may be overlooked, and due consideration may not be given to recommended practices for solving or alleviating the problem.

There is information on nearly every subject of concern to the transit industry. Much of it derives from research or from the work of practitioners faced with problems in their day-to-day work. To provide a systematic means for assembling and evaluating such useful information and to make it available to the entire transit community, the Transit Cooperative Research Program Oversight and Project Selection (TOPS) Committee authorized the Transportation Research Board to undertake a continuing study. This study, TCRP Project J-7, “Synthesis of Information Related to Transit Problems,” searches out and synthesizes useful knowledge from all available sources and prepares concise, documented reports on specific topics. Reports from this endeavor constitute a TCRP report series, Synthesis of Transit Practice.

The synthesis series reports on current knowledge and practice, in a compact format, without the detailed directions usually found in handbooks or design manuals. Each report in the series provides a compendium of the best knowledge available on those measures found to be the most successful in resolving specific problems.

PREFACE

This report of the Transportation Research Board will be of interest to transit staff interested in implementing leadership development initiatives at their agencies. Current practices, major issues, trends, and innovations related to the use of corporate culture as the driver in hiring, developing, evaluating, and retaining a leadership team, within and outside the transit industry were documented for this synthesis. The report discusses the state of the practice in leadership recruitment, development, evaluation, and retention. It reports on innovative approaches to the problems faced in today’s work environment in transit and other industries. This synthesis also covers the manner in which corporate culture affects the hiring, development, evaluation, and retention of the top management team.

This synthesis integrates information from a review of relevant literature and research with survey responses obtained from staff at transit agencies across the country, as well as from follow-up telephone calls and e-mail contacts. Case study information was collected from six agencies whose chief executives are industry, community, and national leaders who understand their role is larger than providing quality public transportation services on a day-to-day basis.

A panel of experts in the subject area guided the work of organizing and evaluating the collected data and reviewed the final synthesis report. A consultant was engaged to collect and synthesize the information and to write the report. Both the consultant and the members of the oversight panel are acknowledged on the title page. This synthesis is an immediately useful document that records the practices that were acceptable within the limitations of the knowledge available at the time of its preparation. As progress in research and practice continues, new knowledge will be added to that now at hand.
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ACKNOWLEDGMENTS

Mary J. Davis, Ph.D., McGlothlin Davis, Inc., Denver, Colorado, was responsible for collection of the data and preparation of the report.

Valuable assistance in the preparation of this synthesis was provided by the Topic Panel, consisting of Roy Bennett, Senior Manager, Training and Maintenance Support, Dallas Area Rapid Transit; Pamela L. Boswell, Vice-President, Program Management and Educational Services, American Public Transportation Association; Gail Charles, Assistant General Manager Administration, Washington Metropolitan Area Transit Authority; Minnie Fells Johnson, Executive Director, Miami Valley Regional Transit Authority; Joseph M. Kishur, Jr., Director, Commercial Truck Driving and CDL Testing Program, Mesalands Community College; Charles T. Morison, National Transit Institute; Henry Nejako, Program Management Officer, Federal Transit Authority; Mark Norman, Director, Technical Activities, Transportation Research Board; and Stephanie L. Pinson, President/Chief Operating Officer, Gilbert Tweed Associates, Inc.

This study was managed by Donna L. Vlasak, Senior Program Officer, who worked with the consultant, the Topic Panel, and the J-7 project committee in the development and review of the report. Assistance in project scope development was provided by Stephen F. Maher, P.E., and Jon Williams, Managers, Synthesis Studies. Don Tippman was responsible for editing and production. Cheryl Keith assisted in meeting logistics and distribution of the questionnaire and draft reports.

Christopher W. Jenks, Manager, Transit Cooperative Research Program, assisted TCRP staff in project review.

Information on current practice was provided by many transit agencies. Their cooperation and assistance was most helpful.
The transit industry is facing an ever-changing work force, more sophisticated technology, a shifting economy, and the most diverse population to date. In this highly competitive work environment, it is essential to attract, develop, and retain strong leadership.

Challenges facing the industry in this regard have been described in previous TCRP studies. Transit agencies are just beginning to identify core competencies—measurable patterns of knowledge, skill, behaviors, and values required for successful leadership team performance—and many have not developed strategies for attracting, developing, or retaining future leaders. Some lack the resources internally to concentrate attention on this issue and therefore are left to hope for the best in attracting and retaining the best and brightest transit leaders. What are the success stories? How can they be applied across the industry? These and other questions need to be answered in concrete terms. Hence, this synthesis provides an opportunity for the timely accounting of how peer agencies are addressing the pressing work force issue of transit leadership development and retention.

A combination of a literature review, survey of transit agencies, and case study development provides a framework for addressing corporate culture as the driver of practices, techniques, and strategies for recruiting and retaining transit leadership.

Transit agencies responding to the synthesis survey—diverse in size, locations, and modes of operations—all have the same challenge of attracting and retaining a high-quality leadership team. In this synthesis, with a focus on corporate culture as the driving force in maintaining the leadership team, a number of challenges were disclosed. For instance, leadership team respondents reported that they have the freedom to act strategically. However, they also reported that it is better to get permission before taking unconventional actions. Efforts to recruit the type of team needed in today’s dynamic environment are often less than successful. Other survey findings help in understanding the degree to which this challenge exists within transit agencies across the nation.

The literature provides a basis for describing and analyzing corporate cultures, which in the responding transit agencies appear to be a mixture. To a large extent, survey responses indicated a comfort level with the traditional hierarchy culture that is strongly bound by rules and procedures. In many ways, the nature of the transit business dictates a certain amount of precision and stability of action. Transit agencies also have some features of clan cultures, especially in smaller systems, wherein everyone knows and looks out for each other. In these agencies, teamwork, high employee involvement, and frequent communication are the norms, with customers and the community seen as the extended family.

Several transit cultures appear to be moving toward some aspects of adhocracy culture, in which innovation and creativity in responding to community needs are valued. Linkages with
community groups and private-sector interests serve as springboards to novel community solutions, with public transportation as a focal point of activity.

Chief executives find some candidates who are referred by their human resources departments or external search firms lacking in the skills needed to lead highly qualified and often long-term staff. Although these candidates frequently possess the core competencies to manage day-to-day functions, they are not powerful leaders who can articulate and deliver a vision and lead a team through times of significant change.

In responding to the survey, agencies were able to clearly identify the core competencies required of successful leaders in their organizations. This knowledge, however, has not been translated into concrete plans for leadership development. For example, succession planning for the most part is still in the conceptual stage. Members of the leadership teams in these organizations often have many years of experience, with many eligible or soon to be eligible for retirement. Without succession planning and professional development opportunities for employees who have leadership potential, these agencies in the near future stand to lose their current top managers without having suitable replacements.

In most participating agencies, the performance management of the transit leadership team is well defined and implemented. Chief executives work with team members to define and monitor progress toward goals. In some cases, bonuses accrue as a result of exceptional performance. Emphasis on total team performance appears to be important in a number of agencies, most clearly in the case study agencies.

Six case studies developed during the synthesis process provided an opportunity to review the corporate culture of individual agencies and to identify specific examples of how corporate culture is the driver in recruiting and retaining top quality leadership teams. In examining the linkage between visionary leadership and corporate culture creation and maintenance by looking at everyday practices, the case studies revealed a variety of progressive transit industry leadership practices. Although not without challenges, each case study tells the unique story of how leadership manifests itself by “living” the preferred corporate culture on a day-to-day and long-term basis.

Each chief executive has led strategic efforts to set his or her agency on a course for change. Although each initially took the approach of an assessment of the state of affairs, each leader took different steps toward creating a vision of the preferred organizational future and moving their organizations toward that vision. The case studies show each agency over a period of time in order to view the challenges and successes experienced along the way. No case is like another, although many transit agencies should discover elements of their own situations in several of the case studies, and there is much to learn from these transit industry leaders.