

## OPPORTUNITY AND FEASIBILITY OF CHANGING TRANSIT MANAGEMENT

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This session explores opportunities for changing the culture and management practices of transit organizations. The basis for such change is the well-known, but not universally understood, approach called total quality management (TQM). The first presentation reports on the progress of TCRP Project F-3, "Total Quality Management in Public Transportation." Project researchers worked with a number of transit properties to introduce and apply TQM. Each agency was unique in its characteristics, providing an opportunity to assess the effectiveness of TQM concepts in many different settings.

Three case studies follow this presentation, each further illustrating the application of TQM to change their organizations. Specifically, these case studies explore:

*Satisfying Customers and Employees:* Salt Lake City's Utah Transit Authority employs TQM concepts of putting customers first, recognizing and incenting well-performing employees, and streamlining administrative tasks.

*Visioning and Cultural Change:* Employees at Cincinnati's METRO formed teams to develop an organizational vision statement and implement programs and procedures consistent with that vision.

*Management/Labor Teamwork:* Employees and management at the Spokane Transit Authority agreed to participate in TCRP Project F-3. The ATU Local President reports on the teamwork and employee ownership resulting from TQM.

## RETHINKING THE MANAGEMENT OF TRANSIT

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In 1989, the American Public Transit Association's Transit 2000 Task Force prepared a report, *Managing Mobility: A New Generation of National Policies for the 21st Century*, which stated in part:

... we are bound by a traditional preoccupation with accommodating vehicles and inattention to accommodating people. . . . Public transportation is dominated by its human resource and human service character. The performance and success of public transit hinges on how human factors are managed. There are two dimensions of concern — riders and work force. . . .

These statements are still valid, and still not enough has been accomplished by the industry in the six years since the report was published.

### The Transit TQM Research Project

More than two years ago, Transit Cooperative Research Program (TCRP) project F-3, *Total Quality Management in Public Transportation*, was started. The objectives of the project were to identify, evaluate, and recommend applications of potentially successful methods of implementing total quality management (TQM) in public transportation to increase ridership through improved customer satisfaction, to increase productivity, and to reduce costs.

The project was essentially conducted in three parts: research, pilot initiatives, and products. We spent the first year of the project researching TQM both within and outside the transit industry, conducting surveys of transit chief executive officers (CEOs) and of transit agencies about their quality initiatives, preparing case studies of TQM both within and outside the transit industry, and selecting four pilot transit systems to assist and/or monitor in the next year. These transit systems were:

*Chicago Transit Authority:* one of the largest rail and bus transit systems in the U.S.;

*Pee Dee Regional Transportation Authority:* a multicounty, mostly rural, southeastern U.S. system, which largely provides paratransit services;

*Southwest Ohio Regional Transit Authority:* a mid-to-large-size bus service in the mid-west; and

*Spokane Transit Authority:* a mid-size, west-coast bus and paratransit system.

Each of the agencies was at a different stage in its thinking and progress toward change. Today, each of these agencies is at a different place and perhaps on a different pathway in their continuing journey of change. All of the agencies, however, continue to focus on customer satisfaction, employee involvement and empowerment, and culture transformation.

### What Is TQM?

As part of the project work scope, we were asked to develop principles that could be used to guide and assist transit organizations to better understand TQM and what is required to successfully launch a quality initiative.

TQM is a business concept concerned with people and work processes that focuses on customer satisfaction and improves organizational performance. TQM requires an enterprise to systematically energize, manage, coordinate, and improve all business activities to satisfy customers. The following seven principles should be pursued by public transportation agencies interested in TQM.

*1. Put Customers First.* "Putting customers first" is the basis for all quality management. TQM requires organizations to adopt the belief that service and product quality should meet, if not exceed, customers' expectations. All people and processes of an organization should be directed to this goal. The success of public transportation depends on customers — and retaining customers to use and/or support its services.

*2. Manage and Improve Processes.* By improving operations, organizations can raise the quality of their services, products, and delivery. They can also increase productivity, improve operational efficiency, and eliminate waste. Process management involves all activities required to provide a product or service, including all support activities.

*3. Manage by Fact.* TQM is a management philosophy that requires the use of facts and data, such as market research and process documentation, to satisfy customers and improve performance. Measurements serve the dual role of: 1) setting the direction for operational and strategic planning; and 2) providing feedback on whether organizational goals and objectives are being achieved.

*4. Cultivate Organizational Learning.* Continuous improvement in customer satisfaction and operational performance requires commitment to learning. Without learning, organizations and their members repeat old behaviors and practices. Solving problems, changing procedures to meet customers' changing needs, understanding the importance of satisfying customers, and designing or reengineering processes all require learning that work can be performed in different and better ways.

*5. Train, Empower, and Recognize Employees.* Employees are a transit system's most important asset. Their value must be protected and enhanced. This means training employees to identify and solve problems that cause customer dissatisfaction, empowering employees to take actions that satisfy customers, and recognizing employees for efforts and contributions that improve performance.

*6. Improve Labor/Management Teamwork.* A continuous and lasting TQM program is not possible without the involvement of employees. In organizations with represented employees, this means involvement by union officials in quality policy decision-making and participation by represented employees to improve performance and satisfy customers. Employee teams with represented and non-represented members must solve problems to increase customer satisfaction.

*7. Lead the Change in Organizational Culture.* The success of TQM is largely determined by leadership and organizational culture. Leaders must be committed to TQM to sustain a long-term effort to improve performance. They must change the organizational culture and provide increased opportunity for everyone to meet or exceed customer expectations.

### Project Findings

In observing the transit agencies that participated in this project, it is clear that real progress has been achieved in their TQM initiatives. The employee

surveys that were conducted before launching the initiatives and after one year provide clear evidence things had changed in a relatively short period of time. Management and labor leadership deserve much of the credit for assuming the risks that accompany a commitment to bring change to their organizations.

*Foundation-Building:* Early in the pilot initiatives, much of the energy expended by the leaders — management and labor, boss and worker — was consumed in building the foundation for making progress. Because past experiences had engendered feelings of mistrust and suspicion, trust and mutual respect was not automatic. Unions and management had been at odds, perhaps, because being at odds had become a way of life. Adversarial relationships were the norm rather than the exception. Lack of candor and a reluctance to express feeling became the first obstacle to overcome in each agency's initiative. With patience, all of the pilot agencies worked their way through this critical leadership phase of activity. Perhaps the "crisis" of declining ridership and the potential funding shortfall throughout the public transportation industry played a role in building a cooperative effort among agency leaders.

*Communicating Quality:* Beyond the commitment of the leadership groups to move ahead and organize future activities, communicating with employees about the intent to pursue a quality change initiative became an important issue. Rumors of what was happening behind closed doors quickly spread throughout the organizations. Each leadership group developed a different approach to informing employees about the initiative. One agency's leadership briefed employees in groups during off-hours, allowing for personal interchanges and discussion. Another agency's leaders held group meetings with their reporting employees or talked one-on-one to key members of their staff. In addition, relevant information was posted on special bulletin boards throughout the organization. Yet another agency's leaders held special meetings with middle managers and supervisors to inform them of the initiative. In all cases, many employees were not convinced by what they heard or read. This was to be expected since many were aware of other organizations that had "downsized" leaving substantial numbers of people without employment.

*From Plans to Action:* In each agency, committees or task forces were formed to further the plan developed by the leadership group. Depending on the pilot transit agency, committees established their particular goals

and objectives, ground rules, and schedules of activities. Committee membership often included one or two members of the leadership group but was universally expanded to include other volunteer participants. These committees focused on improving customer input, employee input, communications, training and education, and labor/management relations. Typical committee activities included designing and conducting customer surveys; formulating ways to solicit, receive, and quickly act on employee suggestions; and improving the communications throughout the organization. Most of the committees produced good results with plans and recommendations that were generally accepted for implementation by the leadership group.

*Quality Improvement Teams:* In three of the pilot agencies, quality improvement teams (QITs) were formed to address a single problem or issue that would improve customer satisfaction and organizational performance. The volunteer membership of the teams was usually composed of six to eight employees from relevant organizational functions and at all levels. In some cases, teams were supported in their efforts by a sponsor from the leadership group. The primary role of the leadership sponsor was to remove barriers and provide the necessary resources for team members to succeed in their work. Generally, teams met weekly for a half-day and sessions were often facilitated by a trained staff member. The average duration of an improvement team's activities lasted about eight weeks. To date, the results of QITs have been well-accepted throughout the organizations, showing that employees have excellent and workable ideas. At one agency, teams are often created informally. Approval by a division head is the only prerequisite for a team to proceed on solving a problem.

Leadership groups continue to meet, on average, once a month. Their continued involvement is critical because they establish direction and remove obstacles for continued progress. They are actively involved in temporary or permanent committee activities and/or serve as sponsors for QITs. On the whole, their participation has been the key to the progress shown at this early stage of their respective initiatives.

*The Journey Toward Quality:* At this time, the pilot agency leadership groups remain intact and are committed to their quality journey. It is too soon to conclude that organizational cultures have changed, although statistics from employee surveys indicate positive movement in the directions proposed by the

leadership groups. Employees of the pilot transit agencies seem to feel that their organizations are changing for the better, but there is long way to go. TQM is not yet a way of life.

As we concluded in the research report, there is no tangible proof that the initiatives significantly increased ridership, improved customer satisfaction, increased productivity, or reduced costs. But then, TQM is not an immediate solution to the problems that currently abound in the transit industry; it is a long-term undertaking that seeks to improve customer satisfaction and organizational performance by focusing on people and work processes. TQM is about changing the way business has been conducted since the beginnings of the industry. TQM is not a silver bullet. There is no instant pudding!

### SATISFYING THE (INTERNAL AND EXTERNAL) CUSTOMER

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#### Operator Excellence Program

The Utah Transit Authority's journey into labor/management cooperation really started when we asked ourselves two questions: (1) "Why do people ride us?;" and (2) "How important is the bus driver to that decision-making process?" We thought the operator was a critical part, but we really did not know, nor did we know what was important to the customer.

The most important factor we found was how we deal with people who have disabilities or have a particular limitation. Fortunately, our operators do a great job in helping people with special needs. On the negative side, respondents noted many near misses with cars. That was very disconcerting.

*The Silent Observers:* How are we doing in those areas? We have about 700 operators. We knew when they were in trouble but not much else. The good operators were invisible to us because they never caused a problem. We hired silent observers, that is, people who went out into the system to observe operator behavior. Based on their reports, we realized that the many positive things our operators do were going unnoticed. We were always operating and responding to the deviants and the sycophants. We

did not know the first thing about the person who was doing the job well, day in and day out.

As a result of this realization, we started to change our attitude and our procedures. Here is just one example: Malcolm Toohey is an operator who does his job every day absolutely perfectly. Until now, we did not even know his name. As a result of this process, we made him the operator of the decade. He even appears in our literature as "Operator of the Decade."

*"Catching" People Doing Good:* We expanded on this by developing a program for catching people doing the right thing. Traditionally, the supervisor was out there to catch an operator doing something wrong. If he or she saw something wrong, the operator was written up, and we would give the operator time off. Really, very little beneficial comes by kicking people off the job for awhile. It hurts the employee and it hurts the agency. We needed to find out who our good operators were. Then we needed to look at them psychologically and behaviorally to find out if we could come up with a model. We wanted to pick out the best people based on selection criteria that would allow us to choose people whose profiles fit the profiles of our excellent operators.

*Psychology and Job Screening:* We now use two psychological tests that allow us to predict very accurately what applicants are going to be like when they come on the job. We want them to:

- be very high on customer relations;
- be very high on being friendly;
- be of service to people; and
- have very high ethics.

We also match up applicants with our best operators and then give them good training.

*Operator Excellence:* Thus, we started into a program called operator excellence. An excellence award is presented to operators for achieving the uppermost standards of excellence. We give them a hundred bucks, when we find them doing it, in cash: a \$100 bill. We give them a watch that has the logo, "Operator Excellence" on it. We give them patches that they wear on their shoulder. All this is done in a brief ceremony in front of their peers. We have recognized 104 operators. Four of them are three-time winners. Every time we are out there observing, the operator can get an Operator Excellence award if he or she is doing 90 percent of the things on our list of criteria.