

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.

We are not out there playing cop. We are out there recording the good things that our operators do. Then we are recognizing them in tangible ways.

A Positive Supervisor-Operator Relationship: In our organization, each supervisor has direct managerial responsibility for about 20 operators. The supervisor is their advocate in the organization. The supervisor is not out there finding things wrong. He is there to help them. If they have a death in the family, the supervisor is there supporting. If they have some kind of a problem with a child in school, the supervisor is there to help them, for example, get time off. The relationship is not adversarial, it is more cooperative. As a result, our operators improved. We are down to about 9.2 complaints per 100,000 riders. This took a lot of time and we worked very hard at that.

Moving Toward Total Quality Management

In our total quality management (TQM), we are trying to introduce a complete paradigm — whole different way of doing things. In this TQM training we asked our whole organization to ask themselves, "Who is your customer?"

Satisfying the Operator: For example, who is the maintenance department's customer? It is the operator and the people who use the system and yet they had never thought of themselves as having a customer called the operator. Then the maintenance department started asking, "What's the biggest problem you have here?" the operators responded, "Why don't you ever fix the buses? We fill out maintenance repair report cards every evening saying what's wrong with the bus and you guys never fix the bus." The new manager came up with an idea. He said, "I'll tell you what we'll do. Every night we will list all of the cards that come in with what's listed as wrong. By tomorrow morning when you come in for your bus, we'll list what we did by the bus number." Simple, just put it up on the board every day. It helped a lot to communicate to the bus driver what was happening to fix the problems he or she had reported the day before. A very simple kind of feedback device. A TQM project does not have to be elaborate to be effective. Often the simpler the better.

Responding to Customer Complaints in the Past: We used to have all customer complaints come in through the telephone, and we would fill out an elaborate form as the person told us what happened to them. We would promise to get back to them or get the

information for them. We would send the form over to operations. Operations would ignore it. They did not have time to mess around with all those complaints. So the stack of forms would build up and someone would say, "We never hear back on the complaints." Then a second complaint would come in asking, "Why didn't you respond the first time I complained?" In a word, the customer was not satisfied because operations did not feel that following up with the operator was a good use of their resources. We then evolved a plan where we would force operations to respond to the complaints. No one liked this process because it required the supervisor to be a cop and required the operator to self-indict. We were not improving our organization by the input from customers.

Responding to Customer Complaints Today: We determined that we could solve 70 percent of our customer complaints immediately. Now, the call is sorted and if it is a complaint it goes to people who can agree with the complaint quickly and say, "You've got a problem. We understand." They then send the customer a letter with bus tokens or some other small reward. In other words, they solve the issue at that point. We have got two people who do this in our organization. They are called Solomon. They solve 75 percent of the problems immediately on the phone and the customer goes away feeling satisfied. For the other 25 percent we have to do something more elaborate. For operations, Solomon notifies the operator about the problem in writing. It is not a negative kind of experience any more. As a result, we have gone a long way towards solving some of our problems at the input stage without making the operator feel harassed.

Maintenance has Customers Too: In maintenance job classifications we have Cs, Bs, As, and journeyists. What we find is that many of our Cs are more competent than our journeyists, but we cannot pay them as journeyists. That is a big problem for our maintenance organization.

We have now come up with a program that we are slowly starting to implement, whereby we will pay people based on skills. In a given garage we may have everybody operating at a much higher pay level because they are much more competent and have demonstrated skills. It is costing us money, but we decided we have to be fair to our employees that have the skills. The pay system will be performance based. Those who can demonstrate performance will get the higher pay.

We also give people team control. This was really pioneered in Ann Arbor by Mike Bolton. We got the idea from there. We say to somebody, these ten buses are yours. You take care of them, you schedule them, you do everything with them. All this is coming about as a result of the question, "Who's the customer for the maintenance department management?" The answer is, "The mechanics." Management needs to respond to the mechanics and understand what their needs are.

Conclusions

We have one basic philosophy, which is: How we treat our employees is how they are going to treat the public. In other words, what goes around, comes around.

Paradigm shifts really take a long time to implement, and the results come very slowly. It is not the quick fix for this week and then next week we have got another one. But as we put these paradigm shifts into practice, we will not only improve in terms of our cost performance, but we will improve dramatically what we are trying to sell to the public, which is quality service.

LABOR/MANAGEMENT COOPERATION

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METRO has been in existence since 1973 as a public transit authority. For the first 15 or 16 years we developed into one of the best bureaucracies you have ever seen. We were very much a top-down organization, with command structures that were very traditional for transit authorities. We had one basic operational motto, which went something like, "If it wasn't for customers, this would be a great job."

In 1990, we decided that we needed to make some changes. Our general manager wanted us to develop a corporate mission statement.

Development of the Vision Statement

Over a two-year period of time, more than 900 employees in our organization participated in one-day sessions to develop that vision statement. We had over 93 percent of our employees participate voluntarily. During those one-day sessions we put together cross-

functional teams. They were not only across the organizational functions but they were also across the organizational levels. The general manager, the janitors, the bus operators, professional staff, union leadership — including the union president — everybody was the same.

Each team did three things during their meeting day:

1. they listed current reality at METRO, not only the strengths but also the weaknesses of our existing organization.
2. they defined what a perfect METRO would be. If we were the best organization we could be, what would we look like?
3. they wrote down their own vision statement.

At the end of that process, we had 45 different team statements, so we had 45 different versions of a METRO vision statement. Team representatives continued to meet, consolidating these proposals into one that read:

1) We make Cincinnati a great place to live; 2) Customers are why we're here; 3) Outstanding service is our commitment; and 4) Employees are METRO; we are a team.

Nine-hundred employees have ownership in this statement. By doing so, they have reengineered our organization in a way that I do not think any of us ever envisioned five years ago.

Alignment and Cultural Change

We challenge every employee to challenge every other employee, to challenge every manager, to challenge the general manager, and even challenge the board to make sure every decision we make in our organization is aligned with what we said we wanted to be in that vision statement. We now have 900 employees who have all bought into the same corporate values, bought into the same goals for our entire organization.

We now have operating divisions, rather than a director of transportation and a director of maintenance in two separate departments. We have got one management team and one employee team in each operating division that is completely responsible for all the service that comes out of that division. Facility