

Milwaukee County Transit System's

Individual Recognition Award Program

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"Invest in Yourself . . . Qualify for an IRA." With that catchy slogan, the Milwaukee County Transit System (MCTS) embarked on an Individual Recognition Award (IRA) Program early in 1985. The IRA Program was designed to encourage all bus operators to improve their attendance at work and to provide a pat on the back for operators with outstanding records. The first year of the program has been extremely successful in reducing absenteeism and boosting operator morale.

Absenteeism

Because a bus driver's assignment must be performed every day, absenteeism is a particularly troublesome problem for the transit industry. Each vehicle needs to be at its appointed location, on time, regardless of the availability of the

regular operator. If operators are absent, their work cannot be postponed until tomorrow.

To meet this demand, transit systems carry a number of standby employees who must be guaranteed a certain wage, whether or not they work. In addition, off-day operators are often used to fill in for absent operators, usually at time and one-half pay. For these reasons, attendance is a key issue for transit system management. With thousands of hours lost annually because of absences due to sickness, even slight improvements in attendance can result in substantial cost savings.

Milwaukee County Transit System Experience

MCTS has generally been able to exercise reasonable control over its operator absenteeism. Historically, operator absence rates have been in the 6-to-7-percent range. According to figures compiled by the American Public Transit Association (APTA), these rates are well below the average for systems of this size.

Nevertheless, absenteeism is a concern. From 1980 to 1984, paid sick absences for operators averaged between 35,000 to 40,000 hours annually. Total time lost to operator sick absences, both paid and unpaid, averaged 156,000 hours per year. This can be translated into an annual cost of more than \$1,000,000. With funding reductions looming large and budgetary pressures increasing, the time appeared ripe to try new ways to reduce costs without affecting service levels.

At the onset, MCTS management recognized that an incentive program would not be a panacea for all attendance problems. Analysis of operator records revealed that approximately 15 percent of the 960 operators had extremely poor attendance records. These habitual offenders missed 30 or more work days annually and accounted for almost 50 percent of the hours lost each year to absenteeism.

However, it was believed that operators with extremely poor attendance records are not likely to be motivated by an incentive program because there is too large a discrepancy between the attendance levels required for an award and the operator's actual attendance patterns. It is difficult, if not impossible, to offer a reward large enough to improve a severe absence problem. At that level, most operators are heavily involved with the disciplinary system. In the most extreme cases, discharge is the ultimate solution.

At the other end of the scale, approximately 15 percent of MCTS operators had very good attendance records, with 1 day or less of absence per year. It was acknowledged that although the IRA Program was an excellent means of rewarding these operators, there was little room for improvement in their records.

Thus, the main thrust of the program was to improve the attendance of the 45 to 50 percent of the operators who were absent between 2 and 15 days per year. Many of these operators never reach the level when mild disciplinary

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action (reinstruction or verbal warning) is required. It was hoped that with some positive encouragement, this whole group could be shifted to having 1 or 2 fewer days of absence per year.

The IRA Program

With these factors in mind, the IRA Program was developed. The eligibility criterion is primarily attendance, although misses (tardiness) and the operator's overall record are also taken into consideration. In designing the program, the main concern was to establish criteria that would be attainable but still high enough to motivate operators to improve their performance.

From discussions with personnel at other systems that had tried incentive programs, MCTS management decided that the program should have a relatively short time frame. There was concern that if only annual awards were used, operators might become disillusioned with the program if an incident marred their record at the beginning of the year. It was decided that awards would be given out three times a year and would be based on the operators' records during the previous four months. This would keep operator interest in the program high and also would give the operator who is legitimately sick the opportunity to start over in May and September.

To motivate the largest number of operators, a two-tiered award system was established. Operators with good records (two or fewer absences, no misses, and no written warnings or suspensions) are eligible for a prize drawing held at the end of the 4-month period. In 1985 a color television set, a video cassette recorder, a microwave oven, and four small television sets were presented at the end of each period. Operators with outstanding records (no absences, no misses, and no written warnings or suspensions during the 4-month period) are given in addition a \$30 gift certificate for dinner at a local restaurant.

To make the program as equitable as possible, a no-fault absence policy is used. Any day an operator is scheduled to work but does not is counted as an absence. Thus paid and unpaid sick days; employee-requested days off; and days lost because of suspensions, industrial accidents, or other disabilities are all included as days absent. In addition, any portion of a day absent is counted as a full day off. Fractions of days are not used.

Initially, consideration was given to including preventable accidents and public complaints as eliminating criteria. After some discussion, it was decided to focus on attendance and to keep the program as simple as possible. The preventability of accidents and the validity of public complaints are often a

matter of judgment. To avoid generating negative feelings about the program because of disputes over these issues, it was decided that only easily quantifiable criteria would be used. In addition, the focus of the program would then clearly be on attendance.

1985 Program Results

Operator response to the program has been overwhelming. During the first period (January through May, 1985), 405 operators, 43 percent of the work force, achieved *good* records; and 32 percent of the operators had *outstanding* records, with no absences, misses, or major disciplinary actions. Results for the second and third periods were just as impressive. On the average, more than one-third of the operators has been achieving perfect attendance, and close to 50 percent of the work force has been qualifying for the drawing each period (see Table 1).

Initial results indicate that the program has been effective in encouraging a large portion of operators in the middle of the attendance continuum to improve their attendance records (see Table 2). The percentage of operators with perfect attendance for the year increased from 10.5 in 1984 to significantly more than 15 in 1985. The percentage of operators with only one absence increased from less than 5 to

TABLE 1 1985 IRA Program Results

	No. of Operators Eligible to Participate ^a	Operators With Good Records ^b		Operators With Outstanding Records ^c	
		Number	Percent	Number	Percent
January–April	937	405	43	299	32
May–August	935	457	49	314	34
September–December	943	421	45	307	33
AVERAGE (%)			46		33

^a All operators including entry-level operators on the payroll for the entire 4-month period.

^b Good records: two or fewer absences, no misses, no major disciplinary actions.

^c Outstanding records: no absences, no misses, no major disciplinary actions.

TABLE 2 Percentage of Operators at Various Absence Levels

No. of Absences per Year	Percentage of Total Operators	
	1984	1985
0	10.5	15.3
1	4.9	7.2
2-5	17.8	17.7
6-10	17.1	16.6
11-15	11.3	11.4
16-20	11.6	8.1
21-25	7.8	6.3
26-30	2.7	3.4
More than 30	16.3	14.0
TOTAL	100.0	100.0

7.2. The percentage of operators missing 2 to 5 days remained essentially the same, while the percentage of operators with 6 to 30 absences decreased from slightly more than 50 to slightly more than 45. Overall, operator absence rates decreased from an average of 6.5 percent to 4.6 percent in 1985.

Cost-Benefit Analysis

Financially, the IRA Program has been a big winner for MCTS (see Table 3). Total costs for the 1985 program were slightly more than \$36,000, with the biggest expense being the cost of the actual prizes. The program required little expenditure involving materials or staff time. It is anticipated that administrative costs will be even lower in 1986, when computerized operator attendance records become available.

Actual cost savings are more difficult to quantify because of the cost assumptions that must be made. However, there is no doubt that the program has made a substantial contribution to reducing operating costs. The number of paid sick hours, unpaid sick hours, and total absence hours increased steadily from 1982 to 1984, while the number of platform hours actually declined. The 1985 statistics show a complete reversal in that trend. The number of paid sick hours decreased from 38,420 in 1984 to 33,600

in 1985, a decline of 12.5 percent. The number of unpaid sick hours was more than 20,000 less in 1985, a 20 percent reduction (see Table 4).

Although it is difficult to determine the precise financial impact of this reduction in number of sick hours, some assumptions can safely be made. Paid sick hours represent instances in which two sets of wages and fringe benefits are being paid to cover one piece of work. Unpaid sick hours represent instances in which the system is paying the fringe benefits of the operator who is sick in addition to the wages and fringe benefits of the operator who actually performed the work.

At an average hourly wage of \$11.20 plus 50 percent in fringe benefits, each paid sick hour costs the system approximately \$16.80, whereas each unpaid sick or other absence hour costs approximately \$5.60. According to these assumptions, MCTS saved at least \$200,000 in 1985 by reducing the number of absence hours. Moreover, this is a conservative estimate because it does not take into account such factors as work assigned at overtime rates or guarantees paid to extra operators.

It may not be possible to attribute all of these savings directly to the IRA Program. Perhaps more careful attendance monitoring and stricter disciplinary actions have also contributed to this decline. However, it can be assumed that the majority of the \$200,000 savings is

TABLE 3 1985 IRA Program Costs

Item	Cost (\$)
Awards	
Dinner gift certificates	27,660
Drawing prizes	4,500
Administration	
Labor	3,426
Materials and supplies	548
TOTAL	36,134

TABLE 4 MCTS Operator Hours Lost to Paid and Unpaid Sick Absences

Type of Absence	1982	1983	1984	1985
Paid sick hours	34,463	34,500	38,420	33,600
Unpaid sick hours	82,463	95,795	100,646	80,348
Other unpaid absence hours	23,212	18,797	15,559	14,704
TOTAL	140,138	149,092	154,625	128,642
Platform hours	1,699,075	1,651,380	1,617,316	1,595,501

attributable to the IRA Program. Without doubt, this represents an impressive return on a \$36,000 investment.

Attitudes

Before the IRA Program was initiated, there was some concern that the operators might be indifferent to the program or would react negatively to it. This certainly has not happened. Initially, some of the supervisors and the older operators were amazed, and even somewhat embarrassed, that MCTS would reward operators for what they were being paid to do—come to work. However, the overwhelming positive results of the program have converted most of the skeptics.

In general, the program has generated some good-natured rivalry among operators as well as among the three

operating stations. Operators who have qualified for previous awards appear to be concerned about keeping up their records, whereas those who have missed out tend to boast about next time.

One of the nicest fringe benefits of the IRA Program has been improved operator morale. The award has given MCTS managers an opportunity for positive contact with the operators. The program rewards the operators who are the key to good transit services: those operators who come to work each day and do the job to the best of their ability.

Conclusion

The Individual Recognition Award Program has been an overwhelming success for the Milwaukee County Transit System. The MCTS experience is not unique; the Metropolitan Transit Com-

mission in Minneapolis/St. Paul and the Greater Richmond Transit Company in Richmond, Virginia, are two other properties that have had success with similar types of incentive programs.

Programs such as the IRA have many advantages. They are simple to institute and administer, provide a positive approach to the absentee problem, and are low-cost programs with high potential returns. For these reasons, transit systems of all sizes should examine their particular situation and consider implementing an incentive program.

In the broadest sense, the greatest benefit of this kind of program is that a situation is created in which everyone wins. Operators receive prizes and a well-deserved pat on the back, taxpayers benefit from reduced operating costs, and passengers receive more reliable transit services.

New Computer Program From The Asphalt Institute

A computer-solution procedure for multiwheel pavement thickness design problems is available from The Asphalt Institute. Because the multi-wheel procedure may, for various types and amounts of input data, be laborious and time-consuming, a computerized solution to complement the manual procedure [Chapter VIII of the Institute's *Thickness Design—Asphalt Pavements for Heavy Wheel Loads* (MS-23)] has been developed.

The computer program is called HWLOAD and is identified as Computer Program No. 2 (CP-2). The program is in IBM BASIC computer language and can be

used on any computer that is compatible with IBM. The program is on a floppy disk.

The computer package may be ordered directly from The Asphalt Institute at \$45.00 a package, which includes the floppy disk, program documentation, and shipping costs. The manual, *Thickness Design—Asphalt Pavements for Heavy Wheel Loads* (MS-23), is not included in the CP-2 package, but can be purchased separately at \$12.00 a copy.

Contact The Asphalt Institute, Asphalt Institute Building, College Park, Maryland 20740 [telephone: 301-ASPHALT (301-277-4258)].