



Public Transportation Agencies as Employers of Choice



Positioning the Transit Agency as an Employer of Choice Executive Summary

To understand what this toolkit contains, one must first understand what is meant by the term “Employer of Choice” and why becoming an Employer of Choice is such a desirable endeavor for an agency.

What Is an Employer of Choice and Why Is Becoming One so Important?

Definition of an Employer of Choice: *Any public transportation operating agency that, because of its reputation, is able to attract, retain, and optimize a capable and committed diverse workforce that enables operational excellence, safety, and high customer satisfaction.*

The frontier of management science that is top of mind in the “best” organizations is the effective management of the greatest asset the organization possesses – its people. Based on research of the best practices in top organizations, it is well documented that an organization’s success over time is the sum total of the quality of its workforce.

This fact combined with the dynamics in the public transportation industry creates an impetus for change.

Customer expectations are increasing. The labor market is shrinking. Public transportation is becoming a matter of national priority. New paradigms and models that advocate reinvention by local public transportation¹ agencies will require aligning human capital systems with fundamental changes in strategy.

¹ Reference TCRP Project J-08B, *New Paradigms for Local Public Transportation Organizations*

The change required – a heightened focus on maximizing the talent and skills that are already in our workforce, attracting new and different kinds of talent, and keeping our most talented employees from walking out the door.

Think about successful companies. How did they earn their reputation for excellence, high customer satisfaction, and renown for operational success? How does their external reputation fuel their attraction, retention, and optimization of a capable and committed workforce? What came first? Would they be able to sustain their reputation and renown without a capable and committed workforce? These organizations and other like them embody the Employer of Choice model.

What Is the Toolkit and How Can We Use it?

Employer of Choice definition, based on extensive research both within and outside of the public transportation arena, was used to guide the creation of the toolkit. Specifically, the objective of attracting, retaining, and optimizing a capable and committed workforce serves as the foundation of the toolkit’s contents.

The toolkit contains a variety of diagnostics, templates, and illustrations for you to use to assess your agency, prioritize issues, and begin to attack opportunities.

Although you can move directly to any section of the toolkit, we recommend that you follow the sequence listed below.

Positioning the Transit Agency as an Employer of Choice Executive Summary

1. **Read the *Introduction*.** It will orient you regarding the topic Employer of Choice and use of the toolkit. A table of contents is included at the beginning of the Introduction.
2. **Review *Section I: Employer of Choice Boot Camp*.** This section deals with the critical role of leadership in becoming an Employer of Choice.
3. **Review *Section II: Building Your Agency's Employer of Choice Strategy and Complete the Employer of Choice Diagnostic*.** This section provides information, processes, and tools to: develop an Employer of Choice strategy, diagnose your current state, identify priorities, and track progress. By completing the Employer of Choice Diagnostic, you will be directed to other sections of the toolkit.
4. **Proceed to the remaining sections and resources in the toolkit as appropriate.** You may be directed to a section in the toolkit as a result of completing the EOC Diagnostic, or you may simply wish to review other sections as a reference.

insight from transit employees and transit boards at selected agencies throughout the United States and Canada. The Toolkit has not been edited by TCRP/TRB.

Becoming an Employer of Choice is a journey which...

...Can only be led from the top – by the General Manager, executives and members of the Board.

...Requires alignment of HR programs, your EOC strategy with your business strategy.

...Takes time, commitment, and an ongoing focus. The “best” organizations are constantly assessing their progress.

...Should be the way we do business. Becoming an EOC is not a program, but rather a way of working which engages and energizes talent at all levels of the organization.

How Was this Toolkit Developed?

The development of this toolkit was sponsored by the Transportation Cooperative Research Program (TCRP) and the Transportation Research Board (TRB). (You can access more information about the TCRP at the following website www4.trb.org/trb/crp.nsf.)

Watson Wyatt Worldwide, a global human resources consulting firm, along with Focus Group Corporation, worked with an expert panel selected by the TRB to develop the Employer of Choice toolkit. The toolkit is based on research and information from a variety of sources, including input and

Positioning the Transit Agency as an Employer of Choice

TABLE OF CONTENTS

Executive Summary

Preface, Acknowledgments, and Background

Introduction: What Is an Employer of Choice Toolkit and How Do We Use it?

BUILDING AND EXECUTING YOUR AGENCY'S EMPLOYER OF CHOICE STRATEGY

Section I:	Employer of Choice Boot Camp
Section II:	Building Your Agency's Employer of Choice Strategy
Section III:	Alignment: The Customer Service - Employee Value Chain
Section IV:	Attracting Talent
Section V:	Retaining Talent
Section VI:	Optimizing Talent

EMPLOYER OF CHOICE RESOURCE TOOLS

Program Area A:	Compensation – Base Pay and Incentives
Program Area B:	Benefits
Program Area C:	Recognition
Program Area D:	Communication
Program Area E:	Performance Management
Program Area F:	Culture, Work Environment & Labor Relations
Program Area G:	Training & Development

BACKGROUND INFORMATION

A-1:	Glossary of Terms
A-2:	Bibliography & Resources
A-3:	Case Studies from Other Relevant TCRP Reports
A-4:	Opportunities for Further Research

Preface, Acknowledgments, and Background

The development of this toolkit was sponsored by the Transportation Cooperative Research Program (TCRP) and the Transportation Research Board (TRB). (You can access more information about the TCRP at the following website www4.trb.org/trb/crp.nsf.)

Watson Wyatt Worldwide, a global human resources consulting firm, along with Focus Group Corporation, worked with an expert panel selected by the TRB to develop the Employer of Choice toolkit. The toolkit is based on research and information from a variety of sources, including input and insight from transit employees and transit boards at selected agencies throughout the United States and Canada. Panel members providing hands on direction and leadership for this initiative include:

Panel Chair

Dr. Beverly Scott—Sacramento Regional Transit District

Panel Members

Ms. Gail Charles—The Wright Choice Consulting Services, Inc.

Ms. Joan Crawford—Motor Carrier Passenger Council of Canada

Ms. Suzanne Fossey—British Columbia Transit

Ms. Sandra Foster—SL Foster & Associates

Mr. Keith J. Greene—Society for Human Resource Management

Ms. Prim LaCapra—New Jersey Transit Corporation

Ms. Joan Martin—Massachusetts Bay Transportation Authority

Dr. James E. Moore, II—University of Southern California

Mr. Jeffrey M. Rosenberg—Amalgamated Transit Union

Ms. Pam Ward—Ottumwa Transit Authority (IA)

FTA Liaisons

Ms. Lydia Mercado—Federal Transit Administration

Mr. Matthew J. Welbes—Federal Transit Administration

APTA Liaison

Ms. Pamela Boswell—American Public Transportation Authority

TRB Liaison

Dr. Peter Shaw—Transportation Research Board

TCRP Staff

Ms. Gwen Chisholm—Transportation Research Board

Participation of Transit Agency Leaders and Employees

Special thanks to the following leaders and agencies, as well as the many transit employees who participated in Best Practice research, focus groups, and validation of the materials in this toolkit:

- Bay Area Rapid Transit
- Go Transit – Toronto
- Iowa
- Massachusetts Bay Transportation Authority
- Metropolitan Atlanta Rapid Transit Authority
- New Jersey Transit
- Los Angeles Metropolitan Transit Authority
- King County Transit Authority
- BC Transit
- Pacific Western Transportation Group

INTRODUCTION: What Is an Employer of Choice Toolkit and How Do We Use It?

What Is an Employer of Choice?

Annually, leading business journals publish the “best” lists – best places to work, best-run organizations, best managers, best boards, and so on. How are these workplaces created? What magic do leaders use to articulate and achieve mission and results? These are complex questions that cannot be solved by implementing a “program of the day.”

The frontier of management science that is top of mind in the “best” organizations is the effective management of the greatest asset the organization possesses – its people. Based on research of the best practices in these top organizations, it is well documented that an organization’s success over time is the sum total of the quality of its workforce.

Engaging employees in their work requires a new kind of leadership. It is not about control. It is about creating a framework around mission and operating strategy and identifying each person’s expected contribution to the success of the organization. It is about building an empowered and confident workforce who knows they are playing a role in delivering meaningful and important services.

It is not difficult to identify a compelling place to work. Employees are engaged in their work and like being there. When you come in contact with employees you can sense momentum and pride. Instead of getting stuck on problems and looking for reasons not to move forward, the organization has a collective sense that it can achieve desired results.

In these organizations, employees know they are playing a role in something meaningful and important. They are building and delivering an important mission and feel they are important — rather than cogs in a faceless organization. Their ideas, opinions, and knowledge count. Empowerment is not a tired, worn phrase. It is an active belief system aimed at delivering operational excellence and customer satisfaction. Targeted, well-conceived strategies help attract and retain the best workers and reward those who make the greatest contributions. Performance management thrives and the organization is committed to the achievement of results.

Becoming an Employer of Choice is a journey. This is a “must read” section if you are to derive the most benefit from this toolkit.

not

Several fundamental concepts frame the notion of Employer of Choice:

- **Strategy implementation is a people management issue.** Alignment occurs when strategy, operating processes, employees, and customers are balanced. Breakdown occurs when people work too hard to satisfy customer needs that no longer exist, when there is no clear strategy, and when the strategy is not effectively deployed.
- **Externally, an employer of choice has a reputation for quality of services and products.** Because of this reputation, they are known for being a compelling place to work, where employees can build world-class career skills and work with other high-performing employees.
- **Internally, an employer of choice has employees who are proud** to say they work for an organization that successfully delivers on its mission and vision. Employees know their contributions make a difference and that they can count on co-workers and leaders to sustain the organization’s reputation.

A Model and Definition for Building a Public Transportation Agency Employer of Choice

Based on the research undertaken in developing this toolkit, a model has been developed to help each transit agency consider and prioritize issues to arrive at a starting point as well as to serve as a diagnostic against which to assess progress and achievement. The public transportation employer of choice model divides people management and strategy implementation into both internal and external components in the following categories: operational excellence; capable and committed, diverse workforce; safety and reputation and high customer satisfaction. The definition provides a vision of what an EOC looks like--the “future state.”

Public Transit Agency Definition of “Employer of Choice”



Any public transportation operating agency that, because of its reputation, is able to attract, retain, and optimize a capable and committed diverse workforce that enables operational excellence, safety, and high customer satisfaction.

Simply stated, an agency cannot achieve a capable and committed, diverse workforce without operational excellence, customer satisfaction, safety and reputation.

What Is an Employer of Choice Toolkit?

The purpose of this toolkit is to provide a plan of action as well as supporting tools and tactics to prioritize and build an aligned, engaged and committed workforce. This toolkit is aimed at providing:

- A framework to consider the interrelationships between the delivery of world-class transit services and human capital practices
- A process to identify and prioritize improvement opportunities, priorities, and direction for your agency
- Methods to stimulate dialogue and action in your agency to enhance your agency's ability to attract, retain, and optimize talent

This toolkit is a compendium of materials to guide the Employer of Choice (EOC) Journey. The materials in this toolkit address the areas of greatest opportunity in the transit industry identified by research of best practices in public and private organizations. Just like the toolkit of a mechanic, this toolkit contains a variety of materials that can be used throughout the process of troubleshooting, diagnosing and building – in this case, building an EOC organization. The customizable resource materials have been designed for you to meet your agency's needs. It is a compendium of best practices, strategies, assessments, processes, tools and templates that can be selectively applied where needed. It is anticipated that each agency, no matter what size, will tailor the materials, templates and tools to “fit” their organizational needs.

How Do We Use the Toolkit?

Because becoming an Employer of Choice is a journey, and because each agency will have their own starting point, there is no priority assigned to the order of the materials in this toolkit. When using this toolkit, each agency's priority will depend on its needs. We recommend that you first start with Section I: Employer of Choice Boot Camp. The Boot Camp section will help you define your objectives and charge your organization's Employer of Choice champions. Next, go to Section II and take the EOC Diagnostic. The items contained in the EOC Diagnostic relate directly to balance of the toolkit.

Why Is this Toolkit Important to the Transit Industry?

Issue 1: Even if an agency wants to stay the same, external forces will force change. Public services must meet private-sector standards of excellence. The status quo is just not good enough. The labor market is shrinking, customers,

public constituents and taxpayers are seeking reliable and cost-effective services, and environmental and conservation forces are elevating the provision of transportation service to a national priority. Public transit agencies will continue to face increased competition with private-sector niche service providers who carve out the most lucrative runs--just like the US Postal Service's experiences with Federal Express and UPS. In order to achieve mission and continue to provide services and products at current or increased volume and service levels, the transit industry needs to maximize the workforce and skills, attract new and different kinds of skills, and keep talented employees from walking out the door. In sum, the transit industry needs to become more entrepreneurial. Like the US Postal Service, the transit industry needs to embrace change, communicate mission, and cater to and delight customers to garner continued public support .

Issue 2: New paradigms and models for public transportation organizations require aligning human capital systems with fundamental changes in strategy. The work done as part of *TCRP Project J-08B, New Paradigms for Local Public Transportation Organizations* concludes that reinvention in local public transportation has become essential. The work done by the New Paradigms project calls for an evolution in thinking and strategy.

The shift to a new business paradigm – systemically different ways of delivering products and services – means fundamental, strategic activity at both an industry and an individual transit agency level. Such a shift involves dialogue and action in the public policy arena, and includes engagement, exchange, and collaboration of policy board members, public transportation organizations, and other public and private providers of transportation services and functions. The dimensions of change leading to this transformation, which are cited in New Paradigms research, include:

- Shift in strategic mission from a “provider of capacity” and “owner of assets” to a “manager of mobility”
- A change in measures of success from service outputs to measures of the customer experience and outcomes
- An expansion of sustained relations and communications across modes, agencies, organizations and jurisdictions
- An expansion of formal and informal arrangements that integrate facilities, equipment, systems, services, functions and resources across agencies and organizations
- Full-scale introduction of state-of-the-art information technologies to support customer focus and integration across organizations
- Introduction of new or altered functions, business units, skills, and systems to support the new strategic mission

As organizations begin to adopt components of the new public transportation model, the need to adapt and align human resources strategies and human capital infrastructure becomes apparent. Among other things, it will mean ensuring that employees have the most appropriate skills for the new ways of working, a consistency in performance measurement exists (among the community, the organization, the department and the employee), a tireless focus on the customer

experience is maintained, and an environment of participation taps into the creativity and knowledge of employees at all levels.

Issue 3: Individual organizations, not industries, become Employers of Choice. Becoming an Employer of Choice is fundamentally centered on infrastructure, programs, alignment, and reputation at an individual transit agency level. Actual programs and ways of working that are practiced by each agency make it (or do not make it) an Employer of Choice.

There is no doubt that an industry's reputation can assist in attracting employees. The "high-tech" luster of the 1990s certainly added cache to technology firms whether or not they enjoyed Employer of Choice status. American Public Transportation Association's PT² initiative – aimed at improving the image of the transportation industry – can raise awareness of career opportunities among workers who would not have otherwise considered a career in public transportation.

An industry's reputation can facilitate (or inhibit) an organization's journey to becoming an EOC, but industries don't become Employers of Choice, only organizations become Employers of Choice.

Issue 4: Human resource designs do not make an organization an Employer of Choice. It begins with an informed governing body, an executable strategy, credible, energetic leaders, and a committed workforce. An Employer of Choice organization uses an integrated combination of designs to focus priorities and to create line of sight. Designs are selected to ensure the attraction, retention, and optimization of the desired workforce and help communicate priorities and reinforce behaviors and results important for organizational success.

Issue 5: Leadership sets the tone and pace and is the "make or break" underpinning to achievement of Employer of Choice Status. Becoming an employer of choice is not a Human Resources department responsibility. Although the Human Resources department may be a key resource in helping to develop, implement, and maintain pieces of the EOC strategy and action plan, boards of directors, leaders, and managers throughout the agency must participate and be engaged at various stages of the development and deployment process.

Issue 6: Each agency is in the driver's seat. While a long-term vision of remaking the public transportation industry is being crafted, at a practical level each agency must continue to meet the challenges of daily operations. Every day customers need to get from Point A to Point B safely, reliably and in ways that meet (or exceed) their expectations. Although the capital investment in transit agencies often garners focus, to maximize the capital

investment, transit agencies need to maximize human investment. Attracting, keeping, and optimizing talent are challenges faced by agencies every day, whether they are on the road to reinvention or not. As expressed in the TCRP's Research Results Digest 45, *Identification of the Critical Workforce Development Issues in the Transit Industry*: "It is universally agreed upon that workforce issues are critical to the continuing success of the industry. Every property interviewed identified particular, severe problems faced in recruiting and retaining a skilled workforce..." Each agency needs customizable tools and grounded ideas for addressing its short and longer-term issues. Managing today's issues, while crafting a strategy for reinvention for implementation over time is daunting. Because of the uniqueness of each agency's EOC journey and the varied nature of the organizations comprising the public transportation system, this toolkit is meant to provide a variety of scalable diagnostics and tools, best practices and "food for thought".

In summary, becoming an Employer of Choice:

- **Is a journey!** An organization does not become an EOC overnight...and the path is different depending on where you start and where you want to get to. Like any journey, if you don't know where you want to go, you will never know if you have arrived.
- **Requires alignment.** Alignment of the business strategy and the EOC strategy.
- **Is a moving target.** Organizations that display "best practices" are constantly reassessing how they are doing...especially as business and market conditions change.
- **Takes commitment.** This is not an "HR responsibility." It requires engagement of leaders, managers, and employees. It will involve resources and focus – maybe additional resources, maybe reallocation of resources...but definitely a focus.
- **Depends on a plan.** Becoming an EOC requires energy, commitment, and a plan to get there...a plan which is driven from business strategy and which considers the organization's objectives and desired destination.
- **Should be the way we do business.** Becoming an EOC is not a program. It should describe, inform, and lead how we address our human resources.

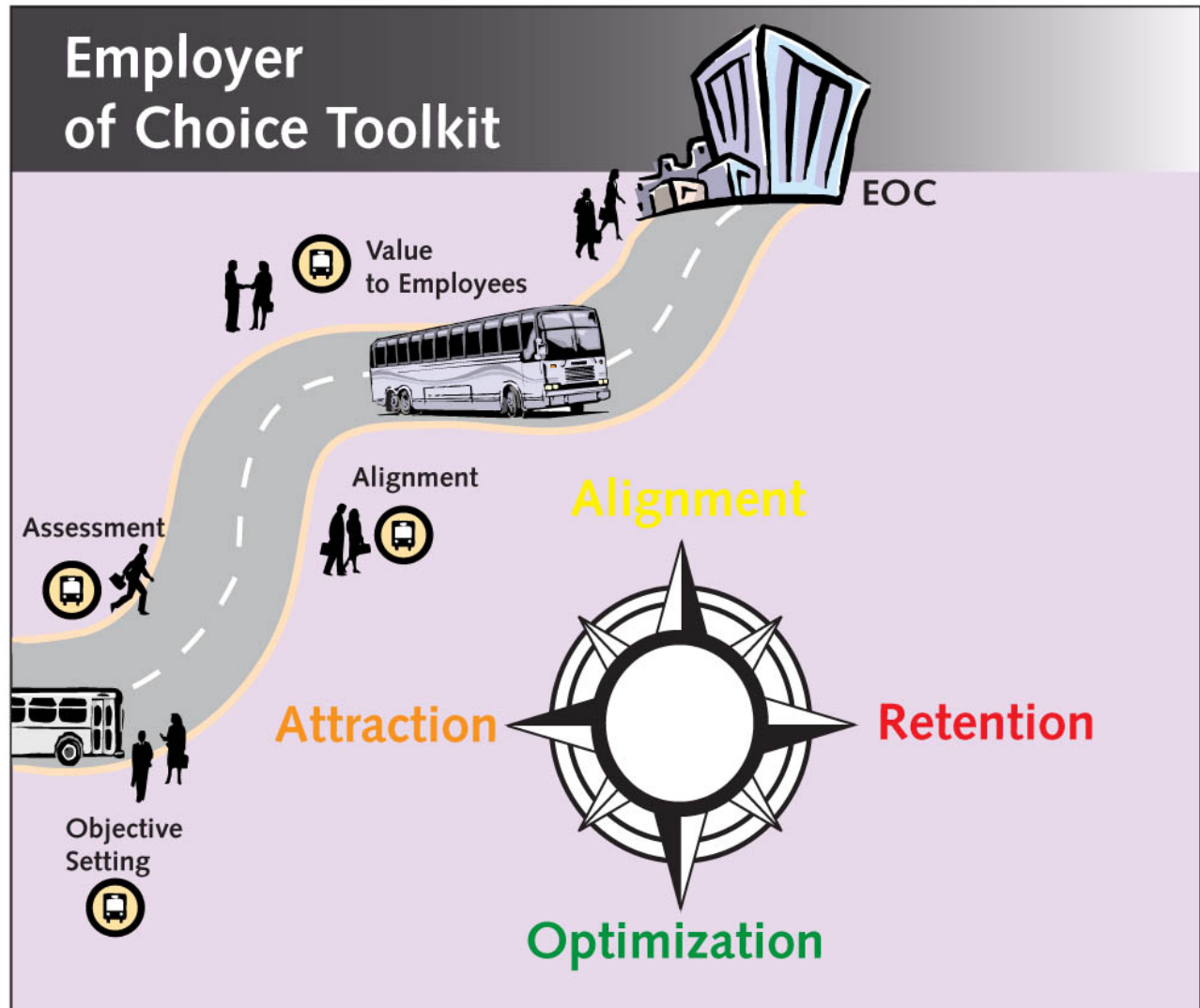
investment, transit agencies need to maximize human investment. Attracting, keeping, and optimizing talent are challenges faced by agencies every day, whether they are on the road to reinvention or not. As expressed in the TCRP's Research Results Digest 45, *Identification of the Critical Workforce Development Issues in the Transit Industry*: "It is universally agreed upon that workforce issues are critical to the continuing success of the industry. Every property interviewed identified particular, severe problems faced in recruiting and retaining a skilled workforce..." Each agency needs customizable tools and grounded ideas for addressing its short and longer-term issues. Managing today's issues, while crafting a strategy for reinvention for implementation over time is daunting. Because of the uniqueness of each agency's EOC journey and the varied nature of the organizations comprising the public transportation system, this toolkit is meant to provide a variety of scalable diagnostics and tools, best practices and "food for thought".

In summary, becoming an Employer of Choice:

- **Is a journey!** An organization does not become an EOC overnight...and the path is different depending on where you start and where you want to get to. Like any journey, if you don't know where you want to go, you will never know if you have arrived.
- **Requires alignment.** Alignment of the business strategy and the EOC strategy.
- **Is a moving target.** Organizations that display "best practices" are constantly reassessing how they are doing...especially as business and market conditions change.
- **Takes commitment.** This is not an "HR responsibility." It requires engagement of leaders, managers, and employees. It will involve resources and focus – maybe additional resources, maybe reallocation of resources...but definitely a focus.
- **Depends on a plan.** Becoming an EOC requires energy, commitment, and a plan to get there...a plan which is driven from business strategy and which considers the organization's objectives and desired destination.
- **Should be the way we do business.** Becoming an EOC is not a program. It should describe, inform, and lead how we address our human resources.

**BUILDING AND EXECUTING YOUR AGENCY'S
EMPLOYER OF CHOICE STRATEGY**

Section I: Employer of Choice Boot Camp





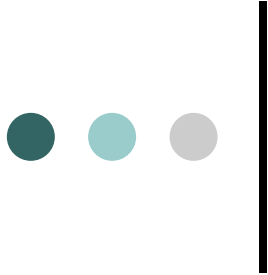
Section Layout & Objectives

Section Contents

1. The Role of Leadership in Becoming an Employer of Choice
2. In Addition to Leadership, What Does it Take to be Great?
3. Listing of Tools Contained in this Section
4. Tools

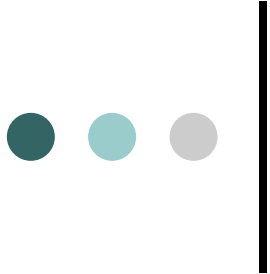
Objectives for this Section

- This section addresses:
 - the role of operational excellence and agency success in becoming an Employer of Choice. It identifies management practices and behaviors that:
 - Support operational excellence
 - Are correlated with achievement of desired results including status as an Employer of Choice
 - the transit agency issue of operational vitality and leadership. In particular, it provides a basis for issue identification and action planning through application of a gap analysis tool



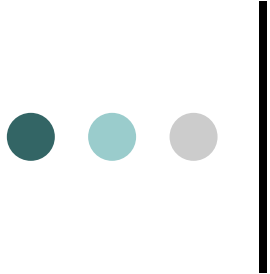
1. The Role of Leadership in Becoming an Employer of Choice

- A leader's job requires more than character, industry knowledge, communication skills and affability—it demands results.
- To advance the discussion of the role of leadership in creating and sustaining an Employer of Choice workplace, we can look to research to show how leadership attributes are connected with bottom line results.
- Data from Watson Wyatt Work USA 2002 study of over 12,000 workers across all industries indicates that only 45% of employees say they have confidence in the job being done by their senior management. The indices used to assess employee trust levels include:
 - Belief in the information given by management
 - Confidence in the job being done by management
 - Positive levels of trust between employees and senior management



1. The Role of Leadership in Becoming an Employer of Choice

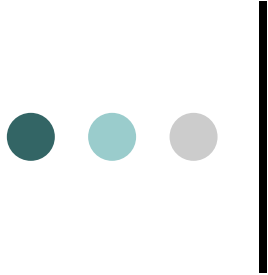
- In another study by Jim Kouzes and Barry Posner, described in the book *The Leadership Challenge*, when employees perceive their immediate manager to have high credibility, they are significantly more likely to:
 - Be proud to tell others they're part of the organization
 - Feel a strong sense of team spirit
 - See their own personal values as consistent with those of the organization
 - Feel attached and committed to the organization
 - Have a sense of ownership of the organization
- On the other hand, when employees perceive their manager to have low credibility, they're significantly more likely to:
 - Criticize the organization to others
 - Produce only if they are being watched
 - Be motivated primarily by money
 - Consider looking for another job if the organization experiences problems
 - Feel unsupported and unappreciated



1. The Role of Leadership in Becoming an Employer of Choice

Leadership Credibility is the Key to Improved Commitment, Energy and Productivity

- There is a sea of difference between enlisting others in action and giving orders and between gaining commitment and demanding obedience. Leaders sustain credibility by their actions—by challenging, inspiring, enabling, modeling and encouraging.
- Author and thought leader Peter Drucker and others suggest that to get the feeling of the true essence of leadership, imagine that everyone who works for your agency is a volunteer.
- Pretend that employees are there because they want to be. (In fact, you should always think of your best people as volunteers because they are always in demand and they can choose where they practice their skills and talents.)
- Now ask:
 - What conditions would need to exist for your staff to want to enlist in your volunteer organization?
 - In this volunteer organization, what would leaders need to do to get people to perform at high levels?
 - What would leaders need to do to keep people loyal to this volunteer organization?



1. The Role of Leadership in Becoming an Employer of Choice

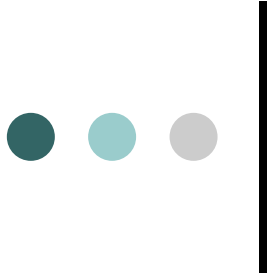
Leaders Make a Difference

- To get the best from others, leaders must:
 - Know what others can do and create opportunities for people to outdo themselves
 - Create opportunities for employees to solve problems, attain difficult goals and enjoy it while they are doing it
- While this is a tall order, it is indeed how extraordinary things are accomplished. “If you always do what you have done, you will always get what you have always gotten.”
- **Without organizational leaders steering the process and agreeing to be accountable for the results, the agency should not embark on the Employer of Choice journey**
- Following is a list of leadership traits that inspire followers and improve bottom line results:
 - Leaders challenge the status quo and seek innovative ways to improve the organization
 - Leaders inspire the future by creating a shared vision of what the agency can become
 - Leaders foster teams, collaboration and spirited engagement
 - Leaders set high standards and model the way they expect others to behave
 - Leaders set the tone and atmosphere of mutual respect and trust
 - Leaders recognize and celebrate accomplishments



2. In Addition to Leadership, What Does it Take to be Great?

- The Evergreen Project began in 1996 and lasted five years. It grew from research of the following two questions:
 - Why do some companies consistently outperform their competitors?
 - Which of the hundreds of well-known business tools and techniques can help a company be great?
- According to the research, in addition to leadership, what appears to make the difference includes:
 - Strategy and Execution
 - Organizational Structure
 - Culture
- The project involved more than 50 leading academics and consultants using well-accepted research tools and procedures to identify, collect and analyze the experiences of 160 companies over a 10-year period.
- The research has been reported in a number of books and is the subject of a recent article in the July, 2003 *Harvard Business Review* entitled “What Really Works?” By Nitin Nohria, William Joyce and Bruce Roberson.



2. In Addition to Leadership, What Does it Take to be Great?

Evergreen Results

Strategy and Execution

- Top organizations define and communicate strategy so that it is well understood by employees, customers, partners and the community they serve.
- These organizations develop and maintain flawless operational execution. Even though they might not always delight their customers, they go to great lengths to make sure never to disappoint them.

Work Organization and Culture

- Top organizations structure work to reduce bureaucracy and simplify work.
- They are known for their rigorous performance management processes and for having high expectations of their employees.



3. Listing of Tools in This Section

- Agency Operational Excellence Gap Analysis and Instructions for Completion



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Operational Excellence Gap Analysis Tool

(Page 1 of 3)

Instructions for Using this Tool

- **Engage Leaders**
 - Convene a top leadership committee to understand what an Employer of Choice is and the methodology involved in becoming one.
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
- **Complete the Tool**
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements (e.g., “Our strategy is clearly communicated within the organization and to our customers and the community we serve”) reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Operational Excellence Gap Analysis results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**



Operational Excellence Gap Analysis Tool

(Page 2 of 3)

Operational Excellence Gap Analysis	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
1. We have an operating strategy that is build around a clear value proposition for our customers			
2. Our operating strategy is built around what our customers, community and governing bodies have to say – not around our gut feelings or instincts			
3. We continually fine-tune our strategy based on changes in the market			
4. Our strategy is clearly communicated within the organization and to our customers and the community we serve			
5. Strategy execution is our main focus			
6. We deliver services that consistently meet our customers' expectations			
7. Our leaders inspire others by passionately and relentlessly communicating their shared vision for the future			
8. As an agency, we constantly strive to eliminate all forms of excess waste and improve productivity at a rate that is roughly twice the industry average			
9. We work very hard to encourage and inspire all managers and employees to do their best			
10. We empower managers and employees to make independent decisions and to find ways to improve operations – including their own			
11. We reward achievement with pay based on performance, but keep raising the performance bar			
12. We use recognition and other psychological rewards in addition to financial ones			
13. Decision-making authority is close to the front lines so employees can react to changing market conditions			

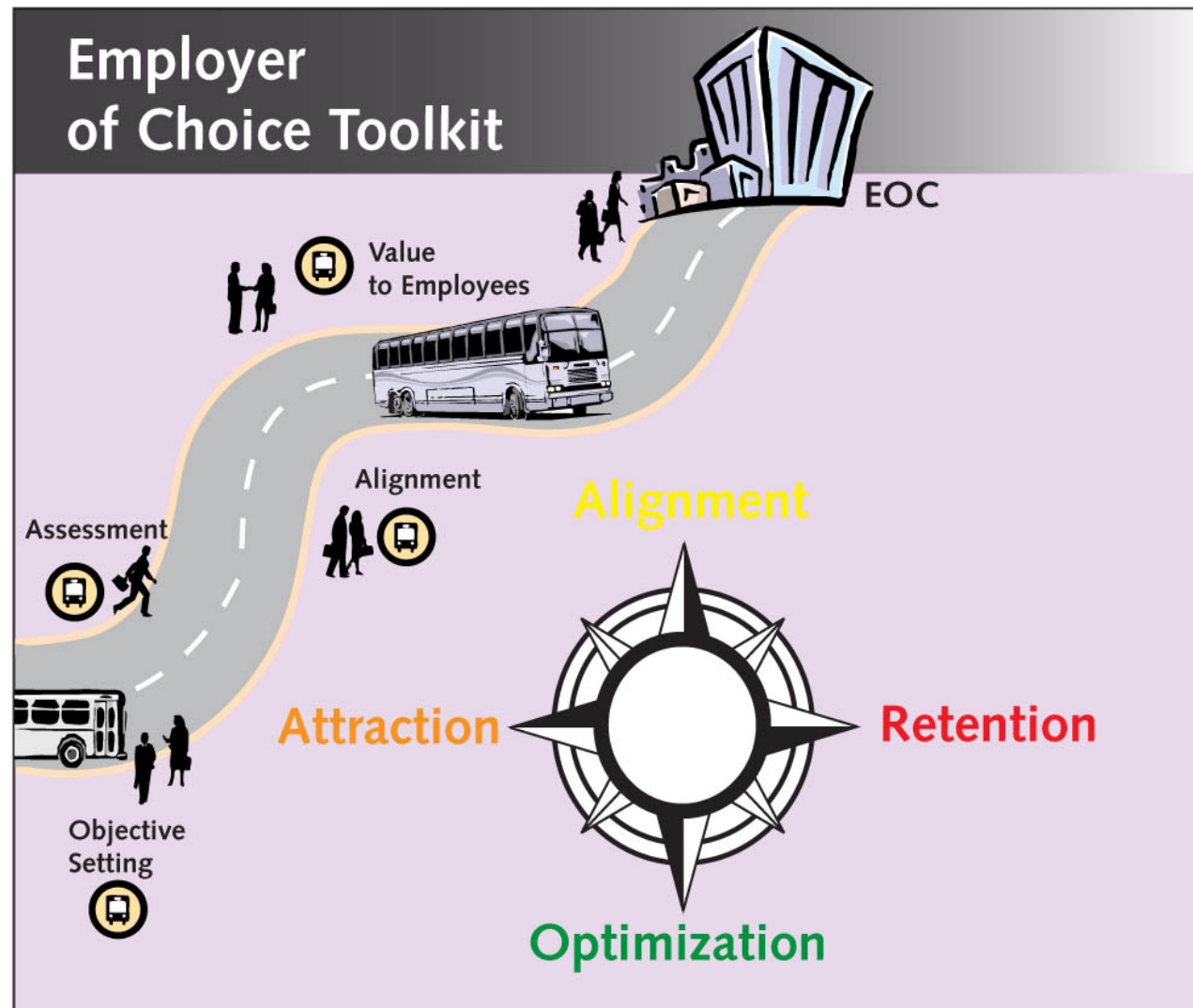


Operational Excellence Gap Analysis Tool

(Page 3 of 3)

Operational Excellence Gap Analysis	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
14. We have well-established agency values and we abide by them			
15. Our organization is easy to work in and work with – it is as simple as we can make it			
16. We promote cooperation and the exchange of information across the agency			
17. Our best people are always positioned closest to the action that differentiates us in our community			
18. We work hard at maintaining systems for seamless sharing of knowledge			
19. We fill mid and high level jobs with outstanding internal talent whenever possible			
20. Our work environment is challenging and satisfying			
21. We create jobs that intrigue and challenge our best performers			
22. Senior management is actively involved in the selection and development of people			
23. We closely link the leadership team’s annual rewards to their performance			
24. We actively encourage management to strengthen its connections with people at all levels of the agency			
25. Our management is dedicated and inspired to hone its capacity to spot opportunities and problems early			
26. Our management sets the tone and atmosphere of mutual respect and trust			
27. We are actively involved in the education of new Board members			

Section II: Building Your Agency's Employer of Choice Strategy





Section Layout & Objectives

Section Contents

1. Developing an Employer of Choice Strategy
2. Developing a Process to Measure Progress & Impact
3. The Employer of Choice Diagnostic
4. Listing of Tools Contained in this Section
5. The Tools

Objectives for this Section

- This section of the toolkit addresses the interrelationships between strategy, service delivery and human capital practices. It provides information, processes and tools to:
 - Develop an Employer of Choice strategy
 - Diagnose current state
 - Identify priorities and track progress
- This section addresses the transit issue of alignment. In particular, it describes a method for:
 - Building an EOC strategy to link operational goals with human resources practices to achieve mission and world-class results

1. Developing an Employer of Choice Strategy (Pg 1 of 2)





1. Developing an Employer of Choice Strategy (Pg 2 of 2)

- The Employer of Choice Strategy begins with two questions:
 - Where are we now?
 - Where do we need to be?
- Regardless of where you are now, you will need:
 - A strategy for becoming an Employer of Choice
 - A process to measure progress

- The Employer of Choice strategy needs to be worked into your agency business strategies and action plans. For example, retaining top performers is not only a human resources imperative, it is a business imperative. The strategy should work to address two questions:
 - What is right for the agency? (“the business”)
 - What do individual employees desire and need?



2. Developing a Process to Measure Progress & Impact

- An agency that is intent on focusing on Employer of Choice issues must develop a way to track progress and impact. As an industry, transportation agencies are familiar with the benefits of measurement – particularly as measurement relates to operational and financial success (ridership, on-time arrivals, revenue per passenger, etc.) The same rigor must be applied to measuring progress and impact of Employer of Choice initiatives.

Performance Scorecard

- With a scorecard approach, multiple measures are used to track and measure the various aspects of performance
- Progress is reviewed regularly and data is trended to find patterns of performance and opportunity

The notion of a scorecard approach has gained much attention over the last several years and has been driven by the work performed by Kaplan and Norton – who have introduced the term “Balanced Scorecard” into the business vernacular.



3. The Employer of Choice Diagnostic

- *Contained in The Tools area in this section is an Employer of Choice Diagnostic.* Rather than a quantitative exercise, this assessment tool should be used to provoke dialogue and encourage reflection on the current state of “human affairs” of the agency.
- The engagement of executives, leaders, human resources staff, labor, and employees – is an integral part of the EOC journey.
- Productive and rich interplay is what leads to dynamic strategies, robust action plans, effective implementation, and ultimately an Employer of Choice.



4. Listing of Tools Contained in This Section

- Developing an Employer of Choice Strategy
- Using the Employer of Choice Diagnostic to Assess Current State and Develop a Strategy and Action Plan
- Illustration: Employer of Choice Strategy & Annual Action Plan
- How to Select Employer of Choice Metrics
- Illustration: Employer of Choice Scorecard
- Illustration: Employer of Choice Metrics and Linkage to Strategy and Action Plans
- Employer of Choice Diagnostic



5. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Developing an Employer of Choice Strategy

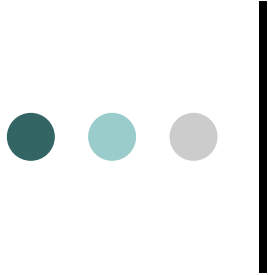
The strategy should include:

- Business Priorities: should be derived from your agency's strategic plan. Business priorities serve as the foundation for the Employer of Choice Strategy.
- Employer of Choice Priorities: are identified as key to achievement of the business strategy and require focus by the agency.
- Employer of Choice Objectives: break the Employer of Choice priorities into manageable parts. Objectives can be annual or multi-year depending upon the importance of the priorities and where your agency is in the employer of choice journey.

Making Strategy Work: The Action Plan

- A strategy to get to the future is only as good as the implementation. That's why an Action Plan should be developed which details the activities that are planned.
- The Action Plan builds accountability and as such should be as specific as possible and cover:
 - What
 - Who
 - Timeframe
 - Cost
 - Permission / Authority
 - Launch / Communication
 - Constraints

The Tools provided in this section include an Illustration of an Employer of Choice Strategy & Annual Action Plan



Using the Employer of Choice Diagnostic to Assess Current State and Develop a Strategy and Action Plan

If your agency has an operative Employer of Choice strategy as part of your agency's business strategy:

- Complete the Employer of Choice Diagnostic contained in The Tools area of this section.
- Compare your existing strategy and action plans against the results of the Employer of Choice Diagnostic. Areas that are identified by the Diagnostic will help you:
 - Reassess components of your EOC strategy to ensure that high-impact areas are included.
 - Modify or create action plans by looking at the tools contained throughout this toolkit.

If your agency has not identified EOC elements that are important:

- Define the desired state: What does your agency need in terms of people resources to achieve mission and strategic plan?
 - The answers should be grounded in your agency's mission statement and guided by business strategy.
 - For example: What types of skills and behaviors will we need? Will we grow them or hire them? What is in it for employees? What will employees say about the agency?
- Assess the current state
 - How well are you currently managing your people resources?
 - How do employee loyalty and satisfaction manifest themselves today?
 - What do employee loyalty and satisfaction have in common with customer satisfaction?
 - What are employees actually saying about the agency?
 - Where are your people practices working?
 - Where are they in trouble?
- Gap Analysis: Compare your desired state against your current state
 - Complete the EOC Diagnostic contained in this section to identify areas that are EOC priorities.
- Draft your EOC strategy, including action plans.



Illustration: Employer of Choice Strategy & Annual Action Plan

Business Priority	EOC Priority	EOC Objectives	Annual Action Plan			
			Action Items	Timeframe	Accountability	Action Plan Measures of Success
Grow our human capital	Improve retention of top performers	Understand employee issues that impact retention	Conduct annual employee survey	End of Q1	Top Human Resources or appropriate leader	Survey completion
			Implement agency planning & improvement process targeting top 3 agency-wide issues	Agency improvement plan to be completed by Q2	Executive Team	Completion of plan
Enhance the customer experience	Improve service to customers	Promote environment that values customer service	Quarterly employee celebration to recognize customer successes	Every Quarter	General Manager	Conduct of event
			Implementation of performance feedback & coaching training for new supervisors	Training developed by May Supervisors promoted within last year to complete training by December	Top Training and Development Function Leader Department Managers	Approved curriculum 100% attendance



How to Select Employer of Choice Metrics

- **If your agency already utilizes Employer of Choice metrics, an EOC scorecard, or balanced scorecard approach for the agency:**

- Confirm that the existing metrics and targets are the most appropriate in measuring and assessing the progress desired in your EOC journey.
- For example, if your agency intends to implement additional technology to facilitate operations and may therefore downsize through attrition, “decreasing turnover” may not be a measure that is consistent with your agency’s strategy.

- **If your agency needs to develop Employer of Choice Metrics or EOC scorecard metrics:**
 - **Identify 1-2 measures for each EOC area of importance.**
 - What measures best reflect your progress toward becoming an EOC?
 - How will the measures be defined?
 - For example, if your metric is “turnover”, will it include involuntary departures?
 - **Develop a plan for tracking and assessing each measure.**
 - Is the data that is needed for the measure available?
 - What is your target? What is a “home run”? How will you define success?
 - By historical comparisons based on your agency’s progress from year to year?
 - External comparisons against other transits?
 - External comparisons against general industry?
 - How often will you collect data and assess the measure?
 - Monthly? Quarterly? Annually? Other?
 - Who will be responsible for collecting the data?
 - **Track the measures for 6-12 months.**
 - Revise, add or delete metrics as appropriate to ensure that you are tracking what you intend and performing the measurement piece as effectively and efficiently as possible.



Illustration: Employer of Choice Scorecard

<p>Aligning Vision, Operating Strategy & People</p> <ul style="list-style-type: none">◆ Customer satisfaction◆ On-time service	<p>Attract</p> <ul style="list-style-type: none">◆ Number of Applications per Position◆ Time to Fill a Position◆ New hires reasons for applying, e.g. EOC
<p>Retain</p> <ul style="list-style-type: none">◆ Turnover◆ Retention Rate◆ Length of service◆ Staffing of critical skill areas	<p>Optimize</p> <ul style="list-style-type: none">◆ Number of employees per \$ of revenue◆ Number of employees in EOC training sessions◆ Operating cost per customer◆ Reduced number of sick days◆ Percentages of performance appraisals completed on time

SAMPLE

This is an illustration of a scorecard that can be used to track EOC progress. In a scorecard approach, multiple measures are used to address various aspects of performance. Progress against measures is reviewed regularly with each measure being considered based on its individual merit as well as how it fits into the larger set of measures. Data is collected over time and trending is used to find patterns of performance and opportunity.



Illustration of Employer of Choice Metrics and Linkage to Strategy and Action Plans

Business Priority	EOC Priority	EOC Objectives	Possible EOC Scorecard Metrics
Grow our human capital	Improve retention of top performers	Understand employee issues that impact retention (2003)	<ul style="list-style-type: none">• Retention rate• Data from exit interviews• Results of employee survey• % of top performers leaving the organization for other employers
Enhance the customer experience	Improve service to customers	Promote environment that values customer service (2003-2004)	<ul style="list-style-type: none">• Results of customer survey• Number of customer incident reports that are positive

It is important to ensure alignment between Employer of Choice priorities, the Employer of Choice annual (or multi-year) objectives, and scorecard metrics. The action plans and metrics can be cascaded to departments, teams and even individuals (see the performance management program area of this toolkit for more information on cascading goals).



Employer of Choice Diagnostic

(Pg 1 of 3)

Instructions for Using this Tool

- **Engage Leaders**
 - If you have not already done so, convene a top leadership committee to understand what an Employer of Choice is and the methodology involved in becoming one.
 - The EOC Diagnostic on the following pages can be used to focus your efforts in developing your EOC strategy (and action plans). This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
- **Complete the Tool**
 - Read each statement.
 - If the statement is fairly descriptive of your agency, place an “x” in the shaded box in that row. (If the statement does not describe your agency, leave the shaded box blank.)
- **Prioritize Areas of Opportunity**
 - **Columns that have the most statements with an “x” represent areas of possible opportunity.**
 - For the areas of opportunity, turn to the section of the toolkit that addresses that area. For example, if you marked “x” for a majority of the statements dealing with the ability to Attract talent, turn in this toolkit to *Section IV: Attracting Talent*
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate the Employer of Choice Diagnostic results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**

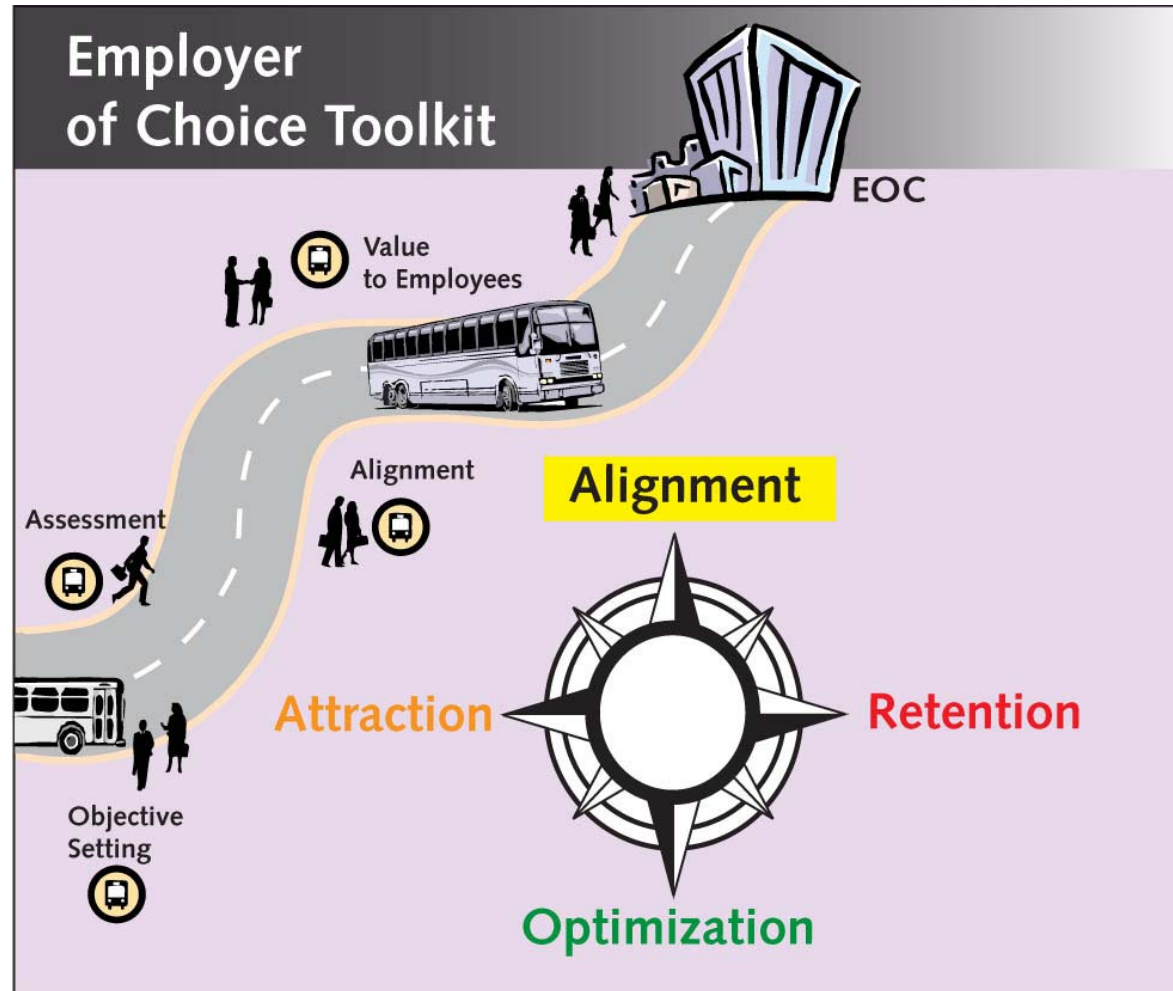
Employer of Choice Diagnostic (Pg 2 of 3)

EOC Diagnostic Statements	Attract	Retain	Optimize	Strategy
If you agree that the statement generally describes your organization, place an "x" in the shaded box in the appropriate row				
1. We are not able to recruit the talent we need				
2. We have no alliances with other organizations which might serve as another source of talent				
3. Talented applicants are constantly turning our offers down				
4. New employees have the skills but not the behaviors				
5. Current employees do not refer people they know for existing job openings				
6. Most hires come from one or two labor sources (e.g., agency x)				
7. New hires usually don't make it beyond 90 days				
8. The agency has no succession for key positions				
9. Our turnover is high compared to other organizations against which we compare ourselves				
10. Employees tell us they leave because of compensation and other rewards				
11. Our rewards are not competitive with the market				
12. We do not know what employees think about the organization				
13. Employees do not know what their next job within the organization might be				
14. We do not offer ways for employees to enhance their skills – that is each employee's own problem to tackle				
15. Employees do not get the information that they need to understand the HR programs at the agency				
16. Employees do not understand how they relate to the overall success of the agency				
17. Our agency does not celebrate successes				
18. Our leaders do not challenge the status quo and do not seek innovative ways to improve the organization				
19. Our leaders do not inspire the future – they do not create a shared vision of what the agency can become				
20. Our leaders do not foster team spirit, collaboration and spirited engagement				
21. Employees do not have a high level of trust in management				
22. Our leaders are not held accountable for providing performance coaching and feedback				
23. Our leaders are not skilled at communicating performance expectations and motivating staff to achieve results				
24. Our leaders do not set a tone of mutual respect and trust				
25. Our leaders do not set high standards or model the behavior expected from employees				

Employer of Choice Diagnostic (Pg 3 of 3)

EOC Diagnostic Statements	Attract	Retain	Optimize	Strategy
If you agree that the statement generally describes your organization, place an “x” in the shaded box in the appropriate row				
26. Our leaders tend to use “sticks” instead if carrots to engage the workforce in change initiatives				
27. Mechanisms do not exist for employees to make suggestions regarding ways to improve our organization				
28. Employees do not feel their skills are being used				
29. Employees are not usually asked to offer suggestions for improvement				
30. There is not a strong sense of team at the agency – employees do not feel attached and committed to the agency				
31. Employees are not proud to tell others that they work for the agency				
32. Employees do not trust the information provided by management				
33. We do not consider employee suggestions when making changes				
34. Employees are only productive when they are being watched				
35. Our employees are only motivated by money				
36. Top performers are not recognized and rewarded				
37. Poor performance is not addressed and dealt with				
38. Employees do not receive regular feedback from their supervisor				
39. Employees would characterize the feedback they receive as unconstructive or negative				
40. Employees do not know what is expected of them				
41. Work is characterized by silos and barriers across departments				
42. Employees do not know how success in their job is measured				
43. Employees do not get the information that they need to do their jobs				
44. We have not articulated to employees where the agency is going				
45. We do not have mechanisms in place for employees to receive customer feedback				
46. Employees do not know what their customers think				
47. We do not have a plan to ensure we have the right skills in the future				
48. It is not clear to employees how their job relates to the agency’s overall mission and success				
49. Employees do not believe that customer satisfaction is a priority at the agency				
50. Many employee policy issues placed before the board are resolved and communicated in the media				
51. Relations with the Board could be better				
52. We track only operational & financial measures – no “people measures”				

Section III: Alignment-The Customer Service-Employee Value Chain





Section Layout & Objectives

Section Contents

1. What is a Customer Service - Employee Value Chain?
2. How does the Customer Service Employee Value Chain relate to becoming an Employer of Choice?
3. Listing of Tools Contained in this Section
4. The Tools

Objectives for this Section

- An Employer of Choice organization is ultimately sustained by the delivery of reputable and relevant services. This section of the toolkit addresses the process for strengthening the alignment between an agency's operational strategy, which is driven by the customer and its Employer of Choice Strategy. This “virtuous circle” sustains strategy and sets the foundation for operational excellence – a key component to becoming an Employer of Choice. This section provides information, processes and tools to:
 - Externally – understand and connect with the customer values and incorporate them into the Employer of Choice Strategy and the delivery of services
 - Internally – connect the strategy to the people who need to carry it forward
- This section addresses the transit issue of alignment. In particular, it describes a method to build a customer service-employee value chain



1. What is the Customer Service – Employee Value Chain?

- Connecting people to strategy requires an understanding of what it takes to align employee behavior with operating goals.
 - Do employees understand the strategy?
 - Is the strategy within the capability and competency of the organization?
 - If not, how do we acquire those competencies and capabilities?
 - If yes, how do we retain those skills critical to achievement of our mission?
 - Do employees understand specifically how their behaviors help to further strategy?

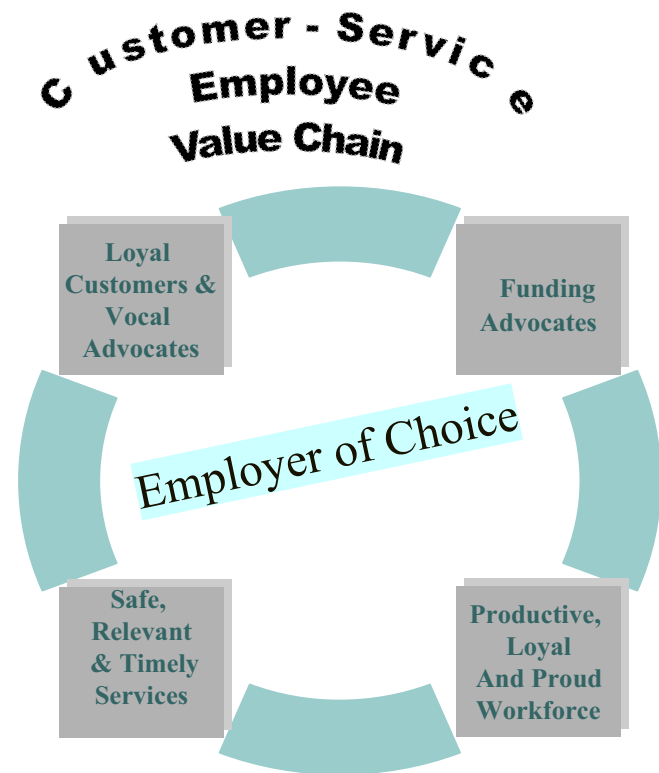
- As budgets stretch and customers demand more, the number one question of many transit operating agencies is: How do we get the results we need?
- The Customer Service-Employee Value Chain starts with the premise that our employees distinguish our organizations and make them world class. They give our agencies longevity and distinguish us in our communities. Operational excellence, customer satisfaction, safety and reputation are the result of sustained workforce successes.

Note: The concepts included in this section have been adapted from Frederick F. Reichheld's book, [The Loyalty Effect](#), published by Harvard Business School Press in 1996 and from Peter F. Drucker's book, [Managing the Non-Profit Organization](#) published in 1990 by HarperCollins Publisher.

1. What is the Customer Service – Employee Value Chain?

The Customer Service -Employee Value Chain - Defined

- Loyal, efficient employees learn how to reduce costs, deliver safe and timely results and enrich the customer value proposition. Employee confidence in the value and safety of services provided to customers increases employees' loyalty by giving them pride and satisfaction in their work.
- The central tenets of the *Customer Service - Employee Value Chain* are:
 - The purpose of a not-for-profit service enterprise is to create value as measured by both customer and employee loyalty and satisfaction.
 - It addresses the interrelationships between human capital practices and operations because it offers a practical framework for implementing strategy.



The *Customer Service - Employee Value Chain* provides a model for articulating vision and mission, measuring performance and a framework for pursuing it

2. How does the Customer Service - Employee Value Chain Relate to Becoming an Employer of Choice?

- Strategy implementation is a people management issue. Alignment occurs when strategy, operating processes, employees and customers are balanced.
 - Breakdown occurs when people work too hard to satisfy customer needs that are artificial or no longer exist, when there is no clear strategy, and when the strategy is not effectively deployed.
- Externally, an Employer of Choice has a reputation for quality of services and products. Because of this reputation, they are known for being a compelling place to work, where employees can build world-class skills and work with other high-performing employees.
- Internally, an Employer of Choice has employees who are proud to say they work for the agency that successfully delivers on its mission and vision. Employees know their contributions make a difference and that they can count on their leaders and co-workers to sustain the agency's reputation.



Employer of Choice
Any public transportation operating agency that, because of its reputation, is able to attract, retain, and optimize a capable and committed diverse workforce that enables operational excellence, safety, and high customer satisfaction.



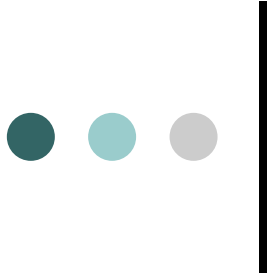
3. Listing of Tools Contained in This Section

- Building a Customer Service –
Employee Value Chain for your
agency



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Building a Customer Service – Employee Value Chain for Your Agency

- **Step 1: Mission and Value Proposition.** In order to mobilize the organization to get the right things done, the value proposition should connect what Peter Drucker refers to as the “three musts of a successful mission statement” including:
 - Opportunities
 - Competence
 - Commitment
- **Getting Started:**
 - Complete the framework on the right side of this page.
 - Using the framework, define “loyalty” including customer, employee and community advocates
 - Create a process and a metric to measure each
 - Identify HR and governance practices that are inconsistent with the definition

Framework for Considering the Transit Agency’s Current Value Proposition and Mission Statement

- What are the opportunities?
- Where can we, with the limited resources we have, really make a difference?
- How can we set a new standard?

- Are we competent?
- Do the opportunities match our strengths?

- Do we really believe in this?
- What is our commitment?



Building a Customer Service – Employee Value Chain for your Agency

- **Step 2: Who are Your Target Customers?**

Transit organizations should identify their target customers and build the “opportunities” to earn their loyalty. Reichheld points out that getting “target customers” often depends more on the magnetism of the value proposition than anything else.

- Who are the target customers of the transit agency?
- Do target customers know they are a priority?
- Is the value proposition compelling?
- How do you grow your target customer base?
- How do you measure your success?



Building a Customer Service – Employee Value Chain for your Agency

- **Step 2: Who are Your Target Customers? *continued***
Key strategic questions include: How do we get our services to the customer or community we exist to serve? How do we market our services?

For Example

Opportunities to build loyalties →	Express Services	Pricing Policies	Valued Service and/or Conveniences
Target Customers ↓			
Morning & Evening Commuters	•Prompt and predictable		•Newspaper subscriptions •Electronic payment
Special Events Customers		•Discounted parking	•Event ticket sales and information



Building a Customer Service – Employee Value Chain for your Agency

- **Step 3: Identify What It Takes to Build Customer Loyalty**

Drucker points out that the not-for-profit institution is not merely delivering a service. It wants its customers to be more than users – it wants them to become doers.

“By virtue of its mission, it should create habits, vision, commitment, knowledge. It attempts to become a part of the recipient rather than merely a supplier. Until this happens, the not-for-profit institution will not have results – only good intentions.”

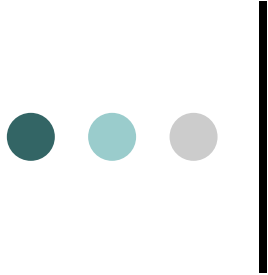
Loyalty levers to consider include: Pricing Policies, Products, Service Levels, Employee Incentives, etc.

- **Step 4: Engage Employees (Addressed in other sections of this book)**

Through talented employees, the transit agency can convert good intentions into results. As addressed in other sections of this toolkit, practices such as behavior-based interviews and rigorous performance management will enable transit agencies to select and retain employees with the skills and behaviors most aligned with the agency’s needs and value proposition.

Please Note: Other sections of this toolkit address the following items which are directed at gaining and improving employee commitment and loyalty.

- Performance management
- Training and development
- Building a compelling work environment
- Total cash compensation



Building a Customer Service – Employee Value Chain for your Agency

- **Step 5: Garnering Employee Loyalty**

Both Drucker and Reichheld point out that with increased employee loyalty comes increased employee productivity, pride and commitment to organizational mission. Employee loyalty fuels the virtuous cycle of the Customer Service – Employee Value Chain. This can simply be translated as: “happy committed employees render happy, committed customers and community advocates.” It is important to remember that a low turnover rate is not an indication of employee loyalty.

- Watson Wyatt’s WorkUSA is one of the world’s largest and most up-to-date statistically representative surveys on the attitudes of private-sector workers in the US. The 2002 survey is the seventh conducted since 1987, resulting in both normative and longitudinal data. The survey represents over 12,000 US workers at all job levels and in all major industry sectors.

- Based on research, the key drivers or indicators of employee commitment and loyalty are:

- Belief in the information given by management
- Confidence in the job being done by senior management
- Personal job satisfaction
- Satisfaction with the organization as a whole
- Would recommend the organization to others
- Would remain with the organization even if offered a comparable job elsewhere
- Would rate their organization superior to others

Please Note: Other sections of this toolkit address the following items which are directed at gaining and improving employee commitment and loyalty.

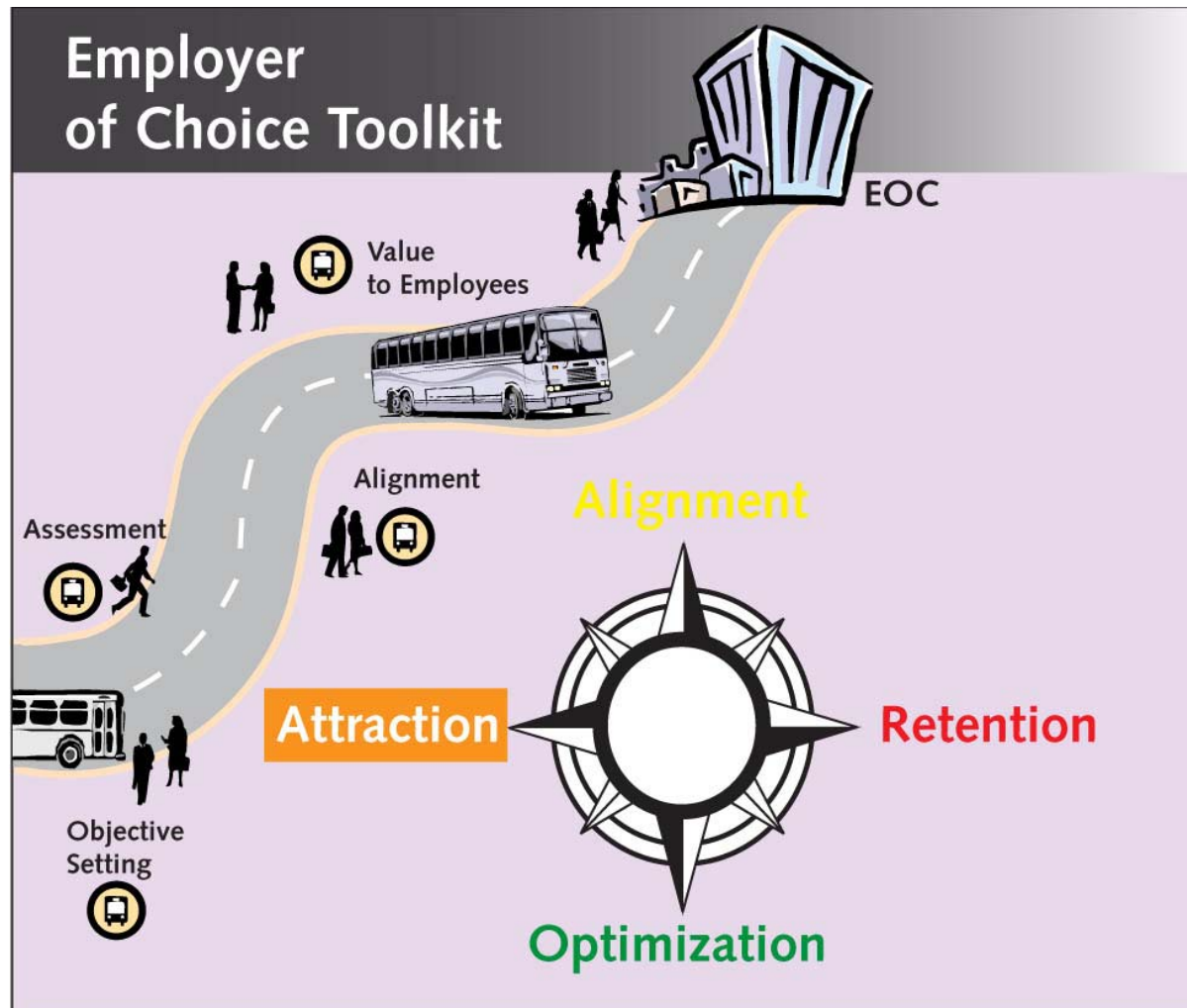
- Performance management (coaching & feedback, setting high performance standards)
- Training and development
- Building a compelling work environment
- Total cash compensation (rewarding performance)
- Recognition



The Customer Service – Employee Value Chain Checklist

- Step 6: Communicate and Measure
 - Employees: Do employees understand the mission and vision? Do they know who targeted customers are? How are they involved in the identification of service offerings that would increase the loyalty and advocacy of targeted customers?
 - Governing Board - Turn your board's attention to raising advocacy levels of the targeted populations. Provide your governing board with the metrics and process for measuring the Customer Service – Employee Value Chain.
 - Happy customers?
 - Happy employees?
 - Improved productivity / Cost containment?

Section IV: Attracting Talent





Section Layout & Objectives

Section Contents

1. Background & Overview of Attraction
2. General Process for Understanding & Addressing Attraction Issues
3. Listing of Tools Contained in this Section
4. The Tools
5. References to Other Helpful Resources and Information

Objectives for this Section

- Provide information on fundamental elements of an effective program for attracting talent:
 - Conducting effective workforce planning to determine necessary staffing levels
 - Identifying new sources for talent
 - Conducting effective behavior-based interviewing
 - Designing competitive pay and benefits
 - Making employment offers
- Address key transit issues including:
 - Creating alliances for sourcing talent
 - Succession planning
 - The lack of competitive rewards for management jobs



1. Background & Overview of Attraction

Attracting talent to a transit agency is the result of a process that begins with building awareness among potential candidates. This can be accomplished through advertising, employee referrals, and establishing and maintaining relationships with trade schools, high schools, colleges, state employment agencies, and professional/trade associations.

Next in the process is to persuade candidates to apply. Applicants respond when they have an employment need or when the agency communicates career and skill enhancement opportunities. There are a number of ways to make the application process simpler and easier for potential applicants. Many organizations have turned to on-line solutions, job fairs, making applications accessible from central transit stations, participating in community-based events, and utilizing phone-based technologies.

Once candidates have been moved to action by applying to the transit organization, attraction moves to a selection process. Agencies may establish their screening methodology using automated tools to screen for keywords, job titles, technical training, degrees, etc. Once screened, applicants may be ranked in order of how well their application matches needs. Many agencies test their applicants for ergonomics, customer focus, and driving skills, among others. The interview itself is a form of test. Behavior-based interviews test to see how applicants say they have behaved in a described situation.

If the interview results are favorable, the agency may then complete the reference checks and criminal checks, before offering employment, or make offers contingent upon the results of these checks. The success of the attraction/selection process can be measured using metrics such as turnover, time to hire, cost per hire, and number of qualified applicants per hire.

What We Know from the Research... Key Issues for Many Transit Agencies

- Creating alliances for sourcing of talent
 - Agencies are finding it increasingly difficult to find talent in certain professions
 - Refer to:
 - Plan of action for creating alliances
- Succession planning
 - Like many government agencies across the United States, transit agencies are experiencing workforce demographics that show a shortage of talent in succession for leadership positions.
 - Refer to:
 - Succession planning guidelines
- Lack of competitive rewards for management jobs
 - Refer to:
 - Total cash compensation program area

Focusing on creating a good place to work internally and communicating that externally creates the environment for attracting talent

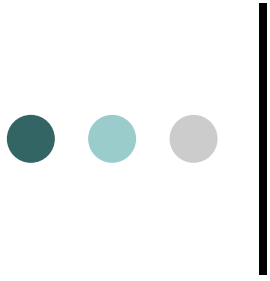
2. General Process for Understanding & Addressing Attracting Talent

<p>Establish Objectives</p> <p><i>Do we know where we want to go?</i></p>	<p>Assess</p> <p><i>Do we know how well we are doing? Where are areas of greatest opportunity?</i></p>	<p>Address Alignment</p> <p><i>Are our programs aligned against stated objectives? Our business strategy? Other programs and systems?</i></p>	<p>Address Value</p> <p><i>How do our candidates feel about our programs? Do our programs engage candidates?</i></p>
<ul style="list-style-type: none"> ○ Develop a vision and expected outcomes for the attraction process, including desired linkages to rewards and development ○ Through workforce planning, agencies identify current staffing needs and what those needs will be in the future, including the potential for new skill requirements 	<ul style="list-style-type: none"> ○ Audit current system to assess components against stated objectives of the attraction and selection processes, process guidelines and best practices ○ Confirm that the attraction and selection process encourages desired results ○ Assess agency's processes and practices for dealing with ineffective sources, lost hiring opportunities, and lack of alignment with compensation and benefits programs 	<ul style="list-style-type: none"> ○ Ensure that goals are established to help individual departments and agency as a whole meet staffing objectives ○ Confirm that the attraction and selection process is consistent with, and in support of, the business strategy, culture and other messages being sent throughout the agency 	<ul style="list-style-type: none"> ○ Strengthen the feedback process – ensure we understand impact on candidates ○ Create a management performance review component to the staffing process

3. Listing of Tools Contained in this Section

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Workforce planning diagnostic 	<ul style="list-style-type: none"> ○ Best practices assessment of attraction and selection processes ○ Overview of process for assessing total cash compensation ○ Process for assessing benefits 	<ul style="list-style-type: none"> ○ Illustration of Behavior-based interviewing questions ○ Illustration of a competency ○ Plan of action for creating alliances ○ Succession planning considerations 	<ul style="list-style-type: none"> ○ Guidelines for an employee referral program ○ Employment offer best practices

Although any tool can be used by your agency, the Best Practices Assessment can help you begin the process of evaluating and prioritizing areas of greatest opportunity



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Workforce Planning Diagnostic

(Page 1 of 2)

- In light of your agency's business goals, what do you see as the critical talent groups/skills/positions within your agency today? Five years from now?
- What are the most important internal and external challenges facing your agency today? Who are your competitors for talent?
- How does your agency's culture help or hinder its ability to attract, retain and motivate critical talent groups/skills?
- Is turnover a problem overall or in any specific area? What are the top five reasons people leave your agency? What challenges do you foresee in recruiting the critical talent that is needed to achieve your business goals? (Comparisons should be made as relevant to the transit industry, state-wide or other labor markets)
 - How much do your workers earn relative to the industry average?
 - What is the age distribution of your workforce vs. the industry?
 - What is the tenure distribution of your workforce vs. the industry?
 - How does turnover change across salary ranges?
 - How does your turnover vary by age?
 - What is the relationship between the tenure of your workforce and turnover?
 - What is your cost of turnover; i.e., replacement cost?
- What do you need to do now to position your agency for success in attracting critical talent? Is your agency a place to learn a skill or a place to apply a skill?



Workforce Planning Diagnostic

(Page 2 of 2)

- Do you have a strategic recruiting plan to replace your critical talent?
- How would you describe the diversity of your workforce? Does your recruiting strategy address diversity?
- How are candidates sourced and selected to ensure a "best fit" to the position and your culture?
- Is a candidate tracking system used to track candidate progress and recruiting statistics? How successful has it been?
- What are your top five sources for candidates?
- What is the most compelling reason a person would want to work for your agency? What is the most compelling reason NOT to work for you?
- How are new employees oriented to your organization? Do you have a formal training program for employees at all levels, in all areas?
- Is there a mentor program? What other steps are in place to ensure knowledge transfer to new personnel?
- Do you encourage internal transfers? What is the process to transfer; e.g., are jobs posted electronically?



Best Practices Assessment for Attracting Talent

(Page 1 of 2)

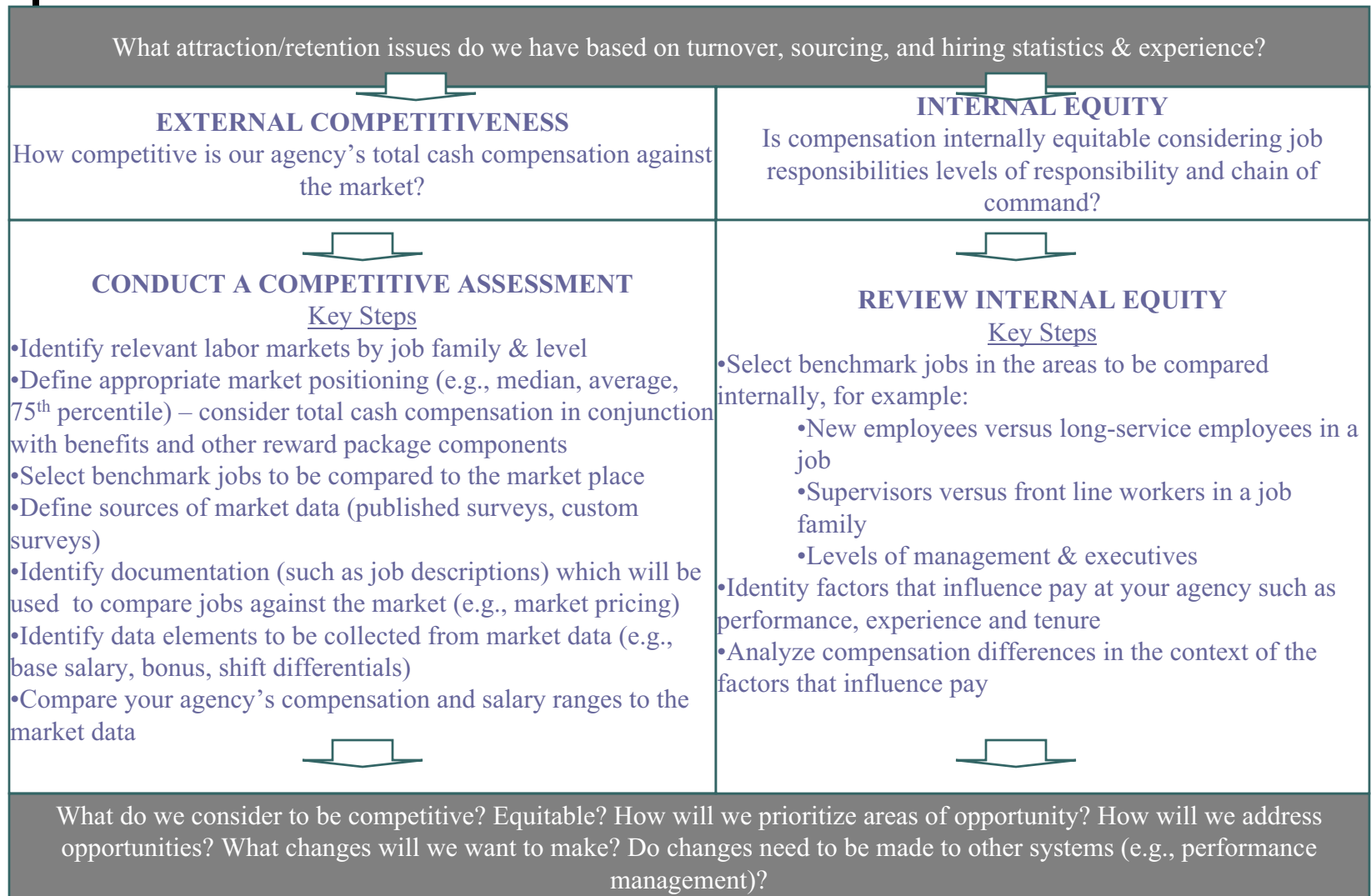
Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**

Best Practices Assessment for Attracting Talent (page 2 of 2)

Attraction	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We view the selection of new employees as one of the most important business decisions we can make			
We have partnerships with organizations to identify prospective employees (e.g. search firms, government agencies, professional associations)			
We use innovative and cost-effective techniques to find candidates whose skills, experiences and personal needs match the agency's requirement			
We use a variety of shifts and work arrangements to attract a diversity of workers			
We use a disciplined and systematic approach for selection and staffing			
We carefully define the critical skills, knowledge, abilities and values required for key jobs			
We regularly involve managers and employees on selection teams to interview and evaluate candidates for hire			
Everyone who is involved in the hiring process has been trained to utilize behavioral interviewing techniques to identify relevant skills and experience			
We train managers and teams to make hiring decisions using business relevant criteria			
We openly post jobs across the organization to support employee development, internal promotions, and transfers			
The strategic plan includes leadership needs, skills and key hiring decisions for the future			
Management recognizes the importance of defining needs, skills, background and potential sources to ensure successful hires			
We regularly review base pay against market and the agency's strategy			
We carefully consider outside organizations against sources and drains for talent by level and department			
We conduct workforce planning activities as part of organization's strategic planning process to identify areas of opportunity			

Overview of Process for Assessing Total Cash Compensation





Process for Assessing Benefits

- What type of plans will best serve objectives?
- What is currently offered and how well do they support objectives?
 - Retirement
 - Defined benefit plan
 - Defined contribution plan
 - Retiree Medical
 - Retiree Life
 - Health
 - Medical
 - Dental
 - Security
 - Life Insurance
 - Short term disability
 - Long term disability
 - Paid Time Off
 - Vacation
 - Holiday
 - Sick Leave
- How do benefits compare to selected markets using published survey or custom data?
 - Published surveys offer standards by industry and may be published by consulting firms, trade associations, human resources professional associations, government sources, etc.
 - Custom surveys compare benefits to specific comparator organizations
- Where are the gaps?
- What costs are associated with addressing gaps?



Illustration of Behavioral Based Interviewing Questions

Analytical/Problem Solving

- Describe a time when you identified a problem and suggested a solution within the context of your work or role.
- Give me an example of a time when you recognized an inconsistency in data or results and took action to correct the information.
- Tell me about a time in which you solved a problem using basic analytical skills and methodologies.
- Think of a situation in which you were particularly skillful at making a tough decision within the context of your work.

Quality Customer Service

- Describe a time in which you provided quality service to an internal client. What was the situation and the result?
- Give me a specific example of how your skill in delivering quality service exceeded customer expectations.
- Tell me about a time in which you identified a barrier to meeting a customer need. How did you resolve the issue?
- Determining the appropriate response to best meet a customer need is a basic step in servicing customers successfully. How have you done this? Give me a specific example.

Teamwork/Collaboration

- Give me an example of a time in which you displayed respect for a co-worker's opinion even though you disagreed with it.
- Describe a situation which highlights your skill at contributing effectively to department discussions.
- This role requires sharing knowledge and information with others. Tell me about a specific circumstance in which you did this well.
- Tell me about a time in which you collaborated with others to resolve a problem. What was the situation and what was the result?

Managing People

- Describe a time in which you met a tight deadline due to your ability to effectively plan and schedule your work.
- How have you sought out new work assignments? Tell me about a specific situation and what action you took.
- Tell me about a time in which you chose to ask for assistance while working independently on a project.
- Give me an example of when you provided constructive feedback on the performance of another co-worker. Walk me through the steps you took.

Illustration of a Competency

These constitute the applied behaviors of the job -- “the How”

(Level 1 represents the basic level expected.

Level 5 represents the most advanced level of proficiency.)

Proficiency	Customer Service and Delight <i>Fosters customer delight. Manages own work and the work of others in ways that meet customer expectations.</i>
<p>Level 1 Focuses on meeting job requirements by using standard approaches to support work flow; Makes decisions about managing own work after gaining input from supervisor/manager; Responsible for working effectively as part of a team.</p>	<ul style="list-style-type: none"> • Demonstrates a commitment to customer delight but may require guidance in interpreting and fulfilling some customer needs. • Considers every request from the customer as important and is responsive, either through own actions or by involving others. • Displays patience and understanding with customers.
<p>Level 2 Requires in-depth knowledge of own area and technical/professional skill gained through work experience or education; Works to develop understanding of how own job contributes to departmental excellence and success of team/unit/work group.</p>	<ul style="list-style-type: none"> • Demonstrates ability to partner with customers to understand their needs and begins to anticipate how to fill those needs. • Understands how own work and service levels impact customer delight. • Considers every request from the customer as own responsibility for resolution, through either the actions of self or by involving others.
<p>Level 3 Requires in-depth knowledge of own area and technical/professional skill gained through work experience or education; Demonstrates understanding of how own job contributes to departmental excellence and the success of the team/unit/work group.</p>	<ul style="list-style-type: none"> • Demonstrates knowledge of customer requirements and agency management to understand and anticipate customer needs. • Interprets and effectively acts on increasingly complex customer needs. • Understands own role and the relationships between various work teams in delivering a high level of customer delight.
<p>Level 4 Understands strategy and assists in implementing it in the departments/teams/workgroups; Uses knowledge of a discipline/profession to solve complex problems; Leads and mentors others in the department</p>	<ul style="list-style-type: none"> • Demonstrates a thorough knowledge of customer requirements and agency management. • Creates opportunities within departments to develop and implement customer-focused processes and methods of operation. • Serves as a role model to achieve customer delight; takes leadership responsibility for encouraging and fostering these values.
<p>Level 5 Guides agency by thinking strategically about the future; Sets strategy or provides policy and strategic input. Implements strategy across functions and departments and allocates resources to this end; Provides leadership and vision, fostering a culture of teamwork and a sense of mission.</p>	<ul style="list-style-type: none"> • Sets direction for customer service by defining customer delight for agency and provides resources for employees to satisfy customer needs. • Drives agency commitment to anticipate and meet customer needs, fostering a culture of service. • Embraces view that the customer is a partner and helps foster this culture within agency.



Plan of Action for Creating Alliances

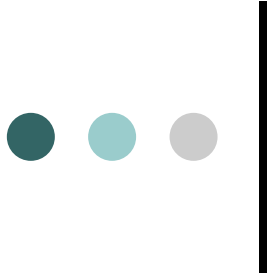
- Identify sourcing organizations that produce quality candidates
- Create partnerships with organizations
 - that provide recruiting expertise for the transit industry (search firms, professional associations)
 - that provide newly trained talent (trade schools, technical schools, colleges, universities)
 - that represent the various professions employed in transit (office for transitioning military personnel, professional associations, employment offices)
 - that represent the diverse populations of employees you are seeking to hire (community-based organizations, organizations representing seniors)
- Track use of these various sources over time for different levels of employees and different departments
- Review the effectiveness of each source and add new ones when needed and discontinue using current sources when no longer effective



Succession Planning Considerations

- Incorporate into the Annual Performance Planning process
- Define and communicate organizational and employee succession goals
- Articulate succession process and identify opportunities
- Provide management support for mentoring and knowledge sharing activities
- Promote cross-training opportunities for all employees
- Identify key metrics that chart the progress of the succession planning process

Succession Planning is key in order for agencies to build the next generation of leaders and managers. It is also important in building agile and flexible organizations



Guidelines for an Employee Referral Program

- Successful employees are a great source of future successful employees
 - They are usually realistic in describing the job
 - Tend to make a good “fit” recommendation regarding fit because they know the person they are referring and the organization
 - Strong self-interest in seeing the right people hired
- The incentive offered should be sufficient to motivate employees to make a referral whether it be a monetary or non-monetary incentive
- Typically referral incentives are payable when the new employee has been on the job for six months
- The program should be well publicized within the agency
- Consider whether rewards will be offered for all levels of employee and if amounts will vary by level



Employment Offer Best Practices

(Page 1 of 2)

- Principles:
 - Always develop the Offer according to practices established by the agency (including compliance with the signatory approval process)
 - The Offer should always be in writing and should be consistent with any verbal offer
 - A response date by which the individual must respond (indicating his/her acceptance) should be specified
 - If the individual does not respond by the specified response date, a written statement by the agency should be issued to the individual to formally rescind the Offer
 - Prior to sending the Offer, it should be reviewed to ensure consistency with intent (e.g., the annual salary reads \$30,000, not \$300,000 by mistake)
 - The Offer should be reviewed to ensure compliance with applicable local, state and federal labor laws as well as with negotiated terms set forth by any labor contracts



Employment Offer Best Practices

(Page 2 of 2)

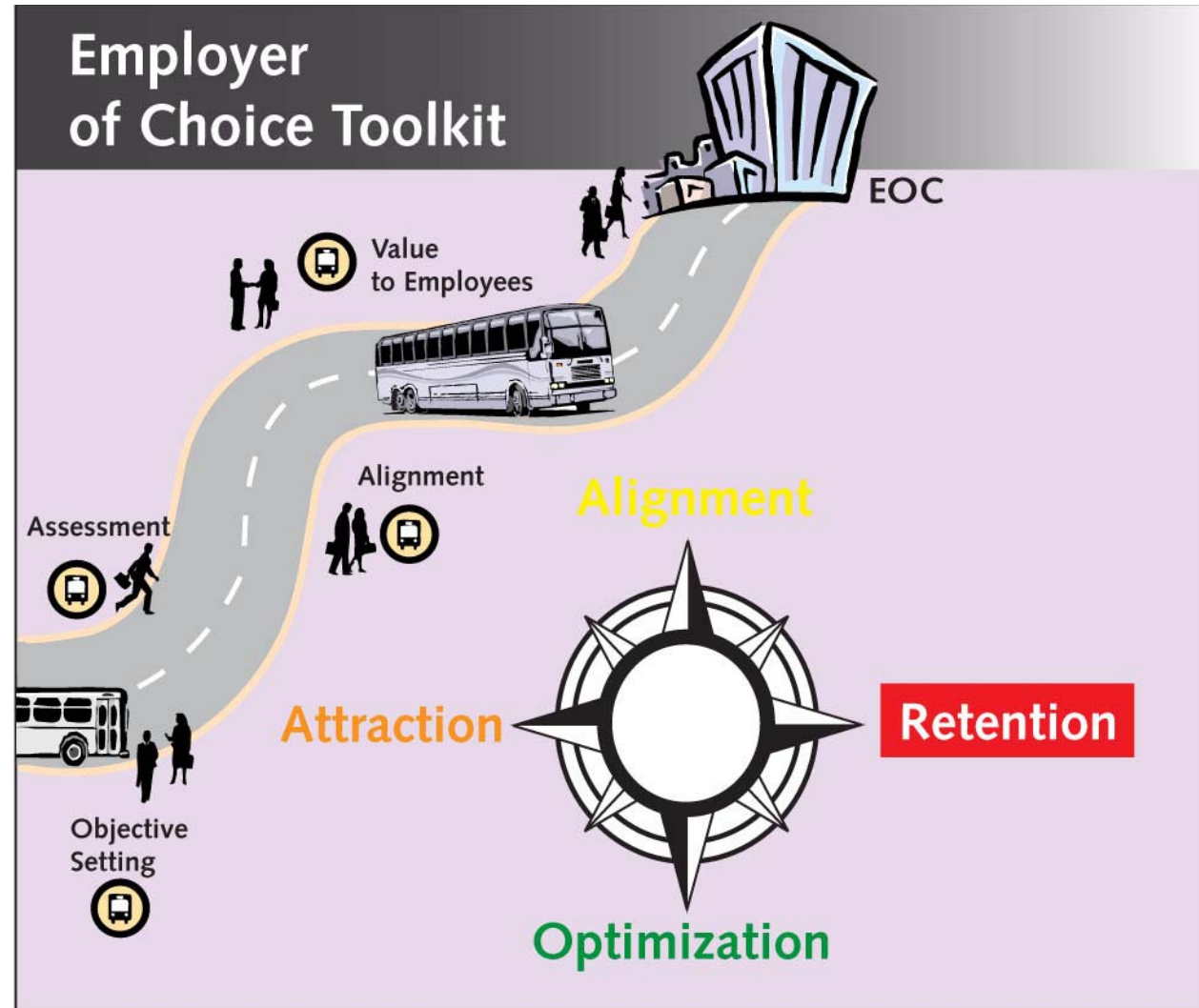
- General Components
 - Compensation
 - Base salary
 - Overtime status (e.g., eligible for overtime?)
 - Eligibility for incentives
 - General reference to class of benefits
 - Payment delivery (weekly, semi-monthly, bi-weekly)
 - Work Specifics
 - Position title
 - Supervisor
 - Start date
 - Hours/shift
 - Work location (as appropriate)
 - Process for Acceptance
 - Date by which acceptance of Offer must be made
 - How an individual is to accept the Offer
 - Place for signature indicating acceptance
 - Remaining steps that need to be completed upon which employment may be contingent (e.g., reference check, drug test)
 - A formal welcome to the agency!



5. References to Other Helpful Resources & Information

- In considering attracting talent, it may be helpful to review other sections of the toolkit, including:
 - Section III: Alignment-The Customer Service-Employee Value Chain
 - Program Area: Total Cash Compensation
 - Program Area: Culture, Work Environment and Labor Relations
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research

Section V: Retaining Talent





Section Layout & Objectives

Section Contents

1. Background & Overview of Retention
2. General Process for Understanding & Addressing Retention
3. Listing of Tools Contained in this Section
4. The Tools
5. References to Other Helpful Resources and Information

Objectives for this Section

- **Provide information on fundamental elements of an effective retention strategy:**
 - **Developing processes that will improve an agency's ability to retain talent**
 - Effectively aligning people with the agency's needs
 - Balancing what employees value with Agency's needs
 - **Measuring success through exit interviews, turnover rates, and analyzing data by job category, level, gender, race, and age**
- **Address key transit issues including:**
 - **Building trust in senior management**
 - **Encouraging employees to express views and acting upon employee suggestions**
 - **Establishing a culture of mutual respect**
 - **Rewarding individual performance**
 - **Promoting the best people**
 - **Terminating poor performers**



1. Background & Overview of Retention

Retaining talent begins with identifying the staffing requirements that will be required for the Agency to achieve its mission. These required levels can then be compared to the Agency's current levels to determine gaps and the points of greatest vulnerability.

This activity then leads to the identification of positions to target for specific retention activities. The needs of the Agency then need to be balanced against the needs of the targeted population to determine the specific offerings or enrichments to current offerings that should be made.

Determining the needs of this targeted population can be accomplished through the use of focus groups, employee opinion surveys, or even open employee meetings. The outcome of this research will determine the appropriate design of an approach to retain employees in targeted positions

*What We Know from the Research...
Key Issues for Many Transit Agencies*

- Building trust in senior management
 - Top performing employees want to work for organizations in which they can believe what senior managers say
 - Refer to Communications and Culture, Work Environment and Labor Relations Program Areas
- Encouraging employees to express views and acting upon employee suggestions
 - Many transit agencies do not include feedback from employees as a regular process in managing change and continuous improvement
 - Refer to focus group guidelines, focus group questions, exit interview questions, and employee opinion survey questions
- Establishing a culture of mutual respect
 - Transit agency employees expect to be treated respectfully and to be asked for their input on changes that impact their jobs
 - Refer to focus group guidelines, focus group questions, exit interview questions, and employee opinion survey questions

Retaining top talent requires balancing the needs of the agency with the needs of the employee

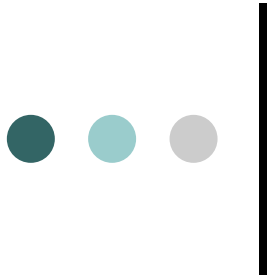
2. General Process for Understanding & Addressing Retention

<p>Establish Objectives</p> <p><i>Do we know where we want to go?</i></p>	<p>Assess</p> <p><i>Do we know how well we are doing? Where are areas of greatest opportunity?</i></p>	<p>Address Alignment</p> <p><i>Are our programs aligned against stated objectives? Our business strategy? Other programs and systems?</i></p>	<p>Address Value</p> <p><i>How do our employees feel about our programs? Do our programs engage employees?</i></p>
<ul style="list-style-type: none"> ○ Develop a vision and expected outcomes for the retention strategy, including desired linkages to rewards and development 	<ul style="list-style-type: none"> ○ Audit current system to assess components against stated objectives of the retention strategy ○ Confirm that the retention strategy encourages desired results ○ Assess agency's processes and practices for dealing with unacceptable turnover levels 	<ul style="list-style-type: none"> ○ Ensure that goals are established to help individual departments and agency as a whole meet staffing objectives ○ Confirm that the retention strategy is consistent with, and in support of, the business strategy, culture and other messages being sent throughout the organization 	<ul style="list-style-type: none"> ○ Strengthen the feedback process – ensure we understand impact on employees ○ Create a management performance review component to retention success

3. Listing of Tools Contained in this Section

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> o Best practices assessment of retention strategy 	<ul style="list-style-type: none"> o Evaluating the communication process 	<ul style="list-style-type: none"> o Framework of the elements & cycle for performance management o Training and development model: moving from learning strategy to results 	<ul style="list-style-type: none"> o Incentive design process steps & considerations o Recognition overview of design steps & considerations o Recognition basic principles o Employee orientation guidelines o Exit interview guide illustration o Focus groups questionnaire & guidelines o Sample employee survey

Although any tool can be used by your agency, the Best Practices Assessment can help you begin the process of evaluating and prioritizing areas of greatest opportunity



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Best Practices Assessment for Retention

(Page 1 of 2)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**

Best Practices Assessment for Retention

(page 2 of 2)



Retention	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We conduct regular employee sensing activities that collect employee input, feedback information to employees about what was heard, and implement plans to act upon employee suggestions			
We regularly create employee participation activities such as task forces, suggestion teams, committees, that place senior management and employees together to solve organizational issues			
New employee orientation is carefully designed to communicate important cultural messages and to create a foundation of shared values			
We regularly measure employee satisfaction and use the results to address employee concerns			
We conduct new employee orientation that includes agency history, values, industry, services and customers			
We openly share information about how reward programs operate with employees			
We allow departments/divisions to tailor reward systems to meet their individual needs			
We share senior management's commitment to a vision of the agency's future with employees on a continual basis			
People practices support the values and beliefs of the agency			
Communication policies, channels and processes are designed to ensure the flow of information to people who need it			
We train managers to communicate and reinforce the values of the culture and are aware that their behavior is a powerful symbol of company values			
People management skills and rewarded and promoted			
We communicate career opportunities as part of the performance management system			
Employees get the information they need to understand the HR programs at the agency			
Employees understand how they relate to the agency's overall success			
We regularly celebrate accomplishments and milestones			



Evaluating the Communication Process

Objectives	Assessment	Alignment	Value to Employees
<p>What are the key messages that support the Transit Agency business and operational goals for evolving to an <i>Employer of Choice</i>?</p> <p>Who are the key stakeholders within the Transit Agency?</p> <p>Who are the key champions inside and outside of the Transit Agency?</p> <p>What is the best approach for delivering the key messages to the right audience at the right time, in the right way?</p>	<p>Who needs to hear the key EOC messages?</p> <p>What are the current forms of communications?</p> <p>When are the best times and frequencies for these communications?</p> <p>How effective are these communication forms?</p> <p>Are there other forms of communications that would work better?</p> <p>What are the costs for these types of communications?</p>	<p>Are the right EOC messages being heard by the right audience?</p> <p>Are the messages being delivered in the right way?</p> <p>Are there any audiences of the agency being missed?</p> <p>Are there any improvements that can be introduced that can make the communication more effective and efficient?</p>	<p>Are the employees being influenced by the EOC messages?</p> <p>Are employee suggestions being heard?</p> <p>Are the communications being changed to match the evolving EOC culture and work environment?</p>



Framework of the Elements & Cycle for Performance Management (Pg 1 of 2)

The Process

- The Cycle
 - Planning
 - On-going coaching & Feedback
 - Mid-Cycle Development Review
 - End-Cycle Review & Evaluation
- The Timing
 - See following page's examples

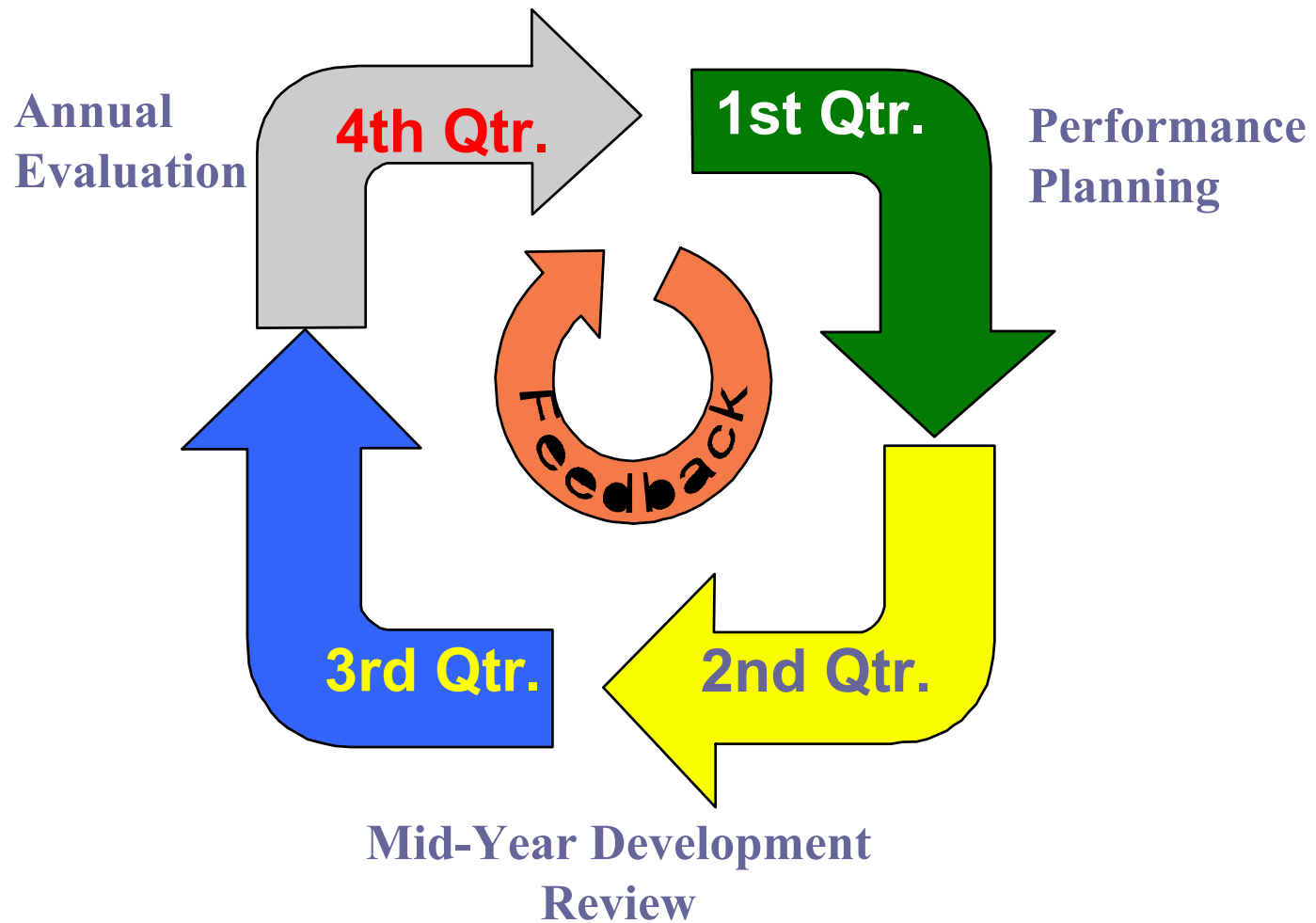
The Tactics

- Forms should reflect the process...that is, they should include:
 - Job's expectations (both results and behaviors)
 - Place for on-going feedback
 - Mid-Cycle Comments & Revisions
 - Employee Self-Assessment
 - Place for End-Cycle Feedback & Evaluation
 - Section outlining planned development of employee
- Supporting Resources & Systems
 - Training & Development
 - Compensation

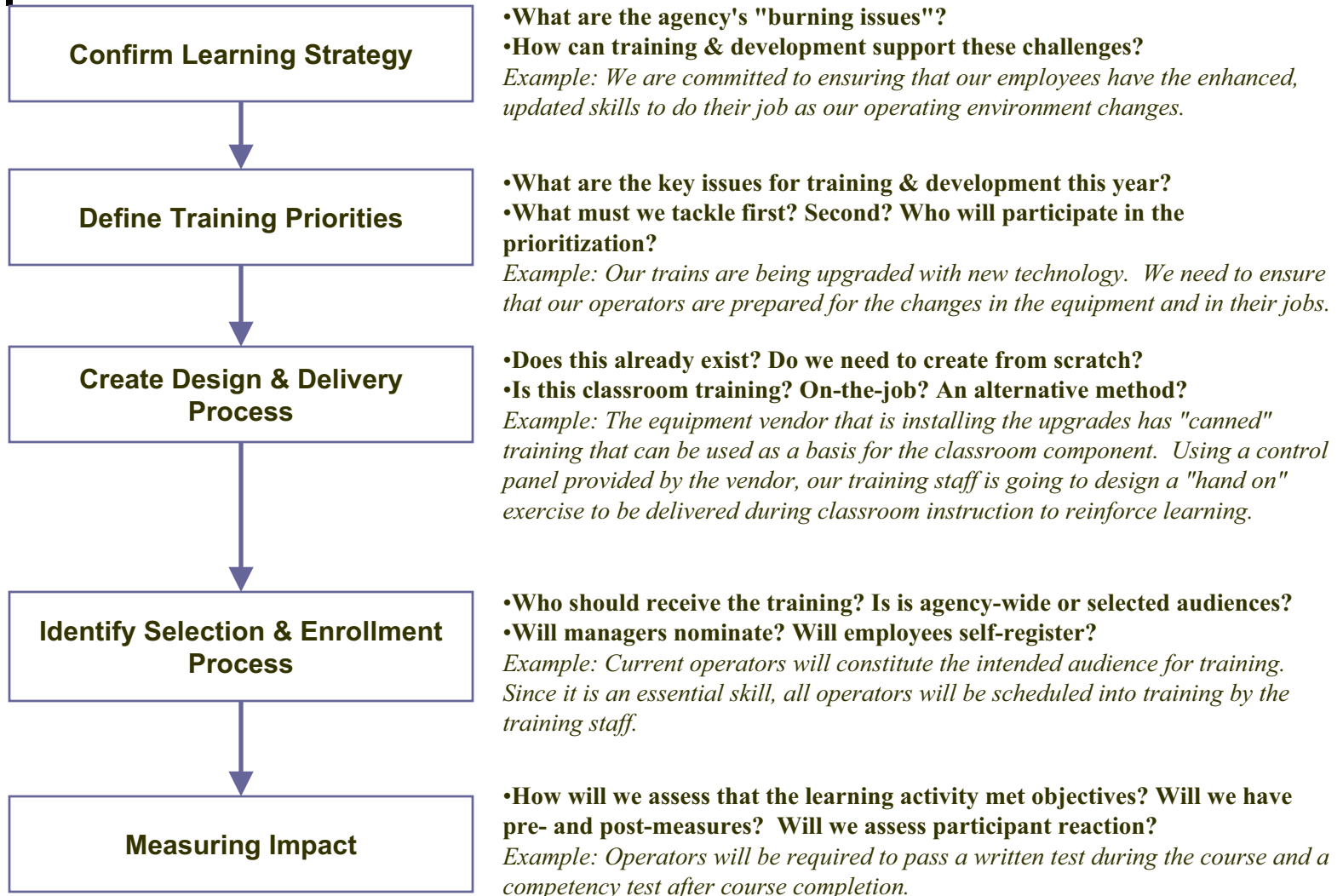
Framework of the Elements & Cycle for Performance Management: The Timing

(Pg 2 of 2)

Launch Strategic Objectives and Goals



Training and Development Model: Moving from Learning Strategy to Results





Incentive Design Process Steps & Considerations

Design Step	Key Design Considerations
Philosophy	<ul style="list-style-type: none"> ▪ Where does variable incentive pay fit into our total reward philosophy? ▪ When do we use it and how will it add value to employees? To the agency?
Plan Objectives and Purpose	<ul style="list-style-type: none"> ▪ Overall purpose and expected outcomes of the design
Participants	<ul style="list-style-type: none"> ▪ Eligibility ▪ Impact on cross-organizational processes
Metrics	<ul style="list-style-type: none"> ▪ Desired results / work behaviors ▪ Line of sight ▪ Tracking and reporting capability and mechanisms
Targets, Leverage and Administrative Mechanisms	<ul style="list-style-type: none"> ▪ Formulas ▪ Modifiers / Triggers ▪ Performance Period and Payout Frequency
Funding and Return on Investments	<ul style="list-style-type: none"> ▪ Budget ▪ Evaluation of Effectiveness
Implementation and Performance Management	<ul style="list-style-type: none"> ▪ Communications ▪ Coaching and Feedback ▪ Integration with other operating and performance management initiatives



Recognition Overview of Design Steps & Considerations

Design Step	Key Design Considerations
Philosophy	<ul style="list-style-type: none"> ▪Where does recognition fit into the reward philosophy? ▪When do we use it and how is it valued by employees? How does it add value to the agency?
Plan Objectives and Purpose	<ul style="list-style-type: none"> ▪Overall purpose and expected outcomes of the design
Participants and Metrics	<ul style="list-style-type: none"> ▪Desired results / work behaviors
Administrative Mechanisms	<ul style="list-style-type: none"> ▪Tracking and reporting
Funding and Return on Investments	<ul style="list-style-type: none"> ▪Budget ▪Evaluation of Effectiveness
Implementation	<ul style="list-style-type: none"> ▪Communications ▪Coaching and Feedback ▪Integration with other operating and performance management initiatives



Recognition Basic Principles

- Employee efforts that get recognized get repeated
- Recognition rewards should be given for specific events, not sustained performance
- An agency should have more than one recognition plan – including both formal and informal plans covering different desired behaviors and outcomes and with varying awards and pay outs
- Recognition plans:
 - Are most effective when given regularly in small doses as part of overall reward process
 - Should avoid counterproductive competition
 - Should be spread throughout the organization
 - Should be sensitive to recipient's wishes
 - Should not be an administrative burden for managers or others in the agency



Sample New Hire Orientation Plan

Prior to Start

For the Employee

- Offer Letter
- Welcome Package
- Phone Call from HR

For the Manager

- Start the Logistics Process
- Prepare/Distribute New Employee Contact List

Logistical/Technology Set-up

- Computer/work station set up
- Telephone number/e-mail account
- Uniforms

First Day

For the Employee

- Welcome
- Agenda
- Overview of Agency
- Everything you need to know
- Completion of paperwork

For the Manager

- Lunch
- Contact list
- Introductions
 - Orientation buddy
 - Work team
 - Support staff
- Tour
- Acclimate employee
- Finalize paperwork

Meet to review progress*

For Both the Employee and Manager

- The first week
- At 30 days
- By 60 days
- The first year
- *A meeting should also be scheduled at the end of the employee's new hire probation (consistent with the Agency's probation process)

Other Opportunities to Reinforce Messages

- Open communication
- Performance management training
- Employee development process
- Career pathing within and across functions
- Intranet design

Exit Interview Guide Illustration

(Page 1 of 3)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable
Satisfied with the work					
Goals and objectives were clearly defined					
Received an equitable share of new opportunities					
Work assignments were challenging					
Workload volume was manageable					
Manager familiar with your work					
Had the opportunity to discuss career goals with manager					
Had the opportunity to discuss performance goals with manager					
Had the opportunity to discuss performance and accomplishments with manager					
Compensated fairly for work performed compared to others doing similar jobs in agency					
Base compensation competitive within the industry					
Link between performance and base pay clearly communicated					
Alternative work arrangements made available					
Supervisor/manager helped aid appropriate work/life balances					
Received adequate training to prepare for work assignments					
Developmental learning opportunities made available					
Career advancement opportunities made available					

Exit Interview Guide Illustration

(Page 2 of 3)

How satisfied were you with the benefits and related programs offered?	Very Satisfied	Satisfied	Dis-Satisfied	Very Dis-Satisfied	Not Applicable
Total benefits package					
Medical Plan					
Dental Plan					
Life insurance					
Time off					
Holidays					
Pension Plan					
Savings plan					
How satisfied were you with the regular communications received from:	Very Satisfied	Satisfied	Dis-Satisfied	Very Dis-Satisfied	Not Applicable
Agency					
Office					
Department					
Human Resources					
Manager/Supervisor (face to face)					
How would you evaluate your supervisor in the following areas?	Very Satisfied	Satisfied	Dis-Satisfied	Very Dis-Satisfied	Not Applicable
Ensured appropriate job orientation					
Provided constructive job-related advice and coaching					
Followed agency policies and procedures					
Treated you fairly and equitably					
Recognized individual accomplishments					
Assigned shifts fairly					
Provided information on management decisions					
Overall, supervisor was effective					



Exit Interview Guide Illustration

(Page 3 of 3)

Reason for Leaving (Choose Appropriate Reason (s))	
Accepted another transit related position elsewhere <ul style="list-style-type: none"> • If yes, what is your new position? _____ • What is the organization's name? _____ 	
Accepted position with more responsibility	
Better total compensation	
Better work/life balance	
Relocating	
Dissatisfied with shift	
Ineffective supervisor/manager	
Dissatisfied with number of hours required to work	
Dissatisfied with job location	
Work not challenging	
Dissatisfied with position	
Returning to school	
Career change <ul style="list-style-type: none"> • New career: _____ 	
Other – Please specify: _____	

Summary Evaluation

Would you recommend this agency as a good place to work? (please circle one) Yes No

Why or why not?



Sample Focus Group Questionnaire & Guidelines (Pg 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency?
- How well does the agency do in:
 - Providing clear job expectations
 - Providing training
 - Informing you how well you are doing in your job
- What suggestions do you have for improvement in any of these areas?
- Do you know how well your unit/department is performing? How do you know?
- Do you know how well you are performing? How do you know?
- How well does the agency do in keeping you informed about matters that are important to you? What changes and improvements would you suggest?
- Should the performance of your team or work group play a role in determining your own performance rating? Who is your work team?
- In your department, are employees as productive as possible? What's keeping them from being more productive?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- The best thing about working for the transit agency is ...



Sample Focus Group Questionnaire & Guidelines (Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and departments. Choose employees who are known to speak freely, however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic.
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.



Sample Employee Survey (Pg 1 of 2)

Overview

- A stakeholder and employee survey is conducted to receive feedback concerning how effectively the EOC communication is being received. This survey assesses the potential effectiveness of existing communication channels and focuses on future improvements. Types of statements and the prevalence of employees agreeing to those statements may look like this:

Statement	Response (Average %)
The Transit Agency communicates effectively with its employees	60%
I am sufficiently well informed about the EOC objectives and goals	66%
I am communicated with effectively	73%
My opinions and views are actively sought	48%
I am sufficiently well informed on my agency's plans and strategy	69%
I am sufficiently well informed on issues and activities affecting my agency	70%
APTA and CTAA are effective forums for communicating the EOC transformation	72%
Town Hall meetings are an effective communications tool	80%
Email is an effective communications tool	36%
I understand my role in the EOC transformation	57%



Sample Employee Survey (Pg 2 of 2)

Samples of additional survey statements that may be used to construct an employee opinion survey:

- I understand the measures used to evaluate my performance
- My performance was accurately evaluated in my most recent performance evaluation
- Our organization sets high standards for individual performance
- High-performing employees are rewarded for their performance
- Our agency does a good job of helping poor performers improve their performance
- Our agency does a good job of dealing appropriately with employees whose performance fails to improve
- There is a clear link between my job performance and my pay
- Overall, I am satisfied with my pay
- Overall, I think I am paid fairly compared with other people in the agency who hold similar jobs
- Overall, I think I am paid fairly compared with other people in the private sector who hold similar jobs
- Coaching you to improve your performance
- Recognizing you for doing a good job
- Applying policies and procedures fairly
- Please rate the level of trust that exists in your agency between senior management and employees
- Taking everything into account, how satisfied are you with your current job?
- How would you rate your agency as a place to work compared with other places you know about?
- Overall, how satisfied are you with your agency at the present time?

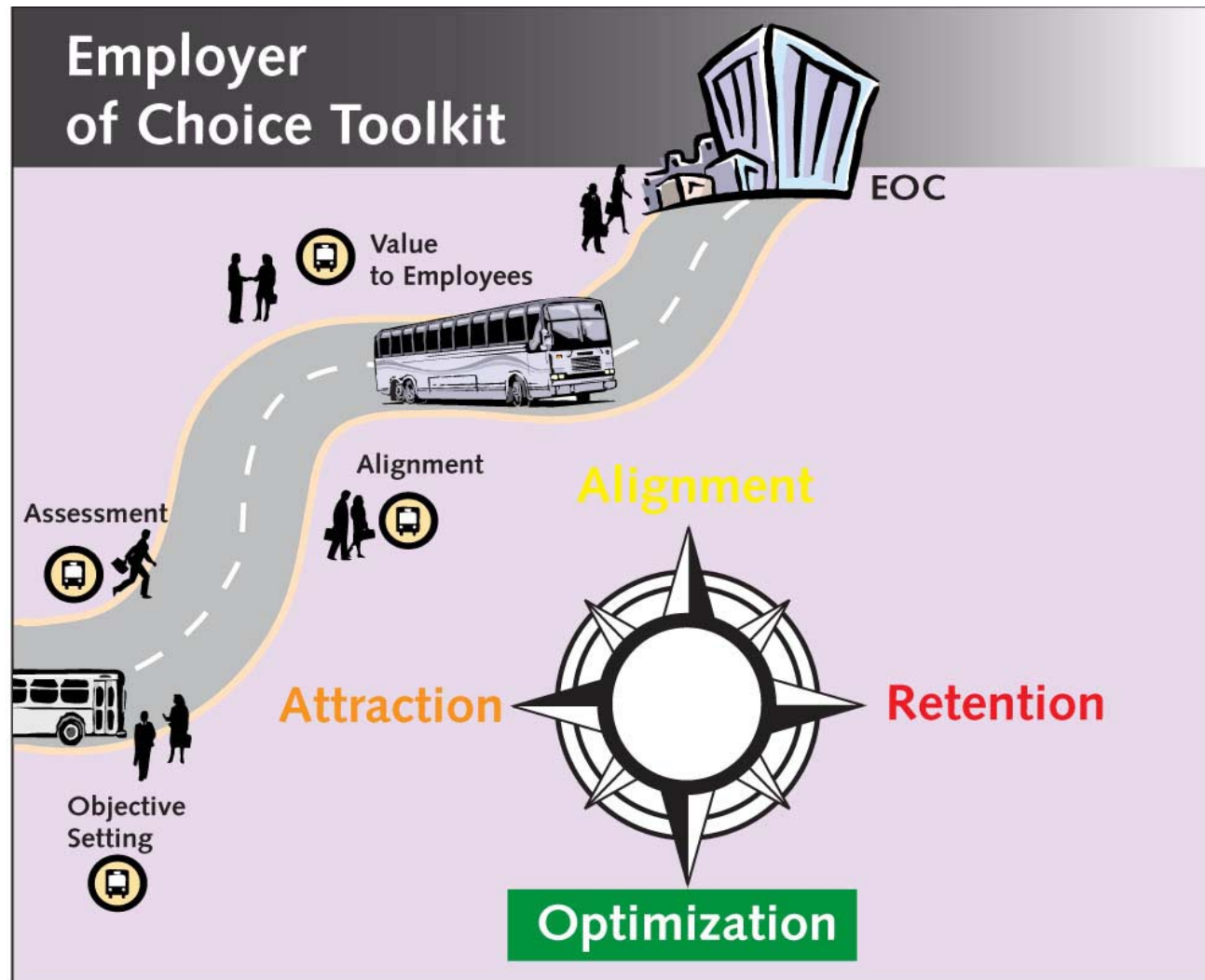
Ask employees for their level of agreement to statements like these



5. References to Other Helpful Resources & Information

- In considering retaining talent, it may be helpful to review other sections of the toolkit, including:
 - Section III: Alignment-The Customer Service-Employee Value Chain
 - Program Area: Total Cash Compensation
 - Program Area: Communications
 - Program Area: Culture, Work Environment and Labor Relations
 - Program Area: Training & Development
 - Program Area: Performance Management
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research

Section VI: Optimizing Talent





Section Layout & Objectives

Section Contents

1. Background & Overview of Optimizing Talent
2. General Process for Understanding & Addressing Talent Optimization
3. Listing of Tools Contained in this Section
4. The Tools
5. References to Other Helpful Resources and Information

Objectives for this Section

- Provide information on fundamental elements of effectively optimizing talent:
 - Developing processes that will improve the effectiveness and efficiency of the workforce
 - Identifying opportunities for developing and promoting leaders
 - Building team work
 - Empowering employees
 - Providing opportunities for staff development and managing performance through effective feedback systems
- Address key transit issues including:
 - Feedback for non-performers
 - Providing skills building or staff development opportunities
 - Formalized rewards and recognition programs



1. Background & Overview of Talent Optimization

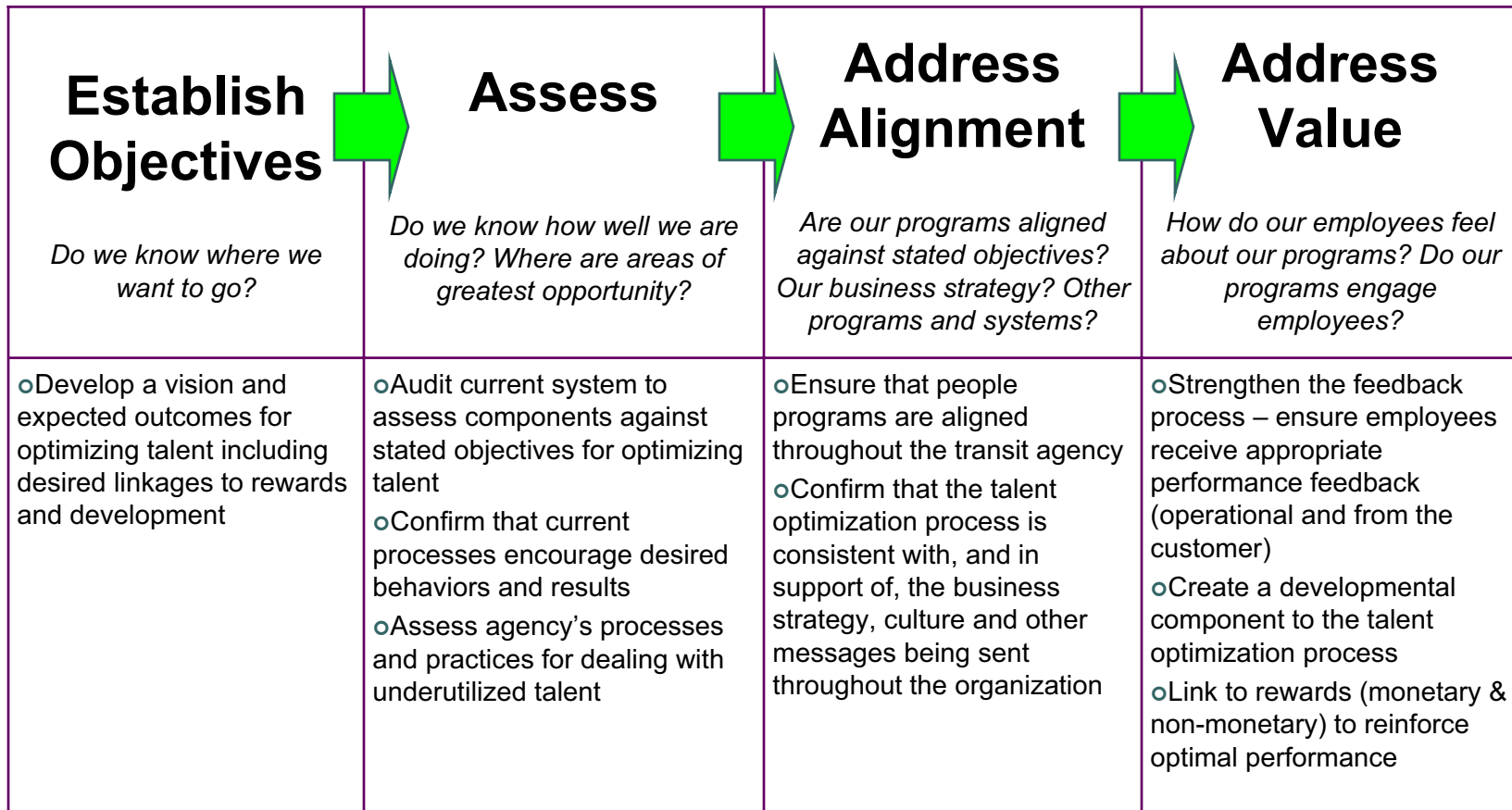
- Elements of Optimizing Talent
 - **Assess current capabilities** by carefully and deliberately considering the agency's strengths and weaknesses, and identifying resources that can be leveraged effectively.
 - **Prioritize opportunities** for improvement according to greatest needs of the agency and importance to agency's mission
 - **Implement improvement plans** such as:
 - Developing & promoting leaders
 - Building teamwork
 - Empowering employees
 - Providing opportunities for staff development
 - Managing performance through effective feedback systems

What We Know from The Research... Key Issues for Many Transit Agencies

- Transit employees score agencies as "average" at:
 - Explaining what is expected in the job
 - Letting you know how well you are performing
 - Helping you understand how your job impacts the agencies' overall performance
 - Refer to:
 - Performance management best practices
 - Training and development model
- Areas needing most improvement
 - Hiring and promoting the best people
 - Terminating poor performers whose performance does not improve
 - Refer to:
 - Performance management best practices

Teamwork, accountability and formalized feedback mechanisms can optimize the workforce

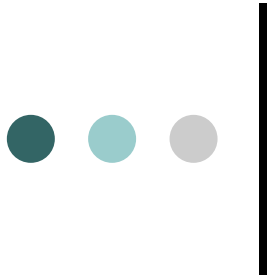
2. General Process for Understanding & Addressing Talent Optimization



3. Listing of Tools Contained in this Section

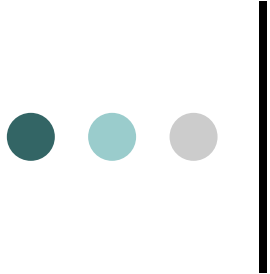
Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> Best practices assessment (assessment tool, but can be used for helping to establish objectives) 	<ul style="list-style-type: none"> Best practices assessment 	<ul style="list-style-type: none"> Recognition overview of design steps & considerations Recognition basic principles Framework for the elements & cycle for performance management Performance management best practices Training and development model: moving from learning strategy to results Succession planning considerations Inter-agency collaboration committees 	<ul style="list-style-type: none"> Organizational and employee feedback mechanisms (sample focus group questions, guidelines, and employee opinion survey questions)

Although any tool can be used by your agency, the **Best Practices Assessment** can help you begin the process of evaluating and prioritizing areas of greatest opportunity



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Best Practices Assessment for Talent Optimization

(Page 1 of 2)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**



Best Practices Assessment for Talent Optimization (page 2 of 2)

Optimization	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
Teamwork is defined with clear expectations for all transit employees and decision-makers			
Roles and responsibilities are defined and documented for all job positions			
Leaders clearly articulate the goals and objectives for the organization			
Employees are cross-trained and understand more than their specific roles			
Meaningful performance measures are defined, measured and shared for the transit agency, management and employees			
Career succession, staff development and other professional opportunities are encouraged			
Formalized rewards and recognition systems are in place			



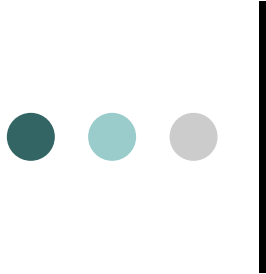
Recognition Overview of Design Steps & Considerations

Design Step	Key Design Considerations
Philosophical Underpinning	<ul style="list-style-type: none"> ▪Where does recognition fit into the reward philosophy? ▪When do we use it and what is the value proposition to employees? To the enterprise?
Plan Objectives and Purpose	<ul style="list-style-type: none"> ▪Overall purpose and expected outcomes of the design
Participants and Metrics	<ul style="list-style-type: none"> ▪Desired results / work behaviors
Administrative Mechanisms	<ul style="list-style-type: none"> ▪Tracking and reporting
Funding and Return on Investments	<ul style="list-style-type: none"> ▪Budget ▪Evaluation of Effectiveness
Implementation	<ul style="list-style-type: none"> ▪Communications ▪Coaching and Feedback ▪Integration with other operating and performance management initiatives



Recognition Basic Principles

- Employee efforts that get recognized get repeated
- Rewards should be given for specific events, not sustained performance
- An agency should have more than one recognition plan – including both formal and informal plans covering different desired behaviors and outcomes and with varying awards and pay outs
- Recognition plans:
 - Are most effective when given regularly in small chunks as part of the overall reward process
 - Should avoid counterproductive competition
 - Should be spread throughout the organization
 - Should be sensitive to recipient's wishes
 - Should not be an administrative burden for managers or others in the agency



Framework of the Elements & Cycle for Performance Management (Pg 1 of 2)

The Process

- The Cycle
 - Planning
 - Ongoing coaching & Feedback
 - Mid-Cycle Development Review
 - End-Cycle Review & Evaluation
- The Timing
 - See following page's examples

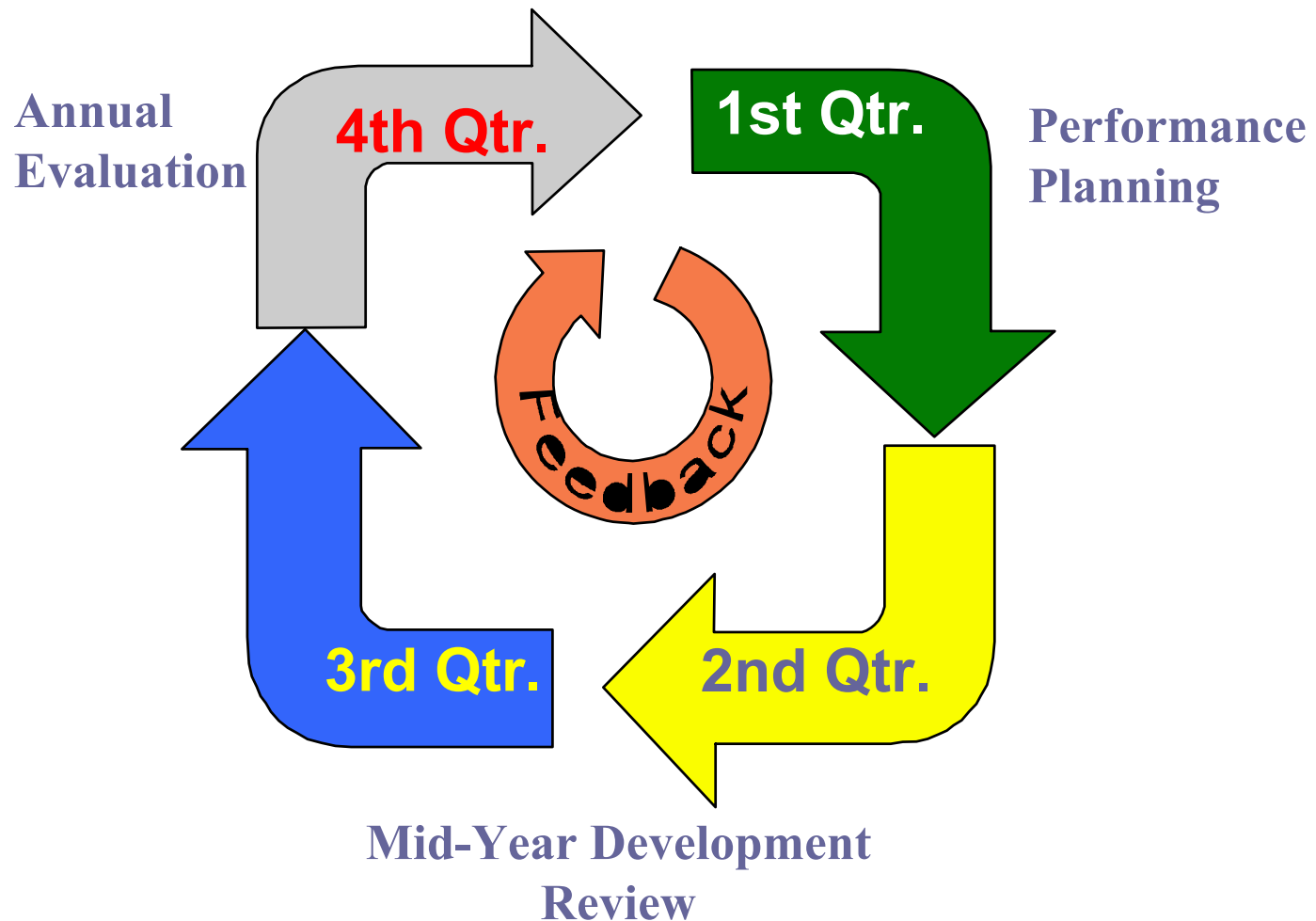
The Tactics

- Forms should reflect the process...that is, they should include:
 - Job's expectations (both results and behaviors)
 - Place for on-going feedback
 - Mid-Cycle Comments & Revisions
 - Employee Self-Assessment
 - Place for End-Cycle Feedback & Evaluation
 - Section outlining planned development of employee
- Supporting Resources & Systems
 - Training & Development
 - Compensation

Framework of the Elements & Cycle for Performance Management: The Timing

(Pg 2 of 2)

Launch Strategic Objectives and Goals

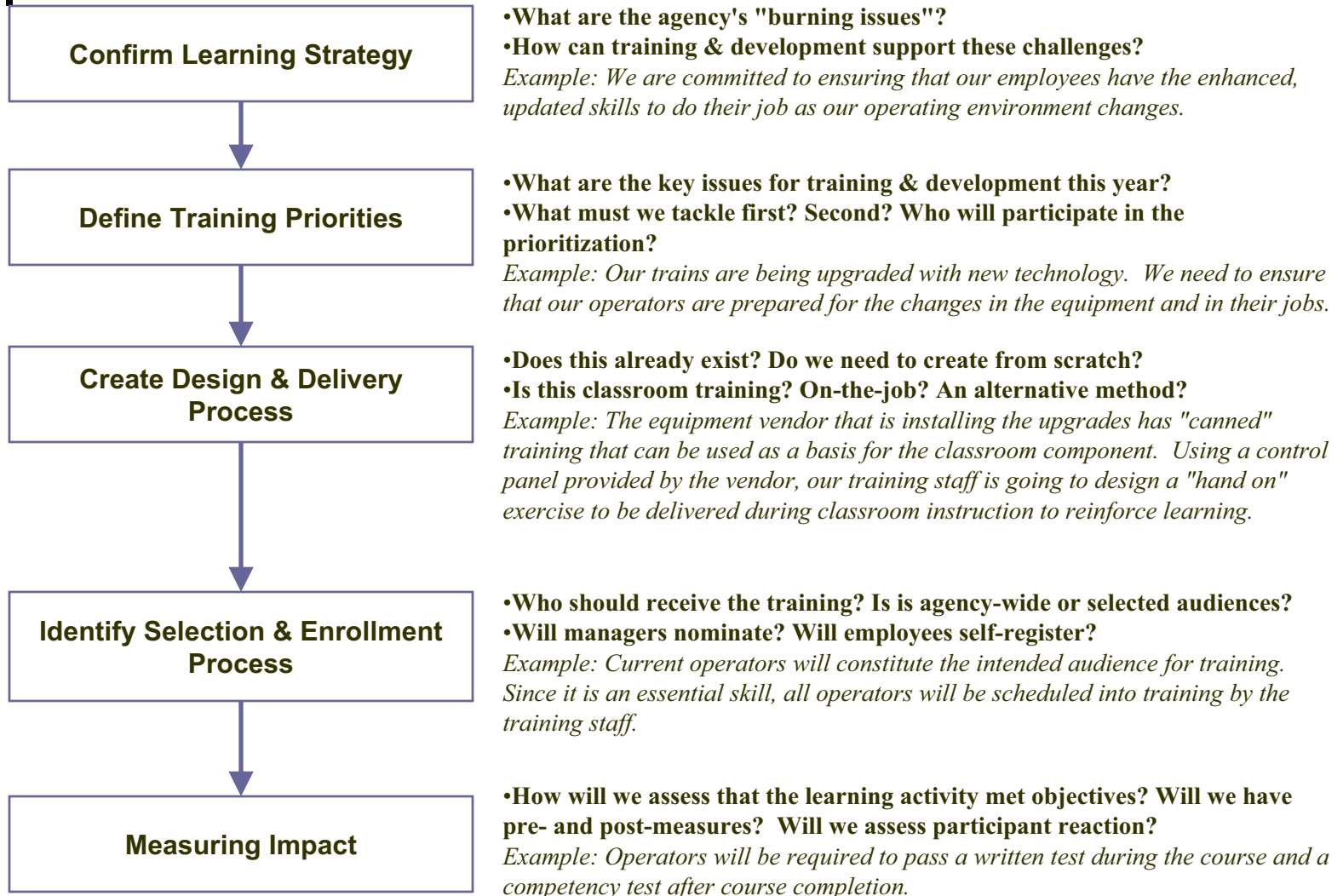




Overview of Some Performance Management Best Practices

- Focus on the process, not the forms
- Includes both results as well as behaviors
- Deals with extremes in performance
 - Rewards top performers
 - Addresses substandard/poor performers
- Emphasis on looking forward
- Not once-a-year event – should involve ongoing coaching and feedback
- Employee Accountability
 - Employee-initiated processes
 - Self assessment
- Managers held accountable for championing the process
- “Toolkit” approach allowing customization by department and/or location
- Ongoing system impact evaluation
- Alignment with other initiatives (Rewards, Development, etc.)

Training and Development Model: Moving from Learning Strategy to Results





Succession Planning Considerations

- Incorporate into the Annual Performance Planning
- Define and communicate organizational and employee succession goals
- Articulate succession process and identify opportunities
- Provide management support for mentoring and knowledge sharing activities
- Promote cross-training opportunities for all employees
- Identify key metrics that chart the progress of the succession planning process

Succession Planning is key in order for agencies to build the next generation of leaders and managers. It is also important in building agile and flexible organizations



Inter-agency Collaboration Committees Guidelines

- Inter-agency Collaboration Committees
 - Begin with a Committee Charter that includes...
 - Overview and Background, Sponsoring Agencies and Champions, Member Information, Purpose, Objectives, Goals, Meeting Guidelines, Timeframes and Action Plan
 - All committee meetings should have a defined agenda with objectives and identify action items with assigned dates and a person responsible for resolution
 - Committees should focus on critical topics that impact the participating transit agencies
 - Committee members require management support and must be given the time to participate in meaningful ways
 - Members provide frequent updates to others outside the committees as to the progress and actions being considered and implemented
 - Members solicit feedback outside the committee to build greater support and ensure success and acceptance of new ideas

Committees promote knowledge sharing of best practices and leverage resources more effectively for transit agencies with limited budgets and staff



Sample Focus Group Questionnaire & Guidelines (Pg 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency?
- How well does the agency do in:
 - Providing clear job expectations
 - Providing training
 - Informing you how well you are doing in your job
- What suggestions do you have for improvement in any of these areas?
- Do you know how well your unit/department is performing? How do you know?
- Do you know how well you are performing? How do you know?
- How well does the agency do in keeping you informed about matters that are important to you? What changes and improvements would you suggest?
- Should the performance of your team or work group play a role in determining your own performance rating? Who is your work team?
- In your department, are employees as productive as possible? What's keeping them from being more productive?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- The best thing about working for the transit agency is ...



Sample Focus Group

Questionnaire & Guidelines (Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and departments. Choose employees who are known to speak freely, however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic.
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.



Sample Employee Survey (Pg 1 of 2)

Overview

- A stakeholder and employee survey is conducted to receive feedback concerning how effectively the EOC communication is being received. This survey assesses the potential effectiveness of existing communication channels and focuses on future improvements. Types of questions include...

Question	Response (Average %)
The Transit Agency communicates effectively with its employees	60%
I am sufficiently well informed about the EOC objectives and goals	66%
I am communicated with effectively	73%
My opinions and views are actively sought	48%
I am sufficiently well informed on my agency's plans and strategy	69%
I am sufficiently well informed on issues and activities affecting my agency	70%
APTA and CTAA are effective forums for communicating the EOC transformation	72%
Town Hall meetings are an effective communications tool	80%
Email is an effective communications tool	36%
I understand my role in the EOC transformation	57%



Sample Employee Survey (Pg 2 of 2)

Additional Survey Questions

- I understand the measures used to evaluate my performance
- My performance was accurately evaluated in my most recent performance evaluation
- Our agency sets high standards for individual performance
- High-performing employees are rewarded for their performance
- Our agency does a good job of helping poor performers improve their performance
- Our agency does a good job of dealing appropriately with employees whose performance fails to improve
- There is a clear link between my job performance and my pay
- Overall, I am satisfied with my pay
- Overall, I think I am paid fairly compared with other people in the agency who hold similar jobs
- Overall, I think I am paid fairly compared with other people in the private sector who hold similar jobs
- Coaching you to improve your performance
- Recognizing you for doing a good job
- Applying policies and procedures fairly
- Please rate the level of trust that exists in your company between senior management and employees
- Taking everything into account, how satisfied are you with your current job?
- How would you rate your agency as a place to work compared with other places you know about?
- Overall, how satisfied are you with your agency at the present time?



5. References to Other Helpful Resources & Information

- In considering the optimization of talent, it may be helpful to review other sections of the toolkit, including:
 - Section III: Alignment-The Customer Service-Employee Value Chain
 - Program Area: Total Cash Compensation
 - Program Area: Training & Development
 - Program Area: Performance Management
 - Program Area: Communications
 - Program Area: Culture, Work Environment and Labor Relations
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research

**EMPLOYER OF CHOICE
RESOURCE TOOLS**

Program Areas





Program Area A: Total Cash Compensation



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Total Cash Compensation
2. General Process for Understanding and Addressing Total Cash Compensation
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on fundamental elements of an effective compensation system, including:
 - How compensation fits into a Total Reward approach
 - Aligning rewards with business strategy
 - Assessing employee perceptions regarding compensation
 - Key design issues in developing an incentive plan
- Address key transit issues including:
 - Pay competitiveness against the market
 - Pay compression
 - Board & public receptiveness to incentive compensation
 - Creative approaches to compensation in collectively bargained environments



1. Background and Overview of Total Cash Compensation

Total cash compensation by its very nature is a focal point of interest -- it constitutes a large portion of an employee's reward package, is a fixed labor expense for the agency, and is the subject of wage-setting processes influenced by other constituents (labor unions for a variety of jobs, the Board for executive and management jobs, and the public and media in general).

Definition: Total Cash Compensation = Base Pay + Other Cash Paid (such as incentives and bonuses)

Base Pay: On average, cash compensation for 80-90% of transit agency employees is collectively bargained. Although this type of wage-setting process influences flexibility available in determining compensation practices, many of the tools and concepts are the same regardless of bargaining status -- establishing objectives, assessing levels of competitiveness, understanding employee issues surrounding compensation, and identifying areas of opportunity to assist in planning for compensation and preparing for the wage-setting process.

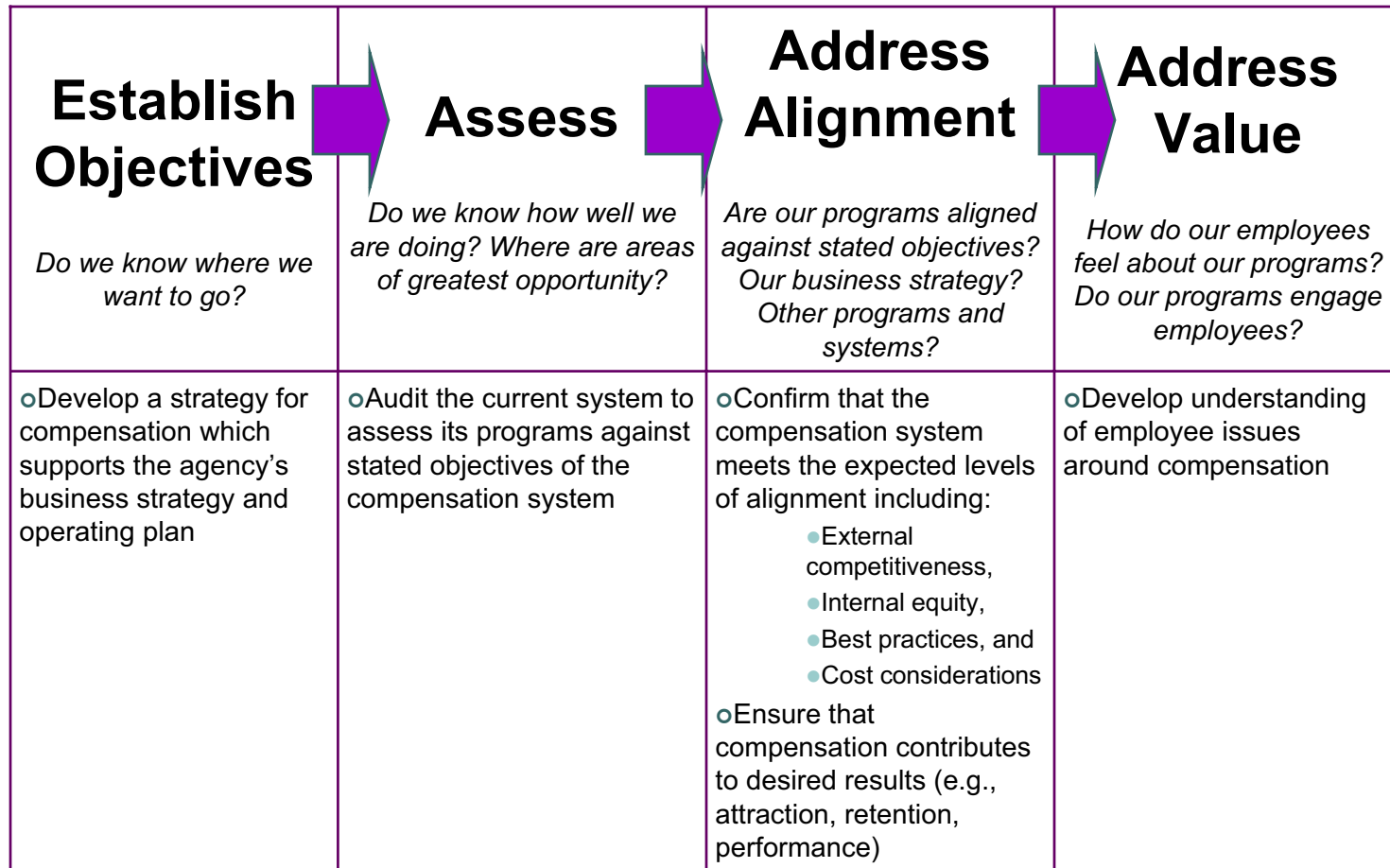
Other Cash: In contemplating the use of other cash, which most frequently takes the form of incentives, special considerations exist for transit agencies, including the use of public funds to fuel additional compensation payments and the dominating presence of labor unions. Such elements have traditionally contributed to the limited use of incentives. Incentives can be a powerful tool for focusing behaviors, creating business literacy, and achieving results -- when properly constructed, communicated and implemented. For public transit agencies education, communication and involvement of stakeholders (Boards, labor and even the community) must begin well before the process of incentive design process is initiated.

What We Know from The Research... Key Issues for Many Transit Agencies

- Pay competitiveness
 - Use of compensation systems that are not market-based
 - Refer to:
 - Sample Matrix of Job Families
 - Custom Surveys Process
 - Report of Base Pay
- Pay Compression
 - New employee v. long-service employee
 - Supervisor versus front-line worker
 - Among levels of management & executives
 - Refer to:
 - Understanding Pay Compression



2. General Process for Understanding & Addressing Total Cash Compensation



3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Sample compensation philosophy statement ○ Compensation philosophy guidelines 	<ul style="list-style-type: none"> ○ Overview of process for assessing total cash compensation ○ Sample matrix of job families, levels, and relevant markets ○ Sample survey descriptors ○ Custom survey process ○ Sample report of base pay compared to market ○ Understanding Pay Compression 	<ul style="list-style-type: none"> ○ Alignment matrix of reward components ○ Merit matrix illustrations ○ Examples from transit agencies ○ Primer on Incentive Compensation 	<ul style="list-style-type: none"> ○ Sample focus group questionnaire and guidelines ○ Sample employee survey questions

Although all tools will be useful to your agency, the Sample Audit Questionnaire & Leadership Discussion Guide is a great place to begin – it provides a framework for evaluating your agency’s total cash compensation system



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Sample Total Reward Philosophy Statement

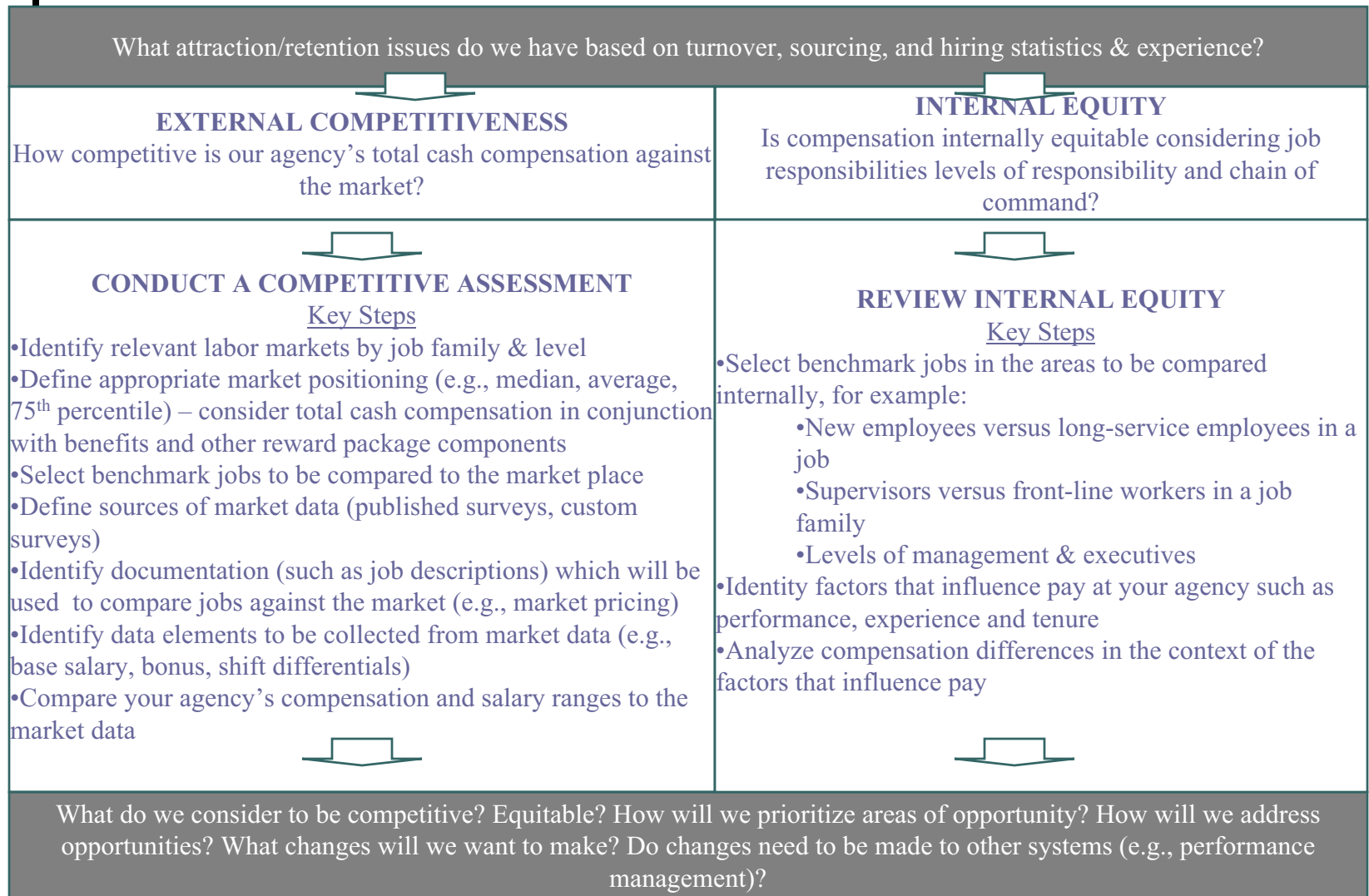
- Our agency's goal is to meet the career needs of our employees. We will do this through a combination of base pay, benefits, rewards, and non-monetary incentives, which will attract, retain and motivate high-performing employees and allow them to earn a competitive total compensation package, based on economic conditions, service delivery and the financial resources available in the agency.



Total Reward Philosophy Guidelines

- In addition to the general philosophy statement, key components of the philosophy should include:
 - Desired outcomes that the reward system should produce for the agency (market position, behavior changes, attraction of critical skills, competitive advantage, retention, union relations)
 - Desired competitive level (e.g., average, median, 25th percentile, 75th percentile) of key elements of the reward package, including base pay, incentives, and benefits
- Evaluate the pay philosophy against the agency's operating strategy, values, culture, and management style to ensure consistency
- Establish measures of pay success and develop a plan for evaluating the pay system's impact and effectiveness
- Understand and measure the return on the compensation investment and track changes over time
 - Ratio of compensation to expense (total cash compensation &/or benefits)
 - Compensation as a percent of revenue (total cash compensation &/or benefits)
 - Compensation as a percent of operating expense (total cash compensation &/or benefits)
- Openly share information with employees about how reward programs operate and how performance, tenure and proficiency are rewarded.

Overview of Process for Assessing Total Cash Compensation





Sample Matrix of Families, Levels and Relevant Labor Markets

Organizational Levels	Operations	Engineering	Marketing	Customer Service	HR
Non-Exempt	Local		Local	Local	Local
Professional	Local Industry	Regional Industry	Local	Local	Local
Middle Mgmt	Regional Industry	Regional Industry	Regional Industry	Regional Industry	Regional Industry
Senior Mgmt	National Industry	National Industry	National Industry	National Industry	Regional Industry

Use to identify the recruitment market for assessing competitiveness



Sample Survey Descriptors

- **Accountant** Prepares income and balance sheet statements, consolidated statements, and various other accounting statements and reports. Analyzes financial reports and records, making recommendations relative to the accounting of reserves, assets, and expenditures. Reviews and verifies the accuracy of journal entries and accounting classifications assigned to various records. Conducts special studies and develops or recommends accounting methods and procedures. Instructs or assigns work to bookkeepers and accounting clerks engaged in general accounting activities. Coordinates accounting matters with other departments, locations and divisions. Utilizes computer to input, retrieve or display accounting information.
- **Human Resources Generalist** Provides support in functional areas of human resources including but not limited to recruitment and employment, personnel records, employee and/or labor relations, job evaluation, compensation management, benefits administration, organization development, training, AA/EEO, and special projects. Assists in the development and implementation of human resources policies and procedures and their dissemination through employee booklets, communications, and/or meetings. Prepares reports in conformance with legislated requirements or organization needs
- **Database Administrator** Directs and controls the activities related to data planning and development and the establishment of policies and procedures pertaining to its management, security, maintenance and utilization. Sets and monitors standards. Advises management on database concepts and functional capabilities.
- **Public Relations Representative** Plans, prepares and disseminates publicity and good-will information concerning the organization through newspapers, periodicals, and audio and visual communication media. Accomplishes assigned duties through written communications, speeches and personal contact. Performs assignments in specialized areas of public relations activities such as press, radio and TV relations, community relations, stockholder relations, and intra-industry relations.
- **Attorney** Prepares and reviews contracts involving leases, licenses, purchases, sales, real estate, employment, insurance and other matters. Studies proposed and existing legislation. Gives legal advice with respect to administration, and prepares resolutions and forms. Reviews and approves advertising copy and public statements from a legal standpoint. Anticipates and guards against legal risks involving the organization. Participates in major legal actions.

Found in published surveys. Used to determine matches to jobs within your own agency.



Custom Survey Process

Step 1: Determine jobs to be included in the survey

Job Identification: Jobs not represented in published surveys that are common in the market. They should be jobs that represent critical skill areas or for which attraction and retention issues exist. Successful surveys limit the data collection to fewer than 15 jobs.

Step 2: Develop brief position description for each job to be included in the survey

Position Descriptions: Descriptions should include information about job duties, typical requirements and reporting relationships or related scope information and should not exceed 5-6 sentences in length.

Step 3: Identify Comparator Organizations

Comparator Information: Comparators should be organizations with whom the agency competes for talent for jobs identified above. Assemble contact names, addresses, phone, fax and email information of comparator organizations, if available.

Step 4: Determine Pay Components

Pay Components: Components may include number of incumbents in the position, strength of match, average salary, range minimum, target total cash, short-term incentive and actual total cash among others.

Step 5: Prepare Survey Questionnaire

Survey Preparation: Questionnaire should include contact information for participants to ask questions and get clarification on the survey. The questionnaire should also ask for contact information from participants so that any questionable submissions can be verified with the participant. The position descriptors, organizations invited to participate and the pay components desired make up the rest of the survey.

Step 6: Conduct Survey

Conduct Survey: The conduct of a custom survey includes contacting potential participants and generating participation, collecting and summarizing the data and preparing a report for internal purposes as well as to share data back with participants.

Sample Report of Base Pay Compared to the Market

Job Title	No. of Incumbents	Average Salary of Agency Employees	Market Value for Job	Salary to Market Differential	
Department A					
Job 1	1	\$60,000	\$62,000	-3.3%	
Job 2	3	\$51,000	\$50,000	2.0%	
Job 3	12	\$32,000	\$33,500	-4.7%	
Job 4	1	\$29,000	\$32,000	-10.3%	
Job 5	5	\$38,000	\$41,000	-7.9%	
Average Department A					-4.9%
Department B					
Job 1	1	\$60,000	\$62,000	-3.3%	
Job 2	1	\$55,000	\$50,000	9.1%	
Job 3	3	\$51,500	\$52,000	-1.0%	
Job 4	1	\$46,000	\$44,000	4.3%	
Job 5	3	\$37,000	\$36,000	2.7%	
Job 6	12	\$28,000	\$30,000	-7.1%	
Job 7	1	\$35,000	\$32,000	8.6%	
Job 8	5	\$39,000	\$41,000	-5.1%	
Average Department B					1.0%
Average All Departments					-1.2%

Department A's average salaries are 4.9% below market (within a competitive range overall). However, Job 4 is more than 10% below and should be reviewed with regard to experience and performance of incumbent.



Understanding Pay Compression

(Page 1 of 3)

Definitions and Causes

- Definition: Pay differentials too small to be considered equitable. The term may apply to differences between (1) the pay for supervisors and subordinates, (2) the pay of experienced and newly hired incumbents of the same job, and (3) salary range midpoints in successive job grades.
- Causes:
 - Market supply and demand issues
 - Agencies have increased hiring rates and have not provided sufficient funds to move existing employees through the ranges.
 - Agencies have increased the pay rates for subordinate employees at or above pay levels for supervisory employees.
 - The pay for specific functional/technical skill areas has risen above that of the managers or directors for those areas.
 - Salary Administration Issues
 - Salary ranges are adjusted at the same rate as salary increase budgets
 - Insufficient attention is paid to position-in-range at time of pay increase decisions
 - Performance Management Issues
 - Pay increases are not differentiated, so pay for more valuable employees is increasing at the same rate as pay for less valuable employees. See performance management section to address this issue.



Understanding Pay Compression

(Pg 2 of 3)

Strategies for Addressing Subordinate/Supervisor Pay Compression

- Reduce base pay compression by making sure that the salary structure midpoint differentials are 15-20 percent between the highest subordinate job grade and the supervisory job grade. Any compression that may exist because of the range overlap will be temporary. It is important to communicate longer-term career and pay opportunities to incumbent supervisors.
- A shortage of non-exempt technical talent may result in rapidly increasing salaries for this talent. It may be necessary to grant market-based equity adjustments to both the technical staff and the first-line supervisors in order to maintain an equitable and appropriate pay differential.
- Similarly, compression may be caused by increasing college hiring rates or union contracts. If so, market-based equity adjustments may need to be granted to supervisors, as well as subordinates.
- If total annual compensation compression is a problem because of the overtime earnings of non-exempt staff, the earnings differential may be widened by including first-time supervisors in annual incentive compensation programs.
- In some organizations, it is common and acceptable for subordinates (often exempt technical professional employees) to make more money than their supervisors. Although compression exists, it is not a problem. This most often occurs in organizations with technical exempt job families offering dual career tracks. For example, an engineering department may have six levels of individual contributors. The pay opportunities of the higher levels of contributors (e.g., principal engineer, scientist, and senior scientist) often are equal to or greater than those of the managers and directors to whom they report.



Understanding Pay Compression

(Pg 3 of 3)

Strategies for Addressing New Hire Compression

Paying new employees close to or above current employees is frustrating to current incumbents who are asked to provide orientation and periodic direction to the new hires. Current incumbents are usually more productive, and more valuable to the organization than the newly hired employees because they already know the job.

- Grant across the board increases to current incumbents who meet minimum performance requirements in order to maintain an appropriate difference between their pay and that of new hires. A clear communication to employees should be included to explain the reason for the increase.
- At salary increase time, conduct compa-ratio analysis by date in job to ensure that the salary administration processes are in place and working effectively.
- On an annual basis, review range adjustment percentages at the same time you are reviewing salary increase percentages. Adjust ranges at least 1.5- 2.0% less than salary increase rate.
- Page 130 includes an illustrative solution to offset new hire compression

Alignment Matrix of Reward Components

Compensation Components	Reward Objectives			
	Attract Qualified Applicants	Retain High-Performing Employees	Motivate Achievement of Objectives and High Performance	Build Capability and Expertise
Base Pay Ranges	X X	X		
Base Pay Increases		X	X	X X
Accelerated Progressions for Select Job Families		X	X X	X X
Annual Incentives			X X	X
Spot Awards/Project Incentives		X	X X	
Recognition		X	X	X

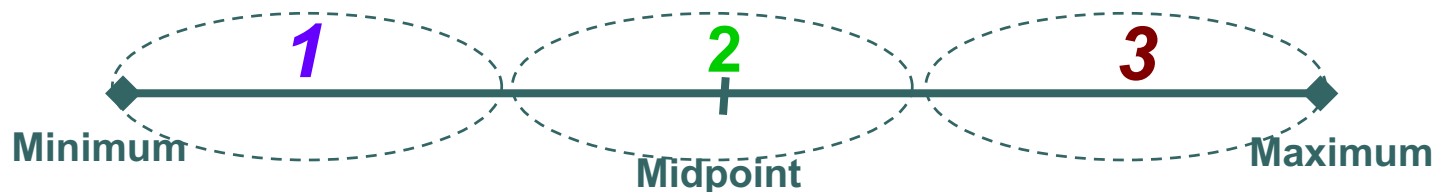
The matrix may look different for bargaining versus non-bargaining employees since different compensation components and reward objectives may apply



Merit Matrix Illustrations (Pg 1 of 3)

Increase Determined Based on Performance Rating & Position in Range

Performance Rating	Position in Current Salary Range		
	1	2	3
Far Exceeds Expectations	5.5-6.5%	5-6%	4.5-5.5%
Exceeds Expectations	3.5-4.5%	3-4%	2.5-3.5%
Meets Expectations	3.5-4.5%	3-4%	2.5-3.5%
Needs Improvement	1-2%	.5-1.5%	0-1%
Unacceptable	0%	0%	0%





Merit Matrix Illustrations (Pg 2 of 3)

Increase Determined Based on Performance Rating & Midpoint

Performance Rating	Increase as a % of Midpoint
Far Exceeds Expectations	7 – 9%
Exceeds Expectations	5 – 7%
Meets Expectations	3 – 5%
Needs Improvement	2 – 3%
Unacceptable	0%



Merit Matrix Illustrations (Pg 3 of 3)

Increase Determined Considering Career Stage & Contribution

(Possible solution to address compression)

	<i>Entrant</i>	<i>Contributor</i>	<i>Producer</i>	<i>Expert</i>
Career Stage 				
Performance against objectives 				
Top Performance	\$	\$\$\$	\$\$\$\$\$\$	\$\$\$\$\$\$\$\$\$
	\$	\$	\$	\$
Worst Performance	0	0	0	0



Examples from Transit Agencies

The following information has been adapted from the American Public Transportation Association website www.apta.com

- **Pay for performance at LA:** The new system replaced a traditional approach providing standard cost of living adjustments. Getting authorization for the new system required long planning and rigorous study of approaches in other transit and governmental organizations.
- **Market-based pay system at WMATA:** In addition to the market-based pay system the replaced a job evaluation system, as of 1997, WMATA also has instituted Pay for Performance for non-represented employees, linked to a new performance management system.
- **Rewarding through growth opportunity at New York's MTA:** For certain hard-to-hire skills, MTA hires young, bright graduates, expecting them to stay 3 to 5 years and compensates them through much greater responsibility than they would have elsewhere.
- **Salary surveys for critical skill areas at Santa Clara:** The agency conducts regular salary surveys in its area for in-demand specialties. They also reached agreement with its unions to review certain specialties on a three versus five year basis, and adjust pay to match the market.
- **Bonuses for organizational performance at MARTA:** Bonuses ("success sharing") are provided for organization-wide performance.
- **Bonuses for meeting performance goals at Houston:** The gain share program provides eligible union and non-union employees with a compensation bonus when performance goals are met.



Primer on Incentive Compensation

(Pg 1 of 5)

The Design Process

- Objective Setting
 - What is the purpose of offering incentives to employees? What are the desired results?
 - What are the expected outcomes?
 - Where does incentive pay fit into the total reward philosophy?
 - How will incentives relate to overall pay program competitiveness?
- Assessment
 - What type of plan (group or individual) will best serve objectives?
 - What are eligibility criteria?
 - Will the design be self-funding or budgeted?
- Alignment
 - How will the design be integrated with other operating and performance management initiatives?
 - What is the anticipated impact on cross-organizational processes?
 - What are tracking capabilities and reporting mechanisms?
- Value to Employees
 - How will the design support desired EOC culture?
 - Will the incentive design help energize commitment and serve to focus employee efforts?
 - Will the design reinforce desired work behaviors and competencies?



Primer on Incentive Compensation

(Pg 2 of 5)

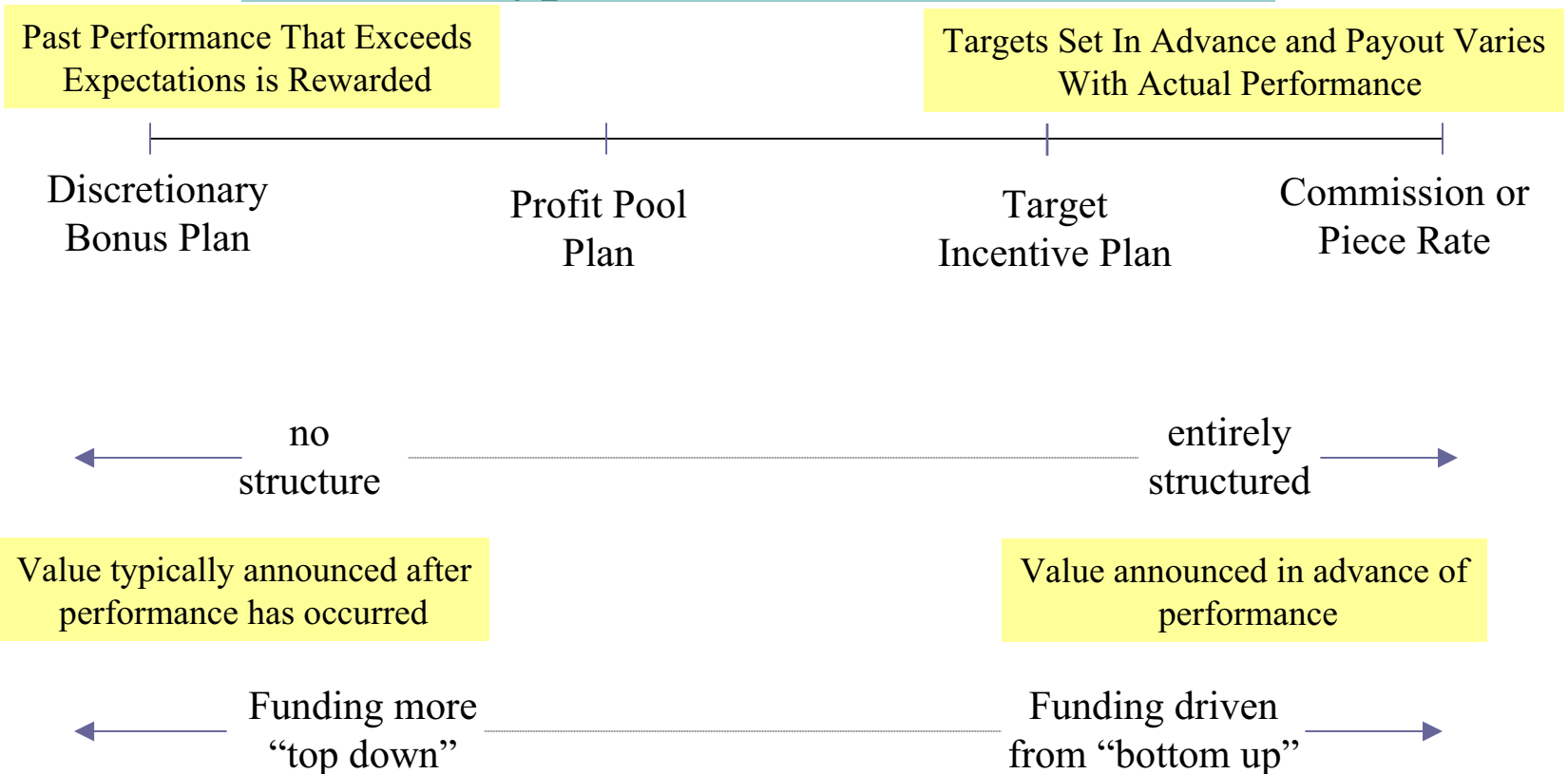
Design Process Steps & Considerations

Design Step	Key Design Considerations
Philosophy	<ul style="list-style-type: none">▪ Where does variable incentive pay fit into our total reward philosophy?▪ When do we use it and how is it valued by employees? How does it add value to the agency?
Plan Objectives and Purpose	<ul style="list-style-type: none">▪ Overall purpose and expected outcomes of the design.
Participants	<ul style="list-style-type: none">▪ Eligibility▪ Impact on cross-organizational processes?
Metrics	<ul style="list-style-type: none">▪ Desired results / work behaviors?▪ Line of sight▪ Tracking and reporting capability and mechanisms
Targets, Leverage and Administrative Mechanisms	<ul style="list-style-type: none">▪ Formulas▪ Modifiers / Triggers▪ Performance Period and Payout Frequency
Funding and Return on Investments	<ul style="list-style-type: none">▪ Budget▪ Evaluation of Effectiveness
Implementation and Performance Management	<ul style="list-style-type: none">▪ Communications▪ Coaching and Feedback▪ Integration with other operating and performance management initiatives

Primer on Incentive Compensation

(Pg 3 of 5)

Types and Differences





Primer on Incentive Compensation

(Pg 4 of 5)

Metrics & Target Setting

- Design Metrics
 - Typical plans have 2-3 metrics from the following categories:
 - Cost Improvement
 - Productivity Gains
 - Quality Improvement
 - Customer Satisfaction
 - Metrics are typically tied to an operating unit or organizational business plan.
- Target Setting
 - Key question: How much is the agency willing to pay employees for improved levels of contribution to organizational results?
 - Is both an art and science:
 - If targets set too high, the plan will be ignored by most
 - If targets are set too low, earnings become an entitlement
 - Typical return on cost is \$3.00 for every \$1.00 spent

Best Practice: Keep it Simple!

Primer on Incentive Compensation

(Pg 5 of 5)

Incentive Plan Example: All Employees Below Management & Executive

Metric	Threshold	Target	Maximum
	Threshold is the minimum level of performance that must be attained before there is an incentive payment.	Target performance is typically set at business plan levels or at historical performance levels.	Maximum performance targets are set so that with substantially increased results employees have significant payment opportunity.
Customer Satisfaction	Equal to Last Fiscal Year \$100.00	+5% from Last Fiscal Year \$200.00	+10% from Last Fiscal Year \$400.00
Sick Days or Unscheduled Absences	5% fewer days than Last Fiscal Year: \$100.00	10% fewer days than Last Fiscal Year: \$200.00	20% fewer days than Last Fiscal Year: \$400.00
Overtime Compensation	10% fewer days than Last Fiscal Year: \$100.00	12% fewer days than Last Fiscal Year: \$200.00	25% fewer days than Last Fiscal Year: \$400.00

Note: Achievement of threshold results would provide the funding for this plan and improve operations.



Sample Focus Group Questionnaire & Guidelines

(page 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency ?
- Why do people stay at the agency?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- In considering similar jobs at other organizations, do you think your compensation is competitive? Why? Why not?
- How important are benefits to you?
- Do you feel like you understand your benefits? Do you get enough information about your benefits? Is the information easy to understand? Do you have any suggestions for improving this?
- The best thing about working for the transit agency is ...

**Questions an agency may pose to employees if
compensation is an issue.**



Sample Focus Group Questionnaire & Guidelines

(Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and departments. Choose employees who are known to speak freely, however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

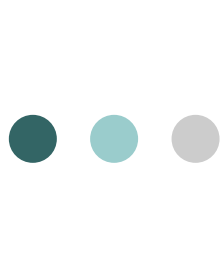
We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic.
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.



Employee Opinion Survey Questions

- I understand the measures used to evaluate my performance
- My performance was accurately evaluated in my most recent performance evaluation
- Our organization sets high standards for individual performance
- High-performing employees are rewarded for their performance
- Our agency does a good job of helping poor performers improve their performance
- Our agency does a good job of dealing appropriately with employees whose performance fails to improve
- There is a clear link between my job performance and my pay
- Overall, I am satisfied with my pay
- Overall, I think I am paid fairly compared with other people in the agency who hold similar jobs
- Agency supervisors do a good job at:
 - Coaching you to improve your performance
 - Recognizing you for doing a good job
 - Applying policies and procedures fairly
- Please rate the level of trust that exists in your agency between senior management and employees
- Taking everything into account, how satisfied are you with your current job?
- How would you rate your agency as a place to work compared with other places you know about?
- Overall, how satisfied are you with your agency at the present time?



5. References to Other Helpful Resources & Information

- In considering total cash compensation, it may be helpful to review other sections of the toolkit, including:
 - Program Area: Benefits
 - Program Area: Recognition
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



Program Area B: Benefits



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Benefits
2. General Process for Understanding and Addressing Benefits
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Focus Group participants cited competitive health benefits, retirement and pension programs as being desirable and one reason employees apply for positions and stay with the transit agency. The emphasis of this Program Area is to provide information on fundamental elements of an effective benefits system, including:
 - How benefits fit into a Total Reward approach
 - Aligning benefits with business strategy
 - Assessing employee perception regarding benefits



1. Background & Overview of Benefits

As costs for health and welfare benefits continue to rise, benefits and benefits management represent an area of opportunity for many transit agencies.

Definition: Most benefits fall into several broad categories: Retirement (defined benefit plan, defined contribution plan, retiree medical, retiree life), Health (medical, dental), Security (life insurance, short-term disability, long-term disability), and Paid Time Off (vacation, holiday, sick leave). Organizations may also offer other benefits such as convenience (dry cleaning on site) or work-life benefits (emergency day care).

For agencies that provide a full benefits package, the question may not be “Are we competitive?” but rather “Do our employees value what we provide?” By understanding what its employees value most, an agency can direct benefits spending toward the areas of most importance to employees.

- Refer to:
 - Sample Focus Group Questionnaire
 - Sample Employee Survey
 - Workforce Planning Diagnostic

There are no simple solutions for smaller agencies who lack the resources to provide benefits. For more information, you can seek the advice of professional employee benefits consultants.

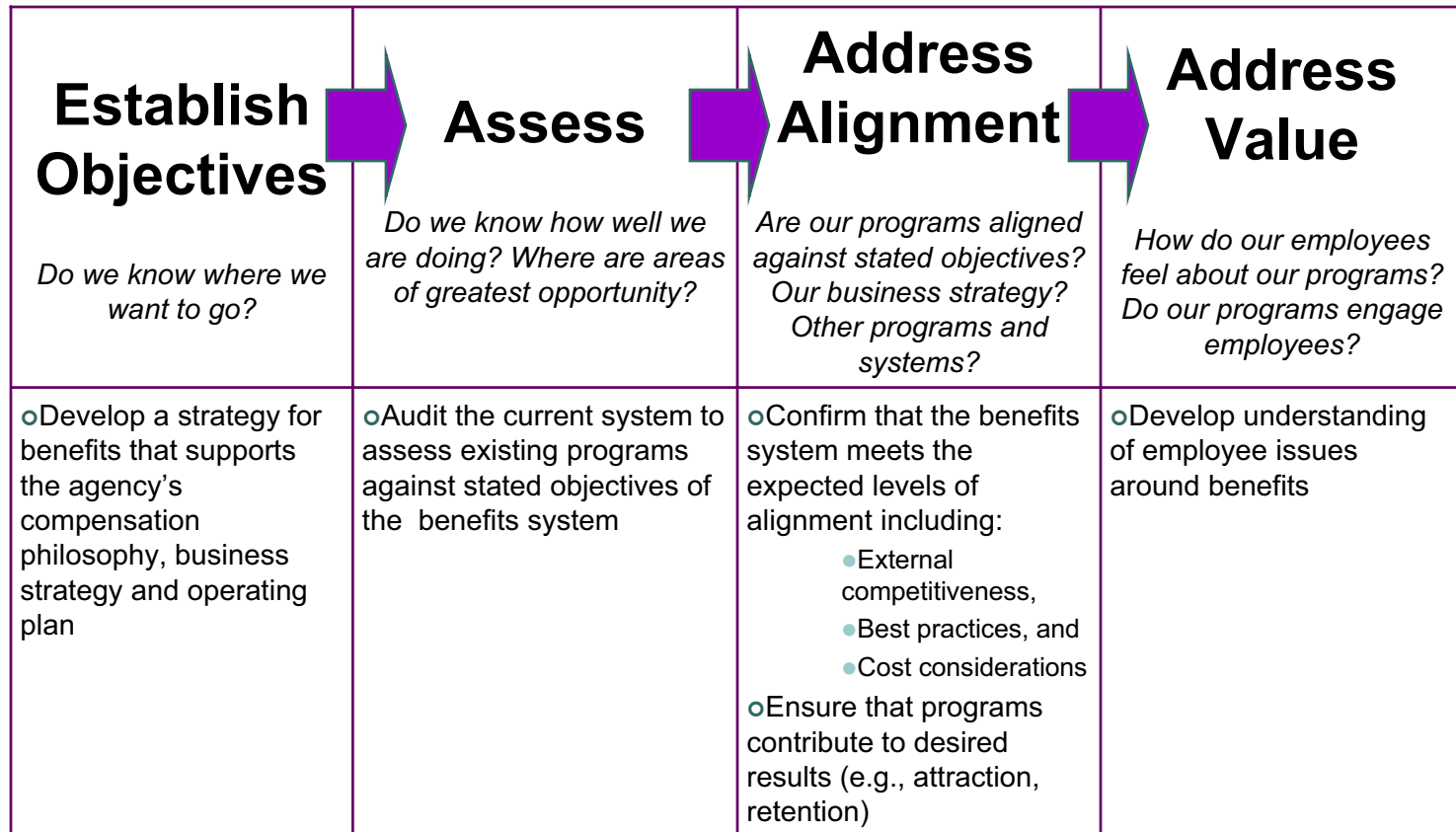
What We Know from The Research... Key Issues for Many Transit Agencies

When compared to other Employer of Choice challenges faced by the public transportation industry, benefits do not tend to fall into the priority list for action.

For moderately sized and larger agencies, benefits have taken a back seat to other areas of opportunity since benefits packages have tended to be competitive or even above average when compared to other employers. According to focus groups conducted as part of this undertaking, transit employees are satisfied with their benefits and think their benefits are competitive compared to other employers.



2. General Process for Understanding & Addressing Benefits



3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Sample total reward compensation philosophy statement ○ Total Reward Philosophy Guidelines 	<ul style="list-style-type: none"> ○ Workforce planning diagnostic ○ Sample health benefits custom survey 	<ul style="list-style-type: none"> ○ Sample alignment matrix of benefits components 	<ul style="list-style-type: none"> ○ Sample focus group questionnaire and guidelines

Although all tools will be of value to your agency, the Workforce Planning Diagnostic provides questions to frame your thinking regarding the purpose, messages and priority issues when considering your agency's benefits



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Sample Total Reward Philosophy Statement

- Our agency's goal is to meet the career needs of our employees. We will do this through a combination of base pay, benefits, rewards, and non-monetary incentives, which will attract, retain and motivate high-performing employees and allow them to earn a competitive total compensation package, based on economic conditions, service delivery and the financial resources available in the agency.



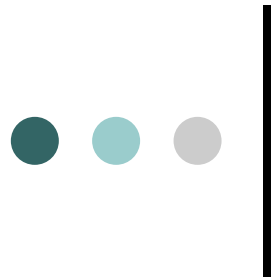
Total Reward Philosophy Guidelines

- In addition to the general philosophy statement, key components of the philosophy should include:
 - Desired outcomes that the reward system should produce for the agency (market position, behavior changes, attraction of critical skills, competitive advantage, retention, union relations)
 - Desired competitive level (e.g., average, median, 25th percentile, 75th percentile) of key elements of the reward package, including base pay, incentives, and benefits
- Evaluate the pay philosophy against the agency's operating strategy, values, culture, and management style to ensure consistency
- Establish measures of pay success and develop a plan for evaluating the pay system's impact and effectiveness
- Understand and measure the return on the compensation investment and track changes over time
 - Ratio of compensation to expense (total cash compensation &/or benefits)
 - Compensation as a percent of revenue (total cash compensation &/or benefits)
 - Compensation as a percent of operating expense (total cash compensation &/or benefits)
- Openly share information with employees about how reward programs operate and how performance, tenure, and proficiency are rewarded.



Workforce Planning Diagnostic

- What do you see as the primary purpose of a benefits program at your agency? For example:
 - to give us competitive advantage in attracting/retaining top talent
 - to keep us competitive with our peer organizations in attracting/retaining talent – offering good benefits is a necessary cost of doing business
 - to serve as a workforce-planning tool (e.g., early retirement programs, stay-for-pay)
 - to provide financial security, protect employees from catastrophic events, replace income loss, etc.
 - not much -- minimize benefits because it's not the best use of company resources
- What are the most important messages that employees should receive from the benefits program at your agency?
 - How does your agency currently promote its benefits?
- Considering all the plans that make up the benefits package for your agency's employees, identify the two to three areas that you think are:
 - Most valued by the majority of employees
 - Least valued by the majority of employees



Sample Health Benefits Survey

(Pg 1 of 5)

- The survey on the following pages can be adapted for use in a variety of ways:
 - As a custom survey when collecting health plan information from the marketplace
 - When soliciting information from brokers when going out to bid on your health plans
 - When simply trying to take a tally of what your agency currently offers with regard to health benefits



Sample Health Benefits Survey

(page 2 of 5)

1. Eligibility (age/service): _____

2. Percentage of employees enrolled in the following plan types:
 - Base plus major medical _____ %
 - Comprehensive medical _____ %
 - Preferred Provider Organization (PPO) _____ %
 - Point of Service (POS) _____ %
 - Health Maintenance Organization (HMO) _____ %
 - Consumer-driven personal account plan _____ %
 - Other (please describe): _____ %

3. Most representative medical plan (please indicate 1 response only)
 - Base plus major medical _____
 - Comprehensive medical _____
 - Preferred Provider Organization (PPO) _____
 - Point of Service (POS) _____
 - Health Maintenance Organization (HMO) _____
 - Consumer-driven personal account plan _____
 - Other (please describe): _____

4. Total monthly medical plan premiums for each family status. If self-insured, please provide COBRA rates:
 - Employee only _____
 - Employee plus spouse _____
 - Employee plus child(ren) _____
 - Employee plus family _____

 - Plan is self-insured _____



Sample Health Benefits Survey

(Pg 3 of 5)

5. Employee monthly contributions for each family status (if under a flex plan, this should be the price tag minus the credit):

Employee only

Employee plus spouse

Employee plus child(ren)

Employee plus family

6. Monthly opt out credit for each family status if no coverage elected; and percent of employees opting out:

Employee only

Employee plus spouse

Employee plus child(ren)

Employee plus family

Percent opting out

%

7. Annual deductible (dollar amount or percent of pay for individual and family; if it varies by pay, please provide full schedule):

In network:

Individual:

Family:

Out of Network:

Individual:

Family:

In and out of network deductibles are combined





Sample Health Benefits Survey

(Pg 4 of 5)

8. Percent of covered expenses paid by plan. If your plan has no network, complete the in-network columns only:

Service	In-Network		Out-Of-Network	
	Percent Plan Pays	Copay (\$)	Percent Plan Pays	Copay (\$)
Inpatient Surgery				
Inpatient Hospitalization				

9. Medical out-of-pocket maximums, excluding the deductible (dollar amount or percent of pay for individual and family; it varies by pay, please provide full schedule):

In network:

Individual:

Family:

Out of Network:

Individual:

Family:

In and out of network maximums are combined



10. Maximum medical benefit (please specify annual and/or lifetime

In Network:

Out of Network:

In and out of network maximums are combined





Sample Health Benefits Survey

(Pg 5 of 5)

11. Prescription drug coverage (percent covered and/or copays; separate deductible and out-of-pocket limit; overall plan limit)

	Retail	Mail Order
Generic		
Brand formulary		

12. Percent of covered expenses paid by the mental health plan. If your plan has no network, complete the in-network columns only

	In-Network		Out-of-Network	
Service	Percent Plan Pays	Copay (\$)	Percent Plan Pays	Copay (\$)
Inpatient				
Outpatient				

13. Inpatient mental health limits (e.g., days per year, confinements per year)

In network: _____

Out-of-Network: _____

14. Outpatient mental health limits (e.g., visits per year)

In network: _____

Out-of-Network: _____



Sample Alignment Matrix of Benefit Components

Agency's Benefit Components	Agency's Attraction/Retention Objectives			
	Security	Capital Accumulation	Work/ Life Balance	Community Standing/ Reputation
Retirement Plan	XX	X		X
Health Benefits	XX			X
Dental Benefits	X			
Employee Assistance Program	X		XX	
Paid Time Off			XX	
Security Benefits	XX			X
Flextime			X	
Emergency Day Care	X		XX	X
On-Site Convenience Benefits (credit union, fitness center, dry cleaning, etc.)			XX	X
○ Other...				
○				
○				



Sample Focus Group Questionnaire & Guidelines (Pg 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency ?
- Why do people stay at the agency?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- In considering similar jobs at other organizations, do you think your compensation is competitive? Why? Why not?
- How important are benefits to you?
- Do you feel like you understand your benefits? Do you get enough information about your benefits? Is the information easy to understand? Do you have any suggestions for improving this?
- The best thing about working for the transit agency is ...



Sample Focus Group Questionnaire & Guidelines (Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and department. Choose employees who are known to speak freely, however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

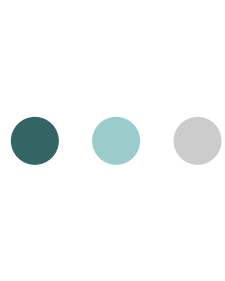
While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.



5. References to Other Helpful Resources & Information

- In considering benefits, it may be helpful to review other sections of the toolkit, including:
 - Program Area: Compensation
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



Program Area C: Recognition



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Recognition Programs
2. General Process for Understanding and Addressing Recognition Programs
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on steps and considerations in creating a recognition plan
- Address the key transit issue of recognizing and rewarding individual performance and contributions



1. Background & Overview of Recognition Programs

Recognition plans are reward plans that are built around the real time feedback of performance that is deemed “superior” by the agency. Three major points to consider:

- Recognition should reinforce behaviors and outcomes that are important to the agency’s vision, core values and goals
- Recognition programs do not need to be cash – non-monetary options such as awards, certificates or training opportunities should be considered
- Recognition plans cannot prop up a compensation system that is not competitive or is viewed as inadequate

Recognition plans are an effective tool for managers to reward individual performance because they are:

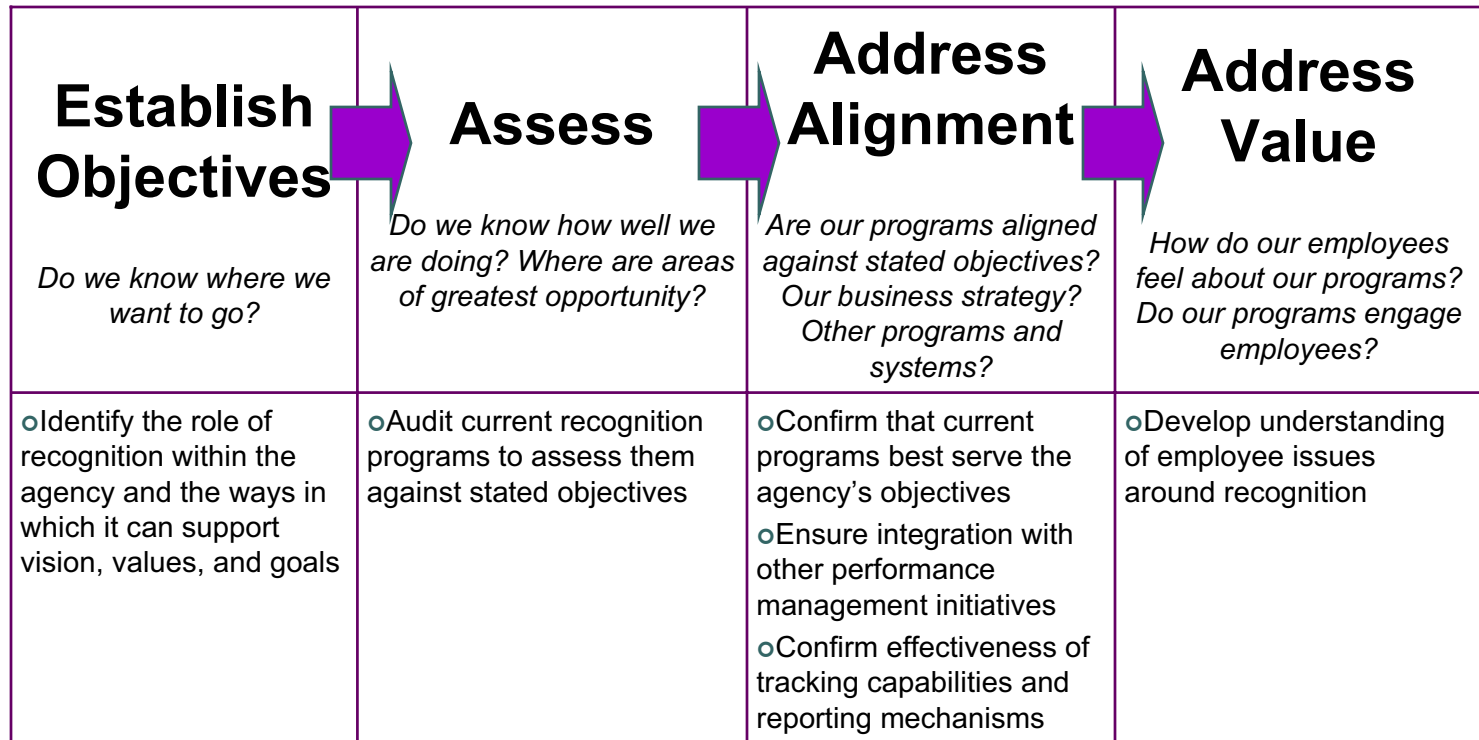
- Cost effective – Unlike base pay or incentives, recognition plans do not involve large amounts of money.
- Flexible – Recognition can take the form of verbal commendation, written commendation, gift certificates, gift items or small amounts of money.
- Real time – whereas other rewards can take months between the employees’ superior performance and the reward pay out, recognition should occur as close to the episode as possible.

What We Know from The Research.. Key Issues for Many Transit Agencies

- **Recognizing and Rewarding individual performance** was cited as a priority by focus group participants. Recognition plans provide a tool for the manager to consider when superior performance is exhibited.
 - Refer to:
 - [All tools in this section can be used to develop a recognition plan]



2. General Process for Understanding & Addressing Recognition Programs



3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> Typical recognition plan objectives 	<ul style="list-style-type: none"> Sample audit questions regarding recognition plans 	<ul style="list-style-type: none"> Planning and design steps in developing a recognition plan 	<ul style="list-style-type: none"> Sample types of non-cash recognition Illustration of recognition award levels Examples of recognition programs in transit agencies

Although all tools will be of value to your agency, the Sample Audit Questions is a great place to begin – it provides a framework for evaluating your agency’s recognition plans



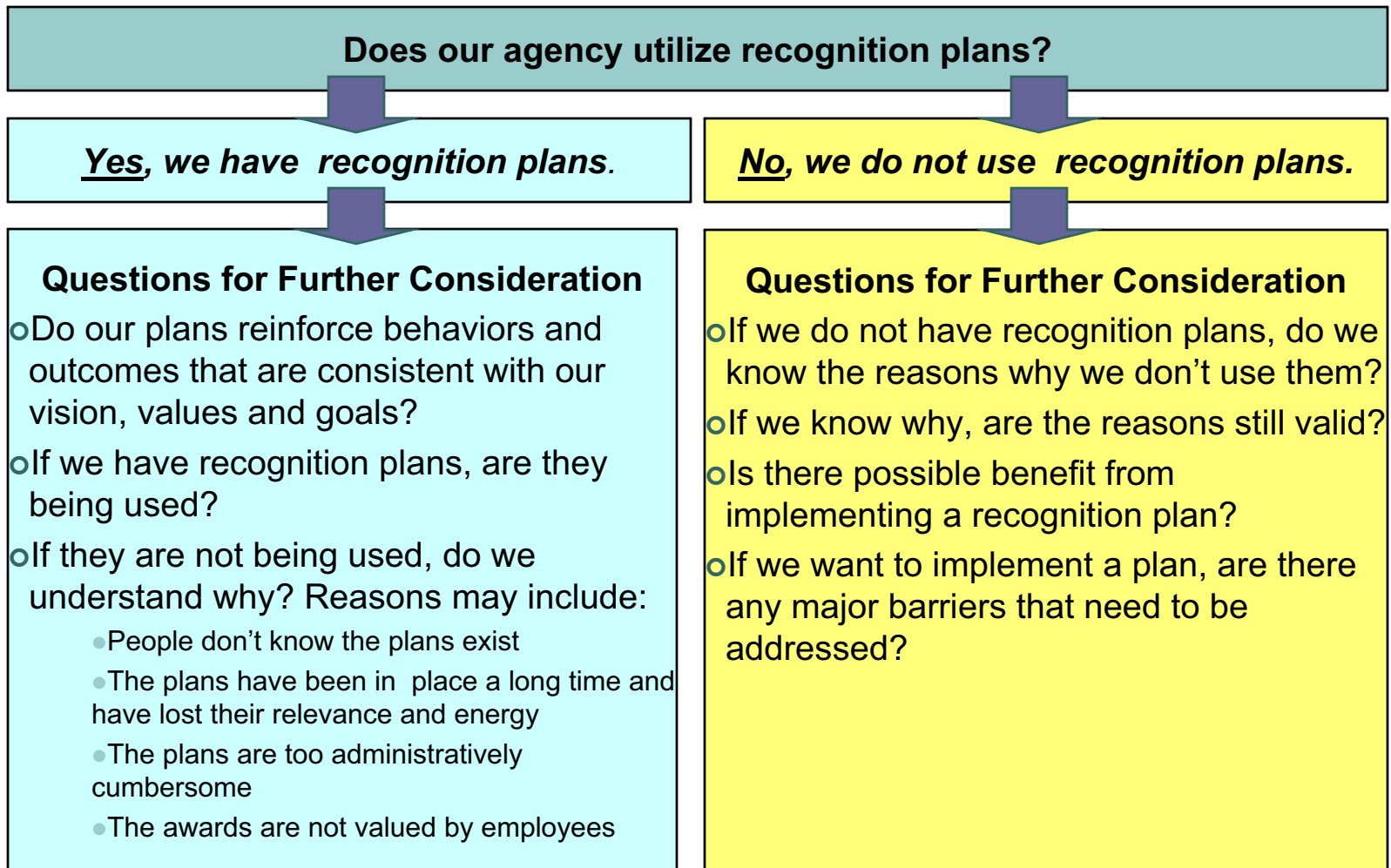
4. The Tools



Typical Recognition Plan Objectives

- Objective: Reinforce behaviors or extraordinary efforts after the fact
- Designs serve to:
 - Reinforce customer service, innovation, process improvement
 - Shape culture and build morale
 - Empower the workforce
 - Encourage risk taking and creative problem solving
 - Contribute to a compelling work environment
- Typically are an investment in the improvement process with no expected gain

Sample Audit Questions Regarding Recognition Plans





Planning and Design Steps in Developing a Recognition Plan

(Pg 1 of 4)

Overview of Design Steps & Considerations

Design Step	Key Design Considerations
Philosophical Underpinning	<ul style="list-style-type: none">▪Where does recognition fit into the reward philosophy?▪When do we use it and what is the value proposition to employees? To the agency?
Plan Objectives and Purpose	<ul style="list-style-type: none">▪Overall purpose and expected outcomes of the design
Participants and Metrics	<ul style="list-style-type: none">▪Desired results / work behaviors?▪Level of flexibility and accountability in determining performance
Administrative Mechanisms	<ul style="list-style-type: none">▪Tracking and reporting
Funding and Return on Investments	<ul style="list-style-type: none">▪Budget▪Evaluation of Effectiveness
Implementation	<ul style="list-style-type: none">▪Communications▪Coaching and Feedback▪Integration with other operating and performance management initiatives



Planning and Design Steps in Developing a Recognition Plan

(Pg 2 of 4)

Basic Principles

- Employee efforts that get recognized get repeated
- Rewards should be given for specific events, not sustained performance
- An agency should have more than one recognition plan – including both formal and informal plans covering different desired behaviors and outcomes and with varying awards and pay outs
- Recognition plans:
 - Are most effective when given regularly in small chunks as part of overall reward process
 - Should avoid counterproductive competition
 - Should be spread throughout the organization
 - Should be sensitive to recipient's wishes
 - Should not be an administrative burden for managers or others in the agency



Planning and Design Steps in Developing a Recognition Plan

(Pg 3 of 4)

Issues to Consider

- Behaviors to recognize: link to vision & core values
- Degree of formality
- Who is eligible to receive awards/How many
- Frequency
- Type of award(s)
- Size of award(s)
- Who can give awards
- How to recognize within and across departments



Planning and Design Steps in Developing a Recognition Plan

(Pg 4 of 4)

Desired Performance & Eligibility

- Desired Performance
 - Desired behaviors?
 - Significant contributions?
 - Special projects
 - Quality/productivity benchmarks
 - Going “above and beyond”
 - Continuous service?
 - What is the emphasis?
 - Team v. Individual
 - Innovation v. Goal Attainment
 - Effort v. Results
- Eligibility
 - Should management be eligible?
 - Should there be an option to create department-specific targeted plans?
 - Is there a minimum service requirement?
 - Are there limits as to how many times an individual can be recognized?



Sample Types of Non-Cash Recognition

- Merchandise/gift certificate awards
- Entertainment certificates
- Educational opportunities
- Cumulative earned value credits
- Symbolic recognition awards
(plaques, certificates, etc.)
- Social awards (parties, lunches, etc.)



Illustration of Recognition Award Levels

Award Category	Description	Type of Award	Annual Participation Prevalence	Award Value Recommendation
Level I	Extraordinary effectiveness in problem solving resulting in <i>direct and measurable</i> increased productivity, cost savings and/or increased customer service.	*Cash *Educational Course or Seminar *Merchandise	1% of work force	Percentage of anticipated savings or flat amount based on assessment of saving's effect, normally not to exceed \$3,500 or 10% of base pay.
Level II	Consistent and prolonged extraordinary efforts in support of operations beyond a reasonable interpretation of job requirements.	*Cash *Merchandise *Educational Course or Seminar	5% of work force	Suggested maximum award of \$1,500 to vary based on extent to which efforts exceeded job requirements, as demonstrated by such factors as separation from family, night and weekend work, lost holidays, etc.
Level III	Extra effort beyond that normally required to meet project deadlines, launch or implementation dates, etc.	*Personalized Letter *Merchandise	15% of work force	Suggested range of rewards amount is \$50-\$100.
Level IV	This category is to recognize unusual contributions (not covered by the other levels) which help meet a unit's mission, creative solutions to complex problems, or demonstrated leadership.	*Personalized Letter *Merchandise	25% of work force	Suggested range of rewards amount is \$10-\$25.



Examples of Recognition Programs in Transit Agencies

The following information has been adapted from TCRP Report 77
Managing Transit's Workforce in the New Millennium

Agency	Formal Program	Informal Program
ATC Phoenix	<ul style="list-style-type: none"> ○ Team of the Quarter ○ Team of the Year ○ Annual recognition banquet 	<ul style="list-style-type: none"> ○ Spot awards: movie or dinner tickets, day off with pay, lunch with general manager, etc.
Duluth Transit	<ul style="list-style-type: none"> ○ Employee of the month/year ○ Annual appreciation breakfast ○ Safety banquet 	<ul style="list-style-type: none"> ○ Annual barbeque ○ Annual picnic/golf tournament & games
Pierce Transit	<ul style="list-style-type: none"> ○ Seeking Excellence and Recognizing Heroes (SEARCH) Program ○ Perfect Attendance, Safety, Employee of the Quarter, Honor Roll 	<ul style="list-style-type: none"> ○ Employee accomplishments highlighted in agency newsletter ○ Ice cream social for service awards
Regional Transportation Commission/Citifare	<ul style="list-style-type: none"> ○ Service Awards ○ Hall of Fame ○ Employee of the Month ○ Employee Suggestion Program 	<ul style="list-style-type: none"> ○ Monthly birthday recognition ○ Passenger compliments posted ○ Features in the monthly newsletter
Regional Transportation District	<ul style="list-style-type: none"> ○ Outstanding Achievement Award ○ GM's Award ○ Service Award ○ Annual Recognition Celebration 	<ul style="list-style-type: none"> ○ Dining dollars ○ Wellness/community service ○ Gift certificates/savings bonds ○ Annual picnic



5. References to Other Helpful Resources & Information

- In considering recognition, it may be helpful to review other sections of the toolkit, including:
 - Program Area: Compensation
 - Program Area: Performance Management
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



Program Area D: Communication



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Communication
2. General Process for Understanding and Addressing Communication
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on fundamental elements of an effective communication plan including:
 - Developing a framework & strategy for communication
 - Measuring effectiveness and perceptions regarding communications
- Address key transit issues including:
 - The need for more face-to-face communications
 - Better intradepartmental communication
 - Keeping employees informed about matters important to their jobs/careers
 - Soliciting ideas and suggestions from employees at all levels



1. Background & Overview of Communication

Effective communications is important to any organization – but especially one that is embarking on becoming an Employer of Choice.

The importance of communication in an organization is its ability to create, support and fuel business strategy and results. Today this means driving change. Making change happen involves building awareness among employees, creating understanding, developing consensus and acceptance and achieving commitment. It means harnessing employee energy, creating focus and building contingencies. Fundamental change requires a serious and ongoing commitment to communications.

“Change has considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful, it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better.”

–King Whitney Jr.

In this section we deal with communication in the context of deploying an EOC strategy; however, many of the tools and concepts represent “good communications” in general regardless of the nature, type and reason for the communication.

What We Know from The Research.. Key Issues for Many Transit Agencies

- Overwhelmingly, employees want:
 - More face-to-face communication
 - Better intradepartmental communication
 - Refer to:
 - Briefings – Six Basic Principles
 - Communication Responsibility Matrix
- Employees scored agencies as only “average” at:
 - Keeping them informed about matters important to their job/career
 - Soliciting ideas and suggestions from employees at all levels
 - Refer to:
 - Communication Responsibility Matrix
 - Methods for Harnessing Employee Involvement



2. General Process for Understanding & Addressing Communication

Establish Objectives	Assess	Address Alignment	Address Value
<i>Do we know where we want to go?</i>	<i>Do we know how well we are doing? Where are areas of greatest opportunity?</i>	<i>Are our programs aligned against stated objectives? Our business strategy? Other programs and systems?</i>	<i>How do our employees feel about our programs? Do our programs engage employees?</i>
<ul style="list-style-type: none">○ Identify the role of communication within the agency and the fundamental ways in which it can support the agency's journey to becoming an Employer of Choice	<ul style="list-style-type: none">○ Audit current communication programs to assess them against stated objectives	<ul style="list-style-type: none">○ Confirm that current communications best serve the agency's objectives○ Ensure consistent, common and integrated messages with other initiatives such as recognition, benefits, compensation, etc.	<ul style="list-style-type: none">○ Develop understanding of employee perceptions regarding the major components of our EOC initiative such as performance management

3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ EOC communications strategy 	<ul style="list-style-type: none"> ○ Sample audit questionnaire and leadership discussion guide regarding communications 	<ul style="list-style-type: none"> ○ Communication responsibility matrix 	<ul style="list-style-type: none"> ○ Sample questionnaire and focus group guidelines ○ Sample employee survey ○ Methods for harnessing employee input ○ Briefings – six basic principles

Although all tools will be of value to your agency, the Sample Audit Questionnaire & Leadership Discussion Guide is a great place to begin – it provides a framework for evaluating your agency’s communication strategy and process



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



EOC Communications Strategy

(Pg 1 of 3)

Overview

- Purpose
 - The purpose of this document is to outline what, when, and how the EOC communications will take place and identify key stakeholders in terms of both providers and recipients of information at all transit agency levels, including internal employees and other interested external constituents.
- Scope
 - The scope of this Communications Strategy is all communications associated with the EOC messages related to the transit agency
- Principles
 - The principles guide the design and delivery of the Communications Strategy
 - Communications are accurate, clear, timely, and relevant to the audience
 - Communications support one another and are consistent (organization names, message, etc.)
 - Communications are receiver focused, i.e.; contain something that interests, or is important to, the recipient



EOC Communications Strategy

(Pg 2 of 3)

Objectives

- The overriding communication purpose is to ensure that affected stakeholder groups receive relevant and timely information related to the transformation of the agency to an Employer of Choice. The primary objectives of this Communications Strategy are to:
 - Ensure transit agency employees are sufficiently well informed of EOC industry transformation and the contribution that individuals make to those changes
 - Ensure awareness and understanding of the EOC objectives within the agency
 - Use available routes to market (EOC changes), and articulate & promote the EOC service changes to the external market, in order to enhance the transit industry profile, attract the best and brightest potential employees, retain the best and improve customer ridership and confidence.
 - Improve awareness and understanding among existing customers of the industry changes and to convert new customers
 - Demonstrate to all interested parties the agency's success stories



EOC Communications Strategy

(Pg 3 of 3)

Key Performance Indicators

- The success of this Communications Strategy will be measured as follows:
 - The percentage response rate received to communications soliciting feedback
 - The number of employees who participate in communicated events (headcount or register to be made)
 - The number of entries to related communication databases
 - Stakeholder surveys to assess if they know the answers to questions about content in recent communications (spot checks to be done by telephone)
 - Number of intranet site hits
 - Exposure - frequency of articles in internal and external publications
 - Percentage improvements in scores pertaining to communications in Employee Survey
 - Feedback from transit agency employees
 - Number of case studies, lessons learned, success stories



Best Practices Assessment

(Page 1 of 2)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**



Sample Audit Questionnaire & Leadership Discussion Guide (page 2 of 2)

Communications	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We have defined the key messages in our journey toward an becoming an EOC			
Our key communication messages are linked to and in support of our business strategy and operational goals			
We identify and engage our key stakeholders within the agency			
We identify and engage our champions both inside and outside the agency			
Our agency has developed a communications plan which details the best approach for delivering the key messages to the right audience at the right time in the right way			
We know how effective our current forms of communication are			
We track the costs of our communications			
We feel confident that the right messages are being heard by the right audiences			
We work to make sure that messages sent throughout the agency are consistent			
Employees understand the messages being sent			
We evolve our communications to match the evolving EOC culture and work environment			
Communications is the responsibility of all leaders and managers at all times			



Communication Responsibility Matrix (Pg 1 of 2)

- The matrix identifies the primary roles that various stakeholders will assume for the EOC Strategy. This is not intended to be an exhaustive view – but indicates at a glance where overall responsibilities lie. Communication channels are the media for distributing information. It is important to select those that ensure timely delivery of accurate messages to the appropriate audience.
- For each stakeholder describe “what’s in it for me and why is the EOC journey important”, and what role will they play in its implementation.
- Selection of these communication channels is based on the following criteria:
 - Importance of information
 - Magnitude – how extensive the impact of the communication will be
 - Content – substance of what is being conveyed
 - Audience – size and demographics
 - Desired response – how is the recipient of the communication expected to use the information



Communication Responsibility Matrix

(Pg 2 of 2)

Stakeholder	Key Message	Communication Channel	Target Audience	Frequency
Board Members and Elective Officials	EOC Awareness, Objectives and Goals	Board Meeting	Politicians, Media	Quarterly
Outside Transit Organizations	EOC Awareness, Objectives and Goals	Presentations, Workshops	Members, Press, Sister Organizations	Quarterly
Transit Agency Executives and Managers	EOC Awareness, Objectives and Goals	Briefings, Emails, Town Meetings, Workshops	Supervisors, Professionals	Monthly
Transit Agency Human Resources	EOC Awareness, Objectives and Goals	Briefings, Emails, Town Meetings, Workshops	Executives, Managers, Supervisors, Employees	Monthly, Weekly, As Needed
Supervisors, Professionals	EOC Awareness, Objectives and Goals	Briefings, Emails, Town Meetings, Workshops	Administrators, Operators	Monthly
Administrators, Operators	EOC Awareness, Objectives and Goals	Memo Board, Briefings, Face-to-Face Meetings	Peers	Weekly



Sample Focus Group Questionnaire & Guidelines (Pg 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency ?
- How well does the agency do in:
 - Providing clear job expectations
 - Providing training
 - Informing you how well you are doing in your job
- What suggestions do you have for improvement in any of these areas?
- Do you know how well your unit/department is performing? How do you know?
- Do you know how well you are performing? How do you know?
- How well does the agency do in keeping you informed about matters that are important to you? What changes and improvements would you suggest?
- Should the performance of your team or work group play a role in determining your own performance rating? Who is your work team?
- In your department, are employees as productive as possible? What's keeping them from being more productive?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- The best thing about working for the transit agency is ...



Sample Focus Group

Questionnaire & Guidelines (Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and departments. Choose employees who are known to speak freely; however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic.
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.

Sample Employee Survey (Pg 1 of 2)

Overview

- A stakeholder and employee survey is conducted to receive feedback concerning how effectively the EOC communication is being received. This survey assesses the potential effectiveness of existing communication channels and focuses on future improvements. Types of statements and the prevalence of employees agreeing to those statements may look like this:

Statement	Response (Average %)
The transit agency communicates effectively with its employees	60%
I am sufficiently well informed about the EOC objectives and goals	66%
I am communicated with effectively	73%
My opinions and views are actively sought	48%
I am sufficiently well informed on my agency's plans and strategy	69%
I am sufficiently well informed on issues and activities affecting my agency	70%
APTA and CTAA are effective forums for communicating the EOC transformation	72%
Town Hall meetings are an effective communications tool	80%
Email is an effective communications tool	36%
I understand my role in the EOC transformation	57%



Sample Employee Survey (Pg 2 of 2)

Samples of additional survey statements that may be used to construct an employee opinion survey:

- I understand the measures used to evaluate my performance
- My performance was accurately evaluated in my most recent performance evaluation
- Our agency sets high standards for individual performance
- High-performing employees are rewarded for their performance
- Our agency does a good job of helping poor performers improve their performance
- Our agency does a good job of dealing appropriately with employees whose performance fails to improve
- There is a clear link between my job performance and my pay
- Overall, I am satisfied with my pay
- Overall, I think I am paid fairly compared with other people in the agency who hold similar jobs
- Overall, I think I am paid fairly compared with other people in the private sector who hold similar jobs
- Coaching you to improve my performance
- Recognizing you for doing a good job
- Applying policies and procedures fairly
- Please rate the level of trust that exists in your company between senior management and employees
- Taking everything into account, how satisfied are you with your current job?
- How would you rate your agency as a place to work compared with other places you know about?
- Overall, how satisfied are you with your agency at the present time?

Ask employees for their level of agreement to statements like these



Methods for Harnessing Employee Involvement

- The method will depend upon the:
 - Reason for exchange
 - For example, improvement teams are problem solving groups that are formed to address process improvement or design issues that span work teams or departments
 - Type of exchange
 - For example, organization-wide town hall meetings are usually a one-way information flow in larger organizations
 - Frequency, regularity and duration of input
 - For example, department meeting are often held on a regular schedule (Every Monday or every first Monday of the month)
 - Ability to track progress
 - For example, an employee survey which presents quantitative analyses can be re-administered over time to track progress
 - Level of resources to be committed
 - For example, an internal voice mail box is relatively cost-free, however, resources need to be devoted to listening and responding to the feedback provided by employees

Examples of Methods

- Employee focus groups
- Employee survey – administered using written instruments or telephonically
- Breakfast or lunch meetings with the General Manager
- Regular department and/or team meetings
- Organization-wide, town hall meetings
- Employee suggestion programs
- Improvement teams focused on problem solving for issue
- Labor-Management Councils
- Bulletin boards with comment areas
- Internal voice mail boxes where employees can leave suggestions



Briefings – Six Basic Principles

(Pg 1 of 5)

○ ***Face to Face Interactive Sessions***

- The nature of Face to Face briefings means that information is passed down both through teams and back up through the agency. It provides the opportunity for two-way questions and answers to clarify areas of uncertainty. Face to Face communication is the best way to gain understanding as it gives a visual message as well as that conveyed by words and tone. Feedback is encouraged and answers will be provided to any questions that could not be dealt with at the Briefing Session

○ ***Delivered to Small Teams (4 - 20 people)***

- It is important to ensure the group is small enough for effective briefing. The ideal number is between 4 & 20, to encourage constructive comment and questions. Where work teams have a common purpose it is easy to ensure that what is communicated is relevant.



Briefings – Six Basic Principles

(Pg 2 of 5)

○ ***Delivered by the Team Leader***

- The person who briefs must be the line manager or project manager accountable for the results of the team. Each senior manager and manager should be held accountable for ensuring that communications are effective in his or her own immediate areas.
- At the most junior level, people should be briefed by their own manager, although higher up in the management structure, managers may decide to combine levels of briefings. In such cases, those who brief should make sure that they do not undermine subordinate managers. This can be avoided by holding a meeting with them immediately before the Face to Face briefings takes place. Here, it is possible to discuss the content and make amendments if necessary.



Briefings – Six Basic Principles

(Pg 3 of 5)

○ **Regular**

- Face to Face briefings must be regular (usually monthly) and are most easily tied to the financial period, so that performance information is available. The effectiveness of briefings is lost if the time between the briefs is too great. Ideally, dates should be set in the diary at least 6 months ahead with the briefings lasting a maximum of 30 minutes including time for questions.
- Regularity promotes a balance between good and bad news and is a vital element in creating credibility and commitment.



Briefings – Six Basic Principles

(Pg 4 of 5)

○ **Relevant**

- People are most interested, and motivated, by information that directly affects them and their immediate team. Most of the information that teams receive should be prepared by their immediate manager and contain issues that are of direct concern to them. This ‘Local Brief’ should comprise about two thirds of the whole brief. The remaining third of the brief will be provided by the sponsor of the process and other senior managers and is known as the ‘Core (or management) Brief’.
 - Typical message content may:
 - Convey intent
 - Provide facts
 - Answer questions
 - Minimize anxiety
 - Address organizational impact
 - Manage expectations
 - Inspire audience
 - Celebrate success stories



Briefings – Six Basic Principles

(Pg 5 of 5)

○ ***Monitored / Evaluated***

- Leaders should monitor the effectiveness of communication by...
 - Always checking the content prior to briefing in their transit agency
 - Occasionally sitting in on the local briefing sessions, but not taking part
 - Random dip checks with the individuals in their teams
 - Checking with their briefing records
 - Collate feedback forms
- Monitoring is vital to keep the communications “live” and to ensure maximum benefit from it. However much care is taken, misunderstandings and misinterpretations are inevitable. It is important to identify occasions when this happens and take corrective action. Many managers plan the dates they intend to ‘walk the job’ and, on a spot check basis, monitor the effectiveness of briefings.



5. References to Other Helpful Resources & Information

- In considering communications, it may be helpful to review other sections of the toolkit, including:
 - Program Area: Performance Management
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



**Program Area E: Performance
Management**



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Performance Management
2. General Process for Understanding and Addressing Performance Management
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on fundamental elements of an effective performance management system, including:
 - Development of overall objectives for the performance management system
 - Aligning performance throughout the agency
 - Evolution of a performance management system from a traditional to a high-performing system
- Address key transit issues including:
 - Hiring and promoting the most qualified employees
 - Dealing with poor performers
 - Communicating individual performance expectations and providing feedback
 - Communicating individual job impact on overall performance



1. Background & Overview of Performance Management

Regardless of the size and location of the agency, the services provided, and the nature of the workforce (union versus non-union), concepts of performance management are relevant for all organizations.

The “Performance Management Process” has two broad aspects:

1. Organizational performance – What is the level of operational, financial and customer performance that we expect from our agency? (This may include divisions, departments or teams.)
2. Employee performance - What do we expect from each employee in terms of results as well as behaviors? Does employee performance align with and support organizational performance?

At an individual level, performance management involves: setting expectations, providing coaching, feedback & development opportunities, assessing / measuring performance, and ultimately rewarding desired levels of performance.

- Refer to:
 - Conceptual View of the Aggregate Performance Management Process
 - Framework of the Elements and Cycle for Performance Management

What We Know from The Research... Key Issues for Many Transit Agencies

- Employees scored agencies as “average” at:
 - Letting you know what is expected of you in your job
 - Letting you know how well you are performing
 - Helping you understand how your job impacts the agencies’ overall performance
 - Refer to:
 - Sample Job Goal Setting Matrix
 - Illustration of a Competency
- Areas needing most improvement
 - Hiring and promoting the best people
 - Terminating poor performers whose performance does not improve
 - Refer to:
 - Sample Performance Management Form
 - Overview of Performance Management Best Practices
 - Illustration of Supporting design Components for Addressing: Feedback & Development

2. General Process for Understanding & Addressing Performance Management

<p>Establish Objectives</p> <p><i>Do we know where we want to go?</i></p>	<p>Assess</p> <p><i>Do we know how well we are doing? Where are areas of greatest opportunity?</i></p>	<p>Address Alignment</p> <p><i>Are our programs aligned against stated objectives? Our business strategy? Other programs and systems?</i></p>	<p>Address Value</p> <p><i>How do our employees feel about our programs? Do our programs engage employees?</i></p>
<ul style="list-style-type: none"> Develop a vision and expected outcomes for the performance management process, including desired linkages to rewards and development 	<ul style="list-style-type: none"> Audit current system to assess components against stated objectives of the performance process, process guidelines and best practices Confirm that the performance management process encourages desired behaviors and results Assess agency's processes and practices for dealing with poor performers 	<ul style="list-style-type: none"> Ensure that goals, measures and the goal setting process are aligned throughout -- from transit level goals to individual employee goals Confirm that the performance management process is consistent with, and in support of the business strategy, culture and other messages being sent throughout the agency 	<ul style="list-style-type: none"> Strengthen the feedback process – ensure employees receive performance feedback (operational and from the customer) Create a developmental component to the performance management process Link to rewards (monetary & non-monetary) to reinforce performance

3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Sample Agency Objectives for performance management process 	<ul style="list-style-type: none"> ○ Sample Audit Questionnaire and Leadership Discussion Guide for assessing the performance management process and practices 	<ul style="list-style-type: none"> ○ Conceptual view of the aggregate performance management process ○ Sample Objective Setting Matrix ○ Illustration of a Competency ○ Framework of the elements and cycle for performance management ○ Sample Performance Management Form ○ Overview of performance management best practices ○ Overview of evolution of performance management designs 	<ul style="list-style-type: none"> ○ Sample focus group questionnaire & guidelines ○ Illustration of design components that support best practices of: <ul style="list-style-type: none"> ● Feedback ● Development ● Rewards

Although all tools will be of value to your agency, the Sample Audit Questionnaire and Leadership Discussion Guide can help you begin the process of evaluating and prioritizing areas of greatest opportunity in your performance management system



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Sample Agency Objectives for the Performance Management Process

Sample Objectives

- Our performance management system:
 - Reflects the most important results & behaviors that will drive current & future success of the agency
 - Encourages goal alignment – from agency-wide objectives to departments to individual employees
 - Links to our development system so that our agency grows the talent we need for critical skill positions
 - Helps us reward superior performance
 - Is more than a “once-a-year” process

Indicators Used to Assess Performance Management Effectiveness

- Promote the most qualified employees
- Hold people accountable for their performance
- Set high standards for individual performance
- Differentiate the pay between top and average performers
- Help poor performers improve
- Deal appropriately with employees whose performance fails to improve



Best Practices Assessment

(Page 1 of 2)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**

Sample Audit Questionnaire & Leadership Discussion Guide (page 2 of 2)

Performance Management	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We link satisfying customer requirements & expectations with individual and team goals			
We involve employees & teams in setting goals which are linked to customer satisfaction & organizational goals			
Top performers receive greater rewards than other employees			
Our agency's overall strategic direction drives the annual performance goals of individuals & departments			
Our performance appraisals provide objective feedback based on actions & behaviors			
Employees understand what is expected of them in their jobs			
All employees have a set of measurable goals which are linked to department & organization objectives			
We measure how well our managers assess, manage, reward & develop performance of employees, and reward accordingly			
We emphasize that managers coach and develop employees, rather than evaluate and control			
We train managers to address performance problems in a timely way using a progressive discipline policy			
We have senior managers who work to align individual & team goals with agency goals, believing business results will improve			
In the appraisal process, our agency values not only what is accomplished but how			
Management shows the importance of performance management by handling it seriously & in a timely fashion			
When goals are documented, they include a timeline major milestones & measurement criteria			
Management rigorously reviews the progress toward goal completion & alignment			
Performance goals exist at the agency, department, group and individual level			
Employees receive feedback about areas of improvement as well as things done well			
Our agency values on-going coaching on a real-time basis throughout the year, not just at the time of the annual performance appraisal			



Conceptual View of the Aggregate Performance Management Process

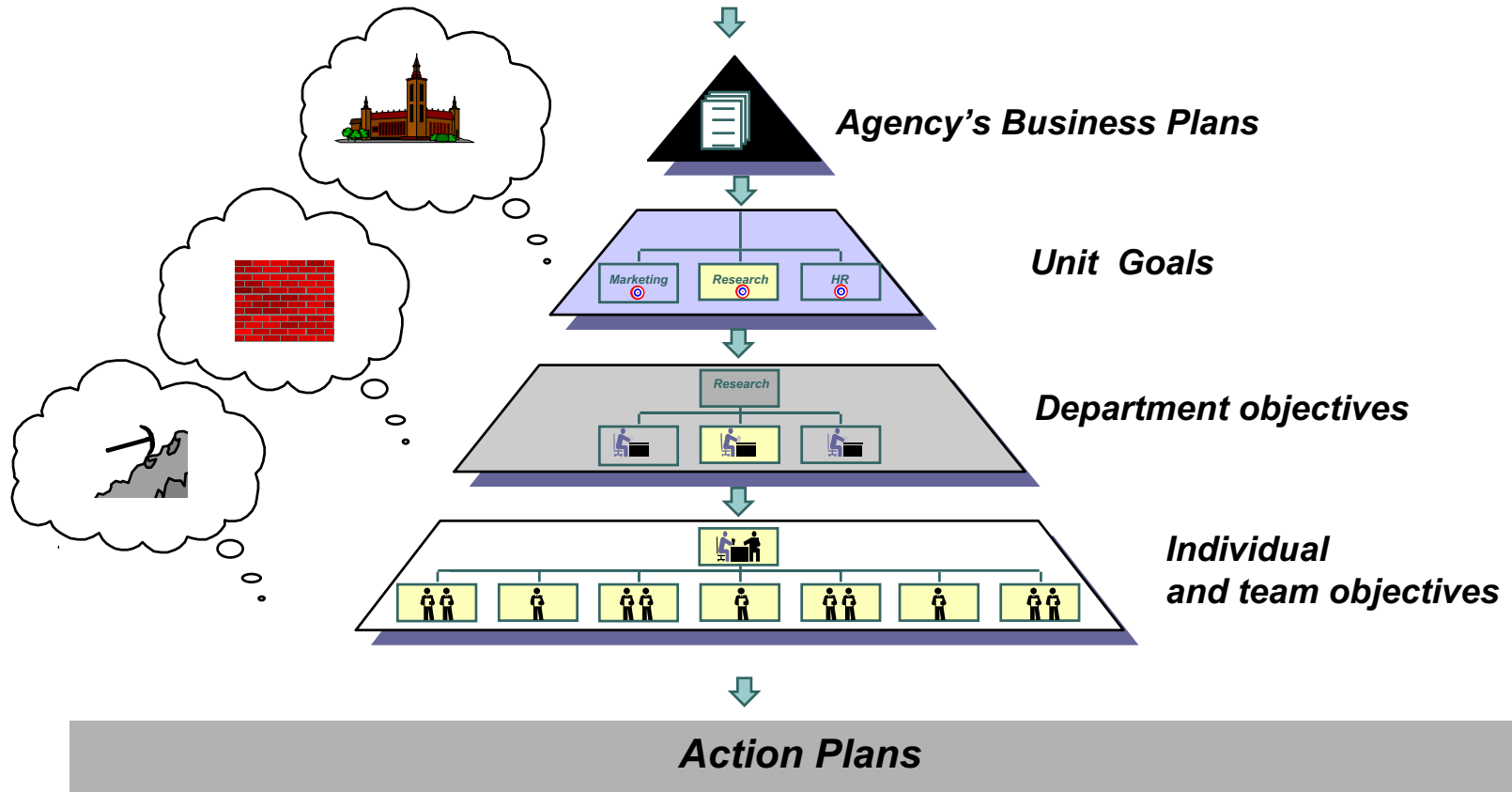
(Pg 1 of 5)

- The “Performance Management Process” can refer to the agency’s overall process for managing operational, financial, and customer performance (a.k.a. organizational performance)
...however...
- For purposes of this toolkit, we focus on individual performance management, yet want to stress the importance of having individual performance management link to, align with and be in support of the agency’s performance management
- Therefore, it’s important to view performance management from a macro perspective

Conceptual View of the Aggregate

Performance Management Process (Pg 2 of 5)

Mission Statement. Strategic Plans or Business Plans





Conceptual View of the Aggregate Performance Management Process

(Pg 3 of 5)

- The performance management process involves more than the results...it involves the inputs to get there.
- Agencies that begin to address both aspects of performance achieve higher levels of success over time and are likely to have higher levels of satisfied employees.
- The results are WHAT we expect from employees (e.g., completion of the monthly report, on-time service from point to point, zero accidents). This seems to be the easier part for organizations.
- The more challenging question...HOW do our employees deliver these results? (e.g., by acting as a team member, by treating our customers with respect). This includes behaviors, skills and knowledge that are important to business success.

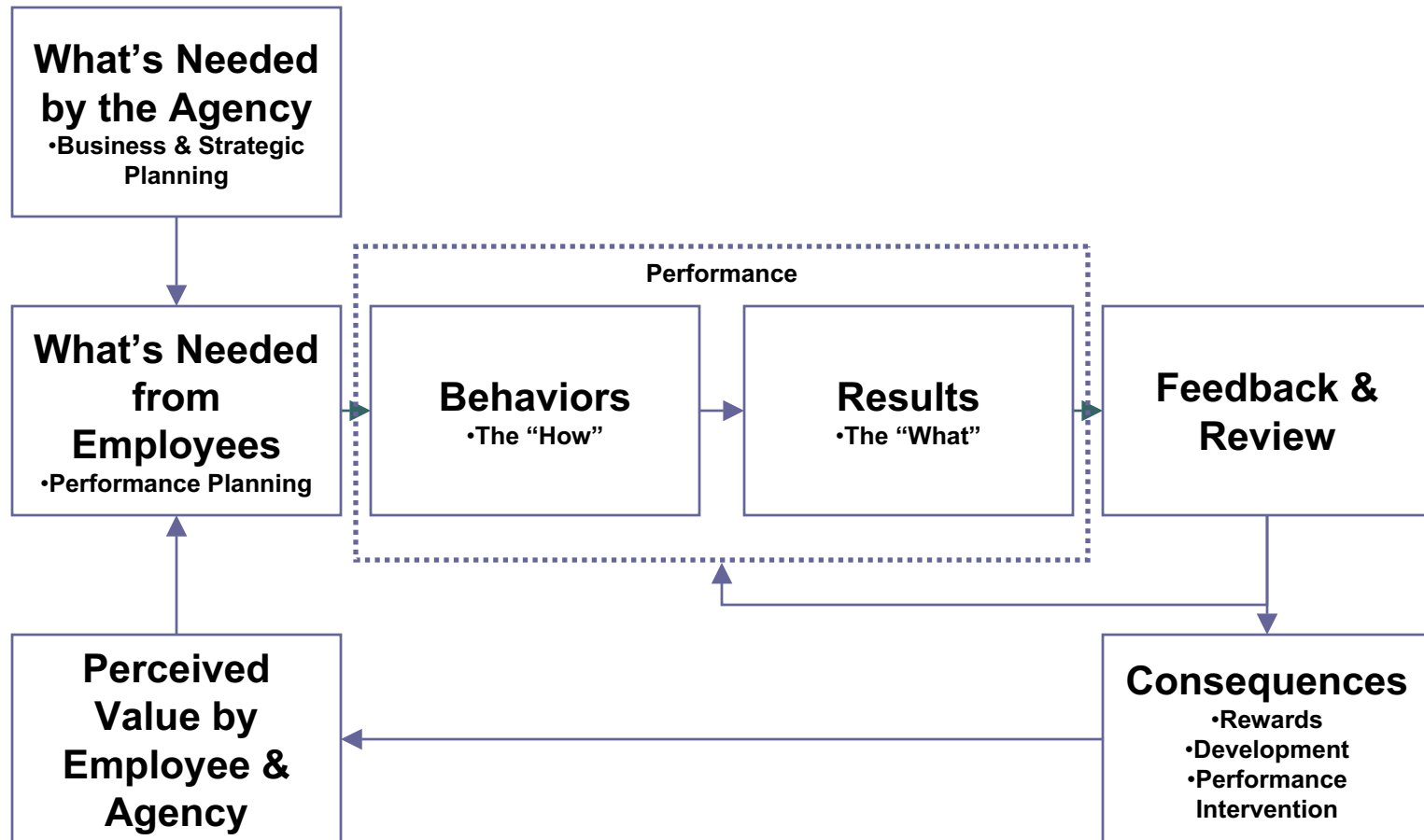
Conceptual View of the Aggregate Performance Management Process

(Pg 4 of 5)



Conceptual View of the Aggregate Performance Management Process

(Pg 5 of 5)



Source: Adapted from McAdams, 1996



Sample Goal Setting Matrix

(Pg 1 of 2)

Overall Department or Agency Objective	Description of Job's Goals for Current Year	Key Performance Indicators	
		Measures	Targets
Example:			
<i>Improve Response Rate to Customer Inquiries Received by Phone</i>	<i>Resolve customer issues on a timely basis to enhance responsiveness</i>	<i>% of calls in which customer issue is resolved within 5 minutes</i>	<i>95% of calls resolved within 5 minutes</i>

These constitute the results expected from the job... “the What”



Sample Goal Setting Matrix

(Pg 2 of 2)

○ General Issues Regarding Goals

- Ensure that job goals are driven from business priorities (e.g., department and/or agency objectives)
- Link job goals to results, not activities
- Goals should be revisited and updated throughout the year as appropriate
- At maximum: 2-6 essential goals

○ Writing the Job's Goals

● **Begin with a Verb**

Design and implement...

● **Describe the task/deliverable**

...a process for quarterly tracking of customer satisfaction levels....

● **Purpose**

....to better understand how services are perceived by the market

Goals should be SMART... Specific, Measurable, Attainable, Realistic, Time-bound

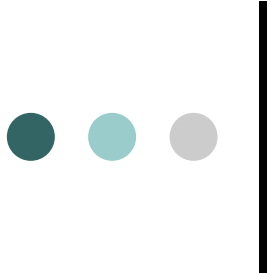
Illustration of a Competency

These constitute the applied behaviors of the job -- “the How”

(Level 1 represents the basic level expected.

Level 5 represents the most advanced level of proficiency.)

Proficiency	Customer Service and Delight <i>Fosters customer delight. Manages own work and the work of others in ways that meet customer expectations.</i>
<p>Level 1 Focuses on meeting job requirements by using standard approaches to support work flow; Makes decisions about managing own work after gaining input from supervisor/manager; Responsible for working effectively as part of a team.</p>	<ul style="list-style-type: none"> • Demonstrates a commitment to customer delight but may require guidance in interpreting and fulfilling some customer needs. • Considers every request from the customer as important and is responsive, either through own actions or by involving others. • Displays patience and understanding with customers.
<p>Level 2 Requires in-depth knowledge of own area and technical/professional skill gained through work experience or education; Works to develop understanding of how own job contributes to departmental excellence and success of team/unit/work group.</p>	<ul style="list-style-type: none"> • Demonstrates ability to partner with customers to understand their needs and begins to anticipate how to fill those needs. • Understands how own work and service levels impact customer delight. • Considers every request from the customer as own responsibility for resolution, through either the actions of self or by involving others.
<p>Level 3 Requires in-depth knowledge of own area and technical/professional skill gained through work experience or education; Demonstrates understanding of how own job contributes to departmental excellence and the success of the team/unit/work group.</p>	<ul style="list-style-type: none"> • Demonstrates knowledge of customer requirements and agency management to understand and anticipate customer needs. • Interprets and effectively acts on increasingly complex customer needs. • Understands own role and the relationships between various work teams in delivering a high level of customer delight.
<p>Level 4 Understands strategy and assists in implementing it in the departments/teams/workgroups; Uses knowledge of a discipline/profession to solve complex problems; Leads and mentors others in the department</p>	<ul style="list-style-type: none"> • Demonstrates a thorough knowledge of customer requirements and agency management. • Creates opportunities within departments to develop and implement customer-focused processes and methods of operation. • Serves as a role model to achieve customer delight; takes leadership responsibility for encouraging and fostering these values.
<p>Level 5 Guides agency by thinking strategically about the future; Sets strategy or provides policy and strategic input. Implements strategy across functions and departments and allocates resources to this end; Provides leadership and vision, fostering a culture of teamwork and a sense of mission.</p>	<ul style="list-style-type: none"> • Sets direction for customer service by defining customer delight for agency and provides resources for employees to satisfy customer needs. • Drives agency commitment to anticipate and meet customer needs, fostering a culture of service. • Embraces view that the customer is a partner and helps foster this culture within agency.



Framework of the Elements & Cycle for Performance Management (Pg 1 of 2)

The Process

- The Cycle
 - Planning
 - Ongoing coaching & Feedback
 - Mid-Cycle Development Review
 - End-Cycle Review & Evaluation
- The Timing
 - See following page's examples

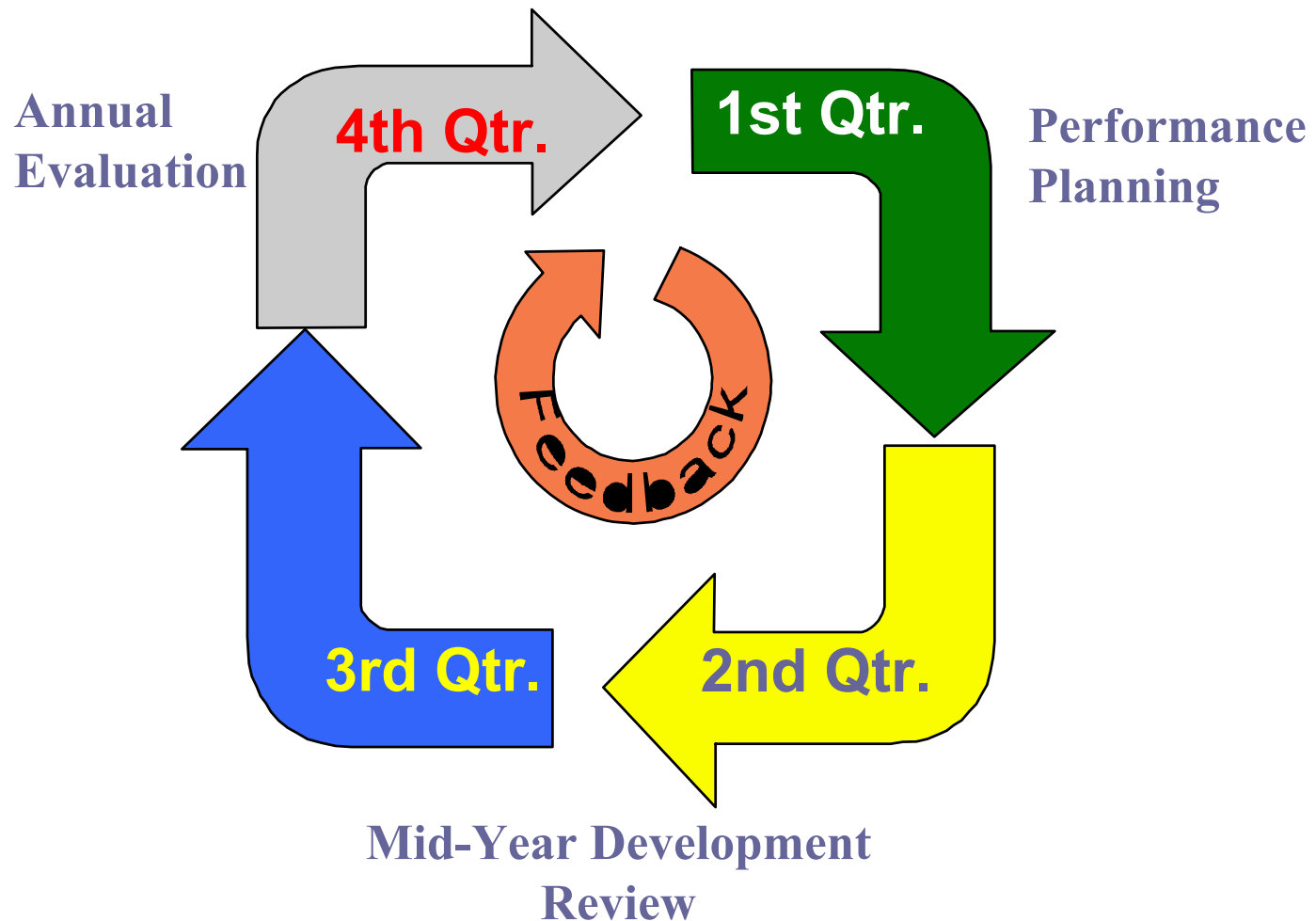
The Tactics

- Forms should reflect the process...that is, they should include:
 - Job's expectations (both results and behaviors)
 - Place for ongoing feedback
 - Mid-Cycle Comments & Revisions
 - Employee Self-Assessment
 - Place for End-Cycle Feedback & Evaluation
 - Section outlining planned development of employee
- Supporting Resources & Systems
 - Training & Development
 - Compensation

Framework of the Elements & Cycle for Performance Management: The Timing

(Pg 2 of 2)

Launch Strategic Objectives and Goals





Sample Performance Management Form

(Pg 1 of 6)

Organization X

Annual Performance Planning and Management Form

This form includes the following sections:

- I. Performance Standards
- II. Agency Success Qualities (Competencies)
- III. Overall Evaluation Summary
- IV. Development Plan
- V. Mid-Year Development Discussion

Employee Name: _____

Social Security #: _____

Position Title: _____

Current Role Profile (check one): A B C D E

Department Name: _____

Manager's Name: _____

Manager's Title: _____

Review Period: _____



Sample Performance Management

Form (Pg 2 of 6)

Part I: Performance Standards

In this section, performance standards can either be: a) listed in the space provided below, or b) referenced from the job description. **(If the job description is referenced, please attach a copy to this form.)**

1. _____

A horizontal line with tick marks at 0, 1, 2, 3, and 4. Below the line, the labels are: 0 Unacceptable, 1 Developing, 2 Competent, 3 Proficient, and 4 Outstanding.

Comments: _____

2. _____

A horizontal line with tick marks at 0, 1, 2, 3, and 4. Below the line, the labels are: 0 Unacceptable, 1 Developing, 2 Competent, 3 Proficient, and 4 Outstanding.

Comments: _____

Sample Performance Management

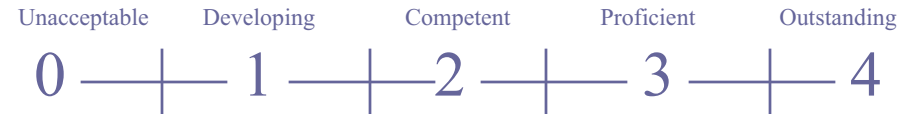
Form (Pg 3 of 6)

Part II: Agency Success Qualities (Competencies)

Role profiles describe contribution expectations within the agency. Each role profile is built around a distinct set of Success Qualities that characterize positions within the same profile. Agency Success Qualities are specific skills, abilities and valued behaviors that determine individual as well as agency success. **For a specific description of the Agency Success Qualities for your role profile, refer to the Role Profile Matrix.**

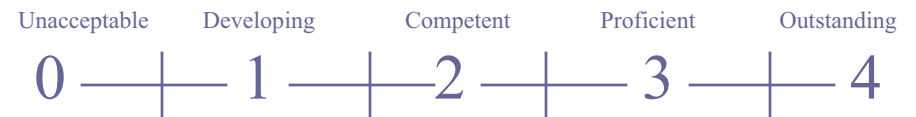
TECHNICAL EXCELLENCE: Possesses skills and technical competence to execute job duties. Operates within policies and procedures. Adheres to safety standards.

Comments: _____



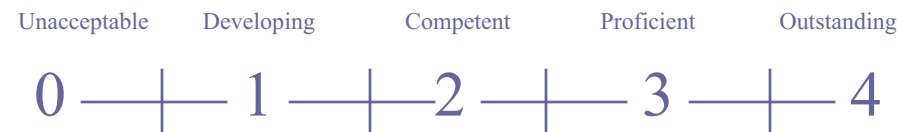
INNOVATION, PROBLEM SOLVING & FLEXIBILITY: Identifies problems, secures relevant data to identify possible causes. Generates alternative courses of action and possible consequences, welcoming input from others. Actively seeks opportunities to improve and embraces new ways of operating.

Comments: _____



CUSTOMER SERVICE & BUSINESS LITERACY: Understands customer needs. Manages own work and/or the work of others in ways that exceed customer expectations. Acts in ways that enhance agency's financial and customer service performance.

Comments: _____





Sample Performance Management Form

(Pg 4 of 6)

Part III: Overall Evaluation

0	1	2	3	4
<u>Unacceptable</u>	<u>Developing</u>	<u>Competent</u>	<u>Proficient</u>	<u>Outstanding</u>
Performance does not meet job requirements.	Employee has demonstrated some competency; however, results do not consistently meet job requirements.	Results are good. Performance is consistent with job requirements.	Results often exceed requirements. Employee consistently demonstrates skill in meeting job requirements and can be used as a role model/mentor on a local (departmental) level.	Results significantly exceed job requirements. Employee consistently demonstrates that he/she is an expert in meeting job requirements and can be used as a role model/mentor on an agency (multi-departmental) level.

OVERALL EVALUATION SUMMARY



Manager's Comments:

Employee's Comments:

This section is for the employee to provide written comments regarding the previous performance period. Filling out this section is optional. The comments will not change the manager's comments or ratings, however, they will become part of the employee's performance record



Sample Performance Management Form

(Pg 5 of 6)

Part IV: Development Plan

In the left-hand column, identify skills critical to meeting your job's performance standards, the Agency Success Qualities for your role profile, and/or expected results for the next 12 months. In the middle column, outline an action plan to address each area to be developed. Results from the action plan should be documented in the right-hand column.

Areas listed in this section may include:

- Skills needing improvement as identified in job duties (Section I: Performance Standards)
- Areas needing improvement as identified in your role profile (Section II: Agency Success Qualities)
- Incomplete or new goals
- Skills or areas that will lead to growth in job responsibilities and/or role profile

Areas Targeted for Development	Action Plan	Results Achieved

Manager's Signature _____ Date _____

Employee's Signature _____ Date _____



Sample Performance Management Form

(Pg 6 of 6)

Part V: Mid-Year Development Discussion

The Mid-Year Development Discussion should:

- Be a 15-20 minute discussion between the employee and the manager
- Be scheduled by the employee with their manager
- Document progress made, over the last 6 months, in the action plan which was created in Section V: Development Plan
- Plan for developmental opportunities/training for the next 6 months
- Update any substantial changes and/or revisions to the information in Section I: Performance Standards and/or Section II: Agency Success Qualities

Overall Comments from Mid-Year Development Discussion

Manager's Signature _____ Date _____

Employee's Signature _____ Date _____



Overview of Some Performance Management Best Practices

- Focuses on the process, not the forms
- Includes both results as well as behaviors
- Deals with extremes in performance
 - Rewards top performers
 - Addresses substandard/poor performers
- Emphasizes looking forward
- Evolves: Not once-a-year event – should involve ongoing coaching and feedback
- Expects employee accountability
 - Employee-initiated processes
 - Self assessment
- Holds managers accountable for championing the process
- Allows customization by department and/or location by using “toolkit approach”
- Evaluates ongoing system impact
- Aligns with other initiatives (Rewards, Development, etc.)



Overview of Evolution of Performance Management

Type of System

Design Parameter	Traditional	In Transition	High Performing
Goal	Discrete, Unconnected	Connected	Competitive Advantage
Measures	Outcomes	Behaviors/ Outcomes	Quality/Value
Evaluator	Boss	Self/Peers	Customers
Consequences	Merit Pay	Development	Organizational Success
Implementation	Distribute Forms	Train & Communicate	Ongoing Education & Involvement
Ownership	Human Resources	Management	Employees
Compliance	Voluntary	Mandatory	Motivated Participation



Sample Focus Group Questionnaire & Guidelines (Pg 1 of 2)

Questionnaire

- What are the agency's principal business objectives? What part do you play in meeting these objectives?
- Why do people come to work for the agency ?
- How well does the agency do in:
 - Providing clear job expectations
 - Providing training
 - Informing you how well you are doing in your job
- What suggestions do you have for improvement in any of these areas?
- Do you know how well your unit/department is performing? How do you know?
- Do you know how well you are performing? How do you know?
- How well does the agency do in keeping you informed about matters that are important to you? What changes and improvements would you suggest?
- Should the performance of your team or work group play a role in determining your own performance rating? Who is your work team?
- In your department, are employees as productive as possible? What's keeping them from being more productive?
- Does the agency reward individual effort? Special accomplishments? How? What suggestions do you have for improving this?
- The best thing about working for the transit agency is ...



Sample Focus Group

Questionnaire & Guidelines (Pg 2 of 2)

Guidelines

Schedule each of 5 focus groups to last 1 ½ hours each with 30 minutes between each focus group. Supervisors and employees should not be scheduled in the same focus group. Select participants so that the jobs with the most employees are represented, and select a mix of grade levels, tenure, and department. Choose employees who are known to speak freely; however, employees who are critical in an unconstructive way tend to stifle responses from others.

Sample introduction at beginning of focus group sessions:

While it may not be important to you, it's important to us that you know that what you say in this group will be kept confidential. We will take notes, but only to ensure that our report accurately describes what we heard. What will be reported from this session is a general summary of our findings, describing trends we have seen across groups as well as differences between groups in our discussions.

In order to ensure that we can't ascribe specific comments to individuals, we will not ask your names. We will ask your department and how long you've worked for the agency, so that we can differentiate issues between operating units and employee groups.

We will ask you to maintain that same confidentiality. When asked about this session, we ask that you feel free to discuss general themes, but not to ascribe specific comments to specific individuals. We also ask that you not take notes.

We only have a few ground rules:

- We need to hear from everybody, so if you're too quiet, we may pick on you.
- We have a lot of material to cover today. So if we seem to be covering the same ground we've already been over, we may move the discussion along to the next topic.
- Unfortunately, we can't talk to everyone, and it's very important that we understand how employees feel about the issues we will discuss. If as the discussion proceeds, you know that there are some employees who have feelings that aren't represented in our discussion, even if you disagree with them, it's important that you let us know.



Illustration of Supporting Design Components that Support Best Practices (page 1 of 3)

Feedback

- Conduct a feedback workshop for those supervisors and managers responsible for providing feedback and coaching as part of the performance management process
 - Why provide feedback?
 - How best to provide it?
 - When to provide?
 - How to document the feedback process?
 - How it related to our agency's performance management process
- Conduct a Session for employees regarding how to:
 - Accept feedback, including asking for clarification
 - Provide feedback to your boss and work with him/her to remove obstacles in performing your job
 - Develop a self-assessment



Illustration of Supporting Design Components that Support Best Practices (page 2 of 3)

Development

- **The best supporting systems:**
 - Facilitate on-going dialogue about development
 - Energize and engage employees
 - Create accountability for the employee's development on the part of both the employee and the manager
 - Help employees understand what resources are available for enhancing current and future skill sets
 - Send the message that development is a win for the employee and a win for the manager
 - Don't foster unrealistic and unfulfilled expectations
- **Supporting systems may include:**
 - Tuition reimbursement benefits offered by the agency
 - In-house classes, workshops & events
 - Transit industry-sponsored events
 - The agency's succession plans
 - including critical skill areas



Illustration of Supporting Design Components that Support Best Practices (page 3 of 3)

Rewards

- Linking performance to rewards:
 - Represents effective use of reward resources
 - Helps aligns labor dollars spent with business strategies
 - Is considered best practice
- Performance can be tied to rewards through a variety of programs, including:
 - *Base pay* – Increases can be tied to an individual's performance
 - *Incentives or variable compensation* – Cash pay outs can be provided based on individual, team, and/or agency performance when measured against predetermined performance objectives
 - *Recognition plans* – Awards can be created to reinforce demonstrated individual or team behaviors and outcomes
- In order to create a robust link between pay and performance, more than one reward tool should be used to link performance and rewards (e.g., a once-a-year merit increase is not enough to create a robust connection)



5. References to Other Helpful Resources & Information

- In considering performance management, it may be helpful to review other sections of the toolkit, including:
 - Section II: The Customer Service-Employee Value Chain
 - Program Area: Total Cash Compensation
 - Program Area: Training & Development
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



Program Area F: Culture, Work Environment & Labor Relations



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Culture, Work Environment & Labor Relations
2. General Process for Understanding and Addressing Culture, Work Environment & Labor Relations
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on fundamental elements of creating an EOC culture:
 - Understanding key components of an effective work environment
 - Assessing employee perceptions regarding the agency as a place to work
- Address key transit issues including:
 - Fostering a partnership between labor and management
 - Operator fatigue
 - Absenteeism



Culture, Work Environment & Labor Relations

An organization's culture often reflects the unwritten values and beliefs of its people. These collective beliefs in turn shape the behavior of its management and employees. Although most cultures resist change, they are constantly changing. This paradoxical condition limits the speed of change and consumes large quantities of energy. The culture often drives the organizational characteristics, processes and procedures embraced by the work environment, and enforced by senior management and labor relations.

Public transit agencies are evolving from homogeneous cultures focused on command and control mechanisms to shared and collaborative decision-making work environments. Remember "what management emphasizes, rewards and punishes tells you what is really important", therefore a clearly articulated EOC vision, can positively impact cultural change, work environment and labor relations.

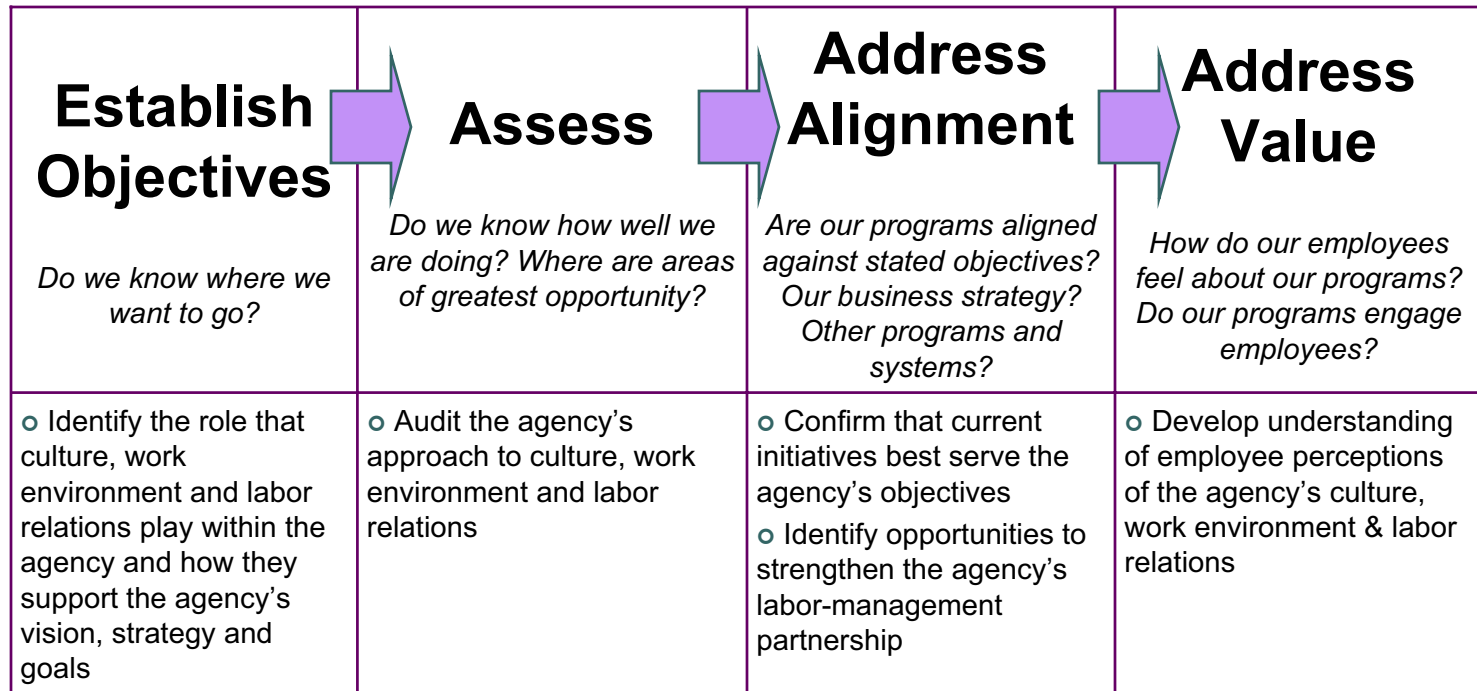
In making this transition, it is important to involve and engage key stakeholders. As an industry, 80-90% of public transportation agency employees are collectively bargained. If there was any doubt, this statistic reinforces labor as a strategic business partner and key stakeholder.

Whole libraries and educational courses are published which address the fundamental issues of culture, work environment, and, of course, labor relations. The intent of this Program Area is not to embrace the impossible – giving a "how to" for these important, complex and sophisticated issues, but rather provide food for thought and some general tools, especially for those agencies that are considering these issues for the first time and feel the need for some "EOC 101" insight into these topics. For further resources, please refer to Appendix A-2 (Additional Resources Grouped by Major Topic) and A-3 (Case Studies from Other Relevant TRCP Research).

What We Know from The Research Key Issues for Many Transit Agencies

- **Culture:** The culture of many transit agencies operates at both a conscious and unconscious level like most organizations. The culture of an organization is often seen more clearly from those on the outside—the new hires, consultants or vendors. The culture drives the transit agencies and its actions. It guides how employees think, act and feel. With larger transit agencies there exist many subcultures that function cooperatively or in conflict with each other.
- **Work Environment:** The work environment can be highly stressful for transit management, operators and drivers due to lack of resources, tight schedules and the general nature of the work. In smaller transit agencies the stress of isolation often compounds the negative impact on drivers.
 - Most of the work environment cannot change
 - Management must recognize the specific challenges and develop strategies for improvement for EOC realization
 - EOC strategy and objectives will have a direct impact on the transit agencies' culture, work environment and even labor relations.
- **Labor Relations:** Positive collective bargaining relationships between union and management are essential for organizational effectiveness and will contribute to the transformation to an EOC transit agency. A spirit of collaboration and willingness to accept change are needed for successful and long-lasting partnerships.

2. General Process for Understanding & Addressing Culture, Work Environment & Labor Relations



3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Sample agency objectives regarding culture, work environment and labor relations 	<ul style="list-style-type: none"> ○ Sample audit questionnaire and leadership discussion guide regarding culture, work environment & labor relations ○ Key components of an effective transit agency work environment ○ Defining organizational culture ○ Lessons learned, success stories and case studies 	<ul style="list-style-type: none"> ○ Establishing a labor-management partnership 	<ul style="list-style-type: none"> ○ Sample employee survey questions ○ Addressing 2 key work environment issues: operator fatigue and absenteeism

Although all tools will be useful your agency, the Sample Audit Questionnaire and Leadership Discussion Guide is a great place to begin – it provides a framework for evaluating your agency’s culture and work environment.



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Sample Agency Objectives Regarding Culture, Work Environment & Labor Relations

- Our goal is to transform our agency into an Employer of Choice. We recognize that becoming an Employer of Choice is a journey. We also realize that to make progress toward this goal, our agency must build a foundation that supports our progress. The objectives of this foundation include:
 - Developing leaders that embrace, guide and promote change and evolution toward becoming an Employer of Choice
 - Developing a readiness for change on the part of our employees
 - Actively growing our labor-management partnership
 - Fostering teamwork across the agency
 - Building awareness of our agency's vision, values and strategy
 - Building trust in senior leadership on the part of employees
 - Creating an environment where employees feel engaged and enabled to do their jobs
 - Developing mechanisms that encourage and promote constructive input and feedback from employees
 - Tracking and measuring progress regarding the above objectives



Best Practices Assessment

(Page 1 of 3)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**



Sample Audit Questionnaire and Guidelines for Assessing Culture, Work Environment & Labor Relations (Pg 2 of 3)

Culture, Work Environment and Labor Relations	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
Our Senior managers are committed to a vision of the agency's future which they share with us on a continual basis			
Our senior management works hard at maintaining and renewing our culture			
Our leadership explains how our cultural strengths are connected to customer satisfaction, financial success and competitive performance			
Our leaders communicate the changing needs of the marketplace and how that impacts our services			
We have created unique ways (success stories, lessons learned, symbols) to describe and communicate our cultural values and beliefs			
Our agency ensures its people practices (hiring, orientation, pay, policies, training and development, etc) support the values and beliefs of the agency			
We have communication policies, channels and processes that ensure the flow of information to people who need it at the right time			
We continuously look for ways to strengthen and improve company culture, work environment and labor relations			
We encourage employees to examine and improve the way they work and provide a vehicle for offering suggestions			
We use town hall sessions, focus groups, lunches, informal meetings and other face-to-face methods to communicate and to solicit employee opinions			



Sample Audit Questionnaire and Guidelines for Assessing Culture, Work Environment & Labor Relations (Pg 3 of 3)

Culture, Work Environment and Labor Relations	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We systematically collect and use employee feedback to guide improvements in the work environment			
We train managers to communicate and reinforce the values of our culture, and provide tools to accomplish this			
Managers are aware that their behavior is a powerful symbol of the agency values			
Our culture does not tolerate managers who operate outside the accepted parameters of our values			
People management skills are rewarded and promoted in our agency			
We treat labor as a key business partner that is critical to our success			
We have active labor-management partnerships in place at our agency			
Top management is committed to fostering a win-win situation with labor			



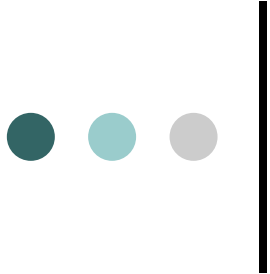
Key Components of an Effective Transit Work Environment

Culture	The agency's values, beliefs and norms are expressed in the agency's practices and characterized by its ability to manage both continuity and change.
Work Teams	Work is organized into self-managing units whose job boundaries cut across traditional organizational lines.
Employee-Centered Workplace Policies	Workers are viewed as an asset. The agency's culture is supportive, flexible, and sensitive to the needs of workers. Diversity is valued,
Continuous Innovation/Improvement	The agency continuously strives to improve the quality and timeliness of services.
Customer- and Worker-Driven Quality	Quality and public needs are the major drivers of change. Quality is continuously measured and results are fed back to all.
Tools for Competitiveness	Measurement tools are critical to gauging internal performance and external competition
Flexible Work Processes	Leading edge technology is implemented as a complement to the skills and knowledge of workers.
New Worker Skills	Work requires creative thinking, self motivation, and academic basics. Problem solving, decision making, business, financial, negotiations, and interpersonal skills, in addition to technical skills are essential for workers
Worker/Management Cooperation	Relationships are based on mutual interests and cooperative approach to problem solving.
Fair and Innovative Compensation Plans	Pay is based on experience, skill attainment, and/or knowledge. Group incentives are used to supplement base pay.
Employee Empowered	Workers empowered with the knowledge and skills on all facets of work processes and organizational goals and actively participate in decision making



Defining Organizational Culture

Culture	Norms, values, behavior patterns, rituals and traditions can be viewed at the conscious and unconscious level. Culture comprises the deeply rooted but often unseen beliefs, values and norms shared by members of the agency. Those outside an organization can often see it more objectively.
Origin	Accumulated from shared learning from shared history. Can be organic or can be thrust upon an agency and mirror new leadership.
Artifacts	Visible expressions of the culture such as the architecture, décor, the clothing people wear, the organizational processes and structures, rituals, symbols and celebrations. Other manifestations include commonly used language and jargon, logos, brochures, slogans as well as status symbols such as uniforms, window offices, titles and value statements and priorities.
Role of Leadership	One of the critical factors in understanding an agency's culture is the degree to which it is leader-centric. A good question to ask, how central is our leader to the style of the transit agency? The behavior that is modeled by the leader and management team profoundly shapes the culture and practices of the agency. What management emphasizes, rewards and punishes can tell you what is really important.
Cultural Assessment	If the agency wants to maximize its ability to attain its strategic objectives, it must understand if the prevailing culture supports and drives the actions necessary to achieve its strategic goals. Often an objective assessment can target a limited number of elements of culture that need to change, rather than embarking on the futile attempt to change the entire culture.
Subcultures	In many organizations there is a strong dominant culture that is pervasive throughout the organization which is referred as a high level of cultural integration. However, subcultures may coexist that share certain characteristics, norms, values and beliefs or be totally different.



Lessons Learned, Success Stories and Case Studies

- Are powerful ways of sharing improvements and improving the overall work environment of the agency
- Are developed for key programs that have been implemented as a result of the EOC transformation or any other major organizational change
- Successes and Failures are shared and valued for their learning and promotion of what works and what does not
- Lessons Learned are a collection of stakeholders, managers and employees ideas, impressions, and experiences while experiencing the organizational change
- All should be part of the regular communication campaign of the agency



Establishing a Labor-Management Partnership

(Pg 1 of 5)

The following information has been adapted from TCRP Report 77
Managing Transit's Workforce in the New Millennium

- In moving toward a Labor-Management Partnership, successful components of a change process include:
 - A. Establish Vision
 - B. Begin Living Vision
 - C. Prepare Parties to Succeed
 - D. Define Performance Measures
 - E. Develop Teams
 - F. Assess Performance
- Partnerships most often take the form of Labor-Management Committees

- What is a Labor-Management Committee?
 - Forum used by labor & management to improve relations
 - Cooperative process jointly designed by both parties
 - Composed of union members & management representatives
 - Committee discusses & develops interests vital to employees, customers, and the agency as a whole



Establishing a Labor-Management Partnership

(Pg 2 of 5)

1. Establish Vision


- Introducing a labor-management partnership shortly after settlement of a labor contract provides optimum opportunity
- It represents a shift from confrontational bargaining to interest-based bargaining with the intent to establish an improved labor-management relationship

2. Begin Living Vision

- Requires a commitment to communication among participating parties – developing a communications strategy is imperative for the success of the program
- Do not underestimate the importance of helping union members understand the goals of the process

What is your agency's Vision for the partnership?

Does your agency have a communication plan?



Establishing a Labor-Management Partnership (Pg 3 of 5)

3. Prepare Parties to Succeed

- Prior to participating in a collaborative labor-management partnership, both parties should have instruction and support
- Most agencies use training and/or facilitators to begin labor-management partnerships
- It is essential that commitment come from the top of the organization
- Based on the nature of the commitment, the selection of training and support should be well thought-out

What steps are being used to prepare the parties? Does top management demonstrate 100% commitment?

4. Develop Teams

- Identify number and nature of labor-management committees. For example:
 - Executive oversight team gives direction and authority from top management and union
 - Steering team manages agenda within the agency
 - Implementing team (s) are composed of working groups at the local levels
 - Feedback teams respond to implementation

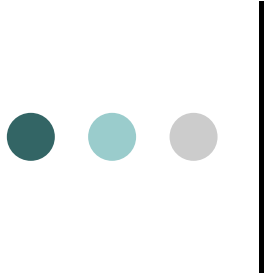
Does your agency have the “process components” ironed out?



Establishing a Labor-Management Partnership (Pg 4 of 5)

Important Process Components for Developing Teams

- Establish ground rules
- Identify issues resolution process to be used
- Maintain team-meeting notes
- Have an equal number of labor and management members



Establishing a Labor-Management Partnership (Pg 5 of 5)

5. **Assess Performance**

- Possible evaluation techniques exist and include:
 - Comparing goals at beginning and end of process
 - Soliciting feedback from a variety of sources such as union members, union and management participants and agency and union leadership
 - Conducting a formal survey of constituents
 - Collecting team member perspectives

For more information on Labor-Management Partnerships refer to TCRP Report 77 *Managing Transit's Workforce in the New Millennium*

What methods does your agency use to measure progress?



Sample Employee Survey Questions

- A stakeholder and employee survey is conducted to receive feedback concerning the progress that an agency is making regarding the EOC journey. This survey assesses employee perceptions regarding key elements of their world of work and their level of commitment to the agency. Types of questions include...
 - The agency communicates effectively with its employees
 - My opinions and views are actively sought
 - I am sufficiently informed on my agency's plans and strategies
 - I am sufficiently informed on issues and activities affecting my agency
 - I understand my role in the EOC transformation
 - I am able to provide feedback in areas directly affecting my job
 - Management acts on employee feedback
 - Please rate the level of trust that exists in your company between senior management and employees
 - Taking everything into account, I am satisfied with my current job
 - I am proud to work for the agency
 - I would recommend the agency to friends and family who may be looking for a job


Employees are asked for their level of agreement



Addressing Two Key Work Environment Issues: Operator Fatigue and Absenteeism (Pg 1 of 2)

Operator Fatigue

The following information has been adapted from TCRP Report 81 *Toolbox for Operator Fatigue* – Please refer to this report for more information

- **Building a comprehensive strategy to deal with Operator Fatigue:** In order to build and maintain a successful fatigue and alertness management policy and program, the following interrelated elements should be addressed:
 - Secure and maintain senior management commitment
 - Policy and program development
 - Communication and training
 - Manage fatigue and alertness
 - Monitor, review and modify
- 
- **Tactical approaches for addressing areas of concern:** Opportunities exist to manage the adverse effects of operator sleepiness and fatigue. They can be grouped into the following areas of intervention:
 - Managing personal habits and behaviors
 - Reporting for duty and managing service delivery
 - Analyzing and creating runs
 - Assigning personnel to cover temporary vacancies
 - Designing facilities and equipment
 - Recruiting and hiring new operators
 - Investigating accidents
 - TCRP Report 81 contains tools that address each of the areas cited above



Addressing Two Key Work Environment Issues: Operator Fatigue and Absenteeism

(Pg 2 of 2)

Absenteeism

Absenteeism can be an issue because of scheduled absences or, more likely, unscheduled absences. The remedy for high absenteeism due to scheduled absences is to review current policies to ensure they are appropriate, and more importantly, to review how supervisors are implementing current policy.

Unscheduled absences are typically an issue when a transit agency is experiencing high absenteeism. Agencies should review unscheduled absences regularly to determine if trends exist that might indicate a problem with internal processes or equipment. For example, absences caused by pain may indicate an ergonomic issue. Regular reviews of absences along with short and long term disability data will allow for the identification and resolution of any issues identified.

Unscheduled absences also may be a result of employees feeling entitled to the use of sick days, even when they are not sick. Agencies may be able to identify patterns in unscheduled absences to determine if this is an issue. If employees do feel entitled to use sick leave, rather than preserve it as a security benefit, there are several approaches the transit agency can take. First, agencies should communicate about the purpose of sick leave and educate their employees about the importance of preserving it. Also, they may want to provide some kind of incentive for preserving sick leave, such as bonuses for not using unscheduled absences during a six month period. Agencies should also review their policies to make sure they aren't encouraging the use of unscheduled absences in the design of the sick leave plan. For example, many organizations have moved to paid time off plans that allow employees to use days as they choose. The design of these types of plan is that the total time available to employees is usually less than the sum of the current sick and annual leave plan, however, they can use it as they choose. These types of plans are typically bridged with a short term disability plan to accommodate sicknesses that go beyond 3-5 days.



5. References to Other Helpful Resources & Information

- In considering culture, work environment & labor relations, it may be helpful to review other sections of the toolkit, including:
 - Program Area: Performance Management
 - Program Area: Communication
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research



Program Area G: Training & Development



Program Area Layout & Objectives

Program Area Contents

1. Background & Overview of Training & Development
2. General Process for Understanding and Addressing Training & Development
3. Listing of Tools Contained in this Program Area
4. The Tools
5. References to Other Helpful Resources & Information

Objectives for this Program Area

- Provide information on fundamental elements of an effective training & development program and strategies, including:
 - Developing a strategy and action plan around training & development
 - Translating the strategy into results
 - Ensuring that training & development opportunities are maximized
- Address key transit issues including:
 - Maximizing resources by continuing to excel in using and growing employees skills
 - Preparing employees with new skills as technology and the industry evolve



1. Background & Overview of Training & Development

A challenge of all organizations is to maximize resources. By the very nature of the public transportation industry, this issue takes on a different and important dimension. Where some organizations may have historically and predominately brought in new skills from the outside, transit agencies have focused on a “retooling” strategy of maximizing talent – growing and refining skills from inside the agency.

This focus is not lost on employees. From our research, we found that most employees believe their transit agency does a good job at using their skills and growing their skills.

So, why is training & development critical? As transit agencies evolve to become EOCs, more pressure will be placed on skill growth and development – on the non-technical, softer skills and competencies such as communication, leadership and teaming. Moreover, as technology continues to evolve, employees will need new, different and enhanced technical skills and competencies.

Training & developing employees will continue to play a critical role for the public transportation agency of the future.

What We Know from The Research... Key Issues for Many Transit Agencies

- Employees in focus groups perceive that agencies are very good at:
 - Allowing employees to grow and use their skills in their current job

- Areas needing attention for the future:
 - Maximizing resources by continuing to excel in using and growing employees skills
 - Preparing employees with new skills as technology and the industry evolve
 - Refer to:
 - Sample Agency Objectives for the Training & Development Process
 - Agency Training Action Summary
 - Sample Development Resource Guide



2. General Process for Understanding & Addressing Training & Development

<p>Establish Objectives</p> <p><i>Do we know where we want to go?</i></p>	<p>Assess</p> <p><i>Do we know how well we are doing? Where are areas of greatest opportunity?</i></p>	<p>Address Alignment</p> <p><i>Are our programs aligned against stated objectives? Our business strategy? Other programs and systems?</i></p>	<p>Address Value</p> <p><i>How do our employees feel about our programs? Do our programs engage employees?</i></p>
<ul style="list-style-type: none"> Identify the role of training & development within the agency and the ways in which it can support vision, values, and goals 	<ul style="list-style-type: none"> Audit current training & development programs to assess them against stated objectives 	<ul style="list-style-type: none"> Confirm that current programs best serve the agency's objectives Ensure integration with other performance management initiatives Confirm effectiveness of training & development programs 	<ul style="list-style-type: none"> Develop understanding of employee perceptions of training & development programs and opportunities

3. Listing of Tools Contained in this Program Area

Establish Objectives	Assess	Address Alignment	Address Value
<ul style="list-style-type: none"> ○ Sample agency objectives for the training & development process ○ Considerations that frame the training & development process 	<ul style="list-style-type: none"> ○ Sample audit questionnaire and leadership discussion guide regarding training & development ○ Measuring impact & effectiveness 	<ul style="list-style-type: none"> ○ Agency training action summary ○ Model: moving from learning strategy to results ○ Sample development resource guide 	<ul style="list-style-type: none"> ○ Getting the most from training: protocols for participants & managers

Although all tools will be useful to your agency, the Sample Audit Questionnaire and Leadership Discussion Guide is a great place to begin – it provides a framework for evaluating your agency’s training & development programs



4. The Tools

Each section and program area of this toolkit has been developed to serve as stand-alone modules. As such, some tools are reproduced in various areas of the toolkit to facilitate the toolkit's use.



Sample Agency Objectives for Training & Development Process

Sample Objectives

Training & Development at our agency should:

- Enhance the skills and competencies that will drive current success of the agency
- Prepare employees for changes in their jobs and in the industry – including new technologies, processes and ways of interacting
- Be linked to the performance management system
- Be a priority for managers against which they are held accountable
- Be valued by employees who understand their role and responsibility in their own learning & development
- Help equip managers to lead the organization into the future
- Focus resources on providing skills valued by the customer

These objectives are then used to identify annual training priorities for your agency. Priorities are then translated into action – “how are we going to make it happen?”



Considerations that Frame the Training & Development Discussion

- **The training & development system must be linked to the agency's vision, values and strategy!**
- Training & development should address more than just technical skills. Other skills important to the agency should be included, such as meeting management, effective communication and delivering constructive feedback.
- Training & development resources should be accessible to employees so they understand how to find out what resources are available, how to access those resources and how to enhance their career through application of the resources.
- Training & development opportunities should tie directly into the performance management system since the performance management system helps identify areas of opportunity for growth and an employee's potential.
- Before training & development is recommended on an individual basis, ensure that the issue is one of skill or competence deficit, rather than something else (e.g., unclear job expectations or inadequate resources).
- Development does not have to be in the classroom. It can be through participating on a problem solving team or on a rotational assignment.

How much are companies spending on training? Some benchmark information...

- According to the American Society for Training & Development (ASTD) in its research report *Training for the Next Economy: An ASTD State of the Industry Report*:
 - Total training expenditures for 2000 were \$704 on a per employee basis and 2.0% as a percentage of annual payroll
 - Training expenditures are expected to increase over the next several years
 - Industry sectors that spent the most on training as a percentage of payroll in 2000 included finance, insurance, and real estate (2.8%); transportation and public utilities (2.7%) and technology (2.5%)



Best Practices Assessment

(Page 1 of 2)

Instructions for Using this Tool

- **Complete the Tool**
 - This tool could be completed by your leadership committee or other leaders, summarized and used as a basis for more targeted discussion.
 - For each numbered statement, place an “x” in the column which best describes your agency.
- **Prioritize Areas of Opportunity**
 - Sort your responses by category (e.g., “Does not describe agency”). What numbered statements are least descriptive of your agency? Which most closely describe your agency?
 - Since the statements reflect best practices of Employers of Choice, **the areas where the statement is least reflective of your agency represent areas of possible opportunity.**
- **Discuss the Opportunities with your Agency’s Leaders**
 - Are the leaders surprised by the opportunities?
 - Are the leaders and others in the agency already focusing on those areas?
- **Create an Action Plan for Areas of Greatest Need**
 - Focus on the 2-3 areas where your agency is farthest from best practice.
 - Discuss what actions can be taken to improve the areas. These may involve educating others, investigating the areas of opportunity in more detail and/or using other sections of the toolkit.
 - Create an action plan, including the action step, timeframe, the owner or owners responsible for the action, and measures of success.
 - Discuss how the action steps integrate with others areas of your Employer of Choice initiative.
- **Integrate Best Practice Assessment results with Employer of Choice Strategy and Annual Action Plan contained in Section II – Building Your Agency’s Employer of Choice Strategy**

Sample Audit Questionnaire & Leadership Discussion Guide (page 2 of 2)

Training and Development	Does Not Describe Agency	Reflects to Some Degree How Our Agency Operates and/or Our Situation	Fully Reflects How Our Agency Operates and/or Our Situation
We focus training & development efforts on a few (3-5) strategic issues			
We view learning as a critical activity for future success & redesign training to meet changing business needs			
We regularly assess employee and manager development needs			
Our culture values developing people & improving employee performance and believes everyone shares that responsibility			
Our managers and teams reinforce training messages through post-course monitoring & on-going coaching			
Opportunities for employees & managers extend beyond technical skills training			
Managers are responsible for developing & retaining key talent			
We measure the impact of training & development experiences on employee performance & business results			
Learning new skills is rewarded & encouraged			
Employees who show potential for future growth & development are identified using business relevant criteria			
In our agency, learning initiatives are created to serve strategic needs			
Management acts as a role model for development, pursuing their own & encouraging it for others			
We have defined skills & competencies that will be needed to fulfill future strategies & planned for their acquisition			
Employees & managers see our training & development programs as resources in charting a career at our agency			
Employees understand what resources are available for growth, development and career planning			
Learning opportunities offered at the agency extend beyond traditional classroom coursework			



Measuring Impact & Effectiveness

- How are you measuring overall impact & effectiveness of your training & development programs?
- For each measure, what is your desired performance level?

What value does your agency place on training?

(commitment)

- Budget \$ per employee for training
- % of payroll devoted to training
- Days per year of training per employee (manager)

Effectiveness of activities?

- Participant feedback regarding experience
- Degree to which skill application occurs
- Degree to which the desired performance is achieved
- Degree to which the program has contributed to organizational objectives (e.g., customer satisfaction, safety, etc.)

Cost effectiveness?

- Cost per participant hour
- Cost per program per participant
- Comparison of cost of not doing the training versus the cost of the training? (assumes training objectives are achieved)

Learning Environment?

- % of managers trained in coaching & feedback
- Assessment of managerial competencies in coaching & feedback? (part of manager's performance evaluation)
- Comparison of cost of not doing the training versus the cost of the training? (assumes training objectives are achieved)

Select those measures that best represent where your agency wants to be in its journey. Is the data available for the measure? There may be other measures not included above that you may be using.

Agency Training Action Summary

	Overall Training & Development Objectives (from your T&D Strategy)	
By Employee Group	Enhance the skills & competencies that will lead to current success	Prepare employees for changes in their jobs & the industry
↓ At the Management Level	Training & Development Priorities <ul style="list-style-type: none"> ○ Team Building: coordination across units ○ Coaching and feedback 	Training & Development Priorities <ul style="list-style-type: none"> ○ Implementing change ○ Understanding leading edge trends and development within industry
	Related Actions <ul style="list-style-type: none"> ○ Identify top 20 high potential middle managers for job rotation assignments ○ Develop in-house curriculum for managers & supervisors to deal with coaching & feedback ○ Implement “Manager Roundtable” on an as needed basis to address system-wide issues (executive sponsor) 	Related Actions <ul style="list-style-type: none"> ○ APTA or CTAA membership ○ Invite guest speakers 2-4 times per year to address trends and changes in industry ○ Attend advanced management programs in universities for high impact leaders ○ Conduct quarterly “town meetings” to be led by executives and to include managers as presenters (topics to include State of the Agency)

This links your overall training objectives to your identified priorities. Specific training & development actions are then developed to address the priorities

Model: Moving from Learning Strategy to Results

Confirm Learning Strategy

- What are the agency's "burning issues"?
- How can training & development support these challenges?
Example: We are committed to ensuring that our employees have the enhanced, updated skills to do their job as our operating environment changes.

Define Training Priorities

- What are the key issues for training & development this year?
- What must we tackle first? Second? Who will participate in the prioritization?
Example: Our trains are being upgraded with new technology. We need to ensure that our operators are prepared for the changes in the equipment and in their jobs.

Create Design & Delivery Process

- Does this already exist? Do we need to create from scratch?
- Is this classroom training? On-the-job? An alternative method?
Example: The equipment vendor that is installing the upgrades has "canned" training that can be used as a basis for the classroom component. Using a control panel provided by the vendor, our training staff is going to design a "hands on" exercise to be delivered during classroom instruction to reinforce learning.

Identify Selection & Enrollment Process

- Who should receive the training? Is it agency-wide or selected audiences?
- Will managers nominate? Will employees self-register?
Example: Current operators will constitute the intended audience for training. Since it is an essential skill, all operators will be scheduled into training by the training staff.

Measuring Impact

- How will we assess that the learning activity met objectives? Will we have pre- and post-measures? Will we assess participant reaction?
Example: Operators will be required to pass a written test during the course and a competency test after course completion.

Sample Development Resource Guide

Development Resource Guide for Administrative Positions	Our Agency's Stated Competencies for Positions in the Business Administration Job Family						Possible Sources/Options for Training
	Technical Competence		Customer Competence		Internal/Team Competence		
	Analytical	Process Improvement	Improving Client Service	Business Relations	Communicating & Managing Knowledge	Teamwork	
Computer software skills training (Excel, Word, PowerPoint, etc.)	X		X				Quarterly agency course; Self-study CD-ROMs (see HR)
Time Management		X	X				Outside vendor (see your manager)
Project Management Software Skills Training	X	X	X			X	Agency course (on demand); Self-study CD-ROMs (see HR)
Presentation & graphic creation			X		X		On the job opportunities; Book entitled: Graphics for 101
Fundamentals of finance & accounting	X		X	X			Our Local Community College (see OLCC.edu)
Negotiating & prioritizing work	X	X	X	X	X	X	Annual agency course

Aligns the Agency's needed skills & competencies with training & development opportunities available to employees—simple tool to engage employees, reinforce needed skills & emphasize development



Getting the Most from Training: Protocols for Participants & Managers

○ For Participants:

- What knowledge, skill or ability are you seeking to enhance?
- Is training the most effective method of obtaining it?
- Look for a course that is designed to produce the desired performance outcome.
- With your manager, discuss and agree on the specific performance outcomes you will be expected to demonstrate after the training. Are they noted in your performance plan?
- During the program, ask yourself how you will use the knowledge/skill being presented in your current job assignment.
- Be prepared to demonstrate the new knowledge/skill upon your return from training.

○ For Managers:

- With the employee, discuss if the training is appropriately linked to the individual's goals.
- With the employee, identify specific performance outcomes that should result from attending the training, when and how they will be demonstrated.
- After the training, observe or get feedback on the employee's demonstration of the new skill/knowledge.
- Acknowledge the desired new skill/knowledge or coach to develop the performance.
- Note observations/feedback in the employee's performance plan.

**To get the most out of training & development opportunities,
both participants & managers have accountability**



5. References to Other Helpful Resources & Information

- In considering training & development, it may be helpful to review other sections of the toolkit, including:
 - Section VI: Optimizing Talent
 - Program Area: Performance Management
 - Appendix A-2: Additional Resources Grouped by Major Topic
 - Appendix A-3: Case Studies from Other Relevant TCRP Research

BACKGROUND INFORMATION

Appendix A-1: Glossary of Terms

Balanced Scorecard: is an analysis technique designed to translate an organization's mission statement and overall business strategy into specific, quantifiable goals and to monitor the organization's performance in terms of achieving these goals. The Balanced Scorecard typically monitors financial data, operational measures, customer satisfaction, internal processes and the organization's innovation and improvement activities (indicators of future financial performance).

Base pay: wages paid in a specified period, such as a week, month, or year or salary paid on a fixed, non-variable basis.

Behavioral-Based Interviewing: the process of screening and selecting new employees by conducting interviews that ask the applicant to talk about behaviors and actions he/she has actually demonstrated in the past. Questions in such interviews should be based on behaviors that are important to the job in questions and to the organization conducting the interview.

Career Pathing: assists employees in career planning by defining how they can move laterally and up career ladders within the organization. A career path provides an employee with the road map necessary to achieve success. The goal is to provide individuals with real expectations regarding personal growth within the organization and a method for realizing that growth.

Commission/Piece Rate: a form of compensation tied to the sale of products or services, usually an amount calculated as a percentage of the sale.

Compa-Ratio: comparisons of the pay rates of an employee with the midpoints of applicable salary ranges.

Compensation: various types of remuneration that form the basis of pay for an employee who provides services to an employer.

Competency: is fundamental knowledge, ability, or expertise in a specific subject area or skill set.

Custom Survey: survey of the pay for various jobs performed in the workforce of specifically selected companies and/or competitors.

Discretionary Bonus Plan: an incentive plan that bases the total funds allocated to the plan on judgmental evaluations of organizational or participant performance.

Employee Referral Plan: a program in which employees are rewarded for referring friends and family to work at the agency.

Employer of Choice: a public transportation operating agency that, because of its reputation, is able to attract, retain, and optimize a capable and committed diverse workforce that enables operational excellence; safety, and high customer satisfaction.

Exit Interview Guide: a manual that provides a consistent process for collecting feedback from employees that leave the organization. Data from these

Appendix A-1: Glossary of Terms

employees provides information critical to assessing workplace deficiencies, enhancing the work environment and improving employee retention.

Human Capital: the set of skills which an employee acquires on the job, through training and experience, and which increase that employee's value in the marketplace. The term Human Capital is often used to refer to employees of the organization. "Employees are human capital while assets are financial capital."

Incentives: a form of non-discretionary compensation that is designed to reward performance and/r motivate an employee toward achieving a specific goal. Incentives typically include pre-established goals and a pre-announced pay out formulas that are communicated prior to the period of performance.

Job Rotation: a systematic movement of employees from job to job or project to project within an organization.

Labor-Management Partnership: a forum used by labor and management to improve relations. It involves a cooperative process jointly designed by both parties, is composed of union members & management representatives and typically results in the formation of a committee which discusses & develops interests vital to employees, customers, and the organization.

Market Pricing: the process of identifying competitive levels of pay for specific jobs in the external market, typically by analyzing data found in salary surveys.

Paradigm: a set of assumptions, concepts, values, and practices that constitutes a way of viewing reality for the community that shares them.

Performance Management: the process by which individuals receive feedback, direction and reinforcement for their performance. Its components are goals, measures, feedback, reinforcement and rewards. The term is also used to refer to organizational goal setting, monitoring, and evaluation.

Profit Pool Plan: a plan providing for employee participation in the profits of an organization.

Published Salary Survey: salary survey published by sources such as local or industry associations, the government or consulting firms.

Recognition: employer acknowledgements of employees' achievements in such areas as customer service, quality, safety and productivity. Such rewards are frequently of a non-monetary nature.

Salary range: the span of pay rates, from minimum to maximum, that constitute a pay or salary grade

Sensing: an activity which is intended to collect feedback, ideas, or perceptions

Spot Awards: a small discretionary reward granted to employees after-the-fact for valued achievements or behaviors

Steering Committee: typically an appointed group of people that represent the organization's interests who facilitate and enhance the definition, development, effectiveness and excellence of the organization.

Appendix A-1: Glossary of Terms

Succession Planning: a targeted process that identifies possible replacements for key positions, and provides strategies for developing and/or acquiring individuals to meet future organizational needs.

Toolkit: a collection of materials, tools and templates.

Total Annual Compensation: the complete pay package of direct and indirect compensation, including all forms of benefits, money and services.

TQM: total quality management is a customer-oriented management philosophy in which the work process is customer focused rather than producer focused.

A-2: Additional Resources Grouped by Major Topic

General EOC

- www.driohnsullivan.com
This website by John Sullivan provides a variety of information and articles about becoming an EOC. The contents focus on focusing on the external view of EOCs.
- Fitz-enz, Jac. [The 8 Practices of Exceptional Companies: How Great Organizations Make the Most of Their Human Assets](#). New York: AMACOM, 1997.
- Herman, Roger E. and Joyce L. Gioia. [How to Become an Employer of Choice](#). Winchester, VA: Oakhill Press, 2000.
- Kay, Pfau. [The Human Capital Edge](#), McGraw Hill, 2002.
- Pfeffer, Jeffrey. [The Human Equation: Building Profits by Putting People First](#), Harvard Business School Press, 1998.
- Reichheld, Cook. [The Quest for Loyalty: Creating Value Through Partnership](#), Harvard Business School Press, 1990.
- Reichheld, Frederick F. [Loyalty Rules! How Leaders Build Lasting Relationships in the Digital Age](#). Boston: Harvard Business School Press, 2001.
- Whiteley, Hessian, [Customer Centered Growth](#), Addison-Wesley Publishing Corporation, 1996.
- Whitman, Marina. [New World, New Rules: The Changing Role of the American Corporation](#), Harvard Business School Press, 1999.

General HR

- Society for Human Resources Management: www.SHRM.org
SHRM is a membership association of human resource professionals that provides services and information to members and non-members dealing with all areas related to human resource management.
- Baron, James and Kreps, David. [Strategic Human Resources](#). Indianapolis, IN: John Wiley & Sons, 1999.
- Butteriss, Margaret. [Reinventing HR: Changing Roles to Create the High Performance Organization](#), Wiley Press, 1998.
- Ulrich, Dave. [Human Resource Champions: The Next Agenda for Adding Value and Delivering Results](#), Harvard Business School Press, 1997.

Business Strategy & Organizational Measurement

- The Saratoga Institute: www.saratoga-institute.com/
The Saratoga Institute is a division of Pricewaterhouse Coopers and a leader in human asset research, measurement, benchmarking, analysis and best practices.
- Becker, Huselid and Ulrich. [The HR Scorecard: Linking People, Strategy and Performance](#), Harvard Business Press, 2001.
- Blanchard, Kenneth. [Mission Possible](#). New York, NY: McGraw-Hill, 1998.
- Collins, James and Porras, Jerry. [Built to Last](#). New York: HarperCollins, 1997.
- Drucker, Peter. [Managing the Non-Profit Organization: Practices and Principles](#). New York: HarperCollins, 1990.
- Fitz, enz, Jac. [How to Measure Human Resource Management](#). New York, NY: McGraw-Hill, 2002.
- Heskett, James, Sasser, Earl, and Schlesinger, Leonard. [The Profit Value Chain](#). New York, NY: The Free Press, 2002.
- Labovitz, Rosansky, [The Power of Alignment: How Great Companies Stay Centered and Accomplish Extraordinary Things](#), John Wiley & Sons, Inc., 1997.
- Kaplan, Robert and Norton, David. [The Strategy-Focused Organization](#). Boston: Harvard Business School Publications, 2000.
- Kaplan, Robert and Norton, David. [The Balanced Scorecard](#). Boston: Harvard Business School Press, Inc., 1996.

A-2: Additional Resources Grouped by Major Topic

Attraction & Retention

- Ahlrichs, Nancy S. Competing for Talent: Key Recruitment and Retention Strategies for Becoming an Employer of Choice. Palo Alta, CA: Davies-Black, 2000.
- Herrman, Roger E. Keeping Good People: Strategies for Solving the #1 Problem Facing Businesses Today. Winchester, VA: Oakhill Press, 1999.
- Kaye, Beverly and Jordan-Evans, Sharon. Love 'Em or Lose 'Em. San Francisco, CA: Berrett-Koehler, 2002.

Rewards: Compensation, Benefits & Recognition

- WorldatWork: www.worldatwork.org
World at Work is a membership association of compensation professionals that provides services and information to members and non-members dealing with all areas related to compensation and rewards.
- Berger, Dorothy and Berger, Lance, The Compensation Handbook. New York, NY: McGraw-Hill, 2002.
- Bizer, Frank. 2002-2003 Benefits Facts. Erlanger, KY: National Underwriter Company, 2002.
- Graham, Michael and Manas, Todd, Creating a Total Rewards Strategy. New York: AMACOM, 2002.
- Lawler, Strategic Pay: Aligning Organizational Strategies and Pay Systems, Jossey-Bass Publishers, 1990.
- Nelson, Bob. 1001 Rewards & Recognition Fieldbook. New York, NY: Workman Publishing, 2003.
- Schuster, Zingheim. The New Pay: Linking Employee and Organizational Performance, Lexington Books, 1992.
- Wilson, Thomas. Innovative Reward Systems for the Changing Workplace. McGraw Hill, 1994.

Change Management & Communication

- Bridges, William. Managing Transitions: Making the Most of Change, Perseus Books, 1993.
- Champy, Hammer. Reengineering the Corporation: A Manifesto for Business Revolution, Harper Buisness Books, 1993.
- Drucker, Peter. Managing for the Future. Truman Talley Books, 1992.
- Ulrich, Dave. Delivering Results. Boston: Harvard Business School Press, 1998.

Culture, Leadership, Work Environment & Labor Relations

- “Redesigning Government: The AFSCME Approach to Workplace Change”, www.afscme.org.
- Kouzes, Posner, The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations, Jossey-Bass, 1995.
- Ulrich, Dave, Zenger, Jack, and Smallwood, Norm. Results-Based Leadership. Boston, Massachusetts: Harvard University Press, 1999.
- Harvard Business Review on Leadership. Boston, Massachusetts, Harvard Business School Press, 1998.

Optimization & Individual Performance Management

A-2: Additional Resources Grouped by Major Topic

- Engelman, Curtis and Roesch, Robert. Managing Individual Performance. Scottsdale, AZ: American Compensation Association, 1996.
- Grote, Dick. The Performance Appraisal Question and Answer Book. New York: AMACOM, 2002.
- Nolen, Ronald. Beyond Performance: What Employees Really Need to Know to Climb the Success Ladder. New Perspectives, 1999.
- Robinson, James, Gaines, Dana and Blanchard, Kenneth. Zap the Gaps! New York: HarperCollins, 2002.

Training & Development

- Professional Association: www.ASTD.org
American Society for Training & Development is a membership association of training professionals that provides services and information to members and non-members dealing with all areas related to training and development.
- Stolovitch, Harold and Keeps, Erica. Telling Ain't Training. Alexandria, Virginia: American Society for Training & Development.

Appendix A-3: Case Studies from Other Relevant TCRP Research

The table below contains a summary of case studies that have been featured in other relevant reports and publications sponsored by the TCRP. For each case study, the appropriate TCRP document is referenced as well as the applicable relevance and topic areas covered.

Transit Agency or Organization Featured in the Case Study	TCRP Document Where the Information Can be Found	Relevant EOC Areas Covered			Topic Addressed in Case Study
		Business Strategy/Alignment	Attract	Retain	
Cape Cod Transit	TCRP Report 21	X			Strategy; Operations
Hillsborough Area Regional Transit Authority	TCRP Report 21	X			Strategy; Operations
Milwaukee County Transit System	TCRP Report 21	X			Strategy; Operations
New Jersey Transit	TCRP Report 21	X			Strategy; Operations
San Diego County Transit	TCRP Report 21	X			Strategy; Operations
Tri-County Metropolitan Transit District of Oregon	TCRP Report 21	X			Strategy; Operations
Ann Arbor Transit Authority	TCRP Report 29	X		X	Self-Managed Teams
Sunline Transit Agency	TCRP Report 29	X		X	Strategy; Training; Performance Management
CT Transit	TCRP Report 29			X	Training
Houston Metro	TCRP Report 29			X	Training
Metropolitan Atlanta Rapid Transit Authority	TCRP Report 29			X	Training
Pierce Transit	TCRP Report 29			X	Performance Management; Training; TQM
London Transport Buses & London Underground Lines	TCRP Report 58	X			Business strategy
City of Annapolis Department of Transportation	TCRP Report 77		X	X	Recruitment; Retention
Berkshire Regional Transportation Authority	TCRP Report 77		X	X	Recruitment; Retention
Duluth Transportation Authority	TCRP Report 77		X	X	Recruitment; Retention
Sunline Transit Agency	TCRP Report 77		X	X	Recruitment; Retention
Pierce Transit	TCRP Report 77		X	X	Recruitment; Retention
Regional Transportation Commission of Washoe County/Citifare	TCRP Report 77		X	X	Recruitment; Retention
Professional Transportation Management of Tucson	TCRP Report 77		X	X	Recruitment; Retention
Maryland Transportation Administration	TCRP Report 77		X	X	Recruitment; Retention
ATC Phoenix	TCRP Report 77		X	X	Recruitment; Retention
Regional Transportation District, Colorado	TCRP Report 77		X	X	Recruitment; Retention
Santa Clara Valley Transportation Authority	TCRP Report 77		X	X	Recruitment; Retention
Utah Transit Authority	TCRP Report 77		X	X	Recruitment; Retention
Metropolitan Atlanta Rapid Transit Authority	TCRP Report 77		X	X	Recruitment; Retention
Federal Transit Administration	TCRP Report 81			X	Operator Fatigue
Phoenix Transit	TCRP Report 81			X	Operator Fatigue
New York City Transit	TCRP Report 81			X	Operator Fatigue
Connecticut Transit	TCRP Report 81			X	Operator Fatigue

Appendix A-3: Case Studies from Other Relevant TCRP Research

Transit Agency or Organization Featured in the Case Study	TCRP Document Where the Information Can be Found	Relevant EOC Areas Covered				Topic Addressed in Case Study
		Business Strategy/ Alignment	Attract	Retain	Optimize	
Metro Transit, Minneapolis	TCRP Report 81				X	Operator Fatigue
Capital Metro, Austin	TCRP Report 81				X	Operator Fatigue
NJ Transit	TCRP Report 81				X	Operator Fatigue
Citizen's Area Transit, Los Vegas	TCRP Report 81				X	Operator Fatigue
GO Transit	TCRP Report 81				X	Operator Fatigue
Southeastern Pennsylvania Transportation Authority	TCRP Report 81				X	Operator Fatigue
Capital Metro Transit Authority	TCRP Synthesis 3	X			X	Incentives
Toronto Transit Commission	TCRP Synthesis 3				X	Recognition
Mass Transit Administration, Baltimore	TCRP Synthesis 16	X				Mission; Vision; Values
Calgary Transit	TCRP Synthesis 16				X	Training
North San Diego County Transit District	TCRP Synthesis 16	X			X	Supervision
Laidlaw Transit Services, BART Express	TCRP Synthesis 16		X			Selection
Transit Windsor	TCRP Synthesis 16	X			X	Supervision
Santa Cruz Metropolitan Transit District	TCRP Synthesis 16				X	Involvement
Capital Metro, Austin	TCRP Synthesis 16	X			X	Supervision
Dallas Area Rapid Transit	TCRP Synthesis 16			X	X	Performance Management
Long Beach Transit	TCRP Synthesis 16			X	X	Competencies; Training
METRO, Cincinnati	TCRP Synthesis 16		X			Selection
Sacramento Regional Transit District	TCRP Synthesis 16		X			Selection
CT Transit	TCRP Synthesis 16				X	Training
Seattle Metro	TCRP Synthesis 16				X	Training
Toronto Transit Commission	TCRP Synthesis 16				X	Training
San Diego Transit	TCRP Synthesis 16	X				Technology; Communication
VIA Metropolitan Transit, San Antonio	TCRP Synthesis 16	X				Technology; Operations
Milwaukee County Transit System	TCRP Synthesis 16	X				Technology; Operations
Orange County Transportation Authority	TCRP Synthesis 40				X	Training

Appendix A-4: Opportunities For Further Research

The following are areas of potential further research identified by the TCRP Panel and/or Validation Participants:

- Competency Model for Operational and Maintenance Transit Workers
- Maintaining EOC Status Once it Is Achieved
- Learning from Major Organizational Redesign
- Retaining Employees During a Crisis
- Loss of Funding or Reduced Funding
- Change of Management
- Diversity
- Labor Management Partnerships