CHAPTER ONE

INTRODUCTION

BACKGROUND AND OBJECTIVES

To anticipate and respond effectively to public expectations and needs in the 21st century, a strong leadership team will be a critical first step in meeting the demand for change and sustaining the necessary changes. To reinforce the importance of this issue, the American Public Transportation Association (APTA) made work-force development a key initiative in 2002. The FTA also endorsed this effort.

The objective of this synthesis is to document the state of the practice in leadership development and to report on innovative approaches to the problems faced in today's work environment.

PURPOSE AND SCOPE

The synthesis covers how corporate culture affects the hiring, development, evaluation, and retention of the top management team. It augments and complements studies on other segments of the employee base. The synthesis provides descriptions of workplace culture and values, including:

- Communications and imaging,
- Team orientation,
- Labor relations/cooperation,
- Adaptability,
- Change management,
- Innovation,
- Barriers and driving forces to change and development,
- Customer and community focus,
- Stakeholders, and
- Relationships between the leadership team and governing board.

Case studies describing lessons learned in hiring, developing, evaluating, and retaining leadership teams have been summarized. The case studies, selected from those agencies that responded to the survey, cover a number of topics including how agencies have aligned the responsibilities of their senior staff with the organizational mission and vision in areas such as recruitment, compensation, professional development, and succession planning. Each case study describes challenges the agency faced and addressed in ways that should be beneficial to peers in the industry.

ORGANIZATION OF RESEARCH AND METHODOLOGY

Preparation of the draft survey questionnaire was helped by a preliminary review of relevant literature and research. Comments received from topic panel members regarding the draft survey questionnaire were integrated into the final survey distributed in late May 2002 to appropriate staff at 50 transit agencies. Follow-up telephone calls and e-mail contacts were made to encourage completion and submission of the questionnaire. A number of surveys were conducted by means of telephone interviews. The goal was, at a minimum, to survey the chief executive officer (CEO), senior human resources (HR) officer, and chief operating officer. The survey was designed to gather information on the following topics:

- Demographics related to the leadership team;
- Corporate values espoused by the leadership team; and
- Practices related to hiring, developing, evaluating, and retaining the leadership team.

A review of the relevant literature was summarized. It included research on the role of corporate culture in driving practices, techniques, and strategies for hiring, developing, evaluating, and retaining a leadership team. An on-line search of transit industry, university, and government databases, and other sources provided rich resources for analyzing survey data. The Transportation Research Information Service (TRIS) on-line database was searched as part of this review. Results of the literature review have been summarized by subject area.

Survey responses from 13 agencies were collected, tabulated, and summarized, and the data were organized by the survey subject areas. Supporting documentation submitted by respondents was reviewed and categorized. Follow-up inquiries to transit agencies were conducted where necessary.

From the survey responses, six transit agencies were selected for case studies. The emphasis of the case studies was on discovering and documenting lessons learned in hiring, developing, evaluating, and retaining transit leadership teams. Selected agencies indicated success in several of these areas on their survey questionnaires. Specific areas of inquiry included agency experience related to succession planning; compensation; use of core competencies in identifying, developing, and evaluating talent; assessment

and recruitment techniques; and the use of financial and other resources. As much as possible, agencies were selected to represent a diversity of characteristics among transit agencies, such as size, modes of operation, geographic location, and governance structure.

Telephone interviews and, in two cases, face-to-face interviews, were conducted with leadership team members of these agencies. Each agency's survey responses were used as a starting point for gathering additional data on practices, techniques, and strategies. Interview data were recorded by means of audiotaping and note taking, and then analyzed and summarized within the appropriate categories.

The synthesis report documents the state of the practice in leadership recruitment, development, evaluation, and retention; it also reports on innovative approaches to the problems faced in today's work environment in transit and other industries. Furthermore, the report covers the manner in which corporate culture affects the hiring, development, evaluation, and retention of the top management team.

ORGANIZATION OF THE REPORT

The synthesis report is presented in five chapters, with supporting references, a bibliography, a glossary of terms, and four appendixes. Chapter one describes the project background and the scope, as well as the methodology used to complete the project. Chapter two provides a review of relevant literature. Chapter three summarizes the survey data. Chapter four summarizes case studies. Chapter five presents the synthesis conclusions and recommendations for future research. The four appendixes consist of survey questionnaires and responses (Appendix A), a roster of responding agencies (Appendix B), a list of general mangers/CEOs interviewed for the case studies (Appendix C), and supplemental information provided by case study agencies (Appendix D).