

CASE STUDIES

The six responding agencies selected as case studies have demonstrated success in recruiting, developing, evaluating, and retaining leadership team members. Case studies were developed through data gathered during interviews with the CEO of each agency, during interviews with other agency staff, from synthesis survey results and documents provided by the agencies, and through searches of agency websites. Table 2 provides background data on the agencies.

The CEOs in case study agencies are industry, community, and national leaders who understand that their role goes beyond providing high-quality public transportation services on a day-to-day basis. In some cases, their agencies are responsible for diverse functions such as highway projects, congestion management, and parking and traffic functions. These leaders embrace community development with high energy and lead highly qualified teams of professionals who are held accountable for carrying out the missions and strategies of their agencies. The CEOs fit the description of what *Research Results Digest 45* refers to as “mobility managers” (15). Appendix C contains the names and titles of these executives.

CENTRAL OHIO TRANSIT AUTHORITY, COLUMBUS, OHIO

Background

The corporate culture at the Central Ohio Transit Authority (COTA) is in transition. “A continuous learning organization that lives by the values that we have set and has an understanding that we are here to provide transportation services to every resident in and visitor to this community. A team-oriented entrepreneurial organization . . . being willing to make mistakes . . . innovative team to serve the community.” This description of the preferred corporate culture at COTA was the agency president/CEO’s response to the question “How would you describe your desired corporate culture?” A bit of history will help to shed light on the challenges the leadership has faced in creating that type of culture.

Triggered by the appointment of a new president/CEO 5 years ago, the organization’s culture is a mixture of a new perspective and the heritage acquired from many years of operation. Although COTA’s executive management team (EMT) has more than 95 years of transit industry experience,

TABLE 2
BACKGROUND DATA ON CASE STUDY AGENCIES

Name and Location of Agency	No. of Employees	Mode(s) of Operation	Average Tenure of Leadership Team in Position	Average Tenure of Each Agency’s Leadership Team in Transit Industry
Central Ohio Transit Authority, Columbus, Ohio	900	Bus	2.4	12
Corpus Christi Regional Transportation Authority, Corpus Christi, Tex.	209	Bus/ferry	4	9
San Francisco Municipal Railway/Municipal Transportation Agency, San Francisco, Calif.	5,011	Bus/rail/ cable car/trolley/ street car	3	17
Santa Clara Valley Transportation Agency, San Jose, Calif.	2,863	Bus/rail	5	19
Port Authority of Allegheny County, Pittsburgh, Pa.	3,187	Bus/rail	5.5	17
Volusia County Transportation Authority, South Daytona, Fla.	210	Bus/paratransit/ trolley	10	15

only one senior manager (the CEO) has more than 4 years experience at the agency.

Upon arrival in 1997, the president/CEO found a surprising mindset: “We can’t do this. We tried that and it didn’t work.” He remembers, “They wanted me to direct them on how to do their jobs.” For instance, when he tried to engage the senior staff in a discussion about strategic planning, they wanted instructions: “Tell me what I need to do.” He describes the group at the time as “Very narrow in focus—they focused on the here and now.” One action that helped these managers refocus was the restructuring of executive positions. Previous department directors are now vice-presidents, with executive level responsibilities. This action was taken in part to jar them out of their familiar role of being told what to do and to force them to refocus their efforts. The CEO’s message in this restructuring process was this:

I want you to get out of the day-to-day and to focus on where we are going as an organization this month, this year, and beyond. You have people reporting to you who can deal with the day to day. This day-to-day focus was surprising because I came out of an environment where strategic planning and thinking were the norm, where we would have annual executive management retreats, do strategic planning for several years with goal setting.

Once these executives understood the reasons behind the changes, most were receptive to making the shifts needed to function in the new roles. One explanation for the leadership team’s short-term orientation was the short-term nature of COTA’s primary revenue source, a sales tax with time limits. At the time the current president was hired, the sales tax was scheduled to expire in 2 years. Therefore, when he spoke about planning for 20 years, the staff’s response was, in effect, “Wait a minute, we may not have a job in 2 years, so how can we talk about 20 years?” In 1999, the agency achieved a major victory. Citizens approved a permanent funding source: a 0.025 (one-quarter) cent sales tax. This has been a catalyst for the leadership team to look at COTA’s mission from a long-term perspective.

Leadership Team

With a new organizational perspective, it became obvious that some senior managers needed new skill sets. Some chose to leave the agency, and others were reassigned to positions more aligned with their capabilities and interests. The new focus was on hiring people who were comfortable being mobility managers, individuals versatile in maintaining internal accountability as well as being able to communicate COTA’s story to the community. One of the positions that grew out of the new vision was the Vice-President of Business Development, with an emphasis on increasing revenues, increasing ridership, and creating new products.

The four survey respondents from COTA concurred that the organization is a pleasant place to work, where risk taking is encouraged and rewarded, and hidden agendas are discouraged. Even so, respondents felt that tradition has had a strong impact on leadership behavior. This is probably most reflected in the ambivalence shown in the *do not agree or disagree* response to this statement: Teamwork is the dominant management style here. Similar responses were given to other statements: It is best to get approval before taking unconventional actions here and It is easy to make changes here. Reflective of a fairly traditional, hierarchical approach to management is the rating of *disagree* for the statement: Employees at all levels take leadership in initiating substantive organizational changes.

Respondents agreed with the following statements:

- I have input into hiring decisions in other departments.
- Team members are expected to defend the rationale for proposed actions to each other.
- Decisions that have organization-wide impact usually require full leadership team input.
- I seek feedback from peers on actions I am considering that may affect their area(s) of responsibility.

Community and Leadership Team Involvement

In 1998, the agency lacked a long-term vision. Under the direction of the leadership team, a year-long visioning process that involved staff and community leaders was begun. This hastened the leadership team-building process and aided in a much-needed mind shift. The process, which began with an off-site retreat, involved the leadership team, the chair of the chamber of commerce, the publisher of the local newspaper, and a representative from the county. These external members provided insights into the community’s perception of COTA and where they saw it going in the future. Hearing these views expressed for the first time was enlightening for people who had been in the agency for many years.

Community involvement is one of the critical success factors by which COTA measures its performance. Community outreach is essential as the agency tries to hear from constituents and adapt products to serve the community. One example of ongoing outreach and involvement has been the scheduling of out-of-state trips with key business people to cities that have transit projects of relevance to COTA’s mission, vision, and objectives. Two trips, one to Austin, Texas, and a second to Toronto, Ontario, Canada, have included a contingent of key community executives.

Professional Development and Succession Planning

Nine COTA managers, including the CEO, have successfully completed a transit management certification process

through the American Public Transit Exams Institute. The institute administers tests and certifies managers as being proficient in the essential functions in supervisory and managerial roles (28).

Once transit manager certification was presented as an option for COTA managers, employees quickly chose to participate in the study and testing process. Having peers go through the certification process has proven to be motivational for other employees who want to prepare for advancement. This effort contributes to the achievement of the agency's goal of developing a cadre of mobility managers.

COTA's CEO emphasizes, "As a part of our culture, I would like to see us continue to be a learning organization; encouraging employees, and eventually to be able to reward employees who continue their education." He cited a number of examples of employees within the supervisory and union-represented employee ranks who are taking college courses leading to degrees, and he noted that the emphasis on education makes COTA a stronger organization. The CEO models the need for continuous learning by his participation and leadership in professional activities such as the TCRP Oversight and Project Selection Committee and serving as APTA's Vice-Chair of Bus Operations and Paratransit. As a member of the first TCRP International Study team in the mid-1990s, he returned with enthusiasm about the use of advanced technology at his agency. He has also nominated two senior managers for participation on the international teams.

Respondents reported agreement with the statement: I feel comfortable letting the person to whom I report know about areas that I do not feel fully competent. This response would appear to be consistent with the overall vision of COTA's becoming an entrepreneurial learning organization. Also consistent with this perspective was agreement with these survey statements:

- I mentor employees who demonstrate leadership potential.
- Employees who want to develop their leadership potential have many opportunities to do so here.

Performance Management

In 1998, COTA hired a consultant to develop a performance management plan. The goal of this initiative was to identify critical success factors and performance goals, as well as objectives that were aligned with the new vision. Each leadership team member develops annual objectives and reviews progress toward those objectives with the president/CEO on a quarterly basis. The EMT meets twice monthly, with the first meeting devoted to progress reports on each department's strategic plan. The meeting presentations

also include information about upcoming projects and information about areas where team members need assistance from other departments. Each vice-president meets with the president one-on-one every other week for updates.

Survey respondents agree with the following statements:

- I feel free to try new and different ways of responding to the needs of internal and external customers.
- If I get into a difficult situation, I can count on peers to come to my assistance.
- I have the freedom to perform my job as I see fit.
- The feedback I receive about my performance is clear and fair.
- I feel confident that I can stay in my current position as long as my performance is satisfactory.

Labor-Management Relations

Labor-management relations seem to be influenced by the COTA leadership team's desire to keep labor leaders informed of matters affecting their membership. One contributing factor may be reflected in this statement: Labor and management leaders have participated in joint labor-management partnership education in recent years. However, one respondent commented, "Labor is not collaborative; and while labor leaders know they can trust the management team, they will not admit it."

Team Functioning and Decision Making

The CEO rates leadership team functioning at COTA as average. A breakthrough this past year toward more cohesive team functioning concerned a change in the budget management process. Previously, departments looked to whether they met individual budget objectives; there was a tendency to hoard any excess funds in case of future need. For the current year, the EMT has an objective to concentrate on the achievement of the agency's corporate budget objectives. This initiative has required a shift in thinking and a sharing of information and resources. Departments now share funds to meet overall organization objectives, whether related to staff or other resource needs. Analysis of previous EMT objectives revealed that the agency's annual objective-setting process contributed to "tunneling"—to people not having to consider other departments' priorities. The change in the budget management process has been the catalyst for reviewing other EMT objectives; to move the team to a more corporate focus in other areas. Reflective of the team as still being in the developing stages is one survey respondent's comment "Only a select few," to the statement: If I get into a difficult situation, I can count on peers to come to my assistance.

Survey respondents did agree with the following statements:

- Leadership team members are expected to defend the rationale for proposed actions to each other.
- Decisions that have organization-wide impact usually require full leadership input.
- I seek feedback from peers on actions I am considering that may affect their areas of responsibilities.
- Members tend to get support for a proposed change from at least one other colleague before presenting it to the entire team.

Leadership Team and Governing Board Relations

The COTA 13-member appointed board of directors plays a key role in making policy decisions that facilitate the hiring, development, and retention of a leadership team that matches the needs of the organization. Board approval of the performance management standards and compensation plan proposed by the CEO are examples of actions that have helped the agency to attract and retain high-quality executives. An initiative that has facilitated collaborative relationships between board and leadership team members is the development of standing committees, each chaired by a board member and staffed by a senior manager. As a result of monthly agenda planning and monthly contact between the board and the designated EMT representative, there is less need for board member communication to be filtered through the president/CEO, as was the practice in the past. Board and EMT annual goal-setting retreats have also proven to be helpful tools for cementing a collaborative approach to leadership at COTA.

VOLUSIA COUNTY TRANSPORTATION AUTHORITY, SOUTH DAYTONA, FLORIDA

Background

For the past 28 years, the Volusia County Transportation Authority (VOTRAN) has been the public transportation provider for Volusia County in Florida's Greater Daytona Beach Area. For 21 of these years, the agency has had the same general manager. As such, the corporate culture of the organization has evolved under the leadership of teams led by that individual. Numerous senior managers have come and gone. In a number of cases, managers who have come up through the ranks at VOTRAN have moved into management positions at the agency and were subsequently recruited by other transit agencies. Furthermore, the agency has more than doubled in size, going from fewer than 100 employees in 1993 to more than 200 in 2002. The agency's success in the transit industry has been recognized by a number of organizations, including APTA,

which in 1993 selected VOTRAN as the recipient of the annual "Outstanding Small Transit System in North America" award.

The Volusia County Council, the elected governing body for the county and policy board for VOTRAN, contracts with a private transportation management firm to manage the area's public transportation services. All employees working at VOTRAN are employees of the private firm.

Leadership Team Values and Vision

Approximately 10 years ago the VOTRAN management team developed the agency's mission statement and at the same time prepared a leadership values and vision statement. This statement serves as an ongoing guide for leadership practices within the organization.

We, the VOTRAN Executive Team commit to:

- Telling the truth to each other, our team, and the customer at all times.
- Supporting the value, mission, and goals of the organization.
- Treating each other and our customers fairly and with mutual understanding.
- Dedicating the necessary effort to accomplish our mission.
- Treating each other and our customers with the respect with which we would wish to be treated ourselves.
- Being as knowledgeable as possible and maintaining the highest standards of performance.
- Being visionary and open to new ideas while being adaptable to change.
- Establishing and achieving the highest possible standards of service.
- Coordinating activities so that everyone is working toward the same goal.
- Taking the time to listen and understand before taking action.
- Treating ourselves and our customers with compassion.
- Practicing effective two-way communication at all times.
- Taking pride in ourselves and our organization while gaining satisfaction from a job done right.
- Living by the values and ethics we have established.
- Creating a positive work environment and maintaining our sense of humor.

Leadership Team

At the beginning of his tenure, the general manager was not able to recruit qualified individuals for senior positions,

owing to management compensation levels at VOTRAN. Therefore, he identified employees within the agency whom he felt could be groomed to fill senior positions. In many cases, individuals selected for these roles proved not to be a good match. Once the agency grew to more than 100 employees, however, a new strategy for selecting management talent was required—one with a more competitive salary and benefits plan. Following approval of a more competitive compensation plan by the city council, the agency made significant strides in being able to attract and retain qualified managers.

The general manager views the current team as the most effective group during his tenure at the agency. He attributes the success to having a staff with the right experience and high commitment to organization, and the agency's ability to identify and develop talent within VOTRAN before a vacancy occurs. One example is in how the HR coordinator was identified as having leadership talent while employed as an accounting clerk. This individual, who had previous management experience, was recruited for the position of administrative assistant to the general manager. While in this position, the employee gained overall agency and other knowledge sufficient to be promoted to the HR position. Another example involves the current director of maintenance, who began his career with the agency shortly after high school, more than 20 years previously, as a serviceperson on the maintenance department. After working under the direction of two highly skilled maintenance directors, both of whom were recruited externally and who left VOTRAN within 1 to 3 years of being hired—this individual gained the skills required to move into the director position. The decision to hire an internal candidate was based in large part on the maintenance staff's need for a consistent leader, one whom they could expect to stay with the organization for a more extended period.

One of the challenges of promoting high-potential individual contributors to management positions at VOTRAN has been their lack of understanding of the interdependence of leadership team functions. New managers, often star performers in their areas of technical expertise, have had a tendency to be territorial and possibly defensive when someone from another department points out areas of weakness in their areas of responsibility. This tendency has required giving more attention to assessing the fit of individual career and personal goals with personal styles during the selection process, to ensure that individuals appreciate the importance of collaboration in achieving agency goals.

Respondents strongly agreed with several statements regarding team functioning:

- Teamwork is the dominant management style here.

- I have resources within the leadership team that I can tap into for any issue I may face.
- I seek feedback from peers on actions I am considering that may affect their area(s) of responsibility.

Respondents also agreed with the following statements:

- If I get into a difficult situation, I can count on peers to come to my assistance.
- I know that I will be supported even if I make decisions that may not turn out positively.
- I expect my peers to be open and candid with me.
- New leadership team members receive voluntary mentoring from peers.
- I make a point of sharing information that I think would be useful with my peers.
- I enjoy working with peers in solving mutual problems.
- Our leadership team adapts quickly when there is a need for a change in direction or focus.
- Decisions that have organization-wide impact usually require full leadership team input.
- Team members tend to get support for a proposed change from at least one other colleague before presenting it to the entire team.

Professional Development and Succession Planning

One leadership development challenge at VOTRAN, as with many other agencies, has been how to decide when to promote from within and when to go outside of the agency for talent. One strategy VOTRAN has used successfully is to recruit respected technical experts from other transit agencies; those who have an interest in moving into management. Initially, these individuals fill lower-level positions until suitable leadership vacancies occur. They receive mentoring and opportunities to develop management and leadership skills. If successful, when appropriate management openings occur, these individuals compete for those positions. This has been the case with the last three management vacancies. In each case, HR has advertised the position internally and externally to ensure that all qualified candidates have an opportunity to apply. By using this approach, the current assistant general manager for operations and maintenance was recruited 2 years ago as a possible replacement for the current general manager. This individual has been given specific assignments to provide familiarity with the general manager's responsibilities, such as dealing with the media and making presentations before the agency's policy board and community groups, leadership training, and increased autonomy in making decisions related to his departmental responsibilities.

VOTRAN enhances its internal leadership development resources by providing training offered by outside contractors

on such topics as performance appraisals, job evaluation, interviewing techniques, employee relations, employee retention, and supervisory career development.

Survey respondents agreed on VOTRAN'S commitment to employee development.

- This agency invests in employee development at all levels.
- I mentor employees who demonstrate leadership potential.
- I feel comfortable letting the person to whom I report know about areas that I do not feel fully competent.
- I have been encouraged to pursue professional growth opportunities by the person to whom I report.

Two-Way Communication as a Corporate Value

One provision in the leadership vision and values statement pertains to “practicing effective two-way communication.” At VOTRAN, posting a memo is not considered sufficient to communicate with employees; receiving feedback to ensure understanding and to identify issues is an essential practice. Consistency in maintaining this practice is a challenge, especially for new managers. However, the general manager sets the example for two-way communication through twice-monthly all-manager meetings, monthly meetings with direct reports only, and monthly meetings with randomly selected groups of employees in a “lunch with the general manager” format.

Agency leaders cite a number of instances in which upward communication has resulted in substantive organizational improvements. In 1994, during a rapid growth period, the leadership team solicited the input of staff in the development of a measurement outcomes-oriented mission statement. Staff input was also sought when the agency went through a major staff reorganization in 1996. During the planning for the new administration, operations, and maintenance facility, employees were asked for input on such matters as requirements for office filing systems. Mechanics were asked for input on tools, lifts, and other equipment. Ongoing internal surveys provide opportunities for input on a variety of employee-related programs: transit appreciation day menu and outcomes; annual awards location, days of week, and menu; and internal customer service.

VOTRAN Voice, the monthly employee newsletter, reflects the communication practices within the agency. Included are recognitions for professional accomplishments, such as the color photo of the bus operator who reached “the two million mile mark.” The newsletter also includes notices of employee birthdays and company anniversaries, meetings of the labor-management committee and minutes, HR news, and health and wellness information.

Performance Management

In monthly staff meetings, each manager reviews progress toward performance goals. This process allows for immediate feedback from the team, including the general manager, on whether their efforts and outcomes are consistent with expectations. If an issue arises in a manager's area of responsibility, that individual receives one-on-one attention to work through areas of concern.

Each leadership team member receives an annual performance review, based on performance goals set with the general manager at the beginning of the year. Performance reviews are based on nine factors: dependability, productivity, quality of work, teamwork, professionalism, communication, problem solving/judgment, leadership, and integrity.

Professional development activities are aligned with the results of the performance review. For instance, within the past year, a training plan was developed for a senior manager who needed stronger leadership skills. The skill development plan included outside courses and work with a consultant on interviewing skills, as well as attention to other leadership skill areas.

Synthesis survey respondents agreed with the following statements:

- Our leadership team consistently subscribes to high standards of performance.
- Performance expectations for my position are clear and attainable.
- My performance goals were set in collaboration with the person to whom I report.
- I feel confident that I can stay in my current position as long as my performance is satisfactory.

Consistent with a second principle set forth in the leadership values and vision statement, VOTRAN monitors internal customer satisfaction through a user survey of employees (customers) in the Operations and Maintenance departments. The survey is sent to stratified, random samples (based on years of service) of bus operators, mechanics, and service island personnel, as appropriate. Five rating factors make up the survey.

- Availability—Is someone available to answer your questions or concerns? Is this department/person willing to set an appointment with you if they cannot meet with you immediately?
- Communications—How would you rank the professionalism of the communication you receive from this department/person?
- People skills—Are you comfortable talking with this department/person? How would you rank this department's/person's people skills?

- Technical ability—How would you rank this department/person on technical ability and on the accuracy of answers to your questions?
- Training—How would you rank this department/person on the training you have received to date?

Survey results have revealed highly positive ratings of employees hired in the past 3 years, with decreasing satisfaction expressed by employees in the 5-year-plus range. Survey results are used to identify customer relations strengths and the weaknesses within Operations and Maintenance departments and to provide a basis for recommending professional development activities for improving supervisory skills and ensuring more effective functioning of bus operations and maintenance.

Leadership Team Community Involvement and Customer Relations

Leadership development at VOTRAN includes community involvement. Managers participate in activities such as the local United Way Campaign and make presentations to the local chamber of commerce, for its annual leadership development class. VOTRAN has been the recipient of a number of community awards, such as the American Cancer Society's Community Patient Service Award and the National Multiple Sclerosis Society's "Above and Beyond" Corporate Award. The following, an excerpt from a consultant's report of a strategic planning session, conducted with VOTRAN's Leadership 2000, cites agency progress in the area of community involvement and relations:

VOTRAN has improved its image and become an integral part of the Volusia community through participation in signature community events, being a partner in beach redevelopment, providing assistance during community crises (e.g., assisting firefighters, evacuating people from dangerous areas, and participating development review processes).

This report goes on to state that:

The agency has a good community image due to its emphasis on efficiency, clean vehicles, and its helpfulness during major community events.

The 1999–2004 Transit Development Plan (TDP), prepared by the University of South Florida Center for Urban Transportation Research, states that VOTRAN's June 1999 On-Board Survey revealed that the customers were satisfied with transit services. Interviews conducted with key local officials during the TDP process found that, overall, these individuals felt VOTRAN did the best it could with available resources. These officials expressed respect for the agency's quality of management, concern for patron needs, and countywide service area coverage.

Synthesis survey respondents agreed with the following statements:

- The image the agency portrays to the public is consistent with what employees experience on a day-to-day basis.
- Feedback from the public plays a major role in decision making here.
- Input from the public plays a major role in decisions about the types of service we provide.
- Data gathered from customers show that overall our service today rates higher than in recent years.

Labor–Management Relations

VOTRAN has an active labor–management committee, composed of the six Teamsters union stewards and the agency department heads. On an informal basis, department heads attempt to regularly address day-to-day issues that can create friction in working relationships and negatively affect productivity.

In strongly agreeing with the statement, Labor and management leaders collaborate informally on a regular basis, one respondent commented, "We have very close contact with shop stewards and keep open lines of communication." In addition, positive labor–management relations are reflected in respondents' *agree* ratings to the following statements:

- Labor relations here are nonadversarial.
- The leadership team ensures that labor leaders are kept informed of matters affecting their relationships.
- Within the past year, the leadership team and the leaders of the union have had formal, noncollective bargaining discussions about labor–management relations.

Leadership Team and Governing Board Relations

According to VOTRAN's four survey respondents, leadership team and governing board relations are primarily a product of the relationship between the general manager and the county council. These individuals gave *strongly agree* ratings to the statement: Leadership team members other than the CEO have limited communication with governing body members.

Over the years, there have been a number of challenges in addressing the divergent concerns of the county council and those of agency management. As elected officials, the board members have often placed priority on budget cutting, whereas the management priority has been on improving the quality of life in the community through high-

quality transportation services, provided by a competent staff working in suitable work environments. Ongoing relationship building and the ability of management to make the business case for the allocation of sufficient financial resources have produced positive results for the agency and its constituents. Such was the case when the general manager had to convince the board of the need for a more competitive compensation program for managers. Likewise, a strong business case had to be made for building the new facility that houses administration, bus operations, and maintenance. Initially, some board members were not convinced of the need for a comfortable work environment and questioned including amenities that management felt were important for recruiting and retaining the best staff.

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, SAN JOSE, CALIFORNIA

Background

The Santa Clara Valley Transportation Authority (VTA) resulted from the merger of two previously separate county entities: the Santa Clara County Transit District and the Congestion Management Agency for Santa Clara County. The VTA operates as an independent special district responsible for bus and light-rail operations, congestion management, specific highway projects, and countywide transportation planning. As such, the agency is both a transit provider and a multimodal transportation planning organization involved with transit, roadways, and pedestrian facilities.

In 1995, after several months of seeking input from VTA's community advisory committee and employees, the board of directors adopted vision and mission statements. The vision of the agency "is to provide a transportation system that allows anyone to go anywhere in the region easily and efficiently." The mission "is to provide the public with a safe and efficient countywide transportation system. The system increases access and mobility, reduces congestion, improves the environment, and supports economic development, thereby enhancing quality of life" (29).

In 1996, the VTA embarked on an ambitious project of developing a 10-year strategic plan that guides the agency in providing transportation solutions to its service area. Some of the solutions relate to services that the VTA was already providing in 1996; other solutions, such as designing and building highways and developing a countywide bicycle commuter network, were new.

The strategic plan contains VTA's strategies for implementing the mission and achieving the vision in five broad goal areas

- Enhance our customer focus,
- Improve mobility and access,
- Integrate transportation and land use,
- Maintain financial stability, and
- Increase employee ownership.

Each goal contains specific performance measures for the 10-year period and annual targets for measuring progress contained in the business plan developed to carry out the strategic plan.

In a booklet distributed to all employees, which describes the strategic plan, the following statement sums up what was about to happen at VTA:

To meet these new responsibilities, our organizational culture is changing as well. Our work environment has been reenergized, by a sense of employee ownership, teamwork, mutual respect, pride in the organization, and individual responsibility.

The last section of the document asks: "What's your role?" The response states that the plan means that the agency is "stepping out from business as usual and major expansion of activity and a broadened mission." One of the changes highlighted in this response is that the agency would be "developing a team spirit, where employees support each other in a work environment that focuses on individual responsibility, pride in the organization, integrity, mutual respect, and embracing diversity." The response goes on to say

Now is the time to take the initiative and try new ideas. Each of us should think creatively about our jobs and what changes we can make to enhance them, and utilize the resources we have to most effectively serve our customers (29).

For the past 6 years, the implementation of the strategic plan and business plan has been the focus of the leadership team's work. As external conditions have changed, the business plan has been updated to reflect these changes and new information.

Employee Ownership

As mentioned in an earlier statement, employee ownership (EO) is one of the strategic goals of VTA. Employee ownership is defined as "a personal and conscious level of commitment to enthusiastically support and participate in achieving the goals of the organization. EO is the ability to recognize and to willingly take responsibility for one's performance." Although still a work in progress, EO is considered the primary link between VTA's strategic plan and the degree to which the organization attains its goals.

The EO effort, led by HR staff, has resulted in the identification of these six measures that demonstrate an increase in EO:

- Lower number of employee grievances,
- Lower rates of absenteeism,
- Higher rate of productivity,
- Increase in work product and service quality,
- Higher attendance at employee events,
- Increased employee store profits.

Action planning and performance measurement related to making EO a corporate value at VTA—a dynamic, long-term process—has the potential for enhancing the organization’s ability to complete the cultural shift needed to achieve other goals in the agency’s strategic plan.

Leadership Team

Of those leadership team members employed at the agency when VTA began operations in January 1995, only one person remains on the executive management staff. This change in personnel is symbolic of the level of change that has occurred in the agency over the past 7 years. With a new mandate, the agency needed a leadership team capable of meeting the challenges of creating and managing a vision of growth and opportunity that was available in its fast-developing, technology-rich “Silicon Valley” community. The team needed to be able to respect the contributions of the legacy organizations from which VTA was born, while also crafting a future that would reflect the current and future public transportation needs of the community.

Given the challenge of placing the right managers in the right positions, the general manager provided opportunities, where possible, for senior managers from the predecessor organizations to fill leadership positions in the new organization. In some cases, the lack of fit became obvious fairly soon; therefore, these individuals left the organization. New senior managers with the knowledge, skills, and abilities consistent with the new organizational direction were recruited and hired. The agency retains executive search firms to recruit leadership team members. A recruitment announcement for one VTA senior manager emphasized essential management style and personal traits: “Candidates should be results oriented. In addition, the selected candidate should be an effective negotiator who is accountable for getting things done.”

Leadership team members as a group exhibit high energy with a commitment to achieving organizational goals as a team. Each team member is a seasoned professional in his or her field, mostly in public transportation management. These individuals speak enthusiastically of the high level of professionalism, leeway, and accountability they have in managing their respective functions. This accountability was reflected in the *strongly agree* response to this

statement: I feel free to try new and different ways of responding to the needs of internal and external customers.

Team Functioning

The previous section referred to VTA’s need for a leadership team that works in tandem with organizational goals and direction. The senior management group meets weekly in frank discussions about plans and challenges for the agency.

As the following excerpt from *TCRP Report 77 (16)* shows, VTA provides an atmosphere within which the senior staff can develop and function as organizational leaders.

As a result of the business plan developed by the agency in 1996, these organizational leaders feel they have a clear sense of direction, and that the top priority in every department is a focus of service on the street. Ongoing involvement of employees at all levels, as well as involvement of citizens, are norms embraced by the group. Policy makers and citizens are involved in every major decision regarding service plans. The agency maintains five citizen advisory groups—several staffed by senior staff. Workshops conducted with elected officials and the VTA Board engage elected officials in the process and also allow staff to report progress made on transportation plans for the county (*16*, p. A-30).

Survey ratings of *strongly agree* given to a number of statements related to decision making shed light on how the individuals work together as a team.

- Decisions that have organization-wide impact usually require full leadership team input.
- I seek feedback from peers on actions I am considering that may affect their areas of responsibility.
- Team members are expected to defend the rationale for proposed actions to each other.
- Team members tend to get support for a proposed change from at least one other colleague before presenting it to the entire team.
- Decisions regarding fiscal resource management are based on sound business practices.
- Individual team members have the final say on how their areas of responsibility are managed.
- Typically, team members are expected to consider several alternatives to solving problems.

Communication

The leadership team places heavy emphasis on employee communication and employee involvement, emphasizing personal touch as a critical method for communicating with employees. Achieving the personal touch involves senior managers’ showing up at operating facilities, unannounced at any time of day or night to maintain contact with employees and to hear their views. On a formal level, communication among departments occurs weekly through a meeting of the chief officers and the general manager.

Communication that goes from the general manager's office also includes the biweekly Monday Exchange, a personalized accounting to employees of what is to be expected the next week, and highlights of recent activities. The tenor and nature of communications from the executive staff are shown in samples of VTA communications included in Appendix D. Respondents gave three communications-related statements *strongly agree* ratings.

- Bad news is shared as openly as good news.
- I expect peers to be open and candid with me.
- I make a point of sharing information that I think would be useful with my peers.

Performance Management

Performance management is one of the leadership and management courses offered to VTA managers and supervisors. Leadership team members took part in the course, which concentrates on interpersonal skills, coaching, and listening skills at the same time their subordinates were first offered the training. With this training, the team has the tools needed to manage its own performance as well as those in their respective areas of responsibility. VTA's performance management process for the leadership team is based on eight core competencies: planning and organization/goal achievement, job knowledge/judgment, acceptance of responsibility, initiative and innovation, dependability, effectiveness under pressure, communication/interpersonal skills, and personnel development/supervision-coaching. Survey respondents gave *strongly agree* ratings to the following statements:

- Performance expectations for my position are clear and attainable.
- People in this organization tend to give more of themselves than is expected.
- Excellent performance is rewarded here.
- Our leadership team consistently subscribes to high standards of performance.
- I receive formal performance feedback at least once a year.

Compensation

The Silicon Valley is well known for its high cost of living and compensation. VTA has maintained a philosophy that if it wants to recruit and retain a high-quality leadership team, these individuals must be well compensated. Its success in following through on this commitment was indicated by the *agree* ratings given to the following statements:

- I am compensated fairly for the work that I do here.

- The agency has a well-deserved reputation for compensating its staff well.

Professional Development and Succession Planning

With the development of a formal succession planning process still in the formative stages, VTA relies on a variety of professional development activities to prepare future leaders. The Organizational Development and Training Department has placed emphasis on training employees in supervisory and management skills. A tuition reimbursement program is also available to employees who want to prepare for advancement.

Through a cooperative arrangement with a local community college, employees can take college courses at VTA facilities that prepare them for upward mobility. The 18-month Accelerated Associate in Arts Degree program allows employees to take evening college credit courses at VTA facilities in a compressed time frame. In most cases, credits in courses other than preparatory courses in English and Math can be transferred to a 4-year college in California, and possibly to colleges in other states. Typically classes meet twice weekly for a total of 8 hours.

Employees are also given opportunities to expand their knowledge through participating in programs such as Leadership APTA. One recent graduate of Leadership APTA was promoted to the position of chief of staff in 2002. Availability of growth opportunities were reflected in respondents' agreement with the following statements:

- Employees who want to develop their leadership potential have many opportunities to do so here.
- I mentor employees who demonstrate leadership potential.

Labor-Management Relations

Relationships with the four unions at VTA, a leadership challenge for several years, have been addressed through a commitment to openness, fairness, and relationship building. Born out of previous adversarial relationships during the period when the county was responsible for transit services, the initial distrust and contentiousness that the new team met was time consuming and in many cases frustrating.

One employee ownership strategy that VTA has used successfully is to convene a 12-member employee advisory committee, composed of representatives of the four labor unions as well as a nonrepresented employee. The group meets monthly to address issues of concern to the general employee population. This approach makes positive labor-management relations a way of doing business at the agency.

Respondents gave *strongly agree* responses to the following statements:

- The leadership team ensures that labor leaders are kept informed of matters affecting their leadership.
- Labor and management leaders have participated in joint labor–management partnership education in recent years.
- Labor and management leaders collaborate informally on a regular basis.

Survey respondents gave *agree* ratings to the following statements:

- Within the past year, the management leadership team and the leadership of the union(s) have had formal, noncollective bargaining discussions about labor–management relations.
- Labor leaders know they can trust the management leadership team.

One measure of the success of labor–management relations at VTA is the support given by unions of the 2002 layoff of more than 200 employees, precipitated by the economic downturn in Silicon Valley.

Leadership Team and Governing Board Relations

As indicated in an earlier section, the board of directors has been intimately involved in providing the direction for and approval of the strategic plan and accompanying business plan. The business plan performance measures provide targets for determining agency progress toward goals over a 10-year period. Board and leadership team relations were reflected in the highest *strongly agree* rating to this statement: Governing body members make appropriate use of the leadership team’s expertise in making decisions.

Respondents also agreed with a number of other statements on leadership team and board relations.

- The involvement of governing body members in the organization’s activities consistently contributes to achieving the stated agency mission.
- The lines of responsibilities between the governing body and the leadership team are respected here.

The openness of the leadership in communicating with the board was reflected in the *disagree* rating given to this statement: Leadership team members other than the chief executive have limited communication with governing body members.

Community Relations

High levels of citizen participation are a priority at VTA. The agency maintains five advisory groups, several staffed by senior staff. Policy makers and citizens are involved in every major decision pertaining to service. Workshops between the VTA board and county officials help to engage elected officials in the VTA planning process and to report to them on progress. This type of dialogue helps to maintain cooperative relationships needed to achieve the organizational mission without distracting territorial issues. Community involvement also extends to the private sector.

As an example, the Silicon Valley Manufacturing Group has spearheaded two sales tax initiatives for VTA in the past 7 years. *Strongly agree* responses to the following survey reflected on how the agency approaches community relations:

- The agency uses a formal data-gathering process for getting feedback on the quality of transportation services.
- Input from the community plays a major role in decisions about the types of public transportation service we provide.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY, CORPUS CHRISTI, TEXAS

Background

In 1986, following a community vote of support, the Corpus Christi Regional Transportation Authority (CCRTA) assumed responsibility for public transportation services previously provided by the city of Corpus Christi. The CCRTA provides countywide fixed-route, paratransit, flexible bus service in the county, and regional ridesharing and vanpooling services. Tourist-oriented services, including the harbor ferry boat, operate during the peak tourist season.

When the CCRTA general manager arrived in March 1996, as the second general manager in the agency, she found an agency that had a reputation for providing excellent public transportation. In the previous 10 years, however, the organization had established a definite corporate culture: strong, creative managers working independently, “doing their own thing,” and not necessarily working together toward the goals of the agency. These individuals were accustomed to dealing with conflict from a perspective of “live and let live, maybe it will go away.” The organization had been reorganized many times in response to personality conflicts, rather than to strategic needs. Numerous pockets of underground or informal communication were

maintained, with information flow kept closely guarded within favored networks.

The new general manager, having a more open, team-work style of leading, found that the leadership team was unprepared to move from its segmented style of relating to that of a unified group of organizational leaders. In addition, in large part, staff lacked HR and other management skills. Lack of a clearly articulated organizational vision compounded the leadership challenge.

Leadership Team

To achieve corporate goals set in collaboration with the board of directors, the general manager reorganized some functions and downsized others. The general manager initiated weekly staff meetings and convened problem-solving teams to address a number of organization-wide issues. One cross-department group was assigned the task of resolving issues related to inconsistency in software used in the organization. For example, departments were using different and incompatible operating systems. One-half of the organization was using Microsoft Office products while the other half was using WordPerfect. Employees even purchased their own software. A second cross-functional team was given responsibility for addressing the mushrooming demand for paratransit service. The demand had far outgrown the agency's capability to respond without jeopardizing resources for other services.

During the same period, a leadership team retreat focused on setting organizational direction and expectations on how employees were to treat one another. The lack of interpersonal communication skills was an obvious deterrent to moving ahead with this expectation. As a result, a series of action steps was taken to prepare the team for their new roles. Team-building activities, as well as courses on giving and receiving feedback, conflict resolution, and problem solving provided the needed skills. Progress in team performance was substantiated by unanimous *strongly agree* ratings given to the following statements:

- I expect my peers to be open and candid with me.
- I seek feedback from peers on actions I am considering that may affect their areas of responsibility.
- I feel free to make suggestions to my colleagues on potential improvements in their area(s) of responsibility.

Some individuals found this shift inconsistent with their view of their roles and chose to leave the organization; others were encouraged to find more suitable employment. As changes were made, the board was kept informed and gave full support for changes within the leadership team. The changes at the top of the organization signaled to those

at lower levels that change was under way and that they needed to support the change if they wanted to stay in the organization.

A Short Story That Mirrors the New Corporate Culture

The general manager inherited an elegant office in a downtown bank, fully equipped with its own bathroom, shower, and huge bank vault. After being at CCRTA for 2 years, to show employees that the new culture is one in which there is a new way of talking and a new way of "walking the talk," over one weekend she moved her office to the agency's operations facility. The new office is not equipped with the trappings of the previous executive accommodations, therefore, the action sent a strong signal that things were indeed changing at CCRTA. The next weekend, the entire leadership team showed up at the operations facility at 4:00 a.m. to greet employees and to talk about how things were going to be different. The team also informed employees about "a big meeting" that would be held to talk about the changes.

The symbolism of the early morning meeting was so significant that when the big (Sunday) meeting was held a month later, complete with popcorn, cake, and other goodies, everyone had a fun, team-enhancing day. Leadership team members spoke about how things would change and the help they would provide to get everyone to participate in the changes, including training. One of the highlights of the day was the display of a huge banner showing a bus with eight windows, each displaying one of eight corporate values. Before the end of the meeting, every employee had affirmed his or her commitment to "getting on board" with the new corporate culture as shown on the banner. The eight corporate values in the bus windows now seem like the ordinary way of doing business to CCRTA employees.

1. Take initiative and fix problems.
2. Value participation from all with open communication and respect.
3. Be accountable and responsible for our actions.
4. Be empowered to provide exceptional customer service.
5. Make things work; use teamwork and find solutions.
6. Treat others with respect; offer solutions, not just problems.
7. Be open to new ideas; be enthusiastic, optimistic, and creative.
8. Excel because we treasure diversity.

The general manager's philosophy regarding instilling the corporate culture as something people take for granted stems from the belief that cultural values need to be incorporated into every activity within the organization "from

the minute a person walks in the door, and in every thing they see or do.” Also, although the leadership team should take the lead, it is every employee’s responsibility to make sure that the culture is a reality. To facilitate the culture change, training and development became paramount: front-line supervisors went through intensive training and teamwork activities. In mid-1998, leadership team members went through 360-degree feedback (strictly for self-improvement). The agency sent a group of employees to a train-the-trainer course to learn to present a 10-module “Leadership 2000” curriculum. Every employee was required to complete the first module, which focused on communication skills and basic management concepts. The other nine modules were made available on a voluntary basis.

To encourage upward mobility in the organization, the Career Pipeline process was initiated and is managed by HR staff. Through this process, employees can plot career paths based on personal interests. It allows them to determine training and development needs in a systematic and predictable manner.

This story and its effects incorporates concepts of employee involvement and personal accountability, culture change, and succession planning. It shows that the organization’s progress toward its values was planned and carried out through teamwork and by commitment of the entire organization.

Performance Management

At the beginning of each year, the leadership team meets for up to 1 full day to review accomplishments of the past year as a starting point for setting corporate performance goals for the current year. The review also includes those goals that were not achieved during the expected time period. Next, the list of proposed goals is taken to the board as part of the budget planning and approval process. The plan is very specific; for example, the plan for 2002 included 127 action items.

Because the action plan is so specific, with point values assigned to each item, which manager is responsible for each part, and time lines for the achievement of each action item, each person is very clear about what is expected of him or her. This clarity and sense of accountability was reflected in *strongly agree* survey responses to the following statements:

- Performance expectations for my position are clear and attainable.
- I have the freedom to perform my job as I see fit.
- My performance goals were set in collaboration with the person to whom I report.
- Excellent performance is rewarded here.

- Our leadership team consistently subscribes to high standards of performance.

The leadership team also meets quarterly to review the action plan to determine what is going well, what remains to be done, and what roadblocks may prevent achievement of the plan goals. This quarterly activity is energizing to the whole group and keeps everyone focused on carrying out the plan on a timely basis. The enthusiasm about the interaction generated through such team activities was reflected in *strongly agree* responses to the following statements:

- I expect my peers to be open and candid with me.
- I seek feedback from peers on actions I am considering that may affect their areas of responsibility.
- I feel free to make suggestions to my colleagues on potential improvements in their area(s) of responsibility.

Team Functioning

The annual action plan serves as the decision-making guide for CCRTA’s leadership team. The nature of the plan requires collaboration in that for each plan item there is a lead person identified, as well as individuals with supporting responsibilities. Cooperative relationships were evidenced in *strongly agree* survey responses to these statements:

- If I get into a difficult situation, I can count on peers to come to my assistance.
- I know that I will be supported even if I make decisions that may not turn out positively.
- It is easy for new members of the leadership team to fit in here.
- Our leadership team adapts quickly when there is a need for a change in direction or focus.
- Typically, team members are expected to consider several alternatives to solving problems.

One of the challenges in getting the team to the point where collaboration is “ordinary” was that there had been long-term, adversarial relationships among team members. Some people focused heavily on personality differences and chose to interact as little as possible with colleagues. To get past this barrier, the agency retained an executive coach to work with the team. A number of standardized personality profiles revealed the basis for some of the differences within working relationships and provided guidance for getting past blockages in communication. Team members learned more about mutual respect as they received individual and team coaching. Survey respondents gave *strongly agree* ratings to these statements:

- Teamwork is the dominant management style here.

- Collaboration among leadership team members is rewarded here.
- I make a point of sharing information that I think would be helpful to peers.
- I enjoy working with peers in solving mutual problems.
- My peers respect my expertise.

Compensation

The general manager describes the management compensation package at CCRTA as generous and comparable with that of other employers from which leadership team members might be recruited. The agency recognizes the need to conduct salary surveys periodically, but compensation does not appear to be a recruitment or retention issue. This sense was substantiated by the *strongly agree* ratings given to the following statements:

- I am compensated fairly for the work that I do here.
- My position provides me with the type of job security I prefer.

Leadership Teams and Governing Board Relations

Board and leadership team relationships were poor in 1996. The new general manager was surprised at the lack of trust exhibited by board members who spoke in what was perceived as almost accusatory, grilling tones when addressing staff. Analysis of this behavior revealed that the board had concluded that staff assumed an expert role with the expectation that board members should approve whatever was brought before them. In addition, some staff members rallied support from individual board members for their pet projects, but not as a unified team effort. Board members would call staff members for information that they could use during board meetings. This created havoc for the new general manager, who witnessed board members being bombarded with inconsistent information from managers who were only able to see their part of the picture, not the whole. This lack of focus was the catalyst for a board and general manager workshop that clarified the roles and relationships between the board and staff. It included discussions about the agency's preferred vision and goal setting. In addition, both groups achieved clarity about the differences between responsibilities for operations and policy related to achievement of goals.

Approximately every 2 years, new members are appointed to the CCRTA board of directors. The staff conducts an orientation with each group, one that includes the importance of teamwork and reinforcement of board and staff roles. Survey responses of *agree* reflected the tenor of board and leadership team relations.

- The involvement of governing body members in the organization's activities consistently contributes to achieving the stated agency mission.
- Governing body members are open to feedback that may differ from their initial understanding of an issue.

Community Relations

In the early days of public transportation in Corpus Christi, the agency developed a reputation for having more money than needed to maintain operations. The 0.050 (one-half) cent sales tax allowed the city transit system to build attractive transit stations that gave the community the impression that the agency was a "cash cow." Once the agency became a county versus a city-only operation—with the formation of CCRTA in 1986—this reputation was recognized as a myth that needed to be dispelled. In the past 6 years, the agency has made a concerted effort to communicate with constituents about its current financial situation and the service requirements of the community. By forming close relationships with the city council, county officials, and various groups in the community, the agency has been successful in including the community as part of the CCRTA team.

When service changes are being considered, the community is asked to provide input and feedback through surveys, through personal contacts with staff at transfer stations, and at kiosks set up at local shopping malls. The annual "How are we doing?" survey provides ongoing feedback about the community's opinions on the quality of current service and needs. Additional outreach efforts are part of the current corporate action plan.

During recent periods of heavy transit-related street construction, businesses have been affected by the immediate disruption of traffic. In such instances, employees have contacted those businesses scheduled to experience a short-term impact. Emphasis is on demonstrating the long-term benefits of the improvements.

Positive relationships with the community were highlighted in *strongly agree* responses to the following survey statements:

- The leadership team is comfortable relating to the diverse communities the agency serves.
- The agency communicates with the public honestly and straightforwardly, using a variety of relevant media.
- The public knows that it can depend on us to provide excellent public transportation.
- Input from the community plays a major role in decisions about the types of public transportation services we provide.

- Data gathered from customers show that overall our service today rates higher than in recent years.

**PORT AUTHORITY OF ALLEGHENY COUNTY,
PITTSBURGH, PENNSYLVANIA**

Background

The current CEO of the Port Authority of Allegheny County had worked at the agency for 12 years, where he served as deputy executive director from 1989 to 1991, at which time he left to head another transit agency. In March 1997, after more than 5 years in the other position, he returned to Port Authority as CEO, a move that led to a series of leadership and corporate culture opportunities and challenges. At the beginning of his current tenure, some senior managers and staffers seemed to feel that, given his previous time with Port Authority, matters might be “business as usual.” With many of the staff having known him from his previous tenure, some had preconceived notions of the CEO and what his agenda might be. Hence, an early focus of communication from the executive office was that there was a need to “shake the organization up in a positive way.” Clearly communicated was the message that “The past is the past, and we need to think differently about the future.” Subsequently, a number of management changes followed that were intended to implement a plan that respected and honored the past, while reflecting the current and future needs of Port Authority’s constituents.

In many ways, this early period was a time of mutual assessment. The CEO found that the senior team included many familiar faces as well as some new ones. One of his first tasks was to learn about the specific capabilities of each team member, primarily through numerous one-on-one contacts. It was important to get a sense of where these individuals saw themselves professionally and how they would fit into the organization as it progressed. Particular attention was given to observing interactions among team members. Some were very good fits, but others were not. Overall, the CEO determined that the managers made up a capable team that cared about the agency and its future. It was also determined, however, that some individuals were approaching retirement. This provided an opportunity for a smooth transition to the organization of the future. The transition was aided by an assessment of the attributes the executive team needed to possess, individually and collectively, to ensure that the team had the skill sets to move the organization forward.

In forming a new senior team some senior managers whose work experience had been primarily in the private sector and outside of the transit industry were recruited. The current senior management team is therefore a blend

of these individuals with transit veterans, offering a balance of experiences and capabilities.

The three leadership team members who responded to the survey provided a view of an organization in transition; however, they agreed on several dominant organizational characteristics.

- The work environment here is pleasant.
- New leadership members are most frequently hired from within the agency.
- Excellent performance is rewarded here.
- The agency is known for its secure employment.
- It is best to get approval before taking unconventional actions here.
- If a change that affects my area(s) of responsibilities is being considered, I am among the first to know.

Leadership Team

The leadership philosophy at Port Authority is that it is important to have a balanced leadership team; diverse from a standpoint of work backgrounds and personalities, and diverse in gender and ethnicity. In addition, the team should include managers with different styles of thinking. This commitment to diversity stems from the strongly held belief that Port Authority benefits from multiple perspectives among senior managers, and not just agreement with prevailing thinking. For example, the senior marketing manager is valued for thinking about decisions more boldly and with more “flash” than other members of the team. The outcome may sometimes be a bit disconcerting and require the rest of the team to question some of their assumptions, however, that manager is given the freedom to lead marketing strategy development.

Some agency changes that took place over the first few months resulted from a business and organizational review conducted within the first 60 days of the CEO’s tenure. The review, conducted with input from the board of directors and staff, assessed all organizational processes as well as staffing patterns. The results led to immediate and direct action toward a new, focused approach to organizational leadership, as revealed in *A New Day at Port Authority: 6-Point Action Plan*. Each area of emphasis in the 6-point action plan provided a guide for assessing strengths and weaknesses with the organization and specific activities for achieving each point.

1. Develop a strong sustained customer-focused and market-driven approach to the business.
2. Develop partnerships and increase community support of public transit.
3. Strengthen Port Authority’s financial position.

4. Assess and expand Port Authority's Capital Investment Program.
5. Improve employee morale and labor-management relations.
6. Build on Port Authority's reputation as a competent, effective organization.

The value of the action plan in building the right leadership team was that it allowed the agency to make changes based on organizational needs versus extraneous factors. In some cases, organizational structures that did not fit in with the new direction were changed, which also resulted in changes in the leadership team. Adapting to the 6-point action plan was an important aspect of building the current Port Authority leadership team.

Specific respondents agreed with the following statements about leadership team expectations and support:

- I feel free to try new and different ways of responding to the needs of internal and external customers.
- If I get into a difficult situation, I can count on peers to come to my assistance.
- I know that I will be supported even if I make decisions that may not turn out positively.
- I expect at least one of my peers to disagree with any action I propose.
- I am compensated fairly for the work that I do here.
- I expect my peers to be open and frank with me.
- I make a point of sharing information that I think would be useful with my peers.
- I feel frustrated when others are allowed to disregard agreed-to standards of performance.

Some possible contradictions were reflected in these disagreement ratings:

- I have been mentored by other leadership team members.
- New leadership team members receive voluntary mentoring from peers.
- Constructive criticism is welcomed among leadership team members.

Community Relations

The action-plan document became the road map for corporate behavior and a tool for communicating organizational priorities to the community. The following letter from the CEO introduced this new day.

The 2,900 employees of Port Authority are working toward a new day at Port Authority. Our goal is to enhance public transportation in Allegheny County. As Executive Director, my goal is to work with you, members of our community, to help make Port Authority the premier transit

agency in the country. I believe that's an achievable goal.

We have put together an action plan. It is a six-point action plan that will never be a final document. It will remain a work in progress. The reason is that any plan today needs to be flexible. It needs to adjust to changing conditions. It needs to reflect changing conditions in the community, both civic and business. Therefore, we will never adopt a business plan—a strategic plan—that doesn't have underscored with it, flexibility.

Please review what follows. Again I would like input from all members of the community, riders and non-riders alike, on how to best accomplish this plan. Please share your ideas, comments and suggestions with me.

Our action plan is one what can lead us well into the next century and provide the momentum that Port Authority needs to best serve you and to become the finest in America.

Paul P. Skoutelas
Executive Director

The strong community focus at Port Authority is anchored in the first two points of the action plan. Point 1 features seven action steps, including

- Develop a plan to expand ridership.
- Conduct a customer survey of transit riders and non-riders; implement as many survey recommendations as possible.
- Expand park-and-ride facilities.

Point 2 also features seven action steps, of which three are

- Conduct an educational campaign on the importance of public transit.
- Explore opportunities to partner with civic/community groups and form strategic alliances.
- Work with Port Authority Board to strengthen community relationships.

Attention to the customer and community by Port Authority was verified by the leadership team's agreement with the following statements:

- The leadership team is comfortable relating to the diverse communities the agency serves.
- The agency communicates with the public honestly and straightforwardly, using a variety of relevant media.
- Feedback from the public plays a major role in decision making here.
- Input from the community plays a major role in decisions about the types of public transportation service we provide.

Team Functioning

The Port Authority leadership team by design consists of individuals with strong personalities, for whom team functioning is not necessarily a natural experience. Initially, some members did not demonstrate the skill sets needed to interact well within a team. Recognizing that the leadership team had been in a period of transition, the CEO assumed a role model position, with a goal of exhibiting patience and tolerance at all times. He explained that this is “much like a marriage.” Just because people have been brought together to work as a team does not mean that they instantly become one.

Establishing a norm of patience toward and consideration of other team members has paid off in moving the group toward a team focus over time. In the past 5 years, this group of high-achieving individual contributors has made significant progress toward becoming a cohesive leadership team. They have worked on critical organizational issues and become better acquainted with one another. They have learned to take advantage of their diversity and move from, in some cases, being individually disruptive to counting themselves as part of a unified team. Trusting relationships have developed as a result of going through some rough spots of team development. Quirks of personality have been put aside in favor of capabilities among the individual team members to help the organization achieve its goals.

Survey respondents concurred with a number of statements that reflect how the members of the leadership team works together.

- The process we use for making decisions about the allocation of resources is clearly understood by team members.
- Decisions regarding fiscal resource management are based on sound business policies.
- Typically, team members are expected to consider several alternatives to solving problems.
- I seek feedback from peers on actions I am considering that may affect their area(s) of responsibility.
- I feel free to give feedback of any type to the person to whom I report.
- The leadership team keeps employees informed on what is going on in the organization.
- The leadership team members look out for one another.
- My peers respect my expertise.

Respondents’ ratings indicated that there is still some tentativeness about how team members relate to each other, as shown by agreement with this statement: I am cautious about how I present unsolicited ideas to my peers. In addition, respondents gave neutral—*do not agree or disagree*—responses to these statements:

- Collaboration among leadership team members is rewarded here.
- I feel free to make suggestions to my colleagues on potential improvements in their area(s) of responsibility.
- Leadership team members freely share information and views with each other.

Performance Management

Performance management of the leadership team at Port Authority is less structured than in many other organizations. The CEO does not conduct formal performance appraisals on a scheduled basis. Rather, informal, weekly feedback sessions in the form of 30- to 45-min meetings with each senior staff member help to keep unimpeded the information flow about performance expectations and outcomes. Through frequent interactions, marked by forthright communication, expectations are reinforced with each person. In these individual sessions, the CEO talks about how he sees any pertinent issues and progress toward goals, including how his perspective may differ from that of the team member. Mutual input and feedback are hallmarks of these sessions, which serve to maintain rapport while addressing organizational and individual performance.

To ensure high-quality performance, a primary concern at Port Authority has been to select the best people possible and then giving them room to grow. The CEO is goal oriented, but not prescriptive in managing the performance of senior managers. Discussions about what needs to be accomplished in the organization, as well as the aspirations of individual team members, are important factors in maintaining a high-performing team. Depending on the assignment, some members may need to spend more time or less time working directly with the CEO. Typically, team members are considered the best judges of how much support, assistance, or clarification of details they need. Once expressed, the CEO addresses that need by allocating required time to the issue and the individual. Once the need no longer exists, the CEO steps back from giving close attention.

Survey respondents’ perceptions about this approach to performance management were reflected in ratings given to a number of related statements. Team members showed a lack of consensus on one statement: Performance expectations for my position are clear and attainable. Three responses were given: *agree*, *do not agree or disagree*, and *disagree*.

Respondents did, however, agree with other statements as follows:

- The feedback I receive about my performance is clear and fair.
- I have the freedom to perform my job as I see fit.

- I am recognized for my contributions to the agency.
- I feel confident that I can stay in my position as long as my performance is satisfactory.

Succession Planning

The succession planning strategy at Port Authority is in the embryonic stage. Past succession efforts have been limited to those made to persons approached by individual leadership team members. However, even without a formal strategy, the organization has experienced some success in developing and moving people into positions when incumbents have retired. The June 2002 implementation of a Deferred Retirement Option Plan for nonrepresented employees is the catalyst for the current development of the succession planning strategy. Under this plan, employees have a 1-year window for eligibility and a 5-year maximum of participation in the plan. Through the option plan, the agency will be able to do succession planning for a number of leadership positions for which incumbents are or soon will become eligible for retirement.

The lack of a clearly defined succession planning process was reflected in the overall neutral—*do not agree or disagree*—responses to the following statements:

- Employees who want to develop their leadership potential have many opportunities to do so here.
- The organization has a credible, clearly communicated process for helping employees develop leadership skills.
- I mentor employees who demonstrate leadership potential

Labor–Management Relations

From 1997 to one year ago, labor–management relations at Port Authority were the best they had been in decades. The jointly developed and supported labor–management team process was featured in detail in *TCRP Report 77 (16)*. With this process, open communications became the norm. In 1998, the groups negotiated a progressive labor agreement with regards to the types of services the agency was allowed to provide. The agreement provided flexibility and increased responsiveness to the needs of a larger part of the agency’s service area, launching a 5-year period of positive labor–management relations.

However, with the most recent negotiations, the parties could not come to an agreement on a contract. The two sides agreed to resolve the agreement through best final offer binding arbitration allowing a state-appointed arbitrator to choose between the last best offers of each side. In May 2002, the arbitrator chose the management proposal. The

union leadership, believing the ruling to be too favorable to management, filed an appeal in the Pennsylvania Court of Common Pleas, an unusual move in labor–management relations. The appeal has been denied; however, the union is contemplating further appeals. This action has created considerable strain on labor–management relations at Port Authority.

The current climate in labor–management relations is reflected in the survey responses. Team members disagreed with the following statements:

- Labor–management relationships here are non-adversarial.
- Labor leaders know they can trust the management leadership team. Team members also disagreed with the corollary: management leaders can trust union leadership.

Respondents agreed with the following statements:

- The leadership team ensures that labor leaders are kept informed of matters affecting their membership.
- Labor and management leaders have participated in joint labor–management partnership education in recent years.
- Within the past year, the management leadership team and the leadership of the union(s) have had formal, noncollective bargaining discussions about labor–management relations.

Leadership Team and Governing Board Relations

The Port Authority’s nine-member board of directors was actively involved in the organizational assessment conducted in 1997. This involvement has continued in a way that demonstrates the board’s keen appreciation for the distinct roles of the governing body and management. The board adopted a general corporate philosophy; seven principles to guide organizational behavior in carrying out its mission of providing mass transit service. One principle, in particular, relates to efforts to maintain a high-quality leadership team.

Port Authority acknowledges a fundamental responsibility to provide working conditions, wages, salaries, benefits, and a system of personnel practices that are conducive to an excellent level of performance by employees.

In keeping with this principle, the board gives the CEO latitude and support for hiring and retaining the best possible staff. The mutual respect shown through regular briefings to the board with regard to staff development and retention issues and efforts, along with the reciprocal granting of great latitude, makes for positive and productive

relationships. One example of the board's confidence in the CEO relates to compensation of senior managers. Although compensation for these managers is now comparable with that of other senior staffs in the industry, this was not the case 6 years ago. The CEO made the business argument for increasing compensation to levels in line with industry peers. In turn, the board gave its blessings to do what was reasonable based on survey data pertaining to industry and local market salary and benefits. Ongoing benchmarking of positions helps to keep the organization alert to areas where adjustments need to be made. Economic circumstances of the past year have made the compensation issue more difficult to address in a timely way. However, when recent industry data are considered, Port Authority continues to be competitive with the rest of the transit industry.

Positive leadership team and governing board relations are reflected by survey respondents' agreement with these statements:

- The involvement of governing body members in the organization's activities consistently contributes to achieving the stated agency mission.
- Governing body members make appropriate use of the leadership team's expertise in making decisions.
- Governing body members are open to feedback that may differ from their initial understanding of an issue.
- The lines of responsibilities between the governing body and the leadership team are respected here.

SAN FRANCISCO MUNICIPAL RAILWAY/MUNICIPAL TRANSPORTATION AGENCY, SAN FRANCISCO, CALIFORNIA

Background

When the San Francisco Municipal Railway's (Muni's) sixth general manager in 8 years was hired, he found an organizational culture that was adrift. He perceived a gap between the services the agency is charged with providing and the way employees were performing their jobs. Employees tended to define their jobs by the tasks they were assigned, rather than their being key members of the city's public transportation provider.

That situation could possibly be the result of all employees except the general manager being civil service employees. In many public systems, employees become accustomed to guaranteed annual pay increases and secure jobs, and they tend to view such features as entitlements. Having five general managers in less than a decade certainly did not contribute to a sense of stability and security. In such environments, employees respond to the loss of continuity by being very protective of one thing they can be certain of: their jobs. Some employees seemed to have

grown accustomed to the early departure of the general manager and were reluctant to invest in the new administration's vision for the agency. This created a prime environment for dysfunctional organizational dynamics, even within the management ranks.

Therefore, the general manager took a number of early actions. A draft of a vision and values statement was prepared to communicate where he saw the organization going and the values that would guide the staff in moving in that direction. The vision and values statement had two major components: (1) Muni would become the preferred way for people to get around San Francisco, and (2) Muni would be the employer of choice in the city.

Leadership Team

Historically, most senior managers at Muni were promoted from within the agency. The conduct of these managers generally mirrored that of the managers they had experience with as they advanced through the organization: "The more you move up, the more you push down. You're the boss." The result was a reciprocal pushing back by employees. In an organization that has 16 labor unions, this created a high level of labor-management friction. In experiencing this situation, one that would be inconsistent with achieving the new vision, the general manager began the process of assembling a supportive senior management team. It required some changes in existing senior staff, some of whom accepted the option of retiring. Other managers chose to make changes in their management philosophy and style; some still struggle with the new way of doing business.

To fill the void found in the leadership ranks, the general manager conducted targeted recruitments of individuals already employed as senior public transportation professionals—people who had the philosophies and experiences that could complement that new organizational direction. One of the challenges was that the agency was prohibited from paying relocation costs. Hence, much of the recruitment had to be confined to the Bay Area. Through a strong network within the transit industry, resources within city government, and an exciting vision as the backdrop for this recruitment challenge, the general manager has been successful in choosing a high-energy group of professionals. They have made significant progress toward achieving the vision in just 3 years.

Proposition E

In November 1999, San Francisco voters passed Proposition E, which created the new Municipal Transportation Agency (MTA) to establish policy for the Municipal Rail-

way. Proposition E created a revised budgeting process for Muni. It also established future service standards and milestones for Muni, in the areas of service delivery, service reliability, safety, staffing, and training (30).

Community Relations Before Proposition E

The San Francisco community has played a major role in shaping Muni's current leadership practices. One community organization, RESCUE MUNI, disappointed with what it considered the ongoing lack of responsiveness to community needs, was a driving force behind Proposition E. RESCUE MUNI'S 1997 informational brochure stated:

We're a group of disgruntled Muni riders who have had enough, thank you, of the *slow, unreliable, service* Muni provides San Francisco bus and streetcar riders. Perhaps you are familiar with this sentiment.

When Muni lets us down, we can't simply take our business elsewhere, much as we'd like to. Unfortunately, the only real alternatives to Muni for many riders are taxis and the automobile, both of which are expensive and bad for the environment.

So we formed a *riders' association* to stand up for the needs of the consumer.

The brochure went on to highlight RESCUE MUNI'S hundreds of members, its achievements in monitoring Muni's performance, how it had represented riders at public forums, and its lobbying efforts with Muni executives. Finally, the brochure appealed for help from the public in the form of volunteers who could become members of the organization. Fees ranged from \$10 to \$100, depending on the type of membership.

One communication posted on the organization's website illustrates the intensity of the grass-roots efforts RESCUE MUNI was involved in during the late 1990s:

The "Call Willie" campaign

The mayor has displayed a shocking level of disdain for public transit and its users. Since he never rides Muni himself, he needs to hear from us riders. Our mailing to members in November included several small handouts with the mayor's phone number. Feel free to hand them out to friends, relatives, co-workers, or any other frustrated Muni riders you come across. If you'd like more of them, call our hot line at **273-1558** or send email to transit1@rescuemuni.org and we will mail you a packet. Please let us know how many you will actually be able to distribute.

We have also made posters with tear-off tabs, which were well received along test routes when first posted in October. If you would like to poster a route or neighborhood, we'd appreciate your help! Just leave us a message on the hot line or email us with your name and address, and we'll send you some posters. Please post them at

locations tolerated by the neighborhood, such as laundromats and cafes—not on the glass parts of Muni shelters or on poles where they have been stamped with "Police Code," as that forbids posters except as registered during political campaigns. Perhaps some energetic volunteer could contact neighborhood merchant associations and see whether they put up the posters in their windows (31).

Team Functioning

The current emphasis at Muni is on service reliability and safety. On-time performance, defined in Proposition E service standards as "no more than 4 minutes late or one minute early," will be no less than 85% by July 2004. In August 2002, on-time performance was at 72%, up from 47% 3 years before. One synthesis survey respondent commented, "Our progress is reflected in public polls. Four recent polls say that we're better."

Some of Muni's progress is attributed to matters that obviously needed to be addressed right away. Early changes in equipment maintenance helped to facilitate progress in getting safe vehicles on the street.

Every leadership team member at Muni is expected to be an information systems supporter. Three years ago Muni did not reflect the high-technology environment of the Bay Area. According to MTA's executive director, information systems were anchored in 1940s and 1950s manual technology. To move beyond this disjointed and segmented way of doing business, a number of actions were taken. All leadership team members were to be capable of using up-to-date information technology. To fast-track the process of making effective use of state-of-art technology, the agency decided to acquire information systems that require minimum customization. As a result, Muni now has automated maintenance management information, vehicle tracking, customer information, and scheduling systems—all linked so that each department has access to information available in other departments.

Financial management skills in the form of developing and managing a budget are core competencies required of each leadership team member. Each person is accountable for budget management—performance results—with minimal oversight by the executive director. The executive director ensures that resources needed by each department are available to allow it to meet agency goals; he then allows leadership team members to do their jobs. Team members who do not have complete mastery of budget management skills receive mentoring to raise their skill levels to where they can achieve expected results.

Survey respondents from the leadership team agree that Muni is a pleasant place to work and is known for its secure employment. One challenge is the difficulty in

bringing about change. Although they strongly agreed with one statement about change management: Our leadership team adapts quickly when there is a need for a change in direction or focus, they strongly disagreed with another statement: It is easy to make changes here.

Some of the difficulty may relate to respondents' comments that within lower levels of the organization, communication and collaboration are not valued as much as by the leadership team. One respondent commented, "This is sorely lacking within the rank-and-file levels of the organization."

Leadership team members agreed with the following statements:

- I enjoy working with peers in solving mutual problems.
- Typically, team members are expected to consider several alternatives to solving problems.
- I seek feedback from peers on actions I am considering that may affect their area(s) of responsibility.

Respondents disagreed, however, with a related statement: Constructive criticism is welcomed among leadership team members.

Decision making within the team seems to require members to defend, among one another, the rationale for proposed actions. There is disagreement among respondents about whether the process of making decisions about the allocation of resources is clearly understood. Respondents concurred that decisions that have organization-wide impact usually require full input from the leadership. Innovation and risk taking are reported as valued within the leadership team.

Compensation

At Muni, salaries for the leadership team are reported to be comparable with those of competing employers. A review of the *APTA 2002 Public Transportation Management Compensation Report* supports this assertion (20). One component of Muni's compensation program allows leadership team members to earn bonuses partially based on individual performance and partially on overall agency goal attainment. Individual performance goals might relate to matters such as attendance and accident reduction, whereas overall agency goals might relate to on-time performance improvements.

Performance Management

Performance management at Muni is a structured process that includes formal goal setting, midyear performance reviews, and annual evaluations against goals. Each team member, in collaboration with the general manager, sets a

series of goals directly related to how he or she will help to achieve overall agency goals during the performance cycle. One survey respondent referred to new incentive programs as evidence that excellent performance is rewarded at Muni.

Professional Development and Succession Planning

Professional development activities for leadership team members are determined by the general manager and typically focus on the recent performance and personal preference of the team member. Career development and learning center activities for managers, in addition to the development and implementation of the new mission, vision, and values statement, are receiving intense attention. Working with a local community college, the agency has designed a manager and supervisor training curriculum that focuses on their responsibilities for HR management. Using in-house staff, the agency teaches managers communication and facilitation skills that help them implement the mission and values statement approved in early 2002.

As for succession planning, it currently is in its infancy at Muni. The structure of the leadership team has been evolving over the past 3 years and, in July 2002, a major adjustment in structure resulted from the merging of Muni with the city's Parking and Traffic section. At that time, the previous general manager of Muni became the executive director of the MTA, with responsibility for leading San Francisco's transit activities, as well as the parking and traffic functions. With these structural changes may come opportunities, not currently evident, for succession planning within all agencies under the auspices of MTA, including Muni.

Labor–Management Relations

Although progress has been made in improving labor–management relations, much work reportedly needs to be done to address issues related to trust that have grown out of years of adversarial relationships. A major initiative has been the participation of labor and management leaders in joint labor–management partnership education. "Not as often as we should" was one respondent's comment to this statement: Labor and management leaders collaborate informally on a regular basis.

Leadership Team and Governing Board Relations

The seven-member MTA board of directors, comprised of elected officials from Muni's service area, is appointed by the mayor of San Francisco and confirmed by the city's

board of supervisors. The MTA executive director is appointed by and reports to the MTA board. The general manager of Muni reports to the MTA executive director. Survey respondents consistently report agreement that board and leadership relations are positive and that the lines of authority between the board and the team are respected.

Emerging Culture

The Muni mission and values process, which involved employees at all levels, models the new corporate culture that is evolving in the agency. To start the 2-year process, the leadership team, in an off-site meeting, drafted a common set of goals to guide the agency's activities. Next, the circle of influence broadened to 40 people, who were asked for input on this new process. Ultimately, approximately 1,500 people participated in the process of developing the mission and values statement. One core value communicated throughout the process was respect for the individual, regardless of role within the agency. Several elements were key to the successful publication and agency-wide distribution of the statement in early 2002.

- The convening of an employee task force representative of employees at all levels,
- Involvement of the board of directors,
- Workshops conducted to allow employees to get their questions answered and to provide input, and
- Payment of vehicle operators and maintenance personnel to participate in the process.

The Muni Mission Statement

Working together effectively, we serve our community. We provide safe, reliable, clean, accessible, and convenient transportation to any destination in the City. We are dedicated to creating the most satisfying experience possible for our employees and our riders.

By placing people first, Muni strives to offer the maximum opportunity for employees to contribute their best and achieve career growth. We are building a model urban transit organization, internationally recognized for excellence.

We treat each other with respect; develop trust; encourage mutual understanding; and value our diversity. We promote accountability and take pride in our work. Above all, we are committed to living this Mission daily in our relationships with each other and everyone in our community.

The General Manager's Letter

Each Muni employee received a personal copy of the mission statement mailed to his or her home, with an individually addressed letter from the general manager.

Dear

I am writing to invite you to be a part of living Muni's Mission.

This new mission statement is the work of over 1,500 Muni employees. These men and women have made a statement about our purpose, where we are going as an organization, and how we intend to treat each other along the way. This statement is very important to all of us.

Over the years I have learned that organizational change doesn't start from the top down, or the bottom up. Real change begins with each of us, individually. I am personally dedicated to initiating change at the management level, and supporting change at all levels.

Please read the enclosed Mission Statement and brochure carefully. I hope you will accept Muni's new Mission as a personal challenge. I trust you will look for ways to fulfill the mission in your daily work, and the work of those around you. If we can learn to practice the fundamental principles embodied in the Mission Statement, I am confident that our work together will be more enjoyable, and our rider will be better served.

Please join me in living the Muni Mission.

Michael T. Burns

To ensure that the mission and values statement is a "living" guide to action, the agency set up the Mission Action Center (MAC). MAC, staffed by a cross section of Muni employees, is accessible to every member of the organization. MAC is an adjunct to the general manager's office, with full support from Muni's senior management. The center is responsible for identifying current practices inconsistent with carrying out the mission and using collaborative efforts to find solutions to any roadblocks. MAC's e-mail address and voice mail number are published along with those of the 13 members of the MAC team.

A survey conducted by an external research firm in July 2002 demonstrated that Muni is achieving success in moving in this new direction. The results of 504 self-administered questionnaires completed by employees in 12 departments, the majority in transportation and maintenance, highlight areas of positive results.

1. Employees feel they are providing riders with good service (78%).
2. Job satisfaction is high (89%).
3. The majority of employees (72%) state that they have a good working relationship with their supervisor.
4. Muni employees (92%) are very proud of their work (32).

Community Relations After Proposition E

A recent public opinion survey of Muni riders that addressed the quality of transit services revealed a different perception of the agency before Proposition E. An external

research firm interviewed 400 riders, 18 years of age or older, who had ridden Muni in the 6-month period before July 21, 2002. The following findings highlight the survey results:

1. More than 57% rated Muni's service as either "excellent" or "good," with only 8% rating services as poor or very bad. This was a significant improvement

compared with findings from 2001, when 48% rated service as excellent or good.

2. Ratings of the condition of Muni vehicles have also improved since 2001.
3. The vast majority of riders, 90%, feel that Muni service has either improved or stayed the same over the 6-month period, with one-fourth feeling that service had improved (33).