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BUSINESS REVIEW FOR

RTD

INTERNATIONAL MANAGEMENT GROUP

MARCH, 1985

International
Management
Group

NON-CONTRACT MANAGEMENT AND SUPERVISORY ASSESSMENT

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

T A B L E   O F   C O N T E N T S

International Management Group

NON-CONTRACT MANAGEMENT AND SUPERVISORY ASSESSMENT

I.   EXECUTIVE SUMMARY

NON-CONTRACT MANAGEMENT AND SUPERVISORY ASSESSMENT

I.   EXECUTIVE SUMMARY

This is a summary of the Business Review of the Southern
California Rapid Transit District (RTD) as conducted by
the International Management Group (IMG) during the
period February 11 through March 22, 1985. The purpose
of the summary is to cite particular conditions, the
correction or elimination of which will result in signi-
ficant efficiencies and cost savings. The findings are
in three categories -- Management Support Services,
Operating Divisions, and General (findings applicable
across functional lines):

Management Support Services

Assistant general managers and department heads have
developed their 1986 fiscal year budgets in accordance
with the five, ten and fifteen percent guidelines estab-
lished at the beginning of the budgeting process.
Although the budgeting process will result in acqui-
escence to fiscal restraints, a measured and logical
approach to implementing the required changes at the

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department level will be difficult for the following reasons:

o   There is an absence of work load and work volume indicators at the department level that would provide the daily/weekly/monthly historical trend information necessary to make informed decisions as to where and when staffing adjustments should occur.

o   There is an absence of performance/productivity monitoring at the department and/or work unit level making it difficult to identify understaffed and/or overstaffed work areas and job functions.

o   Paper flow systems and reporting requirements have not been installed to identify duplication and other instances of waste and inefficiency.

o   An organized study of the user/provider relationship between departments has not been undertaken with an eye towards resolving conflicts and revising, establishing and implementing procedures that would result in a smooth and well-balanced workflow.

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o   Many supervisors and department heads have found
     themselves confronted with situations for which they
     have minimal prior experience or training.   The
     general consensus among this group is that their
     departments are already understaffed and any staff-
     ing adjustments would result in serious increases in
     workload imbalance, backlogs, overtime, and service
     problems.

o   Reduced levels of funding (from whatever source)
     will require significant changes in management
     support departments within RTD.   To ensure that
     proper control is exerted over the resultant, very
     limited, human and capital resources, such change
     must be made in an orderly fashion.   Although fiscal
     restraints will require immediate action, the
     changes must be immediately and carefully planned,
     developed, implemented and monitored with involve-
     ment from diverse departmental components.

Operating Divisions

After discontinuation of one division, the RTD will
have twelve transportation divisions and twelve
maintenance divisions. Although the transportation
and maintenance divisions are contiguous facilities,
they are managed as separate entities with parallel
organizational structures headed by the Assistant
General Manager for Operations. These parallel
structures contribute to:

o   Severe limitations to the span of influence and
    control that transportation and maintenance
    division managers have over service, producti-
    vity and operational cost indicators.

o   An absence of direct accountability for main-
    tenance and transportation division managers'
    performance, in that many of the influencing
    factors are outside their control.

o   Delays in well-focused and timely problem solving (caused also by managerial limitations imposed by competing organizational infra- structures).

Note: Other problems are the result of support service functions, necessary to division operations, being supervised outside the scope of responsibility and control of division managers.

Competing organizational entities and disbursed responsibility for coordination of resources and services limits the ability of management at the division and superintendent levels to effectively coordinate and manage the resources required to positively influence service, cost and personnel management indicators.

General (Findings Applicable Across Functional Lines)

o   There is no functional internal system to

evaluate workloads in relation to measurable standards.

o   Non-contract employees receive little direct feedback on their performance.

o   There is no standard means of communicating timely RTD news to employees.

o   Information about RTD performance comes from many areas with little consistency/accuracy in the numbers reported.

o   Inventory inaccuracies are affecting performance in the purchasing, maintenance and transportation departments.

o   Division materiel needs are not prioritized.

o   Personnel at the lower levels of management do not feel like members of the management team.

o   Employee concerns are not clearly documented
and acted upon, making the executive staff's
efforts to gain cooperation and effect change
~~that~~ much more difficult.

o   There is no organized program to coordinate
interdepartmental activities to isolate
problems for quick resolution, or more
importantly to prevent them from recurring.

o   Supervisors feel uncomfortable dealing with
nonproductive situations because they lack the
tactical skills to resolve them. And, first
and second-level supervisors are uncertain of
both subordinate response to their actions, and
of management support.

o   While the new management information system
provides a wealth of information and reporting
tools, little time is given to its use in
day-to-day planning.

II. BUSINESS REVIEW - INDEPENDENT ASSESSMENT

II. BUSINESS REVIEW - INDEPENDENT ASSESSMENT

A. ASSESSMENT BACKGROUND, OBJECTIVES AND TECHNIQUES

IMG has completed an assessment of the RTD to determine if opportunities exist to significantly improve management control, productivity, quality and service among non-contract employees. The opportunities found are summarized in Analysis of Findings (Section II B) of this report.

Background

RTD receives operating funds from four basic sources: fare box revenue, State revenue, a local sales tax and the Urban Mass Transportation Administration (an agency of the United States Department of Transportation). Over the past three years RTD has received a subsidy from Proposition A sales tax revenues at whatever levels were required to keep the fare box base at 50¢. Anticipated changes in the levels of funding from these sources for FY 1986 and beyond require development by RTD of alternative

operating plans, better management control systems
and productivity enhancements. Of equal importance
is the determination by the executive staff to
maintain a top quality, cost effective, service-
oriented management team that is capable of control-
ling a large and mobile organization.

Our Understanding of Preliminary Plans Being Developed by RTD Staff

o   Assistant General Managers and Department
     Heads have been asked to prepare three
     budget scenarios for FY '86. The budgets
     will reflect reductions in operating
     funding requirements of five, ten and
     fifteen percent. The deadline for budget
     submission to the Office of Management and
     Budget was March 1, 1985.

o   A "lay off" plan has been prepared that
     sets forth the guidelines for RTD person-
     nel policies and negotiated agreements.

o   A recent effort has been made to limit the
number of personnel added to the roles by
requiring   substantiation   for   filling
vacancies from other than internal resour-
ces. Also, many new positions authorized
in the FY 1985 budget have not been filled
in anticipation of cutbacks.

We recognize and appreciate the range of issues
confronting RTD management, and we concur with many
of the plans being laid and actions being taken to
prepare for the reduction in funding. But, there
are other considerations ... the most significant of
which is the implementation strategy that will
ensure an orderly change in RTD's operations, and
lead in the process to reductions in cost and im-
provements in quality performance and productivity.

Objectives

At the request of the General Manager on February
11, 1985, IMG undertook an independent assessment of
non-contract   personnel.   The   objective   of   the

assessment was to analyze organizational needs and identify those areas in which collaborative approaches to resolving performance problems would be appropriate. The assessment was designed to identify performance problems, relate them to probable causes and define corrective courses of action for improving productivity, quality, management control and management service ... while simultaneously reducing cost.

Techniques

Since the inception of the independent assessment, IMG has spent 135 man days gathering, compiling, and analyzing data.

An extensive systematic procedure was utilized: structured interviews with non-contract management and supervisory employees; attitude questionnaires with a representative sample of personnel; identification of preliminary volumes and workloads and review of performance indicators where available;

and examination of the validity of information used
by the various departments.

Seventy-two interviews with non-contract employees
have been conducted in the following areas: Trans-
portation central offices, Divisions 1, 2, 3, 5, 7,
9, 10, Maintenance General, South Park, Divisions 10
and 2, Personnel, OMB, Marketing, Procurement and
Contracts, Accounting, Customer Relations, Data
Processing, Scheduling, Planning, Telecommuni-
cations, Equipment Engineering, Employee Education,
Instruction and Operations Control.

Interviews

Interviews were conducted throughout RTD with all
levels of non-contract management. The interviews
had the following objectives:

o   To develop an initial understanding of how
     individuals perceived their roles within
     the organization.

o   To assess their perceptions of their abilities to effectively carry out assigned responsibilities.

o   To identify obstacles within the organization that contribute to performance deficiencies.

o   To assess the degree of planning and control utilized in processing work.

o   To seek management's ideas for areas of opportunity and improvement within their department and in the organization.

Observations

Studies were conducted to determine how supervisors used their time. Special attention was placed on the following:

o   How they perceived their roles.

o   Whether they were active or inactive contributors to the organization.

o   Whether they identified "lost time" and took appropriate action.

o   If they planned work assignments and followed such plans.

o   Whether support system problems existed, and if so, how they were solved.

o   If their "styles" of supervision were appropriate or inappropriate.

o   The degrees to which they felt they were part of the organization.

o   Whether they utilized their people properly.

Questionnaires

An organizational Climate and Communication Questionnaire was administered to 176 non-contract managers/supervisors in eight departments, and in division offices. The questionnaire was designed to measure, in twelve sub-scales, each response.

Data from all of the collection means cited above are outlined in the following Section (Analysis of Findings). They were analyzed jointly by RTD management and IMG professionals.

B.   ANALYSIS OF FINDINGS

1.   MANAGEMENT DIAGNOSTICS

Diagnostic Results and Interpretation

The Organizational Climate and Communications Questionnaire is a 60-item "forced choice" instrument that is designed to provide information about, and to quantifiably measure management attitudes

concerning, a respondent's openness to change, his role as a manager, his work environment, the tasks he performs, and the systems and procedures he uses to monitor and control work.

The instrument is divided into twelve (12) subscales evaluated separately. (A copy of the Questionnaire with the individual item analysis follows the sub-scale results.)

The response by managers to this diagnostic instrument was receptive and positive, at least in part because of the assurance of confidentiality.

The results, by sub-scale, are as follows:

Organizational and Department Goals

This scale measures the extent to which employees understand the goals of the organization and see the relationship between organizational goals and the goals of their department. The respondents do not feel that RTD has made proper efforts to communicate

clear goals and a sense of direction to their levels.

Work Group Problem Solving

This scale measures the extent to which employees feel that managers and supervisors are interested in identifying and solving problems rather than avoiding them or pretending that they don't exist. The respondents in the transportation and the management support areas do not feel that there is enough effort placed in identifying and solving problems. The responses in maintenance were favorable in this sub-scale.

Information and Communication

This scale measures the extent to which employees feel that they receive important and useful information from their supervisors, managers, top management or other departments. There is a high percentage of unfavorable and undecided responses from each of the areas indicating that the respondents do not feel that they are receiving enough information to do their jobs and contribute to RTD.

Productivity and Customer Service

This scale measures the extent to which employees believe that the organization has a strong commitment to service and to the maintenance of an efficient operation. The weakness in this sub-scale indicates a need to reinforce top management's commitment to provide quality service through greater operating efficiency.

Work Group Coordination and Cooperation

This scale measures the extent to which employees feel that the people in their work group pull together as a team. The responses indicate that most of those sampled feel that there is good team spirit in their own departments.

Receptivity to Change

This scale measures the extent to which employees perceive the organization as being open and receptive to change. The responses to this sub-scale were largely unfavorable. There appears to be a reluctance for this group to accept change on an individual level which makes change even more difficult for the organization.

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Working Conditions

This scale measures the degree to which employees feel that the amount of work expected of them is fair and equitable, and that the tools, facilities and equipment on hand are adequate to do their jobs. Here, concerns are focused on the need for proper tools and equipment, especially in maintenance.

Employee Involvement

This scale measures the degree to which employees feel that the organization considers their viewpoint important. Managers and supervisors do not believe that input is solicited when decisions are made that they are going to have to live with.

Career Opportunities

This scale measures the degree to which employees feel career advancement is readily available to those who seek it and are qualified and seek it. The respondents perceive that opportunities for advancement at RTD are limited.

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Quality Emphasis

This scale measures the degree to which employees feel the organization is committed to maintaining high standards of quality for service. The respondents question RTD's commitment to providing quality service.

Managerial Competence

This scale measures the degree to which employees have confidence in the knowledge and ability of their supervisors, and feel productive working relationships are easily established. Many of those surveyed in the transportation and management support areas question the ability of the supervisors at RTD. However, in maintenance, there is a great deal of confidence in their management team.

Compensation and Benefits

This scale measures the degree to which employees feel that the compensation package provided by the organization is fair and equitable. There is a great deal of dissatisfaction with the pay and benefits program at RTD. Most of those surveyed are in favor of a performance based compensation package. The concerns are with the system for determining pay grades.

ORGANIZATIONAL CLIMATE

AND

COMMUNICATIONS QUESTIONNAIRE

We are interested in your opinions regarding how well we communicate with each other both within and between departments and work groups, and as an organization.

Attached are a series of statements concerning how we work together and communicate with each other. Please respond to all statements according to the following instructions:

This is not a test - there are no right or wrong answers.

All responses are confidential - no one will know how you marked your survey.

You will receive feedback on the overall results of the survey.

How to fill out the questionnaire:

      1.   Read each statement carefully.
      2.   Decide how you feel about it.
      3.   Circle the response that best expresses your opinion:

            SA = Strongly Agree
             A = Agree
             U = Undecided
             D = Disagree
            SD = Strongly Disagree

Please check the category that best describes your department:

Transportation	Operating	_____
	Maintenance	_____
	Other	_____
Management Support		_____
Customer Service		_____
Finance		_____

		SA = Strongly Agree
		A = Agree
		U = Undecided
		D = Disagree
		SD = Strongly Disagree

1. Most people understand the goals and the future direction of the organization.   SA   A✓   U   D   SD

2. We have regular meetings in our department where everyone is encouraged to discuss work-related problems.   SA   A   U   D✓   SD

3. The company lets people know what's going on which helps everyone do a better job.   SA   A   U   D✓   SD

4. There are many ways we could be more productive and efficient but very few people in the organization seem to care.   SA   A✓   U   D   SD

5. The people in my work group are encouraged to work together as a team.   SA   A   U   D   SD✓

6. Changes in procedures and work methods are easy to get approved in this organization.   SA✓   A   U   D   SD

7. Quite often the people in my department have to do more work than is necessary because the work has not been planned properly.   SA   A✓   U   D   SD

8. The company feels that the ideas of the people who do the work are important to the long-range plans of the organization.   SA   A✓   U   D   SD

9. In order for me to advance my career, I'll have to seek opportunities in another organization.   SA   A   U   D✓   SD

10. Most employees here know that they are expected to do quality work, even if it means taking a little more time.   SA   A   U   D   SD✓

11. If my manager/supervisor would only stop looking over my shoulder, I could get alot more work done.   SA   A   U   D   SD✓

12. In comparison with other people I know who do similar work, I'm not paid nearly enough.   SA   A   U   D✓   SD

13. The people in my department or work   SA   A   U   D   SD
    group understand how the goals of our
    department fit into the goals of the
    organization.

14. In our department we have good ways for   SA   A   U   D   SD
    dealing with little problems before they
    become big ones.

15. The information and/or direction we get   SA   A   U   D   SD
    from other departments is often incor-
    rect, forcing rework or corrections.

16. The company encourages its employees to   SA   A   U   D   SD
    find ways to do things better.

17. It seems that many of the people I work   SA   A   U   D   SD
    with are more concerned about getting
    recognition for themselves than working
    together as a group.

18. Management actively seeks out new ideas   SA   A   U   D   SD
    and approaches for doing things.

19. As a general rule, the equipment, tools   SA   A   U   D   SD
    and supplies that are needed to do our
    work are available when we need them.

20. Lots of times managers and supervisors   SA   A   U   D   SD
    aren't included in important decisions;
    they find out about changes after the
    decision has already been made.

21. In our organization promotions are   SA   A   U   D   SD
    usually given to the people who deserve
    them regardless of how long they've been
    here.

22. Most employees here take alot of pride   SA   A   U   D   SD
    in what they do and usually try a little
    harder to please a customer or produce a
    quality product.

23. My manager/supervisor is someone I can   SA   A   U   D   SD
    go to when I need help or have a problem.

24. It seems that some people here get paid   SA   A   U   D   SD
    more than they deserve while others get
    paid less.

25. Sometimes it seems like some areas or   SA   A   U   D   SD
    departments are going in one direction
    while other departments move in the
    opposite direction.

26. In our work area/department we don't   SA   A   U   D ✓ SD
    hide our problems; we get them out in
    the open and solve them.

27. The information I need to do my job is   SA   A   U   D   SD ✓✓
    readily available in my department or
    through my supervisor.

28. As long as the job gets done nobody seems   SA   A   U   D ✓ SD
    to care about how much it costs.

29. The people here are willing to help each   SA   A   U   D ✓ SD
    other out when the need arises without
    worrying about what job they're assigned
    to or what department they work for.

30. When the need for change is obvious,   SA   A   U   D ✓ SD
    management responds quickly and imple-
    ments the required changes.

31. Generally speaking, the company gets a   SA   A   U ✓ D   SD
    good day's work from everyone.

32. Management often makes and implements   SA ✓✓ A   U   D   SD
    decisions without discussing them first
    with the people who have to carry them
    out.

33. It seems like we're always bringing in   SA   A ✓ U   D   SD
    outsiders to fill positions when we have
    plenty of qualified people right here.

34. We spend a lot of time trying to improve   SA   A   U   D ✓ SD
    our products and/or service.

35. Most of the managers/supervisors here   SA   A   U   D ✓ SD
    evaluate people fairly and on the basis
    of their performance rather than "playing
    favorites".

36. Most people here feel that our benefit   SA   A   U   D   SD ✓
    package is fair and better than the
    plans in comparable organizations.

37. The goals of the company have very   SA   A   U   D ✓ SD
    little to do with the work that I and
    others in my department do every day.

38. The managers and supervisors in our   SA   A ✓ U   D   SD
    department don't want to hear about
    problems. The pretend they don't
    exist.

39. The people with whom I work are familiar   SA   A   U   D   SD ✓
    with the company policies and procedures.

40. We are always striving to improve customer service at our company. SA A U D✓ SD

41. There is a lot of jealousy and bickering among people in my work group. SA A U D✓ SD

42. The company has established ways of doing things and any suggestions on how to do things differently are usually rejected. SA A U D✓ SD

43. The equipment and/or tools that we have in our department make the job easier and the department more efficient. SA A U D SD✓

44. When new procedures or policies are being developed, management often asks for input from employees. SA A✓ U D SD

45. Our company plans for the future by preparing people for future positions through training and education. SA A U D✓ SD

46. In our organization the emphasis is on quantity not quality. SA A U D✓ SD

47. Many of the managers/supervisors here try to be "one of the guys" instead of maintaining the distance necessary to effectively lead their employees. SA A U D SD✓

48. Most people here would agree that our system for determining pay grades is fair and equitable. SA A U D SD✓

49. The goals of the organization and our department are periodically reviewed and discussed with all employees. SA A U✓ D SD

50. Many times we have to create a crisis in order to get anyone to pay attention to our problems. SA A U D✓ SD

51. Most of the information I get about what the company is doing comes from the "grapevine". SA A✓ U D SD

52. Everyone in my work group understands the importance of providing good customer service. SA A U D SD✓

53. When conflicts arise in our work group or between our department and another, they are usually handled in a timely or constructive way. SA A U D✓ SD

54. It's too hard to get things changed in   SA   A✓   U   D   SD
    our company; most people have just
    learned to accept things the way they
    are.

55. Some people here have to work harder   SA   A✓   U   D   SD
    than others because some people don't
    have enough work assigned to them.

56. In our department employees are encouraged SA   A   U   D✓   SD
    to be open about their opinions and
    feelings about work-related problems.

57. Getting ahead in our organization is   SA   A   U   D✓   SD
    based more on your performance than who
    you know.

58. There is not enough emphasis in our   SA   A✓   U   D   SD
    organization on quality.

59. Most people here would agree that con-   SA   A✓   U   D   SD
    sideration is given to a person's ability
    to manage people before they are promoted.

60. I would prefer to be compensated based   SA   A✓   U   D   SD
    on my performance rather than getting
    the same pay increases as everyone
    else.

INDIVIDUAL ITEM ANALYSIS

Statement	Agreeing	Undecided	Disagreeing
1	77	18	81
2	72	4	100
3	51	28	97
4	97	25	54
5	18	12	146
6	146	21	9
7	97	16	63
8	79	35	62
9	72	28	76
10	37	12	127
11	26	9	141
12	69	26	81
13	42	21	113
14	42	23	111
15	94	26	56
16	49	35	92
17	79	23	74
18	74	33	69
19	28	7	141
20	116	30	30
21	129	17	30
22	48	25	103
23	18	9	149
24	114	18	44

INDIVIDUAL ITEM ANALYSIS

Statement	Agreeing	Undecided	Disagreeing
25	111	18	47
26	40	25	111
27	37	9	130
28	58	19	99
29	56	23	97
30	42	32	102
31	79	18	79
32	128	19	29
33	93	35	48
34	40	40	96
35	62	30	84
36	23	26	127
37	16	46	114
38	37	16	123
39	18	16	142
40	28	35	113
41	56	19	101
42	53	46	77
43	26	16	134
44	86	28	62
45	42	19	115
46	53	39	84
47	33	16	127
48	33	21	122

INDIVIDUAL ITEM ANALYSIS

Statement	Agreeing	Undecided	Disagreeing
49	74	28	74
50	53	34	89
51	111	16	49
52	23	18	135
53	40	30	106
54	117	26	33
55	83	21	72
56	48	28	100
57	72	42	62
58	83	26	67
59	83	39	54
60	112	25	39

Questionnaire, Summary and Conclusions

The results of the survey suggest the following areas of strength and weakness in non-contract employee attitudes.

o   Employees participating in the survey have indicated a reasonably healthy work-group atmosphere exists in terms of problem-solving within the work-group, in terms of team work, and in terms of working relationships with immediate supervision.   However, these attitudes and perceptions do not extend to issues outside the immediate work-group ... or to situations in which cooperation, teamwork and information sharing is required between work-groups.

o   Career opportunities, compensation and benefits appear to be issues around which there is a wide range of opinion.   Managers in the Transportation Division had the most unfavorable responses to statements regarding career opportunities.   The questionnaire was administered prior to the announcement of the management development program, and therefore, does not reflect any changes in percep-

tion that may result from that program. Compensation and benefits is a volatile issue in the organization as verified by individual interviews. But, responses to statement #60 on the questionnaire verified that employees prefer a performance-based compensation system. Some combination of effective communication and discussion about the pay-for-performance system, modifications and adjustments in time frames and procedures, and increased familiarity as the program enters the third year, could lower the percentage of unfavorable responses in this area.

Interviews

Another type of diagnostic instrument was administered to a cross section of managers and supervisors. The instrument was a structured interview which concentrated on each individual's perception of his role and responsibilities, and on barriers to performance. Their responses were reviewed to identify differences in perceptions. The findings are summarized below:

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a. When asked what RTD's strengths were, the most frequently cited strengths were:

1) Good people at all levels

2) Good technical knowledge

3) "Overall", a good place to work

4) Strong relationships within the departments

5. Job security

b. When asked to list the major barriers to performance improvement, the results were:

1) Communication - 85% of those interviewed listed communication within and between departments among the top five barriers to performance improvement. This included the inability to perform roles and responsibilities because there is a lack of information and support from other departments.

2) Coordination and Cooperation Between Departments - 69% of those interviewed felt that an effort to improve coordination and cooperation between departments would have a dramatic effect on performance at

RTD. Common concerns were that "every department tries to cover itself". And that "we have departments going in different directions." A frequently heard comment was the wish that we could "maintain the team spirit we had during the Olympics."

3) <u>Systems and Procedures</u> - 69% indicated that a lack of systems and procedures presented a barrier to performance.

Frequently heard comments were these:

(a) "I don't have anything that helps me supervise.

(b) "I walk around and monitor, but I'm not allowed ·to take action."

(c) "Work comes in and work goes out, but we have little control over it."

4) <u>Excessive Interruptions</u> - 62% of those interviewed found it difficult to complete assignments because of interruptions. The most common complaint was

that "I wouldn't mind the interruptions but I feel that typically I'm covering for someone else's mistakes."

5) Changing Directions/Priorities - 62% of those interviewed listed changing directions and priorities as a major barrier. "We lack a clear direction; everything is changing." "What is important today is forgotten tomorrow; it's frustrating." Such statements were heard many times. (See Exhibit "A")

c. When asked what percent of improvement would be attainable if corrective action was taken to reduce or eliminate the barriers, the response was:

1. 0% believe that no improvement is possible.

2. 28% believe that at least 10% improvement is possible.

3. 49% believe that at least 20% improvement is possible.

4. 23% believe that at least 30% improvement is possible. (See Exhibit "B")

MANAGEMENT PERCEPTIONS

PERCENTAGE OF RESPONDENTS	0	10	20	30	40	50	60	70	80	90	100

BARRIERS TO PERFORMANCE IMPROVEMENTS

COMMUNICATION — 85%

COORDINATION AND COOPERATION — 69%
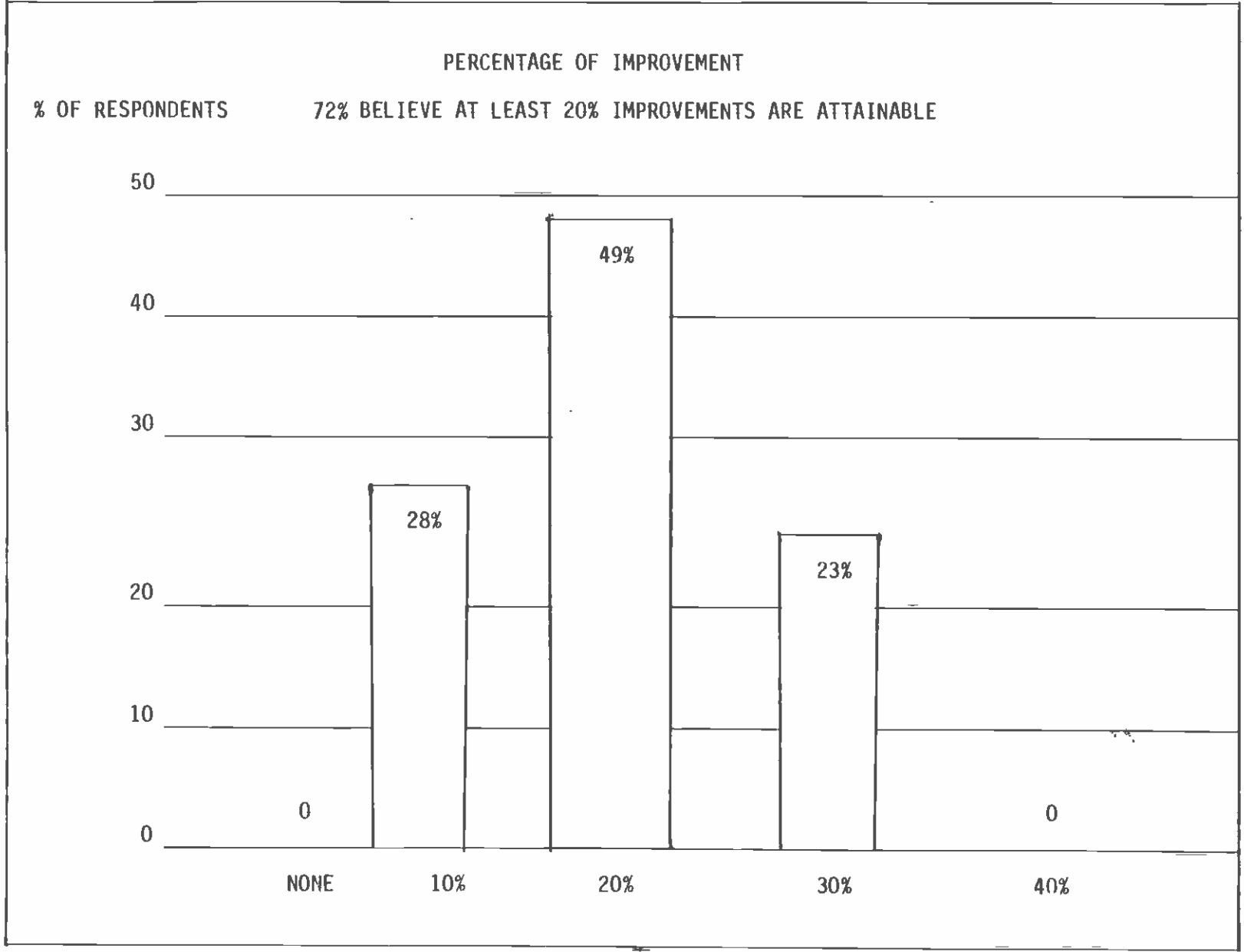
SYSTEMS AND PROCEDURES — 69%

EXCESSIVE INTERRUPTIONS — 62%

CHANGING DIRECTIONS — 62%

PERCENTAGE OF IMPROVEMENT

% OF RESPONDENTS   72% BELIEVE AT LEAST 20% IMPROVEMENTS ARE ATTAINABLE

The management and supervisory group recognizes that there are significant improvements that can be made but they do not have the time, knowledge or voice to effect the change. As a result, they use "Band-Aid" approaches to their problem-solving.

2.   VOLUMES, WORKLOADS AND PRODUCTIVITY INDICATORS

In conducting our department reviews, we focused on certain fundamental management system elements that must be in evidence in order to have the ability to manage productivity and make informed decisions concerning appropriate staffing levels. These elements include:

o   Historical work volumes that are tracked on a daily, weekly, monthly basis.

o   A comprehensive set of work standards that relate work volume by type to manpower, equipment, requirements and capacity.

o   Management and supervisory controls and/or information that summarizes volume, workload, backlog, staffing and performance.
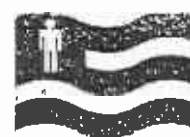
o   A system that communicates departmental work
status and performance in a timely and effec-
tive manner.

The operating observations and interviews conducted in
each department were directed at determining whether:

1)   The necessary data required to establish work
volumes, standards and productivity indicies
was available.

2)   Supervision and management understood the need
for and the application of the information.

3)   The information, if available, was being used
to balance workloads, adjust staffing, solve
problems and reduce costs.

With the exception of the General Accounting and Customer
Service Departments, we found no areas where all three
elements were being consistently and effectively applied.

FINDINGS: Volumes, Workloads, Productivity Indicators.

Planning

In order to properly plan all activities that have
to be performed in the various RTD departments, all
activities must be equated to a proper and reason-
able time value. When all activities are related to
time, the total workload and requirements are known.
Department staffing requirements must include all
the individual activities and requirements. When
this question can be fully answered: "What can I,
as a manager/supervisor, expect as a reasonable
productivity level for each activity?" ... only
then can simple manpower forecasting models be set
in place for fluctuating workloads and realistic,
attainable plans be established.

Planning standards do not exist. Outdated "histori-
cal" standard hours are used, with lost time built
into them. Management and supervision do not know
the   proper   crewing   requirements   for   achieving

various levels of service. More people and equip-
ment are used attempting "to solve" management
system weaknesses, and to achieve the service levels
required to meet commitments.

Work activities are not related to realistic times.
"Goals", when used, are too loose or too tight, and
are based on estimates with lost time built in.

The results, therefore, are axiomatic:

o   True work backlog is unknown; hence, unrea-
     listic manpower and equipment levels are set
     and frequently maintained.

o   Either overcrewed or undercrewed conditions
     exist because man-hour plans are not related to
     demand. This includes overtime hours to meet
     day-to-day requirements.

o   Actual capabilities are unknown; bottleneck
     operations are not tracked.

o   The executive staff cannot predict departmental
     output.

o   The questions: "What is the <u>real</u> workload?"
     and "How much work can we really do?"   ...
     <u>cannot be answered</u>.

Assignment

In order to properly control the flow of work and
manage by the principle of exception all assignments
must be related to a controllable period of time.

At present, supervisors do not communicate their
expectations to employees. Supervisors are not
aware of actual output. Backup assignments are not
being made. Individual activities are not related
realistically to periods of time. Actual output is
an unknown. Achievable and reasonable expectations
are not being set. Such shortcomings and the lack
of proper assignment procedures result in:

o   The inability of managers to stay abreast of work status and to notice operating problems as they arise.

o   The establishment and control of work pace by employees rather than management.

o   No real control over backlogs or workflows.

o   Poor coordination between departments.

o   Underutilization of assets.

During the interviews we asked the question, "Are you going to accomplish what you planned?" Supervisors answered affirmatively, but could not show us a daily plan. "These people know what has to be done," was the popular response. "It has always been done this way," and "That's the RTD for you," were frequent reasons given for excessive crewing. Such loose control has a ripple effect throughout RTD. Supervisors cannot coordinate activities and have no real control over the workflow. They become

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"fire fighters" looking for reasons for poor perfor-
mance and finding only "excuses."

These "excuses" are then rolled up to management,
when questions are asked about backlogs and late
outs.

Follow-up - "Principle of Exception"

Supervisors cannot be in at all places at all times.
There is no effective follow-up system to highlight
operating weaknesses. The managers/ supervisors
need the tools and training to find the "root cause"
of barriers to performance. They have no system in
place that requires "corrective" action be taken on
a timely basis. As a result:

o   Supervisors rely on employees to ask for help.

o   Supervisors exercise little control over
     manpower, productivity, or the establishment of
     levels of quality.

o   There is no predictability, which results in
     wide variances in performance and output.

o   Training needs are not highlighted.

o   Corrective action is not timely.

Management by exception does not exist ... it cannot
exist.

Reporting

Reporting is the fourth principle we look for in an
operation. With the installation of the TRANSMIS
system comes the potential for providing valuable
elements of the District's data retrieval. Special
care should be taken to ensure the information
entered (inventory counts, etc.) is accurate. It is
important also ... if the system is to be effective
... to support the users, especially those at the
lower levels of management; to train and motivate
them to use the system effectively and efficiently.

3.   SUPERVISORY ANALYSIS

The purpose of this type of analysis is to determine how first-line supervisors spend their time. The activities performed during the course of the day directly impact a department's productivity. Results were obtained by spending time with a cross-section of supervisors and managers throughout RTD. Activities performed during the studies with each supervisor were classified in one of the following categories:

o   Planning: Time spent preparing departmental activities and assignments.

o   Follow-up: Evaluate progress with employees, and identify problems for solutions.

o   Administration/Clerical: Reports paperwork and meetings.

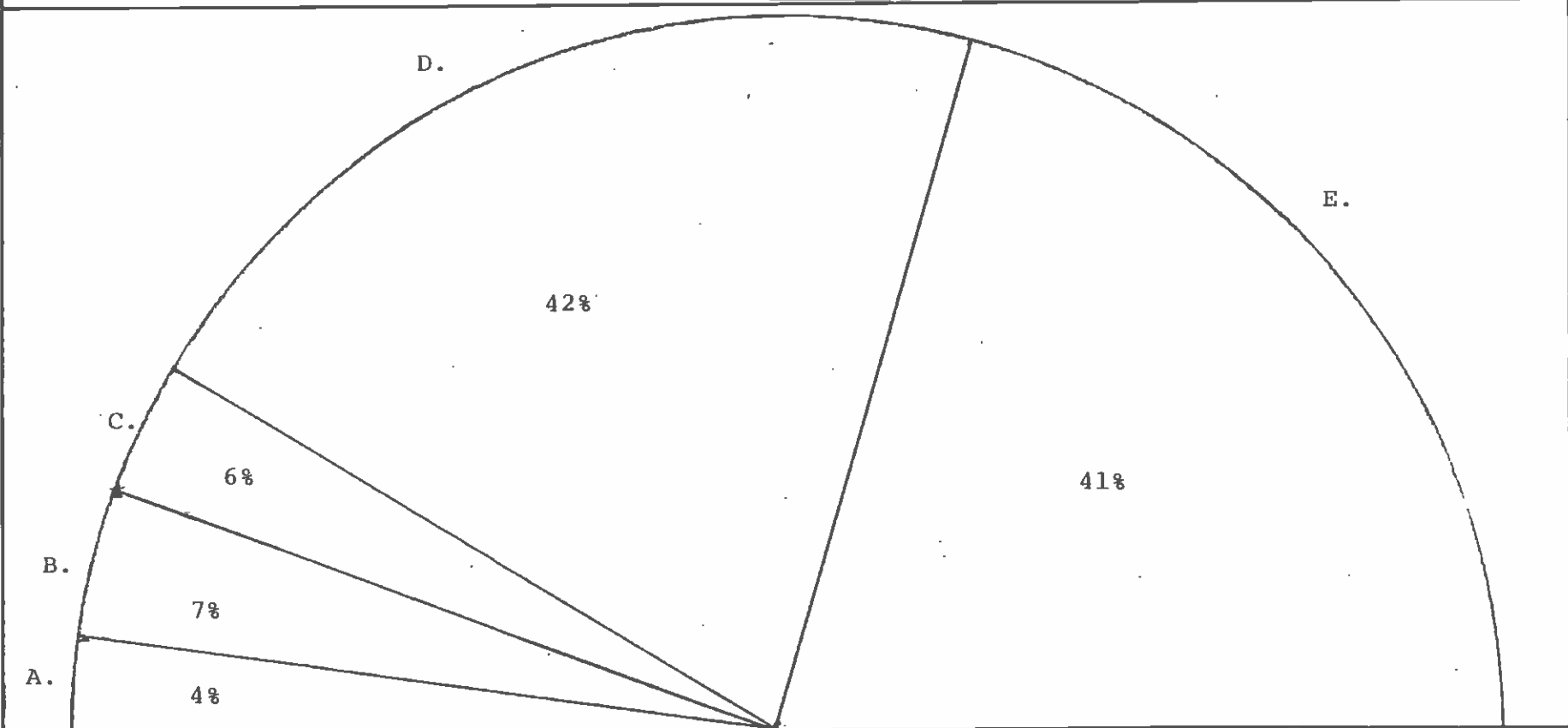o   Available: Time available for other activities.

TOTAL FOR ALL AREAS ARE AS FOLLOWS: (Exhibit "C")

A.	Planning	4%
B.	Assigning	7%
C.	Follow-up	6%
D.	Administrative Clerical	42%
E.	Available	41%

EXHIBIT C

SUPERVISORY TIME ALLOCATION COMPOSITE

D.

E.

42%

C.

6%

41%

B.

7%

A.

4%

A. PLAN AND SCHEDULE	B. WORK ASSIGNMENT	C. FOLLOW UP	D. ADMIN AND CLERICAL	E. AVAIL
4%	7%	6%	42%	41%

The planning, assigning, and follow-up activities are considered supervision. The results show that very little time is spent actually supervising employees. Typically, assignment and follow-up activity was observed to be reactive, usually in response to employee initiated questions. Front-line supervisors either "tour" their areas or "wait" for employees to ask for help. Supervisors must be developed and brought along to the point that they feel comfortable supervising. They must be trained to "control" inappropriate situations rather than "react" to them.

4.   PRESCRIPTIVE RESOLUTION - RECOMMENDATIONS

The recommendations outlined have been developed jointly, in most cases, with RTD management. The objective has been to identify the most effective methods for correcting performance deficiencies that are limiting organizational effectiveness. The humanistic and environmental approaches represent an integrated plan which, taken together, represent the

most significant opportunity to improve productivity, quality and performance while reducing costs.

Some Opportunities - to increase non-contract effectiveness and productivity include:

o   Developing a system for establishing and managing volumes and workloads in each department.

o   Supplementing the Headway with additional publications that will be more timely and meaningful to RTD employees.

o   Establishing a method of receiving/acting on information from lower levels of management.

o   Developing a concise management tool that will more effectively convey accurate and timely information to the executive staff.

o   Encouraging more timely feedback, both positive and negative, from all members of the management team.

o   Developing a plan and procedure to establish an
    accurate inventory count.

o   Examining the materiel management system's method of
    distributing materiels to the divisions, with an eye
    toward establishing priorities to meet division
    needs.

o   Taking a more aggressive stance in establishing
    cooperation between departments.

o   Determining where, when and how best the head office
    can provide more support for the front-line supervi-
    sors within the confines of the labor contract.

o   Designing and installing simple planning tools to
    assist front-line supervisors.

SPECIFIC RECOMMENDATIONS:

We understand the overall goal of RTD management is to
bring about orderly change in the Districts' operations
which will lead to a more productive and effective

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organization capable of functioning within prescribed fiscal parameters. We believe the related and mutual objectives of RTD Management should be to:

o   Facilitate change and implementation through a combination of organizational development, systems development and management development approaches.

o   Augment existing plans and strategies already in process by involving Assistant General Managers, Department Heads and Supervisors in a structured analysis and audit of their departments.

o   Reduce costs, increase productivity and place the essential management support departments within RTD in a cost conscious/cost avoidance posture.

o   Effectively develop, involve and utilize members of the RTD staff throughout the course of the project implementation in order to

transfer the necessary skill and knowledge and
ensure commitment to successful implementation.

APPROACH AND WORK PLAN

The approach being proposed by IMG to meet RTD's objectives is
structured so that the methods and techniques, are quickly
learned and applied by the RTD staff. The skill and know-
ledge, applied in the actual work environment, will enhance
learning, application, retention and commitment.

Task 1. Conduct "Expectation Exchange"

Process:

The Executive Staff and all affected department heads should
meet to review the goals and objectives, approach, expected
results and time table. Make adjustments to the approach,
development sequence and schedule as appropriate.

Products will include:

1) A comprehensive department/area development sequence and schedule.

2) A preliminary listing of areas of overhead budget savings opportunities.

3) A compendium of statistical data available or required to perform the department study and analysis.

Task 2: Training and Orientation

Process:

Conduct three, three-hour orientation and training workshops with the assistant general managers, department heads and supervisors. Topics will include work flow analysis, lost time identification, ratio delay studies, productivity calculations and indicators, workload balancing, volume trends and indicators, data gathering, statistical analysis, and staffing.

Products will include:

1) Participants will be knowledgeable of the theory, processes and techniques required to conduct a productivity assessment in their department/area.

2) Participants will have the data development and observation formats required to conduct the analysis.

3) Participants will have begun to use the information and formats to begin the preliminary data gathering tasks in their department.

Task 3: Department Development Plans

Process:

Develop a comprehensive department development plan and schedule with each department head and supervisor. The planned activities would include the construction of work flow and paper flow matrices, data gathering, graphing of historical work volumes and work content studies.

Task 4: Implementation of the Department Development Plan

Process:

Over several weeks, depending on the size and complexity of the department, supervisors and department heads should develop the information and data according to the department development plan.

Tasks 3 and 4 Products will include:

1)   A completed work flow diagram of department functions and activities.   These diagrams should include volumes, frequencies, isolate dependent and interdependent job functions and include the development of preliminary standards.

2)   A completed paperwork flow diagram/display depicting all documents required and used in processing, managing and reporting work/activities performed by the department/ area.   The diagram should include the identifications of duplicate or outdated reports, breakdowns in information

flow, substandard or inadequate information, operational information required to increase supervisory control and accountability.

3) Completed work content studies and observations.

4) Completed work volume histories, graphs and statistics.

5) Recommendations on methods changes, job combinations, personnel/staffing adjustments, and a department productivity management system.

Task 5: Data Analysis and Review

Process:

When the data gathering and studies have been completed several working sessions should be conducted with department heads, supervisors and the appropriate assistant general manager to determine the implications that the studies will have on methods changes, procedure changes, work flow adjustments and staffing. Interdepartmental meetings and reviews

should also be conducted as required to resolve problems
between departments or when changes in one department affect
another.

Products would include:

o   A comprehensive department/area development sequence and
     schedule for the management support areas.

o   A preliminary list of overhead budget savings opportuni-
     ties.

Task 6: Development and Installation of the Implementation Plan

Based on the decisions reached in Task 5, changes and modi-
fications should be sequentially implemented according to an
Implementation Key Events Schedule.

Task 7: Implementation and Performance Monitoring

Prior to implementation, formats for monitoring productivity
and performance should be designed so that the progress of the
implementation can be monitored. The monitoring formats will

form the basis for ongoing daily/weekly/monthly performance measurements and be used by the department heads and supervisors to effectively manage the flow of work and resources required on a continuing basis.

Task 8: Follow-Up

The Assistant General Managers should follow-up with the department heads and supervisors during a period after implementation to assure that the objectives of the project have been accomplished.

BENEFITS

Along with productivity and performance improvements the RTD executive staff should realize the following benefits from implementing tasks 1-8 in the non-contract areas:

o   A managed implementation of overhead budget reductions.

o   An improvement in the managerial effectiveness of
    mid-management, department heads, and supervisors
    involved in the project.

o   The capability, through departmental productivity
    and performance monitoring systems, to monitor
    fluctuations in work volume and re-allocate re-
    sources as required to provide control, and accoun-
    tability.

o   The elimination of duplication in effort and re-
    dundancy in paperwork and reporting.

o   A more effective application of problem identifi-
    cation, analysis and solution skills and techniques
    by management both within and between departments.

o   An ongoing ability of RTD management and supervision
    to apply the analytical skills, techniques and
    methodologies acquired during implementation of the
    program.

RECOMMENDATION SUMMARY

Although the executive staff at RTD is to be complimented for creating desire on the part of mid-management and supervisors to be positive results-oriented, in fact, our assessment indicated that the management does not have the tools to achieve such orientation. Development of these tools will help achieve the executive staff's goals. Improved performance will then follow, as will productivity, quality, management control and management service. So, too, will cost reductions, in significant proportion.