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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT
MANAGEMENT CAPACITY ASSESSMENT

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INTRODUCTION

At the request of the General Manager, the consultant performed a management capacity assessment of the SCRTD. This assessment is intended to identify organizational issues and challenges that must be met now and within the next three to five years if the organization is to remain a leader in the mass transportation industry and an essential public service in the Los Angeles region. It suggests approaches to meeting these issues and challenges, taking into consideration both the external and internal environments in which managers and employees work to accomplish shared goals. It identifies priority actions that might be taken by managers at various levels of the organization to assure that there is purposeful collaboration on the timely meeting of SCRTD goals.

The recommendations flow from a review of pertinent documents, from an analysis of responses to an open-ended questionnaire completed by mid- and top-level managers, and from a series of interviews with policy-makers outside the SCRTD management structure and with managers of the organization. Those people assisting with the project through interviews or making arrangements were quite cooperative, and quite committed to improving the SCRTD. They bear no responsibility for the recommendations contained herein, however.

This report is presented in seven parts:

1. Findings
2. Organizational Overview
3. Organizational Change Profile
4. Survey and Interview Results
5. Issues Needing Attention
6. Future Needs
7. Conclusions and Recommendations

FINDINGS

The factor that appears most influential on SCRTD's performance in the recent past and into the near future is the amount of change occurring in the organizational environment. Whether the result of internal initiative or imposed by external forces, these changes require continuing organizational adjustment. Often changes are needed-- to introduce new technologies, to add staff with varied training or experience, to respond to budget pressures, for example. Often they result in improved productivity or effectiveness. Often, however, their impact is diminished because they were not managed to fruition, instead being introduced with great enthusiasm then left unattended amidst the rush to introduce or to respond to more change.

Change requires even an old, established organization to relive its early phases. The upheaval brought by change produces organizational immaturity regardless of the chronological age of the organization. Organizational change that is not brought to closure may prevent the host organization from functioning in an effective (mature) manner. The symptoms of incomplete organizational change are not unlike those of troubled adolescence: internal conflict, searching for identity, resentment of direction or authority, refusal to take responsibility for events. Like an adolescent, behavior and performance at one moment are effective and accomplished, but in the next moment can be ill-timed and counter-productive. Although change is often required to foster organizational excellence, the turmoil it causes will, unless resolved, pose insurmountable barriers to excellence. Thus, an organization's management capacity, its capacity for excellence, is directly linked to the management of change within that organization.

The principal finding of this report is that considerable management energy should be focused on the organizational change process that has occurred in the recent past and will occur in the near future at the SCRTD.

Management attention should center on four "C's": completion, consolidation, communication, and commitment.

Completion involves following through on past changes that were never brought to closure. Foremost among these changes is the reorganization partially instituted in the Policy and Management Plan dated August, 1982. The changes instituted therein that were managed to completion are producing the desired results. For example, the goals and objectives of the organization are now clearly understood and generally accepted by management. The budget is becoming tied into those goals, and performance is measured against goals and budget. Top management attention to these processes has lead to their continuing effective implementation and improvement.

One major organizational change that has not reached fruition involves the creation of an Assistant General Manager for Government and Community Affairs and an Assistant General Manager for Planning and Communications. When these potential changes were announced in the Policy and Management Plan, managers and employees began to reorient their thoughts about these units. When no change occurred, these same managers and employees became unsure of their roles and responsibilities in the units. Established relationships had been disturbed, and the way blocked

for new relationships to evolve. This insecurity about relationships and role leads to defensive, fearful behavior. Assigned tasks generally get completed, but not with initiative or creativity, only with a mind for survival.

Incomplete organizational change may also result when an organizational unit is created and a manager selected, but the unit's mission is unresolved. The elevation of the Equal Employment Opportunity (EEO) function to AGM status, the selection of a highly competent AGM, but the failure of the District to understand and embrace the goals embodied in the unit, is the most significant example of this type of inconclusive organizational change at the SCRTD. In this instance, the need is to clarify and emphasize the the mission of the new unit to other managers.

Finally, under the category of completion, is the circumstance where organizational change is necessitated by outside events, steps are taken to respond to the changes, but the new unit is not yet clearly understood or integrated into the existing organization. The danger is that the new organization will be seen as working at cross-purposes with the existing organization, with the result that neither organization realizes its potential. Such is the case with the Metro Rail organization.

The separateness of the Metro Rail organization is exacerbated by the special technical expertise of its staff and the resultant higher salaries and lack of transferability of other people to this function. At the same time, the General Manager has been required to devote a major amount of his time and attention to this new function, creating the impression that he favors one mode (rail) over another (bus). For most managers who remain with the bus side of the organization, this apparent favoritism, although somewhat understandable, is not only disconcerting, but undermining. What is needed is a reassurance that the bus function will remain an essential, effective part of the organization even after rail is operational. While it is helpful for such reassurance to be offered by the mid-and top-level bus managers, especially the new AGM for Operations, the message needs to come repeatedly from the General Manager. For example, the General Manager should tailor some of his public appearances to emphasize the continuing importance of the bus function. Likewise, he might focus on bus-oriented issues in some meetings with management staff.

A less obvious, but similar need for organizational integration of a new unit concerns the Transit Police. The newness of this function and its evolution from the bus operations organization warrant special measures to assure that it is understood and

accepted by the entire organization. An evaluation of its effectiveness in the first few years of its life, along with an organized team-building effort within the unit's management, and a systematic effort to link it with the rest of the organization, should complete the reorganization process for this unit.

The second "C" - consolidation - involves taking stock of the organizational environment, including changes in the recent past and near future, strengths and weaknesses of organizational units and individual managers, and progress toward long-term goals. It allows for continued fine tuning of the organization without major change. In some organizations it is called "strategic planning" or "strategic management", the key word being strategic. Recent publications in the field of organizational development have further modified the concept to focus on improving the capacity of individual employees to think strategically.

In simple terms, the difference between just plain thinking and strategic thinking, or just plain managing and strategic managing, involves approach. Thinking or managing involves projection of past events to predict future conditions and to adjust accordingly. Decisions are based on past experience; modifications to behavior or actions are generally incremental.

Strategic thinking or planning involves formulating a desired future, then assessing current and possible future activities in terms of their contribution toward achieving that desired future state.

To emphasize strategic thinking is to bring out the capacity of each individual in the organization to achieve excellence. It fosters an attitude that employees can make a difference, as they become a source of constant revitalization for the organization. It nurtures individual, and ultimately organizational, sensitivity not often found in hierarchical organizations. Strategic thinking by individual employees will have the desired organizational effects only if organizational goals and objectives are clearly articulated and understood by those individuals. What is needed is simultaneous fostering of individual strategic thinking while emphasizing collaborative goal-setting and accomplishment.

Strategic thinking cannot be accomplished by a separate organizational unit, or a series of analytical groups in the organization. Such groups, if carefully structured and oriented toward serving the line departments, can provide useful consultative and analytical functions. They cannot, however,

supplant strategic thinking of managers and employees who must respond to daily challenges. In fact, if these groups are established to compensate for an apparent inability of line managers to think strategically, they will exacerbate the problem. To return to an earlier analogy, the adolescent organization will be extremely threatened by such outside units and will fail to use their advice effectively. On the other hand, managers who are encouraged and trained to think strategically will recognize the utility of these special purpose units.

A two-pronged approach to fostering strategic thinking and management is recommended. First, individual training needs assessments and the courses developed as a consequence of those assessments should focus on analytical skills. Needs assessments are currently either self-administered or conducted as part of the regular performance appraisal by supervisors with varying proficiency in this area. This approach may not adequately identify gaps in an employee's ability to think analytically or conceptually. There are tests that can be given to provide such information. A minimum level of achievement on a series of such tests might be made a prerequisite for assuming certain supervisory or managerial responsibilities.

To facilitate a team-building effort among top management and for management trainees, the honing of analytical skills might be even more sophisticated, using a combination of tests and interviews conducted by a professional trained in this area. The product of this approach is an individual management capacity assessment, not dissimilar in scope or approach to this organizational assessment, but focused on individual managers. . It should be emphasized that such assessments are not merely personality profiles or intelligence tests. They are an assessment of the issues and challenges that will face an individual manager, based on his or her strengths and weaknesses. They identify personality traits that influence management style and effectiveness with peers and subordinates, and they identify deficiencies in analytical or conceptual abilities and recommend means to fill in those gaps.

The second approach to fostering analytical skills involves the consolidation of the various units that have sprung up to perform analytical or conceptual tasks, and the creation of a strategic management unit that would serve as a consultant to line managers. The difference in the proposed unit and the existing units within the Office of Management and Budget and the Department of Planning is subtle, but significant. That is, the present units serve the General Manager (or AGM) as watchdogs over the rest of the organization. Their function is to track

performance against budget or performance objectives and report progress or lack thereof. On the contrary, an in-house consulting arm would place specialized analysts within line departments on cooperatively developed assignments. Such analysts would supplement and complement the managers, but not replace the requirement that they think and manage strategically.

It should be emphasized that there will continue to be a need for the budget and management or the planning functions performed by the existing special units. In part, implementation of this recommendation might refocus existing staff. In part, it might change the assignments and reporting relationships of some staff members to activate the special studies group called for in the 1982 Policy and Management Plan.

The third of the four "C's" is communication. In an organization as large as the SCRTD, communication must also be strategic. It is not uncommon for employees in large organizations to blame poor communications for their performance problems. Nor is it uncommon for management to decide to communicate more effectively in response to employee complaints, or the latest trends in management theory. Unfortunately, the push for better

communications often leads to ad hoc efforts to communicate that are largely a waste of organizational energy. To be effective communications must be carefully directed to intended audiences. Management should develop a Communications Strategy for the SCRTD that identifies the audiences for communication, their particular information needs, and the programs and actions to fulfill those needs.

An effective Communications Strategy is based on a clearly thought-out communications style that is consistent with management style. Specifically, management must determine whether it is participatory or hierarchical, whether it needs merely to impart information or to engage in dialogue. It must clarify the message it wishes to send, assuring that management actions reinforce the message that is communicated. For example, it is insufficient for management to satisfy its desire for participatory decision-making by publishing policies that highlight this style, if decisions are still highly centralized and not shared with managers and employees until after they are made. The particular management style of the organization is not at issue here, only the need for consistency between what is communicated about that style and how that style is manifested in day-to-day management actions.

In developing the SCRTD Communications Strategy, a marketing approach might be helpful, in that marketing first defines the needs of the client, then tailors the product to meet those needs. The SCRTD's clients for communication are numerous: the employees, the riders, the non-riders, the Board, the media, members of organizations external to SCRTD but influencing it, the state legislature and the federal Congress, to name some. The strategy need not be lengthy, but it must recognize that each of these audiences has different information needs and that there are different communication mechanisms appropriate to each.

Although a great deal has already been done to communicate with employees and external decision-makers regarding SCRTD goals and objectives, this task would be systematically accomplished through the implementation of a Communications Strategy. The development of goals, and their realization through meeting objectives, is an iterative process that requires continuing communication to all those effected by changes. Within the strategy, the responsibility for communication would be fixed, and the communications mechanisms identified. Here, too, management style would need to be consistent with the messages that are communicated regarding the degree of participation in the goal-setting process.

One immediate change that might be made to improve communications is to reinstitute mid-manager meetings with the General Manager, not necessarily with the same frequency or in the same format as the weekly meetings previously held, but periodically to establish direct contact between the General Manager and the mid-level managers. A second series of meetings among the mid-level managers to share information about organizational issues or review progress on particular tasks would also improve communications among this group.

Mid-managers are only one group that would benefit from better communications. In fact, most managers and employees would like to feel more a part of the SCRTD "team". Team-building efforts have become fashionable in recent years, in part because of the successes of foreign corporations where a team or family spirit exists. Unfortunately, in many organizations, the team approach hastily adopted is like a hastily purchased garment - it just doesn't fit quite right. Such team-building efforts fail because they are ill-conceived and wrongly motivated. That is, they are implemented because some manager decides he or she will make employees work harder and be more productive.

Team-building is worthwhile if there is genuine concern for employees, and their participation is sincerely desired. Under these circumstances it fosters a sense of commitment to the organization that probably does increase productivity. However, such changes take time-- time during which managers must sustain a clear commitment to the team-building effort. A first step in initiating team building at SCRTD would be to outline the activities and tasks and to describe the roles of various managers involved in the process. With this information, top management would decide whether the commitment to team-building is worthwhile.

The fourth, and final "C" is commitment. The Communications Strategy will only espouse management philosophy; it will be a hollow document unless there is clear management commitment to practice that philosophy on a daily basis. Being committed to organizational goals requires that managers understand the goals, have the necessary resources to meet them, are given authority commensurate with their responsibility, and are held accountable for their accomplishments and their failures.

It is the last of these commitment factors - accountability - that requires attention here. SCRTD managers are not systematically held accountable for their accomplishments and failures. The recent implementation of a Pay-for-Performance System attempts to rectify this omission, but annual performance reviews are too limited and too infrequent to satisfy the need for ongoing monitoring and feedback regarding accomplishments and failures. At all management levels, assignments seem to "slip through the cracks" in part because they are poorly communicated and tracked.

A tracking system needs to be implemented that monitors key assignments, especially those from the General Manager. Expectations as to product content and timing need to be made clear. This is not to say that the General Manager has to guide personally each manager completing an assignment. Managers need to be trained as to the prerequisites for completed staff work, then nothing less should be accepted by top management. If a manager consistently delivers incomplete or late staff work, his or her performance review should reflect this failing.

Often the failures of managers to perform stem from non-existent or unclear feedback. This tendency is made worse when managers personally revise the deficient staff work or reassign it to

another individual rather than insist that it be completed to predetermined standards of comprehensiveness, clarity, logic, coordination with other managers, and schedule. Managers at all levels would benefit from training in giving constructive feedback so that they might effectively hold subordinates accountable for assignments.

Finally, with regard to commitment and holding managers accountable for their performance, the General Manager might consider establishing either a Chief of Staff or a Deputy within his office. The Chief of Staff or Deputy would have the authority to speak for the General Manager with regard to internal management issues. He or she would resolve disputes between managers over issues or areas of responsibility. He or she could supervise staff reporting to the General Manager, and assist line managers with clarification of assignments or resolution of issues when the General Manager is not available. The Chief of Staff or Deputy would monitor completion of assignments, and would provide feedback to staff and line employees regarding policy decisions made by the Board or top management. The Chief of Staff or Deputy would also be responsible for overseeing the assignment tracking and monitoring system, and maintaining up-to-date schedules on all major pending items.

Establishing a Chief of Staff or Deputy might change the role of other staff assistants, in that special assignments would be given to department staff or to specially comprised task forces if the issues warrants such elaborate treatment. Using such a rotating assignment system would have the secondary advantage of involving managers who deal with operations or day-to-day administration in policy-oriented decision-making. Such specially-comprised task forces could be labeled "disappearing task forces" or "DTF's", and treated as such to emphasize their temporary nature.

If a Chief of Staff or Deputy function were created, the staff responsibility for media and community relations might be transferred into this function. In fact, the General Manager is the primary spokesperson for the organization and the chief media strategist. The urgency of media requests often makes it impossible for him to follow the chain of command in seeking the advice of the news bureau chief, so that the General Manager either bypasses intermediaries or acts without the benefit of the advice of his news bureau. The first assignment of the Chief of Staff, the news bureau chief, and the manager of Community Relations might be to draft the Communications Strategy described earlier in this report, coordinate the draft with other affected managers, and provide it to the General Manager.

ORGANIZATIONAL OVERVIEW

Facts about the SCRTD are well known to its managers, especially to the General Manager who must consider the recommendations contained in this report. The purpose of reciting facts here is to highlight the pressures that will be exerted on the SCRTD during the next few years. Organizational changes should be considered in light of those pressures.

The four most significant sources of pressure are financial, political, demographic, and technological. Financial pressures involve the loss of operating revenue as of July 1, 1985, due to the termination of the Proposition A reduced fare program, and the possible loss of federal operating revenue. Political pressures will increase during the campaigns for local offices and Governor of California. Extreme political pressure also emanates from the federal level, especially over funding the construction of the Metro Rail system. Demographic pressures result from the changing economic and racial make-up of the region's population and the SCRTD's work force. Technological pressures will increase with the introduction of new, more complicated bus equipment, and with the operation of the light and heavy rail systems.

As these forces converge, there will be increasing pressure to examine the basic SCRTD role and responsibility in providing regional mobility. As the costs of operating the existing bus system escalate, traditional relationships and funding patterns will be challenged. As cities and counties with Prop A funds seek local services, service delivery techniques and patterns will be modified.

There is presently no organization within the SCRTD charged with thinking through the impacts of these pressures and positioning the organization to respond in a manner that enhances regional mobility. For example, some serious consideration should be given to alternative means of service delivery in neighborhoods, during lightly-utilized hours, or on high-density corridors feeding the rail lines. The feasibility of establishing a community-based service to be provided on contract with local governments should be examined. Likewise, the feasibility of SCRTD assuming the role of transportation broker for the region should be determined. The establishment of an in-house consulting capacity might focus the resources needed to complete such an analysis, provided the group were freed from the strictures of past practice in considering alternatives. It should also be underscored that the group is not to advocate for a particular approach, but to provide a thorough assessment of alternatives. The SCRTD Board will ultimately have to decide such issues.

Just as pressure on SCRTD management will increase during the next three to five years, so will pressure on the SCRTD Board. The tensions between the Los Angeles County Transportation Commission and the SCRTD Board continue to escalate, with the Commission frequently cast in the role of "cost-conscious critic" and the Board in the role of "saviour of service." There is no appropriate management intervention into this situation; it will have to be resolved by the political leadership. There is, however, an opportunity for SCRTD management to improve its relations with its Board members. Specifically, the General Manager might spend more time in one-on-one meetings with Board members, and in informal sessions with the entire Board. The purpose of these sessions would be to explore the sources of pressure on Board and management alike, and determine which responses are most feasible.

The General Manager might also seek out the directors of other transportation planning or policy agencies again for the purposes of coalition-building. Too often these individuals meet each other as adversaries, or in situations when the fact of their shared mission to improve regional mobility is masked by inter-organizational or inter-staff rivalries.

Organizational pressures undermine the credibility of the SCRTD in that people will be looking for scapegoats for problems. It is particularly important during this time period that promises made are kept. In fact, understatement might be advisable whenever there is any doubt about the organization's ability to accomplish a task, so that the result is likely to be "better than promised." This is not to say that information should be managed, rather that facts should be accurately presented, and the general tendency toward exaggeration during times of great pressure should be avoided.

ORGANIZATIONAL CHANGE PROFILE

The premise of this section is that organizational reaction to stress is similar to that of individuals. Specifically, humans who are subjected to a series of stressful events are significantly more inclined to suffer serious illnesses than individuals who are not. The major research leading to these findings was conducted by a Stanford University professor who developed a life change scale and used it to predict which football players would incur major injuries during the upcoming season! Since that initial research, the life change scale has been applied to a variety of individuals with equally impressive results. Life change profiles can be applied effectively to

individuals within organizations to predict who will most likely be absent due to illnesses. A final note on life change profiles is that the stress factors include good as well as bad changes, happy as well as sad events.

The applicability of life change profiles to organizations is substantiated only by common sense at this juncture, but it follows quite logically that organizations that are undergoing a series of stressful events will demonstrate malaise since they are collections of human beings. Symptoms of organizational malaise are a climate that reinforces conventional wisdom and a clinging to old ways of doing things rather than supporting innovation, an increase in inter-organizational barriers and suspicion about the motives and purposes of other parts of the organization especially the newer units, a pattern of employee behavior in which only the minimum work required is performed rather than giving extra energy or caring to the organization ("a nine-to-five" mentality), the failure of particular parts of the organization, and decreased sensitivity to leadership and a general resistance to outside direction as the organization focuses on itself and adopts a "don't bother me with new ideas or solutions to problems that require changed behavior, I'm busy coping" attitude. Ironically, the behavior that produces all these symptoms magnifies the pressures on the organization rather than diminishing them.

Considering the amount of change at the SCRTD in the recent past, it is safe to assume that the organizational change profile is quite high. Predicting changes in the near future leads to further concern about the capability of the organization to cope, much less to excel. This is a particularly difficult situation for the current General Manager who was hired to be an agent of change, who personally thrives on change, and who clearly recognizes that wholesale organizational change is necessary for SCRTD's long-range well-being.

There are some things that the General Manager and top staff might do to reduce the adverse effects of change. First, it is essential to recognize that most employees' tolerance for change is lower than top management's and that the time employees require to adapt to change is longer. Many changes can be managed so as to minimize individual disruption, but attention must be given to the change process. Individuals, and even organizations, can be taught to deal better with change. Stress management courses are effective for individuals. Perhaps a course could be devised to teach managers to cope with organizational change. Merely to acknowledge that change is disruptive, even when warranted, will reassure some managers who feel threatened by the resistance to change they encounter throughout the organization. The General

Manager is in a key position to slow down the pace and frequency of internally generated changes, and he can assure that completion, consolidation, communication, and commitment accompany each change that he initiates. Top management, including the General Manager, can also strive to make organizational changes as "predictable" as possible, and to communicate the reasons for such changes as clearly as possible.

Changes imposed from outside the organization are, by definition, harder to manage; however, they, too, can often be managed in a manner that reduces the sense of crisis. Specifically, effective communication is at a premium when an organization is faced with continual externally-imposed changes. Too often, the primary means for employees to learn of major organizational changes is through the media and the rumor mill. The media and rumormongers thrive on crisis, the employees and the organization do not. Employees need to hear from top management directly, clearly, repeatedly, and frequently how each externally-imposed change will affect their individual status in the organization. Straight talk, that neither minimizes the negative impacts of change nor exaggerates them, will be amazingly reassuring, even when the basic news is bad. The underlying message of straight talk is one of respect for employees. It says to them, "I respect you and understand your essential role in this organization." This is an important message at all times, especially in times of change.

Finally, one of the most effective means for reducing organizational fear and resistance to change is to find mechanisms for involving appropriate groups of managers and employees in learning the reasons for such changes, whether internally generated or externally imposed, and to assure that they have a meaningful role in designing the most effective organizational response. Such team-building approaches to managing change will pay great dividends.

SURVEY AND INTERVIEW RESULTS

Mid- and top level managers were asked to complete an open-ended questionnaire about the SCRTD. Responses are presented here in five categories: 1.) goals and objectives; 2.) organizational characteristics; 3.) strengths and weaknesses; 4.) performance, and 5.) change - past and future.

1. Goals and Objectives

Although the majority of respondents indicated that SCRTD goals and objectives are clearly defined, their comments indicate otherwise. A number of different goals are mentioned, some broadly focused on service, some narrowly focused on building Metro Rail.

There is frequent mention of the lack of clarity about methods to reach goals and objectives. Those who think goals are clear say they are communicated through the budget process or the Short Range Transit Plan. Those who think they are unclear note that what is communicated about goals is too vague, and that accountability for achieving goals is lacking.

Because of the variety of comments and the apparent disagreement as to the goals and objectives reflected even in the comments of those people who feel that the goals and objectives are clear, survey comments are reproduced below:

1. Do you feel that the mission, goals and objectives of the SCRTD are clearly defined?

Yes:

-We're here to give the public the best service we can.

-...although conflicts develop over how to accomplish them.

-about average.

-an honest attempt is made in connection with the budget to develop goals and objectives; however, the GM is not always clear in definition.

-Information at the top is not always shared.

-But many are in conflict. The accessible service goals conflict with maximizing service (ridership) by drawing funds from areas with better payback.

-SCRTD keeps its people informed by sharing information with groups of managers in a series of full day meetings, lectures, and conferences. Various aspects of company goals are explained and discussed.

-Their main goal is getting Metro Rail underway.

-The goals are defined clearly, but we do not have the needed personnel.

-These have been communicated in the budget manuals and the SRTP.

-more clearly than in the past principally through the budget process and associated status reports.

-There is a continuing need to provide transportation to the people in the area.

-Our mission is to provide safe, courteous, on time service to the riding public. Our goals and objectives are to provide this service 100% of the time.

-As much as we can control our own destiny. Funding and political uncertainties make things difficult.

-To provide safe, courteous and rapid transit to its patrons.

-The budget process defines these items and makes them available to the District as a whole.

-MBO's are effective as well as SRTP and other aids.

-Our purpose is to render to the public reliable, efficient service in a courteous and inexpensive way.

-Clear on a global scale, but less clear at the budget level.

-The mission, goals, and objectives, yes; the methods, no.

-The primary missions are defined: put 2200 buses out on street daily and secure, engineer and build Metro Rail. Fragmented regional decision-making and 84 governmental units make both missions difficult to implement.

-There are goal and objective statements, but the real goals may be elsewhere. I sense that our real goals are 1) to maintain control of LA area transit and 2) build a rail line.

No:

-Management by objectives has been used for two years, but I don't feel there is (yet) the necessary feedback or closed loop effect. I think most Departments need more training in goal-setting and measuring results, not just for upper management, but for themselves.

-Our mission is clearly defined, but the method of achieving our goals/objectives is not clearly defined at the Division level.

-They are always so nebulous that it is hard to say you haven't met them. No one is really held accountable for poor performance. Authority seldom matches responsibility.

-In fact, a course I took recently in management pointed out that we do not have a specific goal or objective.

-It appears that all of us do not have the best interest of the people we serve in mind. We do not work as a team with all departments.

Considering these survey comments and others, it is recommended that a systematic process for developing, communicating, and monitoring progress toward achieving goals and objectives be implemented. A first step would be for top managers jointly to develop a SCRTD Mission Statement. Next these same managers should articulate the agency philosophy toward meeting that mission. A statement of philosophy should indicate how the mission is to be met in terms of management style. For example, it should clarify how employees, customers, and others will be treated in the effort to achieve goals and objectives.

After the mission statement and agency philosophy are articulated, the goal-setting process should be implemented in a manner consistent with these statements. For example, a goal-setting process that is consistent with a "team-building" philosophy requires that managers, and perhaps all employees, participate in goal-setting. A more hierarchical management philosophy relies on centralized goal-setting.

However goals and objectives are established, they must be systematically communicated to all people involved with the organization, including policy-makers (who should ratify them), employees, interested individuals outside the SCRTD, and even the riders and non-riders.

2. Organizational Characteristics

Each organization has characteristics, practices, and a management style that develop over the years. This is referred to as "corporate culture". Whether an organization meets its goals and objectives, and how it attempts to do so, is determined by these characteristics, practices, and style. The culture of an organization is particularly influential in times of stress or change because organizations, like individuals, resort to accustomed behaviors at such times. Thus in times of change, managers and employees who have not worked cohesively or who have worked in a style different than the one called for by the change, may resort to behavior that is counter-productive to the desired end, not deliberately to be disruptive, but because their fears or uncertainties stimulate old patterns of behavior.

Changing the culture of an organization is time and energy consuming. New behavior patterns must be learned, then continually reinforced. Whether even to attempt such changes should be considered in light of the difficulty of making lasting changes. If change is deemed essential, the change process must begin with a clear appraisal of the current organizational characteristics and practices. The managers seeking change must use their understanding of the current culture to shape the change process.

How SCRTD managers describe the organizational characteristics is important to understanding its culture. When asked to select characteristics that best describe the SCRTD and their unit, thirty managers responded as follows:

	<u>SCRTD</u>	<u>YOUR UNIT</u>
-open communication	12	23
-competent staff	14	23
-goal oriented	17	25
-clear command chain	15	21
-cohesive team	4	17
-fairness	10	23

These results show the wide disparity between the managers' assessment of the SCRTD overall and of their units. Some disparity is understandable, and it might even be that a survey of the next level of employees would show similar disparities. We all tend to think of ourselves as doing better than those around us, and to place a higher value on those things with which we are involved than on those apart from us. Nevertheless, the low ratings overall show areas needing work.

Most striking is the clear lack of feeling that the SCRTD is a cohesive team. Even within individual units, the sense of cohesiveness is low. For the overall organization, it is absent. It is likely that this low rating has detrimental effects on achievement of organizational goals and objectives. People function most effectively when they feel that they belong to an organization. Alienation produces an atmosphere of coping, or just getting by, not one of seeking excellence. Employees tend to view the organization as "they" not "we" so that its problems are not theirs to solve. Because they do not belong to the organization, employees take no responsibility for needed improvements or new initiatives. Alienated employees feel powerless. Their resistance to change is not necessarily obstructive or defiant; it simply reflects their feeling that events and outcomes are beyond their control.

Team-building takes considerable energy from top managers. It also requires an honest commitment to the individuals on the team if the effort is to be successful. Many organizations embark on team-building exercises with a half-hearted commitment to the concept and to the individuals who will be effected. The efforts fail, and alienation turns to resentment because being misled is worse than simply being ignored. Successful team-building efforts are based on deepfelt commitment, and effective follow through.

3. Strengths and Weaknesses

Managers cited the strengths of the SCRTD as competent, dedicated staff, the general need in the region for low cost public transportation (that presumably is provided by SCRTD), the ability to unite for special jobs (like the Olympics), the basic desire of employees to do a good job, sufficient financial and human resources, willingness to change, excellent leadership, dedication to patrons, and excellent service reliability. Of all these comments, the one made most frequently was the willingness to change.

Weaknesses of the organization were cited as crisis management, alienation of departments, no clear goals, lack of accountability for goal achievement, mechanical treatment of personnel, lack of cost accountability or profit motive, poor discipline, poor communication, failure to delegate, conflict between staff goals and line goals, lack of control over destiny especially given the dependency on public funds and outside agencies, strong union influence, lack of managerial training, highly centralized decision-making, and poor facilities. Frequently mentioned was concern about relationships, whether between staff and line, top management and others, among departments, or between the organization and the outside world.

Managers described changes that would help turn weaknesses to strengths. Suggestions included increasing the involvement of Division management in the planning process, stressing cooperation as the means to increase productivity, clearly establishing the roles and functions of departments by actions as well as words, assigning cost accountability and personnel authority to the Division level, becoming more people oriented, holding employees accountable for their performance, rewarding good performance, improving relationships between staff and line, training employees in technical analysis, establishing a formal staff coordination system, increasing delegation of authority, and filling vacant top management positions with excellent people.

With regard to individual units, strengths are described as competent staff, sense of unity and fairness, clear goals, orientation toward excellent results, good equipment, flexibility, and openness to new ideas.

Weaknesses were cited as poor facilities, lack of knowledge of other departments, lack of Division-level control, authority, or accountability, not being allowed to participate in decisions, salary discrepancy between administrative and technical and staff and line jobs, union rules, lack of training, absenteeism, and inadequate staffing.

Many specific suggestions involved training. There is general consensus that more technical training is needed, that managers need training in functions other than their own, that communications skills training is needed, and that training to insure successful implementation of projects, such as TRANSMIS II is needed.

It is interesting to note that the comments related to the organization and to individual units are not dissimilar, yet the earlier rating of characteristics showed large disparities. One conclusion is that managers' attitudes toward their units is more positive despite the apparent shortcomings because they feel they can influence the units they manage. That the weaknesses cited were due to external factors underscores this point. If a team-building effort is initiated, one of the tasks should be to help managers take a hard look at their own capabilities and weaknesses, as well as those of the organization.

4. Performance

Managers were asked to indicate those other units in the SCRTD on which they relied, and to rate those units excellent, good, or

poor. As expected, there is a great deal of interdependence, although the failure to recognize dependencies was in some cases surprising. Specifically, many managers fail to acknowledge their reliance on the Board of Directors and the General Manager. Ratings were less predictable. For the most part, managers ranked other units as "good". "Excellent" ratings were very limited; "poor" ratings were more common, but not excessive. The ratings, ranked from most to least relied on, were as follows:

UNIT	RELY ON	EXC.	GOOD	POOR
General Services	23	3	15	5
Personnel	23	6	10	7
Accounting and Fiscal	23	3	13	7
Legal	22	7	12	3
Telecommunications	22	10	12	0
Transportation Operating Divisions	22	3	17	2
Print Shop	21	1	15	5
Transportation General	19	1	15	3
General Manager	19	9	8	2
Maintenance Operating Divisions	19	2	12	5
Controller-Treasurer-Auditor	19	6	11	3
Labor Relations	18	1	11	6
Transportation Instruction	18	3	13	2
Contracts, Procurement, & Materiel	18	3	12	3
Board of Directors	18	2	12	4

Transportation Services	18	3	13	2
Scheduling	16	2	11	3
Bus Facilities	17	1	12	4
District Secretary	16	4	12	0
Safety	16	2	7	7
Employee Educ., Training, and Dvpt.	15	4	8	3
Equipment Engineering	15	2	8	5
Central Maintenance	14	1	10	3
AGM- Management	14	6	8	0
Maintenance General	14	2	9	3
Employee Activities	14	1	13	0
Facility Maintenance	14	0	9	5
Planning	13	2	11	0
Stops and Zones	13	1	12	0
Marketing and Communications	13	2	8	3
Instruction - Operating Divisions	12	2	9	1
Customer Relations	12	0	12	0
Community Relations	12	0	10	2
AGM - Planning and Communications	11	2	8	1
Government Affairs	11	0	10	1
Human Relations	10	1	6	3
Insurance	11	0	8	3
Metro Rail	10	0	9	1
AGM - EEO	9	0	7	2
AGM - Transit System Development	7	1	6	0
AGM - Community and Government Affairs	7	0	7	0

In reviewing these results, it is important to assess the ratings of a unit in terms of the number of organizations relying on that unit. For example, the significance of the five "poor" ratings received by the General Services unit is less than that of the Facilities Maintenance Division when considered in terms of the number of units depending on those units. Viewed this way, the unit receiving the poorest rating was Safety (7/16), followed by Facility Maintenance (5/14), Labor Relations (6/18), Equipment Engineering (5/15), Human Relations (3/10), Insurance (3/11), Maintenance Operating Divisions (5/19), Accounting and Fiscal (7/23), and Personnel (7/23).

Managers were asked to indicate what might be done to improve the poor units. Their suggestions were:

-Safety. To be more interested in actual safety than in handing out awards and giving luncheons. More Division safety training. Focus on Division needs. Get involved in daily operations.

-Facilities Maintenance. Be more responsive to requests. Shorten response times.

-Labor Relations. Better interpretation of labor contracts. Disseminate information about contracts in timely manner. Move away from adversarial relationship with unions to one of partnerships.

-Equipment Engineering. Acquire better trained and formally educated staff. Establish better working relationship with Departments. Stop blaming everyone else for problems.

-Human Resources. No specific suggestions. (It should be noted how few managers felt they rely on the Human Relations unit. The basic problem may be one of imparting information about purpose, goals and objectives, and involving all managers in same.)

-Insurance. Get stronger management.

-Maintenance Operating Divisions. Quicker response times.

-Accounting. Pay routine bills faster. Improve the payroll system (fewer mistakes). Better communication and cooperation in solving problems. Track obligated funds and report to managers.

-Personnel. Quicker response time. Treat employees with respect, not like serfs. Try to serve, not rule. Involve managers rather than running everything.

Clearly outstanding among the excellent performers was the Telecommunications Department. That this group was rated excellent by ten of the thirty respondents deserves special note.

5. Change - Past and Future

Managers were asked to describe the changes that have affected the organization in general and their units within the last three to five years and to describe pressures that will lead to future changes. They mentioned increased computerization that has created more paperwork, turnover among managers, growth in staff size, upgraded equipment, and added service requirements as past changes. Future changes will come from pressures related to funding, to politics between SCRTD and other organizations, and to the operation of rail services.

DESCRIPTION OF INTERVIEW RESULTS

The second part of this section describes interview results. Interviews with transportation policy-makers outside SCRTD and with SCRTD managers formed the basis for many of the findings of this report. They were used to clarify issues raised in the survey results, and to supplement other written material.

In general, those people outside the SCRTD were concerned with policy matters, while those inside focused primarily on management issues. It was interesting and reassuring to realize how clear the separation was between policy and management concerns given the frequently heard complaint that outsiders are often too involved in management issues. The particular outsiders interviewed were far removed from internal issues, although it should be noted that current Board members were not interviewed.

Policy matters that were mentioned include the problems securing financing for Metro Rail, the "built-in" adversarial relationship between the Los Angeles County Transportation Commission and the SCRTD, the need for political leadership on both bus and rail transportation issues, and the difficulty gaining community support in such a diverse region.

Those people interviewed praised the General Manager for his efforts to unite the region behind Metro Rail. To a person, they praised his masterful command of the facts, his public speaking ability, and his energy. They expressed concern, however, that he not become too visible or isolated in his leadership role. Their acknowledgment of the need for leadership is accompanied by a question whether the General Manager of the SCRTD as the chief staff person can also assume the role of political leader

regardless of his obvious skill. They believe he has performed exactly as expected in uniting the community behind Metro Rail, but they doubt that he can sustain this support unilaterally. They look to the elected leadership for long-term support, and expect the General Manager to adopt a lower profile. One suggestion was that his role change from that of quarterback to that of coach.

The need for more public and internal attention to the future of the bus operation was mentioned by some interviewees. They feel that the public, and even some employees, may have lost sight of the essential role of the bus system in providing regional mobility. They hope that a bus planning effort comparable to that dedicated to Metro Rail might be initiated so that the ultimate public transportation network is fully integrated between modes. They recognize that such an effort must not divert support or attention from Metro Rail.

Policy makers outside the SCRTD want the SCRTD's community and public relations program to be more effective in generating support for both bus and rail. There was consensus that the current program is fragmented, and that the public attitude toward

the SCRTD is not favorable, despite recent increased attention to publically-oriented activities. They believe that media relations can be improved, notwithstanding the opposition of particular reporters or media organizations to Metro Rail. They look to Board members to act as spokespeople for the SCRTD, as well as the General Manager.

The one management matter addressed by policy-makers concerned their desire for an increased delegation of authority by the General Manager to top managers. In fact, their comments were somewhat contradictory in that they expected the General Manager to be the primary public spokesperson for the SCRTD, but they wanted him to rely more on his immediate subordinates to deal with outside agencies and groups. Their concern emanated not from any question of competence, but from recognition of the vastness of the region and the extraordinary outside demands for meetings and public appearances. One interviewee suggested that the region would "swallow up" any General Manager who tried to respond personally to all the requests for his attention. They also expressed concern that some decisions made by the General Manager are not being communicated to the staff, perhaps because he is too busy. Again, they cited delegation as one solution.

Regardless of who speaks for the SCRTD, those interviewed want to be given accurate information. They fear that optimistic leadership may lead to exaggerated estimates, so that good events, when they occur, appear disappointing compared to estimates. Eventually this tendency, regardless of its source, leads to credibility problems.

The SCRTD managers who were interviewed consistently want clearer authority and more accountability, better relationships with other managers, improved communication especially between top and mid-level managers and among mid-level managers, and more supportive personnel practices. They want clearer decisions that are consistently communicated by their superiors, and they would like to participate in most decisions that affect their units. They believe that their demonstrated loyalty and competence warrant increased responsibility, and they would like to feel respected as individuals and as managers. Many managers feel uncertain about their role in the organization, but feel powerless to change this situation.

Some managers expressed concern that two separate management organizations are being created, one for bus and one for rail. Other issues of concern to managers include the transition to rail

operations and the integration of rail and bus, the implementation of TRANSMIS II and the administrative demands the system is making, the need for capital and operating funds, the troublesome political environment, the trend towards privatization, and the introduction of personnel practices that are punitive or mean-spirited rather than supportive.

ISSUES NEEDING ATTENTION

Six issues needing attention emerge from this analysis:

1. Developing mission and philosophy statements,
2. Using the budget process to develop and communicate goals and objectives,
3. Implementing TRANSMIS II,
4. Improving human resource development,
5. Strengthening the marketing, community, and customer relations functions, and
6. Fostering strategic management and thinking.

1. Developing mission and philosophy statements.

This is a more difficult task than it might appear, especially if

the process for their development is designed to encourage collaboration and cooperation among managers. The development process should be carefully structured to solicit opinions and involvement from a cross-section of leaders in the organization. Enough time should be provided between discussions for deliberation among managers, and for individuals to integrate concepts into their thinking. The role of Board members should be determined in advance, and their involvement should be structured accordingly.

A faster, but in the long run, less effective approach would be for the General Manager to assign the writing task, then edit the draft documents, and publish both mission and philosophy statements as management direction. The former approach is recommended because it will have a more lasting effect.

Managers who will be expected to use the mission and philosophy statements as guidelines must not only understand and accept their content, they must have the tools for putting them into practice. For example, it will be insufficient to tell an authoritarian, rigid manager that the management style is to be participative and flexible. Faced with such direction and absent training, he or she will probably become more authoritarian and rigid. Given

adequate training along with support from other managers, that same manager is much more likely to change behavior to fit the organizational style. The training called for here must go beyond self-instruction in basic concepts of management, or attendance at courses outside the SCRTD unless the courses are specially designed and attended by all managers. A series of in-house sessions interspersed with management retreats is recommended.

Communication of the mission and philosophy statements to all employees involves providing them with the written documents and interpreting their meaning. It also involves behaving in a manner consistent with the documents. Here, the notion that "actions speak louder than words" is clearly applicable. Inconsistent actions will create resentment among employees that might be worse than if no statements were developed and communicated.

In developing the mission and philosophy statements, it might be helpful to review and, if necessary, to revise other guidelines for management, such as the personnel manual and standard operating procedures, to assure that they reinforce the statements.

2. Using the budget process to develop and communicate goals and objectives.

The budget process effectively focuses managers on goals and objectives and provides a forum for discussion of current and upcoming issues. The process seems to be working well. The changes recommended here would use the process for training and for communication of goals and objectives.

In addition to the scheduled budget hearings, the General Manager might hold a series of meetings with mid-level managers at key decision points during the budget process. The first meeting (preceding the first hearings) would describe the context in which decisions will be made. Both short and long-term goals and objectives would be discussed, the pressures facing the SCRTD would be described, the results of this and other management surveys would be shared, and managers would be given the opportunity to "philosophize" about the coming year. Many mid-level managers feel out of touch with the broader issues facing the organization and would welcome the opportunity to learn and to share their thoughts with top management. The meeting should be both tutorial and participative.

Similar meetings might be held mid-way through the process to report progress, and when the final decisions are made. One apparent short-coming of the current process is feedback. Many managers said they do not learn of major decisions affecting their functions until they read it in the budget. Individual meetings should be held with such managers, but if time constraints prevent such meetings, a group meeting would help them to understand and accept the changes.

Presentation of the budget to the Board is another opportunity to communicate SCRTD goals and objectives, with the audience being the broader community. The news bureau might design briefing sessions and materials to take advantage of this opportunity for public education.

After the budget is adopted by the Board, there is an opportunity to train first and second level managers in its purpose and content. Such training would expand these managers' view of the organization, and help make them feel part of the broader team. Communication to these managers should at a minimum be a written summary of the budget. A more effective approach would be to schedule a series of meetings conducted by mid- and top level managers where issues might be discussed. It is desirable, but not essential, that the General Manager attend these meetings.

Finally, during the year, it would be useful to report and discuss progress toward meeting objectives with mid- and top level managers. The Quarterly Performance Reports might be the focus of these sessions, with managers being called upon to summarize both accomplishments and difficulties they are facing. These should be structured meetings with the role of each manager spelled out on an agenda in advance of each meeting. Reports should be held to designated time slots, and ample time allowed for discussion.

3. Implementing TRANSMIS II.

Managers recognize the wholesale change that automation is bringing to the SCRTD. What is less clear is their understanding of the potential uses of the new systems. They feel burdened by additional paperwork necessitated by automation, rather than feeling supported by better information and analysis. They need evidence that the system will truly help them improve productivity, as promised, before they will recognize its benefits for the SCRTD.

TRANSMIS II implementation will suffer unless top and mid-level managers understand the system. Current training efforts focus on direct users, teaching them techniques for inputting data, for example. Top level managers have appointed representatives to the

Steering Committee, but appear to have little personal contact with system planning or implementation. An orientation program for these managers in which someone familiar with the system's capabilities demonstrates how it could help solve specific problems would be helpful. The importance of successful system implementation might also be reinforced through quarterly meetings between top managers and the steering committee to review progress, discuss potential applications, and solve implementation problems.

4. Improving human resource development.

This issue concerns gaining acceptance by managers and employees of the policies and practices related to assuring equal employment opportunity, and improving the training program.

The high visibility of and emphasis on the EEO program is relatively new, and it differs markedly from past practices. Managers do not yet accept the role, authority, or expertise of EEO staff. For the most part, they are defensive and lack conviction about the need for such programs. There should be open discussion of EEO and DBE and WBE policies and practices. A combination of education and enforcement is needed. For example,

top level managers should communicate clearly about EEO efforts in order to assure that they are in agreement about the need for such programs, then they and mid-level managers should be involved in sensitivity sessions that allow for open discussion of program efforts and explain SCRTD policies and practices, and finally, both top and mid-level managers should be held accountable for their performance on specific EEO and MBE objectives stated in their performance reviews.

Training is the second important element of the human resources function as it is currently structured. The need for the four "C's" of completion, consolidation, communication, and commitment is clear within the SCRTD training unit.

Completion of the myriad programs initiated as part of the Five-Year Training Plan, along with completion of the scheduled annual update should be a top priority. As many of the programs are behind schedule, completing these programs necessitates a status report. The status report should be immediately reviewed by top management, so that selected programs might be postponed, altered, or eliminated. This would constitute the consolidation step.

Consolidation should also involve a review of the scope of the first year programs since they were probably too expansive to be accomplished in the stated time-frame with existing staff resources.

Despite efforts to date, there still appears to be a major communications deficiency between the training department management and other top managers. Top managers indicate general satisfaction with the program as currently structured, but fail to conduct or follow through on the performance appraisal process for the training needs of their mid- and top level managers. Managers seem to feel that even first-level supervisors cannot be released from ongoing assignments to receive training. The training department does not have the authority to make such courses mandatory, so that only some new supervisors and managers receive training that is considered a prerequisite for effective management and advancement. Communication of both the value of and the requirement for basic supervisory and management training is sorely needed.

Communication of the training philosophy and program opportunities also appears deficient. Taken at face value, it would appear that training is an activity limited to those people who fall within

the categories of employees addressed by equal employment opportunity programs. It needs to be emphasized that all employees are afforded training opportunities, despite the organizational fact that the training function reports to the AGM for Equal Employment Opportunity.

Communication between the training department and the personnel department is crucial because both groups deal directly with employees. Unfortunately, there seems to be a difference of opinion between the managers of those departments about training philosophy. There needs to be serious discussion of how two separate, but intimately related, departments might work together towards shared goals. Many issues related to training philosophy were clearly spelled out in the Plan. However, they were not resolved. Nor could the training staff resolve them since they are top management issues.

This leads to the next "c" - commitment. Commitment to the training programs is unclear. There is an undercurrent of dissatisfaction among top management not so much about the content of particular courses, but with the overall effectiveness of the training program. This general dissatisfaction seems to have resulted in development of the first Five-Year Training Plan.

In fact, in an effort to generate support for the program, the Plan may have over-committed the staff with the ironic effect of generating further dissatisfaction. To break this trend, it will be necessary for the AGM for EEO (and Training) and the Training Department Director to spell out clearly performance expectations, including time tables for completion of major components of the Plan, evaluation measures for excellent performance, and indications of management support for accomplishing these tasks. A clearly articulated set of written expectations along with an equally clear commitment to the program and its Director for the time period specified in the performance evaluation should change the currently somewhat uncertain approach of the training group to one that is more productive and better accepted.

Finally, a comprehensive evaluation of training efforts to date is needed. Individual courses are now thoroughly evaluated, both by participants and their supervisors and by training staff or outside consultants. What is lacking is an overall evaluation of training efforts in light of SCRTD goals. Apparently such a review is called for in a grant application to UMTA, but funding has not yet been received. Given the resources devoted to training and given its importance, it would seem prudent to conduct such a review with SCRTD funds.

5. Strengthening the marketing, community, and customer relations functions.

Significant improvement of these functions will require an organization-wide commitment to the customer. This issue will not be resolved merely by reorganizing these units, although some consolidation is warranted. The interviews and survey responses identified many SCRTD clients, including the riders, Board, elected officials, media, local communities, and others. In striving to serve all these clients, managers may have lost sight of the most important client - the rider.

Marketing activities have been reduced during the last three years as ridership increases due to lower fares practically swamped the system. Now, fare increases may lead to an as much as an eighteen per cent decrease in riders. If this decrease occurs, an aggressive marketing effort is needed. If decreases in ridership are smaller than projections so that riding remains high, a different kind of marketing program is needed. Given these two possible developments, the marketing manager should be required immediately to develop a marketing plan that takes into consideration the anticipated changes in service, and describes strategies for influencing riding patterns. The marketing plan should complement the strategic plan, and should reinforce both the service and social goals of the agency.

It should be said here that the major deficiency of current marketing efforts is not a failure to plan or produce well-documented strategies. In fact, both the FY 1985 Marketing Plan and the proposed Ridership Retention and Acquisition Advertising Program are thorough, well-conceived documents. Unfortunately, most key SCRTD decision-makers appear unconvinced of the wisdom of an aggressive program given the unknown ridership levels in 1985-1986. Thus, the major deficiency of the program is a lack of internal consensus about its purpose and role in attracting and sustaining riders. As a result, its programs are fragmented, and its results are unclear.

Top decision-makers need to determine the role of an SCRTD marketing program; that is, is it merely to produce brochures about service and manage bus advertising, or is it to generate information and concepts that form the basis for service decisions? In a consumer-oriented agency, the latter approach would prevail. Likewise, in a consumer-oriented agency, the value of advertising would be recognized. It appears that the advertising campaign related to the impending fare increases will be too little, too late, despite the proposal for a major television advertising campaign to begin long before the changes. The major problem with this proposal is not its merit, but its defensibility in a political setting, where some might question spending public funds on advertising.

Until key decision-makers become convinced of the value of a comprehensive marketing program that includes research, long-term market-building tactics, and short-term informational and promotional activities, it should be generally acknowledged that marketing is a production unit, not responsible for broader issues related to attracting and sustaining riders. In this production role, the function might become part of the administrative services department. The responsibility for anticipating consumer needs would then rest with the community relations unit and with planning, not with marketing. If a broader role is desired, then the current marketing leadership and function must be strengthened, and its activities consolidated with those of community relations and planning research. To succeed in this broader role, marketing will need agency-wide support. In the past the program seems to have suffered from a lack of clear direction and strong advocacy.

Service delivery should also reflect the concerns of customers expressed through their commendations and complaints. Customer concerns are thoroughly documented, however, there appears to be a gap between tracking concerns and acting upon them. Marketing and customer relations should be directly linked, then a closer relationship with operations should be established. While it can

be argued that consumer advocacy and marketing should be separate from operations to create a "checks and balances" effect, the current organizational arrangement does not foster collaborative problem-solving. Instead of focusing on the customer, the Customer Relations function seems to focus on getting the attention of Operations. In theory, a direct reporting relationship to the General Manager provides Customer Relations with sufficient clout to insist on a customer orientation. In fact, the General Manager's time and attention must be devoted to many issues other than directing the unit. The customer might be better served if the function were assigned to the AGM - Operations, or if separation from Operations is desired, it might be combined with the marketing and community relations units.

6. Fostering strategic management and thinking.

This has been explained earlier in this report. It is repeated here because of its importance. In summary, an organizational unit with expertise in analysis and conceptual thinking should be created, at the same time that managers are trained to think strategically.

FUTURE NEEDS

There is an immediate need to plan to meet two future needs-- that of rail operations, and that of auditing rail construction. Rail planning and engineering is often so demanding that identifying operational issues is pushed aside. One unfortunate consequence of this relegation is that systems require retrofitting to satisfy operational needs. Operations planning should occur simultaneous with system engineering to avoid this situation. Such operations planning might be the work of a task force representing the operations group, along with people from each of the support services. They should be asked to assist the rail system planners and engineers and critique their work, although they should not report to the rail group.

In anticipation of the expenditure of rail construction funds, the audit function should be expanded, and possibly separated from the other financial activities. An independent, internal auditor is needed who will advise the General Manager on procurement and fiscal practices and procedures.

CONCLUSIONS AND RECOMMENDATIONS

To conclude this report it is useful to list the recommendations as they appeared in the text, then to comment on implementation steps. Recommendations are:

1. Understand the impact of change on the organization, then assure the four "C's" of completion, consolidation, communication, and commitment when changes occur.

2. Complete changes initiated in the 1982 Policy and Management Plan, modified as needed to fit present circumstances.

--AGM's

--EEO

--Police

--Metro Rail

3. Consolidate analytical capabilities in a strategic management unit, at the same time encouraging strategic thinking by all managers. Assess analytical skills and train managers.

4. Communicate goals, objectives, changes, accomplishments, etc. as set forth in a Communications Strategy that espouses organizational mission and management philosophy. Understand needs of various constituents and techniques for meeting information needs.

- mid-management meetings
- team-building activities

5. Commit to management philosophy, especially regarding accountability for assignments.

- quarterly performance reviews
- tracking system
- expectations and feedback
- completed staff work guidelines
- Chief of Staff or Deputy General Manager
- revolving staff assignments and disappearing task forces.

6. Identify present and future pressures

- community service or transportation broker
- Board relations
- credibility and "better than promised" performance

7. Create organizational change profile
 - managerial stress training
 - straight talk with employees
 - participatory decision-making

8. Design and initiate team-building activities
 - organizational culture
 - top managers first
 - poor performers

9. Increase emphasis on internal management, especially bus
 - top managers as outside spokespeople
 - bus network plan
 - media relations improvements

10. Address specific issues
 - mission and philosophy statements
 - budget process as team-building activity
 - Trans-Mis II implementation
 - human resources development (EEO and training)
 - marketing, public relations, and customer relations
 - strategic management and thinking

11. Anticipate future needs
 - Rail operations
 - Independent auditor

In concluding this report, it should be emphasized that the prognosis for the SCRTD is good. Employees are dedicated; the region is committed to public transportation. The recommendations in this report focus largely on process: the change process, the team-building process, the communications process, and the strategic management process. Focusing on process is unappealing to some managers who find it too "bureaucratic" or boring. It is likely that they are confusing process with procedures. The difference between process and procedure is that processes anticipate and respond to human reactions, and act as motivators to new or improved behavior. Procedures may also have these effects; however, they are often counter-productive because of the manner in which they are developed and issued.

Process is essential because people are essential, and in a large organization careful attention to process assures that all people involved with the organization are dealt with appropriately. Ad hoc management with its personal involvement of key decision-makers in all issues may work in small organizations; in large organizations it inhibits managers from achieving excellence.

The conclusion of this report is that the SCRTD is a good organization, just as those involved with this study indicated in survey or interview comments. The recommendations contained in this report are designed to move the organization from good to excellent. Achieving excellence will require SCRTD employees to respond to tasks with a sense of dynamism, energy, and initiative that is currently being stifled by some relatively minor gaps in process. Taking action to fill those gaps will clear the way to organizational excellence.

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