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Unleashing the Performance Gene at L.A.'s Metro

Editor's Note: The Los Angeles County Metropolitan Transportation Authority was honored last October with APTA's 2006 Outstanding Public Transportation System Award (in the category of providing more than 30 million annual passenger trips).

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Today, we at the Los Angeles Metro find ourselves in much the same position we were in two years ago: taking stock of our accomplishments and asking, "Have we done enough?"

Two years ago, we could look back with some satisfaction on a job well done. We had restructured Metro into Transit Service Sectors and charted a vision of future improvements to L.A.'s regional mobility. We had implemented new technologies (IT systems, ATMS, smart cards) and improved customer satisfaction, while simultaneously keeping our cost per hour growth well below the rate of inflation. We had opened a new rail line and a rapid bus line on time and on budget and expanded our clean air bus fleet. But was that enough?

Those who rest on their laurels are wearing them in the wrong place. The short answer was "no." We--and I mean the management team, the board of directors, our employees, and our customers--wanted more.

Our accomplishments were hard won, and achieved during consecutive years of cost cutting and layoffs. While still committed to our vision, we were losing steam, and the focus needed to reach the next level of performance.

We knew we had to re-energize the organization, remove the internal barriers to improved performance, and engage staff broadly in designing and executing solutions to achieve higher results.

We had some ideas, but needed more input. As we looked outside, we discovered a novel approach to overcoming impediments to improved execution, a framework called Organizational DNA developed by Booz Allen Hamilton.

Organizational DNA

Like the four nucleotides that comprise human DNA, four basic building blocks are in any organization's DNA--decision rights, information, motivators, and structure.

These building blocks and the way they combine largely determine how an organization behaves and whether it can achieve results. The right people -- imbued with the right values, armed with the right information and motivated by the right incentives -- are the driving force behind a winning organization.

The fundamental challenge is to align these building blocks so the individual's self-interest coincides with the organization's agenda.

To identify the problems and, more importantly, the solutions, you must engage the organization at every level. Metro has a strong vision; we weren't shopping for a new one. The appeal of the Organizational DNA approach from our perspective was that it didn't try to sell us a new vision; rather it helped us remove the internal impediments to realizing our existing vision.

And it did that by engaging the input of a broad cross-section of the organization. More than one thousand Metro employees took the OrgDNA Profiler®, a web-enabled survey instrument with a comparative database of more than 100,000 responses, and we followed up on those results with 50+ one-on-one interviews and 20+ team meetings.

This feedback provided a strong sense of our strengths and weaknesses and valuable input on possible solutions. The OrgDNA Profiler results confirmed some of our suspicions (e.g., silos impeded decisive action) and uncovered some new insights (e.g., our employees were highly motivated by our mission).

It also served as a catalyst for action: Once we had engaged the staff in this discussion, we had to act on their input. And act we did, addressing each of the DNA building blocks.

Organization Structure

Our employees identified a number of structural issues and their unfortunate outcomes: fragmentation and duplication of key business processes; the formation of dominant silos; and a lack of collaboration at top management levels.

We tackled these immediately with a new organizational design that was rolled out within three months. We streamlined departments, and moved units among departments to combine like activities, which reduced fragmentation and duplication.

In addition to new business synergies created by giving teams more responsibility for success, people carried relationships to new departments expanding collaboration across Metro.

Decision Rights

The Profiler results revealed that our decision-making rights and responsibilities were not well defined. The management team did an effective job of making the individual decisions required to ensure safety and service quality; collaborative decisions were another matter.

Managers seemed to reach consensus quickly, but then failed to execute the decision. They were not sure when to represent their department's best interest and when to represent Metro as a whole.

We adjusted our management interactions to accommodate the discussion of both parochial departmental issues early and enterprise leadership priorities later on when decisions were made.

We also clearly defined decision models and rights by manager for cross-cutting organizational issues including service changes, financial stability, labor relations, capital program investment, and program funding/budgeting.

As a result, we are making better, faster decisions that reflect real management collaboration, and the staff have greater confidence in our direction as an agency.

Information

We identified two key problems with the information flows within Metro: the lack of pertinent information slowed decisions, and we were measuring too many indicators, which confused priorities.

Linked to our decision rights, we defined what information was needed by whom when, who was responsible for providing that information, and who should validate it. This clarification proved to be of tremendous benefit during our recent successful labor negotiations, and has also improved our service allocation decisions.

The old adage “what gets measured gets done” certainly holds true at Metro. By focusing on key measures of service quality, customer satisfaction, and cost efficiency, we’ve achieved year-over-year improvements in each category.

Our staff indicate that these changes in information flow have given them a much broader understanding of what the organization does and how their work fits into Metro’s vision of mobility. They feel part of something larger and more important.

Motivators

Metro staff told us that in the old regime, performance was neither rewarded nor punished. So, we focused on strengthening our positive motivators.

We increased recognition for a job well done and provided staff the opportunity to present results to senior management and the board. We increased cross-teaming opportunities to allow employees to work outside their normal roles and influence issues of agency-wide importance. We also found that simply saying “no” to unproductive behavior, and meaning it, served as an effective deterrent to misaligned activities.

Act with purpose and speed, and you unleash results. With the aid of Booz Allen’s OrgDNA methodology, Metro continues to enjoy considerable success. Our unit cost growth continues to lag the rate of inflation; ridership continues to climb; service quality continues to improve; and we’re far from finished.

Most important is our discovery that our success lies within our own organization. The purposeful actions and ongoing commitment of our employees and leaders is the key to our present and future results.