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Identification of the Critical Workforce Development Issues in the Transit Industry

This digest summarizes the findings from TCRP Project J-6/Task 38, "Identification of the Critical Workforce Development Issues in the Transit Industry," and Project J-6/Task 40, "Identification of Practices, Techniques, and Strategies for Attracting and Retaining Employees in the Transit Industry." This work was performed by Quatt Associates. Brian H. Vogel served as the principal investigator.

Attracting and retaining quality employees has become a major issue in many industries, including public transportation. This digest identifies the key workforce challenges facing the public transportation industry, identifies current approaches to addressing those challenges, and suggests an agenda that the public transportation industry can use to move forward in the important area of workforce development. The digest was prepared as a resource for the American Public Transportation Association's (APTA's) Workforce Development Initiative.

SUMMARY

APTA's Workforce Development Initiative is designed to address one of the public transportation industry's most critical problems: attracting and retaining a skilled, committed, and diverse workforce. As one of its first steps, the members of the initiative team asked the Transit Cooperative Research Board (TCRP) to fund a "scoping study" to identify

- The most important challenges that the transit industry faces in workforce development;
- Current innovative approaches to workforce development on the part of both transit agencies and external "benchmarks";
- The most useful products of the initiative for the transit industry; and

- The next steps that should be taken to help the industry address workforce development on an effective, ongoing basis.

This digest presents the results of the scoping study. It is based on interviews with APTA members at large and small properties from across North America. The digest also reflects interviews with other key stakeholders (e.g., academics, transit-related businesses, and labor) and with "benchmark" industries that face similar workforce challenges. The benchmark industries surveyed include airlines, passenger rail, and package express companies.

The study's most striking results include the following:

- It is universally agreed upon that workforce issues are critical to the continuing success of the industry. Every property interviewed identified particular, severe problems it faced in recruiting and retaining a skilled workforce. Changes in technology and in demographics drove some of the most severe problems. The industry's recent growth was also compounding workforce challenges.
- Addressing workforce issues may require fundamental changes in the "culture" of the public transportation industry. Many of those interviewed—especially those most innovative in addressing workforce challenges—felt that the traditional culture of the public transporta-

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tion industry made it difficult to address workforce issues adequately. The industry has been hardware oriented, not people oriented. People-management skills are not rewarded or appreciated. The industry has also tended to be ingrown and cut off from other parts of American business. As a result, the industry has not learned how more sophisticated organizations recruit and retain their workforce. One key part of addressing the workforce challenge is finding ways to transform deeply rooted cultural attitudes and practices in transit.

- There is strong support for an ongoing industrywide effort to help transit properties address workforce issues. This effort needs to be multipronged. It should include improved information exchange, education and training, continuing studies, “best practices,” and other approaches. Section VI provides greater detail on the particular types of support that the transit industry would like to receive, including
 - The development of courses and instructional material in areas like human resources planning, diversity, and compensation;
 - A regularly updated online catalog of available courses and other resources on workforce issues;
 - A centrally located, industry-level consulting function on workforce development and human resources issues in general;
 - A regular benchmarking program;
 - Improved information exchange on workforce issues (e.g., a listserv);
 - Industry-developed models that could, for example, measure the return of training or other human resources development;
 - Studies on particular issues (e.g., key job competencies or portability of benefits);
 - Training models;
 - Collective programs to get young workers to consider transit jobs;
 - Regular and effective forums for information exchange;
 - A model background and training package to educate boards and others on workforce challenges and options; and
 - “Image improvement,” such as APTA’s (PT)² initiative.
- External and internal benchmarking is widely seen as one of the most critical parts of an ongoing workforce development program. Other industries face the same problems as public transportation. A regular program of benchmarking with these industries can provide important lessons to transit. Benchmarking can also help to break down the barriers between transit and other industries that contribute to transit’s cultural isolation.
- Innovative programs to improve workforce recruitment and retention exist throughout the transit industry.

Section IV lists these innovative programs as cited in the study interviews. *However, the absence of mechanisms that help the industry as a whole learn from the successes of individual properties means that innovation is not shared effectively.* Any benchmarking program must, therefore, cover not just other industries, but also the best examples of innovation within transit.

- The transit industry needs to recommend ongoing processes and institutions to support workforce development. Without continued leadership and attention to workforce issues, the industry will simply overlook these issues. High-level attention alone, however, is not enough—there also needs to be an institutional structure for supporting the recommended information exchange, best practices, research, and benchmarking programs. One of the principal outcomes of the initiative must be a detailed recommendation for how workforce development can be permanently supported within the industry.
- The industry needs to address sometimes difficult institutional issues in crafting its approach to workforce challenges. Addressing compensation issues, for example, may require programs of board education and outreach. Labor has led the discussion on some workforce issues and is very interested in greater cooperation with management. The interviews suggested that labor-management cooperation was not always ideal.
- Problems are North America-wide, and some of the most interesting innovations come from Canada, which has attended to workforce issues in an organized fashion. Canada’s nationwide approach to workforce development—for example, its Canadian Motor Carrier Passenger Council—is a model for U.S. action.
- Interviewees identified and discussed particular concerns. Each of these concerns is considered in more detail in Section III. Section IV describes promising approaches to the same issues. The issues identified include
 - An aging workforce;
 - Problems with succession planning;
 - Recruitment difficulty for particular specialties, like information technology (IT) and engineering positions;
 - Problems with adequate or properly structured compensation;
 - Concerns about the industry’s image;
 - Demographic issues, including changing generational attitudes and recent immigration;
 - Old-fashioned or rigid work organization;
 - Changes in technology (which can draw some workers to transit and cause problems with others);
 - Institutional barriers to workforce innovation;
 - Training issues; and
 - Planning.

The digest concludes by recommending the following “next steps”:

- The transit industry should flesh out in detail the structure, role, and responsibilities of a permanent workforce development process within the industry.
- As the transit industry is developing the nature and structure of an ongoing workforce development process, it should conduct high-profile research in a limited number of the most important areas, such as external benchmarking.
- Given the importance many of those interviewed put on changing the internal culture of the industry, the transit industry should consider a project to further explore the need for and desirability of cultural change. This exploration could take the form of a series of outreach sessions, a high-profile roundtable, or a study.
- The transit industry should work with the major transit labor unions to determine if there are opportunities for creating joint projects addressing workforce issues. At the least, an ongoing process for consultation and exchange of ideas should immediately be initiated with the labor representatives already working on these issues.
- The transit industry should consider ways to enhance cooperation with the Canadian Motor Carrier Passenger Council from across North America.
- The transit industry should consider sponsoring one of the widely supported initiatives identified during the Workforce Development Initiative, such as developing a model course on human resources planning.

I. INTRODUCTION AND METHODOLOGY

This digest presents the results of a TCRP-sponsored study on “Identification of the Critical Workforce Development Issues in the Transit Industry” (TCRP Project J-6/Task 38) and on “Identification of Practices, Techniques, and Strategies for Attracting and Retaining Employees in the Transit Industry” (TCRP Project J-6/Task 40). The objectives of the study were to

- Identify the key workforce challenges facing the public transportation industry,
- Identify current approaches to addressing those challenges,
- Clarify transit industry expectations from the Workforce Development Initiative, and
- Suggest to the Workforce Development Initiative a study agenda. (The members of the initiative working group asked for an agenda that includes suggestions for future research, including external benchmarking. They also asked that the report recommend concrete steps to improve workforce development, including recommen-

ations for creating institutions and processes for improving workforce recruitment and retention.)

The first phase of the study (March and April 2001) was based on a Workforce Development Initiative team survey and interviews, along with material from the Workforce Development Initiative’s Listening/Action sessions. A list of the Listening/Action sessions is attached (see Attachment A). The key issues identified in the first phase of the study are also attached (see Attachment B).

The second phase of the study (May through July 2001) included in-depth interviews with transit industry leaders, as well as with outside experts and representatives of benchmark companies. The consultant also reviewed further questionnaire responses from people not on the task force or interview list.

The interview questionnaire was designed to encourage more detailed discussions about the principal challenges facing the industry (with special attention to technology, industry image, and demographic change). It also asked those interviewed to discuss promising approaches to addressing those challenges, to recommend candidates for internal and external benchmarking, and to explain their expectations of the Workforce Development Initiative. A copy of the interview questionnaire is attached (see Attachment C). Attachment D is a list of those interviewed.

II. OVERVIEW OF INTERVIEW FINDINGS

There Is Industry Consensus on the Importance of Workforce Issues, but Concern about the Industry’s Ability to Craft Solutions

If a single message comes from the interviews, it is that workforce development is seen *universally* as a critical challenge for the transit industry. Perhaps the best evidence is negative: almost no one within transit who was asked to take part in an interview failed to cooperate. No one, moreover, has said that these issues are unimportant or secondary.

Interviewees have been exceptionally thoughtful in their responses. This thoughtfulness reflects an ongoing engagement with these issues within their own properties. Virtually everyone within the industry pointed to concrete examples of how his or her own organization was affected by workforce issues, and most people could point to particular steps they had taken to address the issues.

In part, the interviewees’ prior engagement with the issues resulted from new industrywide pressure to recruit and retain staff as the industry grows and changes. Public transportation is expanding in response to concerns about sprawl and congestion. The nature of jobs within the industry is changing as transit becomes more technology dependent and as the challenges faced by transit managers at all levels

(especially by the more senior managers) become more complex.

The strong interest in workforce issues also reflects a widespread sense that transit lags behind other industries in addressing its human resources challenges. Many of those interviewed see industry workforce practices as rigid and outdated. They see other industries devoting far greater resources to workforce issues—more management time, more planning, and more money. These observers identify as transit’s key workforce challenge the need to bring workforce practices in line with those of the best organizations. As discussed later, there is a widespread belief that this bringing in line will require fundamental changes in the culture of the industry.

The consensus on the importance of the issues means that the Workforce Development Initiative has enormous support within the industry. However, the common belief that solving the industry’s workforce problems will require significant cultural change means that the transit industry faces considerable skepticism about the degree to which it can actually develop programs for change.

Therefore, the industry needs to act on two fronts: it must identify concrete initiatives aimed at particular challenges (e.g., benchmarking on mechanic training), and it must identify and support broader programs that can help change the cultural attitudes that make the industry a laggard in addressing human capital issues. The key to simultaneously addressing particular needs and broader cultural attitudes may be to design projects and programs so they meet both goals.

There Is Relative Consensus on the Nature of Particular Challenges, but Concern that the Industry Is Not Good at Finding Solutions

Just as there is agreement that the industry faces serious challenges in recruiting and retaining staff, there is considerable agreement on the nature of the *particular* challenges. The interviews identified a “challenges” list much like that of the working group, the listening sessions, and the first round of written responses (see Attachment B for the initial list identified by the working group). The challenges listed included the aging of the workforce (which produces an impending retirement bulge and the need to replace the baby boomer cohort), difficulties in hiring for particular specialties and for particular levels of the organization, wage disparities with the private sector, a mismatch between technological needs and workforce skills, and challenges in adapting to changing demographics (particularly to the changed attitudes among young people and to recent immigrants). Section III describes the interview results in this area in more detail.

The consensus about the particular challenges is, unfortunately, matched by a common belief that the industry is better at identifying problems than it is at finding workable solutions. Although there are promising approaches being

attempted at many properties (Section IV describes those identified in the course of the interviews), there is a perception on the part of many thoughtful observers that the industry’s failure to be as successful in addressing workforce challenges as in identifying them reveals systematic weaknesses in its approach to human capital. The particular challenges are not just issues in and of themselves; they are symptoms of underlying problems.

There Is Concern that Underlying Problems Reflect the Industry Culture

Many of those interviewed attributed the industry’s problems in addressing workforce issues to the industry’s culture, which they described as outdated, isolated, and unnecessarily rigid. These observers tended to be the managers who were most successful themselves in addressing workforce issues.

Underlying cultural problems identified in the interviews included the following:

- The industry emphasizes building and running *things*, not managing people. As one observer put it, to address workforce challenges, the industry needs to “make human infrastructure as important as physical infrastructure.”
- Transit organizations generally lack tools and expertise in people management. To take one example, managers seem to lack the tools needed to measure the return from investment in training or other human capital investments.
- With the exception of physical infrastructure, transit lacks a tradition of long-range strategic planning (and the tools that would enable such planning to take place).
- There is relatively low status for those on the “soft” side of management (again, an emphasis on physical infrastructure and engineering).
- There is a failure to invest necessary resources in human capital. This failure is seen as symptomatic of underlying attitudes and incentives: workforce development is not as flashy and impressive as other kinds of development (as one interviewee said, “You can’t cut a training ribbon”).
- There is little circulation of managers outside transit and, hence, a lack of personal exposure to and experience with more modern approaches to workforce planning, investment, and development.

Observers concerned about these underlying issues believed that one of the key objectives of the industry should be identifying ways to induce cultural change in the industry. They recognized that some rigidity was inherent in the industry—buses and trains must operate on time; transit must operate within public-sector constraints. But, these observers argued, companies outside transit had, in many cases, successfully addressed similar challenges. Observers also

recognized that many transit organizations had already begun the process of changing traditional practices. Progress on workforce issues could build on successes in other areas.

There Is Universal Support for Increased Cross-Industry Effort to Help Transit Organizations Address Workforce Issues

Whether those interviewed focused on particular workforce issues or focused on underlying issues that needed to be addressed, they agreed that there was a role for a cross-industry initiative to help individual properties do a better job recruiting and retaining staff.

It was universally agreed upon that an ongoing process was needed for exchanging information on best practices and innovative approaches. Possible mechanisms ranged from establishing a simple listserve that would allow posting of useful information to establishing an ongoing benchmarking program. There was support for even more ambitious programs that might involve industry-certified demonstration projects. Another innovative option would be to develop an industrywide consulting and training function to serve individual properties.

There Is Strong Support for Ongoing Benchmarking

There was universal agreement that the industry needs to know more about how other industries (especially those that face similar problems) have addressed workforce issues.

Outside organizations are open to benchmarking, and many practice ongoing benchmarking. Federal Express, Company D, and United Airlines have already volunteered to participate in a more detailed benchmarking exercise.

Benchmarking could also serve as a way to encourage cultural change. By asking transit managers to participate in the benchmarking process (e.g., asking properties to nominate for participation companies considered among the best in their industry), future leaders could be exposed to practices in other industries that could be emulated within transit.

There Is Strong Support for Creating Ongoing Processes and Institutions to Foster Workforce Development

The current Workforce Development Initiative has a limited life span. Unless an ongoing transit industry-level institution is created, attention to workforce issues will slacken. Everyone interviewed recognized this problem. All agreed that one of the most critical tasks—if not the most critical task—of the working group is to design the processes and institutions that can continue beyond the finite life of the initiative.

Without continuing leadership and high-level attention

to workforce issues, the industry will focus on other concerns. The focus on workforce development will have been temporary. To get and keep high-level attention, there needs to be a strong committee of industry leaders supporting progress in this area on a permanent basis.

Yet high-level attention to the issue is not enough. There also needs to be ongoing support for whatever other processes and programs are recommended as part of this process. A benchmarking program will not run itself.

There is a permanent role, too, for someone who thinks *full time* about workforce issues, including new opportunities for study, new resources, new ways of exchanging information, and new programs. Without a “thought leader” in charge, any programs begun now will quickly become tired and bureaucratic.

There Is Widespread Perception that Transit Faces Difficult Institutional Issues in Addressing Workforce Concerns, but Also a Belief that These Issues Should, and Could, Be Addressed

Because it is in the public sector, the transit industry faces institutional issues that private-sector organizations need not be concerned with. To the degree that compensation is a key barrier to recruitment and retention (and all agreed that compensation was a concern at least for particular levels within the organization and for particular specialties—for example, for senior managers and IT personnel), making progress may require changing deeply ingrained attitudes.

To some degree, institutional constraints are inherent. But many of those interviewed felt that, even in a public-sector environment, it was possible to make significant improvements by working actively and skillfully with boards and local political figures. The interviews uncovered several success stories, in which innovative general managers (GMs) had, through a careful education process, convinced their board or political supervisors to introduce more competitive compensation, pay for performance, and other forward-looking practices.

Problems Span North America and Must Be Addressed Accordingly

Interviews with Canadian transit properties revealed exactly the same concerns as those of the United States, as well as innovative approaches applicable in both countries. Anything that comes out of the initiative needs to be fully inclusive of both Canada and the United States.

Institutionally, Canada is a leader in addressing workforce issues. The formation of Canada’s Motor Carrier Passenger Council is particularly exemplary. Simply replicating the council in the United States would represent enormous progress toward addressing workforce issues.

III. INTERVIEW RESULTS—KEY WORKFORCE ISSUES

This section describes in more detail what those interviewed saw as the key workforce issues facing the industry. Although the interviewees' answers were generally similar to those of the working group, the interviewees added details and nuances to the original list.

Aging of the Current Workforce

Like the working group, the interviewees expressed almost universal concern with the aging of the baby boomers and with the coming retirement of these baby boomers. For demographic reasons (e.g., the sheer number of baby boomers) and reasons unique to the industry (e.g., many properties becoming public in the 1960s and heavily recruiting at that time and into the 1970s), baby boomers dominate the experienced workforce at all levels of the industry.

At the same time, the direct effect of an aging workforce raised strong concerns. Several managers worried about rising healthcare costs and absenteeism from their older workers.

Like the working group, interviewees expressed concerns about older workers having difficulties working with new technologies.

Succession Planning

There is a concern throughout the industry that succession planning, particularly for top managers, has been weak. Those concerned about succession planning were very often the same observers who saw a lack of strategic planning within transit.

Concerns about succession planning focused on more than just identifying and training future senior managers. There was a sense that the top transit job is changing. Some agencies are now looking for "mobility managers," whose role goes far beyond the traditional build, run, and maintain role. Observers believed that much more could be done in identifying the competencies needed for this new role and in developing ways of training future managers in those competencies.

One important way to train managers for senior positions—especially when they will be asked to address non-traditional concerns—is to encourage a wider range of job movement and experience. As discussed elsewhere, there was a sense among many observers that one of the most serious developmental weaknesses in the industry was its relatively "closed" nature: few come into the industry from outside at the higher, policy-making levels. Indeed, some observers remarked that there was little interchange among transit agencies and private transit businesses and consultancies, much less interchange with outside organizations. These observers said that the Workforce Development Initiative could make an invaluable contribution by suggest-

ing ways of exposing promising managers to new ideas and practices both inside and outside the industry. (See Section IV for a model effort by the Washington Metropolitan Area Transit Authority [WMATA].)

Particular Problems in Recruitment

The interviewees identified several areas of particular problems in worker recruitment. These areas included the following:

- **A general problem in recruiting staff outside the so-called core areas of a transit organization (i.e., outside designing, building, running, and maintaining the system).** Professionals in "noncore" areas (e.g., administration, IT, and marketing) do not naturally think of transit as a career option. Because of the cultural emphasis within the industry on the engineering side of the organization, these "noncore" specialties are at times not as highly valued as others are.
- **Difficulties recruiting and compensating IT professionals.** As in other industries, these difficulties are easing to some degree in the transit industry with the slowdown in the economy. However, transit is seen as facing special challenges. Several of those interviewed made the interesting observation that the industry's move toward greater reliance on high technology has advantages and disadvantages: it causes problems in training certain workers, but it also makes the industry more attractive to high-tech workers. Nonetheless, the consensus was that the industry would always have difficulty attracting a high-tech workforce when compared with more explicitly high-tech industries.
- **Difficulty recruiting marketing specialists.** Several of those interviewed cited difficulties in recruiting marketing staff. One reason for this difficulty (as with the difficulty of hiring noncore specialists in general) is perceived superior opportunities in other industries (especially in the private sector, with its often higher and more flexible compensation). The sometimes poor image of the transit industry also contributes to difficulties in recruitment (marketing for transit may be seen as more of a challenge than some are willing to take on). Company B points to similar recruitment difficulties, for similar reasons.
- **Difficulty recruiting engineers.** The transit industry faces problems in this area common to other sectors. Engineering enrollments are down sharply among U.S. students, creating fierce competition for engineering graduates. Foreign engineering graduates tend to be interested in electrical engineering and other high-tech specialties. The combination of competition from other industries and the decline in interest in civil engineering led many observers to identify engineer recruitment as a serious problem. The problem is likely, they thought, to worsen with no obvious solutions in sight.

Compensation

The following compensation concerns were cited by the working group and the interviewees:

- The working group felt strongly that wages were no longer competitive. The interviews produced a more varied response, differing from organization to organization and from job level to job level.
- There were almost universal concerns about salaries at the very top of the organization (these concerns were expressed by all types of transit interviewee: senior staff, board members, and trade association employees). Transit salaries are felt to be at the upper end of public-sector salaries, but remain low compared with private-sector salaries.
- The relatively closed nature of the transit industry may limit the *direct* effect of low salaries on GM recruitment. Because there is very little recruitment outside the industry, and because GM salaries are the highest within the sector, candidates are generally available for GM positions. (However, for some properties, low salaries can be a problem for GM recruitment). The larger threat, rather, is a long-term one: lower salaries at the top discourage high-achieving individuals from entering or remaining in the industry, causing the quality of the pool to be depressed, even if the number of candidates still remains adequate. And even if the culture were more accepting of recruitment outside the industry, low salaries would be a powerful barrier to bringing in new blood.
- Low salaries at the top cause wage compression for upper- and mid-level managers. This wage compression drives high achievers out of the industry (or discourages them from entering in the first place) and, as with GMs, makes it difficult to bring in talented outsiders. Wage compression can also make it harder, if not impossible, to recruit for certain specialties. More than one of those interviewed mentioned difficulties in hiring a head management information systems (MIS) manager as a result of pay compression.
- Low salaries are a particular problem in properties that are part of city or county government. In those cases, pay is capped at all levels by general government pay scales. Independent transit agencies, although still facing challenges for particular specialties and suffering from relatively low pay, are nevertheless doing well for a public-sector agency.
- Low salaries are a particular problem for properties in older parts of the country, which already see employees being recruited away by more rapidly growing cities and regions.
- There are signs of a possible breakthrough in pay at the GM level, with some GM salaries now closer to private-sector levels. Partly as a result of this pay breakthrough, one agency has been able to reduce salary compression

and bring in senior managers from outside the transit industry.

- There is a special pay-and-promotion problem with first-level supervisors. Promotion to the first tier of management can mean an actual reduction in pay, as former blue-collar workers forego overtime. People from some properties facing this problem believed they could address this issue in part by offering additional perks (e.g., use of an automobile) or other noncash compensation.
- A lag in base pay is only the beginning of differences with the private sector. The transit sector, like the public sector in general, lags badly in its willingness and ability to offer incentive pay, variable pay, and other forms of innovative compensation. Some properties, however, have been able to introduce bonus pay and other incentive pay. To introduce incentive pay, properties have had to carefully build political and institutional support by commissioning studies and working closely with initially skeptical boards. This option is far easier for independent agencies than for agencies that are part of city or county government (although the option is still possible for the latter—several success stories were reported).
- Interviewees agreed that the key to winning support for variable pay, gainsharing programs, and other innovative pay concepts is to tie pay to clear performance goals and productivity gains. This concept was seen as essential to winning board and political support.

Image Problems

The working group identified as one major problem for the industry a relatively poor image. The industry was perceived as old-fashioned, slow growing, and one in which work was difficult and boring.

Many of those interviewed agreed that transit had a serious image problem, ranging from a bad image to no image. As in the working group, some interviewees said that the problem was inherent to transit (“it’s hard to make a bus ride exciting”; “our work is necessarily somewhat regimented”). Others (especially in systems that were city or county owned) pointed to a low image of public employees in general.

Others argued that image is predominately “property specific” rather than an industry problem. In other words, transit’s image *as an industry* is far less important than the image of individual agencies. For these observers, the image of individual agencies depends on how well they deliver effective transportation services. Agencies that were growing or that had substantially improved their services reported positive images that made recruitment and retention easier. Other observers also linked image to conscious efforts to improve employee morale and workplace conditions. Properties that had successfully improved morale among current employees indicated greater success in recruiting new workers.

There is an important corollary to the argument that image depends ultimately on the success of the individual property in delivering its services: advertising and public relations by themselves cannot improve image. They can communicate improvements and successes *if the improvements and successes are real*. But an advertising or public relations effort in the absence of substantive achievements is useless. Perception depends on reality.

Demographic Issues

Demographic issues include at least three main categories: diversity and inclusion for African-Americans and women, recent immigration, and changed attitudes among younger workers.

Diversity and Inclusion for African-Americans and Women

There is a fairly universal sense within the industry that, *compared with others*, transit is strong in addressing traditional diversity issues. Representation by women and African-Americans is stronger in the upper reaches of transit organizations than in other industries, although everyone agreed that further progress was still essential (it was believed that women, in particular, still lagged). Some observers felt that one key to further progress was encouraging transit-connected businesses to make as strong a commitment to diversity as transit agencies had made.

Recent Immigration

The industry is seen as far weaker in addressing the challenges raised by recent Hispanic, Asian, and other immigrants than in addressing the challenges raised by diversity and inclusion for African-Americans and women. All agree that new immigrants are an important and growing part of transit ridership and of employment pools in many areas. But, as in other areas, the challenge is recognized without plans or concrete steps to address it.

Little is being done in general in the way of language or cultural training in order to make properties friendlier to nontraditional groups. In general, agencies are not actively exploring ways to reach out more successfully to new immigrants as potential workers. Many observers believed that the industry could profitably invest far more effort in this area. For many immigrants, transit jobs would be a step up from current employment opportunities.

Changed Attitudes Among Younger Workers

Although younger workers are often stereotyped as less loyal, more self-centered, and less committed, many people interviewed suggested that, with some exceptions, this stereotype is simply that: a stereotype. One common observation was that “advancing age and the first recession” will

make younger workers much more like middle-aged and senior ones than they now appear.

There are, however, some particular issues that do appear to be about younger workers:

- At blue-collar levels, the industry would profit from better identifying and recruiting drug-free, crime-free young workers. Several of those interviewed spoke of having to reject 90 percent of applicants or more for failing drug or criminal background checks. (On the other hand, there may be a limit to progress in this area: FedEx has exactly the same problem and similar failure rates.)
- There is a consensus that academic skills are weaker in younger workers, especially at the blue-collar level.
- Younger workers have expectations and needs for employment-linked services that differ from those of middle-aged and senior workers. For example, single mothers need day care. In this area, some properties have found it possible to make adjustments.

Work Organization

The working group identified an “old-fashioned” work organization as a key issue: transit jobs were felt to be “quasi-military,” inflexible, and rule bound. Most of those interviewed shared this sentiment.

Many argued that, to some degree, this problem is inherent in the product being offered. Buses must arrive on time. But other observers also argued that this limitation exists across transportation lines (“airplanes must arrive on time”), yet other transportation companies are far more flexible in their work organization than transit is.

There was strong support for further benchmarking in this area (with, for example, Southwest Airlines, which was seen by many as a model of flexible work organization in a transportation company).

Technology

The working group identified the fit between increased reliance on technology and workforce skills as one of the most important challenges facing transit. As in other areas, there was strong support for this view among those interviewed, but also some interesting and unexpected variation in opinion:

- Concerns about technology differ from area to area. In high-tech areas (e.g., San Francisco Bay, Puget Sound, and western Canada), agencies report little trouble in recruiting technically skilled workers. In other parts of the country (e.g., the older eastern systems), it is a major problem.
- As noted previously, the industry’s increased reliance on technology *helps* recruitment and retention for some properties—not surprisingly, with young workers and

with workers in high-tech areas. One interesting benchmarking project might be to identify areas where workers respond positively to technology and investigate in more detail the reasons why they do so. This investigation may suggest ways that other properties can use high technology as a job lure.

Institutional Barriers to Workforce Innovation

The working group identified a number of potential institutional barriers to adopting more flexible, innovative approaches to workforce issues. These barriers included the realities of belonging to the public sector, a lack of understanding and support at the board or local political level, and difficulties in dealing with labor.

Those interviewed agreed that these barriers were challenges and that, as in other areas that constrain flexibility, some of the challenges are inherent. Wages in the public sector can never match those in the private sector. The public sector is risk averse for a reason: There is an enormous downside to failure in a noncompetitive environment. No other company can enter the market to provide services; the services simply are not delivered.

Nevertheless, there was a widespread belief among those interviewed that transit agencies could do a much better job educating boards and politicians about the costs of traditional workforce practices and the advantages of more innovative workforce planning and management. Boards were seen as committed to the success of the properties they managed, but were often inadequately informed and educated. A careful and well-planned education effort could improve understanding of these issues. One observer suggested the development of a standard package on transit issues in general, with more detailed treatment of special challenges and possible approaches.

Interestingly, labor representatives interviewed argued that resistance to innovation comes at least as much from attitudes at the management level as from attitudes among the union leadership or rank and file. Some labor representatives see the same kind of cultural issues identified by some parts of management.

Union representatives recognize that relations between workers and management have often been tense in the past. But they argue persuasively that cooperation among unions, rank-and-file workers, and management is critical to addressing workforce issues. Two major transit unions have taken innovative steps toward encouraging new approaches to recruitment, on-the-job training, and the creation of “career ladders” within transit organizations.

Labor—at least nationally—has already taken the first steps toward building an ongoing, high-level process for creating innovative approaches to workforce recruitment, training, and retention. Labor representatives express a strong desire to work with national and local transit management on these issues. The existence of these labor initiatives is one of the most encouraging signs of the success of the

workforce initiative. The labor initiatives represent a promising avenue for institutionalizing a successful process. One of the key steps the transit industry should take is to engage with labor’s effort to jointly address the issues covered in this digest.

Training

Many of those interviewed singled out improved training as key to workforce recruitment and—especially—retention. In addition to adapting workforce skills to organization needs, training programs are an important fringe benefit to many workers.

Training is an area in which transit organizations have been active and innovative. (However, at least one person interviewed bemoaned a tendency in his agency to see training as the “first item to be cut” at times of budget stringency. He is probably not alone in having this experience.)

An interesting question is how transit compares with other organizations in the skill and sophistication with which it approaches training. Only two of the properties interviewed (Houston’s Metropolitan Transit Authority of Harris County [Metro] and the Santa Clara Valley Transportation Authority [VTA]) had explicit training strategic planning processes. Given the importance that American business places on ongoing training, it would be an interesting future project to determine how transit training budgets, planning, and programs compare with those of other sectors.

Training is also one of the areas of particular interest to transit labor. Labor is especially interested in ensuring that training is provided imaginatively and regularly to existing workers as well as new recruits. In this area, management can fruitfully work with labor to create cooperative projects that benefit both workers and transit agencies.

Planning and Failure to Plan

A number of interviewees argued that the industry in general does not do an adequate job of predicting, identifying, and (most importantly) conducting the planning needed to address workforce issues. More than one interviewee added that this inadequacy reflected a general lack of strategic planning in the industry. Supporters of better strategic planning argued that the industry needed planning, training, and better planning models and tools.

Several interviewees argued that the industry often failed to look at the costs of turnover in a holistic fashion. The total costs, they argued, of turnover and recruiting was likely to be greater than that of offering higher compensation in order to retain staff. The interviewees attributed this failure to shortsighted attitudes and to the absence of planning, training, and adequate tools to calculate the full costs of turnover.

However, there are promising signs that comprehensive and thoughtful planning is becoming more common in the industry, including planning on workforce issues. For

example, WMATA has a carefully designed workforce planning process.

IV. PROMISING APPROACHES TO WORKFORCE RECRUITMENT AND RETENTION

This section describes in detail what interviewees saw as promising approaches within their organizations to addressing some of the key workforce issues.

Aging of the Workforce

Despite the very strong concerns expressed about the effect of an aging workforce (i.e., concerns about a wave of impending retirements, inadequate succession planning, and a rise in health and absenteeism costs), interviewees pointed to little concrete action that was now being taken to address these issues.

Some properties (e.g., Champaign-Urbana Mass Transit District [MTD] in Illinois) are trying to reconfigure some of their work to allow part-time work, for which the properties recruit senior workers, including people retired from other professions.

Succession Planning

This issue is widely recognized as serious, but, with one exception, the study found no examples of special programs to address it. WMATA has an explicit “Leadership Succession Planning Program” that targets 10 key positions. Potential candidates for these positions are rigorously screened to become eligible for training, special projects, and rotational work assignments. A special “Superintendent Succession Planning Program for Operations” has also been developed to address the agency’s need for superintendents after forecast retirements. The purpose of this program is to select and prepare ambitious individuals for superintendent-level positions. Significant attention is being given to preparing participants with technical and managerial skills. A second stage in the current program is to begin next year, with the pace of the program accelerating to address pressing succession issues.

Particular Problems in Recruitment

Interviewees suggested a number of interesting approaches in recruitment:

- Two of those interviewed suggested that the industry explore a program that would encourage people with specialties not needed permanently at any particular organization (e.g., specialties in “tunneling”) to be able to move as needed to other properties. To establish this program, the industry would have to set up mechanisms for transferring pensions and other benefits. This idea is

a good candidate for future study. One model would be to look at the program that allows city managers to move from city to city.

- BC Transit (in British Columbia) has addressed labor shortages in particular specialties by creating an ongoing process to consider institutional or procedural changes that could reduce or eliminate the need for those skills. Every change in the workforce (e.g., a promotion) is looked upon as an opportunity for work reorganization. Equipment practices might be changed (e.g., engines might not be rebuilt, but could be “swapped out” or leased). Or the work itself could be reorganized (e.g., high-level mechanical skills could be contracted out, and the number of semiskilled or apprentice positions could be increased). The key to achieving gains is not the particular innovations, but a philosophy and practice of constantly looking for opportunities for change.
- The Regional Transportation District (RTD) in Denver addressed a bus driver shortage by creating an integrated recruitment plan that included a million-dollar radio and television advertising campaign and targeted outreach to technical schools. The system also provided finder’s fees to employees who recruited new operators (other systems have introduced similar finder’s fee programs).
- The RTD also provided end-of-year, 10-percent bonuses to engineers, IT personnel, and planners—all scarce specialties in the Denver area.
- Metro Transit in King County, Washington, which also needed drivers, built a campaign around bus operation as a part-time second career (“make a first step in a second career”).

Compensation Issues

In a number of organizations, there is significant progress in addressing compensation issues:

- The problem with first-tier supervisors facing reduced or only slightly increased pay is being addressed in some properties with increased perks (e.g., take-home vehicles, free cell phones, and safety equipment).
- The Los Angeles County Metropolitan Transportation Authority (MTA) has introduced a new pay-for-performance system for its nonunion staff. The new system replaces a traditional approach that provided standard cost-of-living adjustments. Getting authorization for the new system required long planning and rigorous study of approaches in other transit and governmental organizations. The studies were conducted by internal staff.
- The VTA conducts regular salary surveys in its area for in-demand specialties (engineers are a particular focus, as are IT workers). The VTA conducts the surveys internally.
- The VTA has also reached agreement with its unions to review certain specialties on a 3-year, rather than 5-year, basis and to adjust pay to match the market.

- The VTA has addressed the serious housing problem in its region by setting up a \$500,000–\$1 million revolving loan fund to cover the cost of apartment deposits. On a temporary basis, 60–80 employees at a time have been allowed to live in campers on organization-owned parking lots. The GM serves on the local housing leadership council and has set up a joint housing task force with its unions.
- The VTA has also instituted a program to provide \$2,000 loans to staff to buy computers. The aim is to encourage greater computer literacy among employees at socioeconomic levels that otherwise could not typically afford a home computer.
- The Metropolitan Atlanta Rapid Transit Authority (MARTA) in Georgia has adopted a program that provides bonuses (“success sharing”) for organizationwide performance.
- Houston’s Metro has a gainsharing program as well, with union and nonunion employees eligible. In the most recent cycle, each employee received \$1,300 in bonus compensation based on meeting performance goals. Tangible rewards for corporate performance are seen as highly motivating and create a mindset that is committed to organizational goals and increased efficiency.
- WMATA has introduced a new market-based pay system that WMATA’s compensation branch will update regularly on the basis of market surveys and data. WMATA has also instituted pay for performance for nonrepresented employees (as of 1997) linked to a new performance management system.
- New York’s MTA has turned its compensation challenges into opportunities. For certain hard-to-hire skills (e.g., legal, IT, and finance), MTA hires young, bright graduates, expecting them to stay only 3–5 years, but compensating them through much greater responsibility than they would have elsewhere. As a result, they can hire bright graduates without having to increase wages to private levels.

Image Problems

The following findings were made regarding image problems:

- The VTA believes strongly in the principle that each property creates its own image. The VTA has, therefore, developed an ongoing effort to reach out to workers through regular meetings, attendance at informal functions, and other mechanisms. With the focus on worker involvement, workers feel more committed to the organization. Pride in the organization translates into an improved image.
- Metro Transit (in King County, Washington) and the VTA both encourage bus drivers to take part in community projects. Metro Transit has 10–12 drivers each year do community projects with a transit focus (e.g., a com-

munity partnership program on “how to be safe on the bus”).

- There is strong support among those interviewed for APTA’s (PT)² initiative, the industry’s overall effort to improve transit’s image.

Demographic Issues

The following findings were made regarding demographic issues:

- The Los Angeles MTA, which wanted to increase its recruiting among Hispanics, developed partnerships with three “employment development districts.” The Los Angeles MTA worked with the districts to develop a program to educate applicants on how to fill out an application form and how to do a job interview. (The Los Angeles MTA needs to hire 25 operators per week and, to do so, must get 250–350 applicants: the others fail to pass physical, criminal-record, or drug or alcohol tests).
- The MTD has tried to tailor its schedules and assignments to account for the needs of part-time workers, including single parents.
- The Amalgamated Transit Union (ATU) has supported efforts to use federal welfare-to-work funds to teach transit-related skills.
- The ATU developed a training program in both Spanish and English in 1992 to ensure that its members could pass the commercial driver’s license (CDL) exam, with a claimed success rate of 100 percent. The ATU sees this program as a possible model for future cooperative labor-management programs.

Work Organization and Cultural Change

Several organizations have instituted programs that are designed to change traditional patterns of work organization. The following programs aim explicitly at changing the internal culture:

- The Southeastern Pennsylvania Transportation Authority’s (SEPTA’s) customer-focused training program is designed to improve organization image and to foster internal teaming.
- Metro Transit (in King County, Washington) has also initiated a team-based approach to workforce organization. This approach has improved workforce satisfaction, which, in turn, is good for image and recruiting.
- Metro Transit has sent its management staff (especially those seen as high flyers) to areawide leadership training with Boeing, Nordstrom, and Microsoft.
- Metro Transit has brought in Nordstrom managers as examples of progressive management for presentations.
- Metro Transit’s annual management retreat regularly features speakers who challenge the existing culture

(e.g., a futurist and the management teams at the Pike Place Market and at Nordstrom).

- WMATA has retained a consultant to partner with the agency as it embarks on its major culture-change initiative. Monthly meetings are held with executive officers and directors, and quarterly meetings are held with all management staff. Industry leadership speakers make presentations at the meetings. In addition, a joint management committee, comprising executive officers and seven office directors, has been formed to act as a resource and sounding board for issues surfacing in the organization.

Technology

The following findings were made regarding technology:

- BC Transit involves mechanics and bus drivers in creating the specifications for new buses, with the expectation that new technology will be more familiar and user friendly.
- The Transit Authority of River City (TARC) in greater Louisville, Kentucky, has an even more extensive program. For TARC's most recent equipment purchase, TARC trained several of its mechanics as bus inspectors and sent them to work 2-week stints on the manufacturer's assembly line. The project had two goals: to familiarize the mechanics with the good work habits of the bus manufacturer and, even more importantly, to make sure the mechanics had ownership of the new equipment. The GM believed the project was successful when he overheard a mechanic saying about one of the new purchases, "That's my bus."

Institutional Barriers

Several of those interviewed described long processes of working with boards to increase the boards' understanding of workforce issues. These observers strongly urged the boards to consider ways for the transit industry to address workforce issues through industrywide information exchange and the development of educational materials.

One union representative believed that the industry had been relatively slow in developing cooperative relationships with labor to encourage better workforce training. He urged that the industry consider opportunities to work with unions and others to develop training initiatives and to reach out to nontraditional groups. He suggested that, to break down barriers between unions and management, the industry should consider using facilitated third-party brainstorming in areas of potential cooperation.

Planning

Despite the industry's general weakness in planning, there are interesting current models for strategic planning:

- Houston's Metro has completed strategic plans for technology, IT, and human resources.
- Houston's Metro is now working on a strategic plan for recruiting in cooperation with the Texas Southern Railroad.
- WMATA has both a comprehensive plan and a specific workforce strategic plan. The plans may be potential models for other systems considering more advanced planning.
- The VTA has an ongoing training planning process, as has been noted.
- Several of those interviewed recommended that transit agencies "have a people plan with any strategic plan." The transit industry should determine how tools and training can be provided to make this recommendation a reality.

Building Partnerships with Others

Canadian transit systems have been particularly active in forging partnerships with others in and outside government to address common workforce issues:

- The Canadian transit industry has helped found a federal-level "Motor Carrier Passenger Council." The council has examined retirement trends and studied how better to attract applicants. It has completed a study of needed competencies and is looking at a professional certification program.
- BC Transit has initiated a joint effort with other crown corporations (i.e., quasi-public entities) to discuss workforce issues. Although the planning is at an early stage, the parties are discussing sponsoring a targeted scholarship plan in areas of common concern.
- The Los Angeles MTA works closely with other city agencies to identify common issues and to exchange ideas on possible approaches.
- The Transport Workers Union of America (TWU) has founded a "Community Transportation Development Center" focused on building what the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) has called "high-road partnerships." These partnerships bring together management and labor in individual properties to create career ladders and training opportunities. The TWU is very interested in coordinating its activities with the transit industry.
- New York's MTA is working closely with local technical schools to improve its ability to act as talent "feeders" to the agency. The MTA's goal is to eventually recruit as much as one-third of its blue-collar staff in some specialties from the city's technical schools. The MTA has, for example, worked with the school system to develop training in elevator and escalator maintenance.

Training

As noted previously, several organizations have well-developed training programs that the organizations see as critical to recruitment and retention:

- The VTA has a training plan for each initiative and program.
- The VTA tried to ingrain training as part of the culture by instituting a regular planning group and input process with representation from all departments.
- The VTA has instituted a 2-year mechanic certification program. In return, the VTA requires a 4-year commitment to the organization.
- Houston's Metro uses its overall strategic plan to set its training budget. It sets competency levels, then determines training budget by department on the basis of needed competency levels.
- SEPTA has held a series of "customer expectations" trainings to shift attitudes and make staff more customer focused. SEPTA representatives believe that the training helps improve the organization's image and builds more of a sense of team focus within the organization.
- WMATA has major training initiatives in at least six areas:
 - "Challenge to Leadership," a new middle-management course that all executive officers and managers are expected to complete by the end of 2001;
 - A core curriculum management-training course, with a certification program to be in place for 2002 for directors, managers, supervisors, and potential supervisors (certification will be a prerequisite for promotion);
 - A management trainee program—a 1-year introduction to management for entry-level professional career candidates;
 - Technical Skills Program for Elevator/Escalator Maintenance Trainees—a 2-year program that prepares trainees for entry-level elevator/escalator or high-voltage technician positions;
 - Technical Skills Program for Rail Car Maintenance—a 2-year program that combines formal training for rail mechanic helper classifications (including equipment certification) with structured on-the-job training; and
 - Technical Skills Program for Bus Maintenance, which prepares maintenance trainees to meet the objectives of the Automotive Service Excellence (ASE) Medium/Heavy Truck Specification, launching the trainees' careers toward ASE master technician certification.
- Several organizations have instituted mentoring programs for bus drivers:

- The Utah Transit Authority's (UTA's) program keeps new drivers under the same supervisor for the initial period. (The program also brings the drivers' spouses in for orientation and sponsors weekly "huddles" for new bus drivers.) Turnover has been cut from 27 percent to 21 percent.
- The Houston Metro program provides an experienced mentor for each new driver for the first 6 months. Mentors receive an extra hour's compensation per week.
- The spread of mentoring indicates that current mechanisms for information exchange within the industry work well in some cases. TARC's program, for example, was set up after managers learned of similar programs. A closer look at what is now working, and why, should be part of the transit industry's follow-on activities.

V. BENCHMARKING RESULTS

The study interviewed seven "outside" organizations (five of which are outside firms, one of which [Company C] is a private contractor of transit services). To preserve confidentiality, business respondents are not identified by company name, but rather as "Company A," "Company B," and so on.

Company A

Company A is a private-sector transportation company. It faces many of the same problems that the transit industry faces and, therefore, is an excellent candidate for regular benchmarking. In addition, the company regularly engages in benchmarking with other industries and has expressed a willingness to cooperate in an ongoing benchmarking exercise.

In its view, the company recruits, especially at the blue-collar level, from the same workforce pool as transit does. Like transit agencies, the company faces serious problems in recruiting a well-educated, drug-free workforce with a clean record.

Unlike some in transit, however, Company A believes it has been relatively successful in recruiting workers. It has been able, in the company's words, to "make itself an employer of choice."

Company A attributes its success in recruiting to a number of factors:

- The company has an ongoing workforce planning process that allows the company to carefully design a combination of recruitment, compensation, and benefit techniques in order to maximize recruitment and retention.
- The company has designed work in such a way that the company can recruit part-time and nighttime workers where appropriate (the company's business depends

heavily on nighttime workers). The company offers these workers the same benefit package as full-time workers.

- The company has competitive, but not unusually high, hourly pay rates.
- The company offers strong benefits, including medical, retirement, and profit sharing.
- The company promotes from within, including offering part-timers opportunities to join the full-time staff.
- The company has recently put in a new web-based hiring site that received 800 applications in its first 28 hours of operation.

Company B

Company B is an independent public-sector transportation company. Like Company A, Company B faces many of the same issues that the transit industry faces, but Company B's problems tend to replicate transit's *white-collar* challenges. Company B faces image problems, it has serious difficulties hiring marketing and IT personnel, and it suffers from a generally poor attitude toward government and public entities. It has had some—but not dramatic—success in addressing these issues.

Company B's human resources efforts are notable for one innovation that should be transferable to the transit sector: Company B has explicitly created a system for measuring the returns to the organization from training initiatives. As noted previously, a lack of models and techniques for measuring the return from human resources initiatives is a pervasive weakness of the transit sector. Company B's system is a good candidate, therefore, for further benchmarking analysis.

Company C

Company C is a private company that operates rail transit systems for public agencies. As a private (and nonunion) company, it can be more flexible and innovative than most transit agencies can. Although not all of its innovations may be transferable to the more constrained environment of transit, the company is an almost ideal benchmarking example because it performs exactly the same functions as a conventional transit organization, but in a different institutional environment.

Company C practices extensive development training of its workforce. Conductors qualify as engineers and then as train dispatchers. This training provides a career ladder for employees.

Company C operates a similar training-and-development ladder for laborers, crew supervisors, and track inspectors.

Like many companies, Company C addresses the gap between workforce skills and technology through constant training. Long-term “core” workers act as mentors for new hires.

Managers have far greater pay flexibility than in unionized, public organizations. Managers are held to performance standards, but are free to provide spot awards (e.g., cash, gift certificates, watches, and jackets) to reward strong performance. They are also free to make modest but real adjustments in base pay for high performers (e.g., one manager made a staff member the “captain of the cleaning crew” for an extra \$1 per hour).

Pay is generally higher, but only a bit higher, than in transit. Rewards for performance and pay flexibility, not sharply higher wages, are seen as the key to better performance and higher morale.

Company D

Company D, a private transportation company, faces problems similar to transit—in some ways more intensely. Pay is modest (\$32,000 average for an intercity bus driver), and working conditions are difficult (drivers often must spend long periods away from home and work long hours—70 hours per week at times). The company has shown considerable imagination in addressing workforce recruitment issues and is a promising benchmark candidate. Company D management has expressed a willingness to participate in further benchmarking.

Company D prescreens applicants to increase the number of ultimately successful recruits. Nevertheless, of 2,000–3,000 prescreened applicants, the company may be able to accept 800 (still a better ratio, apparently, than that of other benchmarks or many transit agencies).

Company D has followed what it describes as trucking-industry practice in doing “recruiting on wheels.” The company takes a good-looking bus, with an experienced driver, and parks it at sporting events with a recruiting banner on the side. Potential recruits are invited to inspect the bus, try out the seat and controls, and talk to the drivers and recruiters. The company often focuses on events (e.g., the Super Bowl) where there are many bus drivers from other firms present in enforced idleness. The company also takes the recruiting bus to shopping malls and to other places where people are expected to gather.

In addition to newspaper and radio advertising, Company D advertises in retail giveaway packs and “ValuePaks.”

Like transit, the company identifies and works with groups that may represent potential drivers. This work is especially important to the company because of the desire to recruit a workforce that reflects the company's clientele. The company also provides incentive bonuses to employees who recruit others.

Company D is now about 50 percent or more minority in terms of total workforce (up to 70 percent in some terminals), but believes it needs more emphasis on recruiting Hispanics and other Spanish-speakers. The company is actively recruiting employees with language skills.

The company is extremely serious about training. All new drivers undergo a 7-week training course. The course

includes 4 weeks of combined classroom and on-the-road training led by skilled former drivers. This combined course is followed by 3 weeks of on-the-road training. There are written and practical tests at the end of part of the course. The tests are serious: candidates can, and do, fail.

The company has moved in the direction of greater pay flexibility, with the cooperation of its union. It provides pay incentives in less desirable markets (e.g., for customer service and for on-time driving).

The company always involves employees in equipment specification and purchase. Drivers have helped design their new buses, including the seats, instrument panel, and driver's area layout.

The company (much like some transit properties) has induced drivers to overcome computer anxiety by tying pay record keeping to regular computer-based reports. Drivers must punch in work time and other data at terminals—hours are paid for only if drivers have punched in by computer.

Company E

Company E is especially concerned with its white-collar workforce, particularly in the areas of succession planning and job shortages in certain critical areas (e.g., IT and finance).

Company E has an explicit succession plan covering its top 200 positions. The plan emphasizes diversity among other factors.

Company E has an ongoing “change-management” process. This process involves training employees in new attitudes (e.g., “customer focus”), procedures, and technologies (e.g., “ticketless” travel). Company E finds that change-management efforts typically confront a fairly standard mix of employee attitudes: “20 percent are open and favorable, 60 percent can go either way, 20 percent are actively hostile.”

The company has recently added a high-level human resources position focused entirely on retention (the company previously had no one specializing specifically on retention). The new employee will develop a companywide retention strategy.

Company E is developing a new human resources strategy that will be completed in about a year. The company is open to a new benchmarking exercise with the transit industry when the strategy is completed.

The TWU's Community Transportation Development Center

The TWU has created the affiliated Community Transportation Development Center to focus on developing

- A strategy for transit and other passenger transportation to deal with workforce issues,
- A public policy agenda supporting workforce development, and

- Joint projects on workforce development with individual transit and other organizations.

The TWU work grows out of an AFL-CIO project on high-road partnerships to bring together management, workers, and community groups to address changing technology, training, and recruitment. The TWU goals with this project include

- Increasing understanding of transit technology and changing job and skill requirements;
- Exploring ways to integrate technology, jobs, and skills and supporting initiatives to implement these new skills in transit agencies;
- Developing and implementing a skills assessment in at least three systems;
- Expanding dialogue and cooperation among unions, workers, management, community groups, and secondary and post-secondary education;
- Developing a curriculum for two major sets of occupation skills corresponding to new technologies or skill shortages; and
- Pilot testing the new curriculum.

The union is interested in ensuring that current workers receive training and career growth opportunities, not just potential new recruits. It is very interested in the creation of career ladders for the blue-collar workforce.

Like most of those interviewed with transit management, the union is deeply concerned about the changing demographics of the workforce.

The TWU and its Community Transportation Development Center are interested in an ongoing relationship with the transit industry, as well as with individual properties. They are concerned about a possible lack of continuity in high-level interest in workforce issues. They share the concern of many of those interviewed within transit management that the focus on these issues must not be temporary. They see the unions as a group that can have a more long-term focus on workforce development issues.

The Motor Carrier Passenger Council of Canada

The Motor Carrier Passenger Council is a Canadian federal government-supported entity with participation from all parts of the Canadian passenger bus industry (both transit and intercity). “Human Resources Development Canada” (an umbrella agency that appears to combine elements of the U.S. Labor Department with responsibility for immigration) has a program for supporting industry councils that conduct workforce research. The Motor Carrier Passenger Council is one of Human Resources Development Canada's projects. The council is funded for 5 years in cooperation with industry.

The council has a very small full-time staff, essentially an executive director with an assistant. Projects are con-

ducted by consultants, with full participation from industry, labor, government, and other stakeholders. For each project, the council puts together a steering committee of council members to conduct the project.

Although the institutional structure and government support may not currently exist in the United States for creating a similar organization, the types of research being conducted by the council, and its cooperative nature, make the council a very attractive model for the transit industry. The council's projects may also be attractive models for the industry. The council's work to date suggests that a modestly staffed organization, with volunteer industry leadership, can do significant research and suggest promising approaches to workforce issues.

The council has adopted a 5-year business plan. Among the projects that the council has already completed or planned are the following:

- National occupational standards for professional bus operators (the ultimate goal is a certification program);
- A project on bus driver recruitment that would provide a national framework for effective recruitment (this project would include support for skills resources planning, a framework for a "skills foresight analysis" that will give employers local market data, and means and measurements for attracting new entrants);
- Work conducted with Canada's Natural Resources Council on a training course to improve fuel efficiency;
- A study on identifying and addressing labor shortages and possible apprenticeship approaches to addressing labor needs (the study will examine workforce needs, demographics, and apprenticeships as an approach); and
- A project on providing information on careers in transit.

VI. EXPECTATIONS AND DESIRED OUTCOMES FROM THE WORKFORCE DEVELOPMENT INITIATIVE

Not surprisingly, interviewees expressed a range of expectations for the Workforce Development Initiative. As noted previously, support was universal for a more vigorous program of information exchange. There was similar support for institutionalizing workforce development in order to ensure that the momentum of the initiative is not lost and to manage new programs. Focused research and the development of new tools and models also received widespread support.

Beyond the areas of universal support, there were a number of more ambitious suggestions—those that would explicitly encourage cultural change, increased circulation of promising future managers, and the development of programs for board education, for example.

Exploration and investigation should be the focus of the next stage. The following sections suggest how the industry might want to proceed.

Develop and Sponsor Courses

The transit industry could

- Provide instruction in human resources planning and strategy, in long-term and strategic planning in general, in diversity, and in compensation;
- Develop courses in languages or skills to assist in reaching out to new immigrants; and
- Develop a catalog (updated, online) of available courses and resources in all areas that affect recruiting and retention.

Develop an In-House Consulting Function on Workforce Issues

Several of those interviewed complained that the industry is too specialized for there to be adequate consulting resources to assist in human resources issues, including planning, training, and other retention and recruiting issues. An industrywide instructional program could be supplemented with consulting services. This supplementation would allow for the tailoring of general instruction and training to individual needs (more than one interviewee wanted the option of having the training on-site rather than available at a distant location).

Establish Ongoing Benchmarking

There is universal support, as noted, for an ongoing benchmarking effort with examples inside and outside the industry. Most of those interviewed have already indicated a willingness to participate in such an effort. A number of other candidates have also been suggested (Southwest Airlines, the Disney Company, private railroad companies, and others with experience in providing nonmonetary compensation).

Detailed development of a benchmarking program, including one or more actual projects, is an obvious next step for the industry. Several observers suggested that the program be designed in such a way that promising young managers from individual properties are part of the benchmarking team. This design would expose the promising young managers to ideas and practices outside transit.

Improve Information Exchange

Interviewees suggested the following supplements to existing mechanisms for industry information exchange:

- An accessible listserv on best practices;
- An active program to identify and publish reports on best practice examples;
- A larger program of conferences and seminars, carefully designed not just for content, but also for attracting people at the appropriate level of the organization;

- Encouragement of informal groups of people facing similar issues (to encourage frank discussions, these groups might be by invitation only);
- A “speakers bureau” or clearinghouse for ideas of interesting speakers (see the Metro Transit experience with Nordstrom described previously);
- A central point for off-the-shelf information on workforce trends (there might be an associated staff position for someone knowledgeable about workforce issues); and
- A central point or clearinghouse to consolidate information, emerging trends, and concerns from industry human resources staff.

Develop or Identify Models

Several interviewees wanted the industry to develop or identify models that could be used in their own programs or planning. Models measuring the return of training or other human resources investment were a frequent request, as was a program that would certify and then closely follow particular model initiatives as industry initiatives.

Study Particular Issues

The following studies could be conducted:

- A study that would identify transit-specific jobs, map key competencies for those jobs, suggest training approaches, determine recruitment and retention trends, and suggest productive approaches to recruiting and retention;
- A study on the portability of benefits for specialties in occasional demand;
- A study that would make long- and short-term projections of workforce levels and demand;
- A study that would identify which trends are throughout the general workforce and which are specific to transit;
- Studies on job sharing, including innovative approaches to older and emerging workforce issues; and
- A blue-ribbon panel study on how the industry could be deregulated (i.e., what steps could be taken toward running transit organizations with more of the flexibility and relative independence of private firms).

Improve Training

The following could be done to improve training:

- Work with the unions and others to develop training models combined with workforce development models,
- Explore ways to work with government and others to provide transit-oriented training to particular populations (e.g., recent immigrants and welfare-to-work recipients), and

- Consider mentoring programs that would exchange personnel between transit agencies and private transit supply companies.

Establish Collective Programs to Get Young People to Consider Opportunities in Transit

To encourage young people to consider opportunities in transit, the industry could establish a common website, common advertising (or common advertising themes), and an advertising campaign that would explicitly rebut the belief that transit is low tech.

Develop Forums for Information Exchange at the Appropriate Level

The industry could encourage state associations as a forum for discussing local issues, as well as exploring regional information exchange.

Develop an Ongoing Structure for Workforce Development

The development of an ongoing structure for workforce development needs to be thought through carefully and is a critical part of the next stage of the initiative. Initial suggestions include the following:

- There needs to be institutionalization at several levels: at the GM level, among senior human resources staff in transit agencies, within industry organizations, and perhaps elsewhere.
- There almost certainly needs to be a permanent staff person or persons coordinating the ongoing initiative (several observers suggested someone from outside the transit industry).
- There needs to be regular and ongoing efforts to highlight the most important issues and initiatives for GMs and board members.
- The industry may want to mandate consideration of workforce implications for every industry committee and initiative.
- The industry may want to establish an ongoing committee, perhaps with alternating business and transit chairs.

Educate Boards and Political Leaders

To educate boards and political leaders, the industry could do the following:

- Produce a model background package on transit and key issues for boards;
- Involve board members in workforce issues at the industry levels;
- Exchange information on best practices in working with boards and political leaders;

- Exchange best practices in building support among business leaders; and
- Set up an ongoing regular high-level process, with board member representation, to “think outside the box” (part of this process could be bringing in business leaders from outside the industry).

Improve the Image of Transit

There was strong support for APTA’s (PT)² initiative. Image improvement was suggested as an appropriate subject for one or more benchmarking studies.

VII. SUGGESTED NEXT STEPS IN THE INITIATIVE

From the outset, the working group has believed strongly that the initiative needs to prepare an action plan for the industry on workforce issues. The interviews suggest that there is potential support in the industry for such a plan. To win acceptance, however, the plan must be carefully designed and then “sold” to the industry through a process of extensive consultation.

The industry should conduct a follow-on process that would flesh out in detail the structure, role, and responsibilities of a permanent workforce development process within the industry. This process needs to address at least the following issues:

- What ongoing responsibilities would be part of this process? The interviews suggest that there is support for
 - A regular benchmarking program;
 - A clearinghouse function on best practices and human resources trends;
 - An ongoing study program; and
 - A process that would continue to keep workforce issues on the transit agenda through high-level involvement, ongoing study, programs, and continued visible support (this process is likely to require a highly placed staff person taking the lead on a permanent basis).
- What other functions (e.g., consulting or board education) might receive immediate or future support?
- How should the ongoing process be structured?
 - Where should it be housed?
 - What staffing needs are entailed? What qualifications are needed for the staff?
 - How can high-level participation be ensured (e.g., with a permanent committee)?
- What sorts of forums and other means of communica-

tion and information interchange are necessary (e.g., meeting, conferences, or informal groups)?

- What relationships with others might need to be strengthened or formalized (e.g., with government as in Canada, with labor unions, with other parts of the public sector, or with others in the transportation industry)?
- What existing models might there be for the transit industry? Both the Canadian Motor Carrier Passenger Council and the TWU’s Community Transportation Development Center should be studied in more detail to determine the degree to which they might serve as models. Both are also very promising ongoing partners for the industry effort.

The industry should produce a straw proposal that would describe the permanent function in detail, lay out the necessary steps for establishing the function, and provide cost and budget estimates.

At the same time that the industry is developing the nature and structure of an ongoing workforce development process, it should conduct high-profile research in areas where there is clear support from those interviewed. Candidates for this research include the following:

- A report on one or more external benchmarks (these benchmarks might be projected as part of a new annual series and represented to the industry as such; the industry might also want to consider ways in which others could be brought into the benchmarking process, such as helping to designate the topics to be explored in benchmarking);
- Further study on how information is now effectively exchanged in the industry (e.g., a case study on mentoring);
- A best practices study on an area of key interest, such as new approaches to compensation;
- A competency study on one key industry specialty;
- A catalog of potential workforce development resources; and
- A study on available models for measuring return on workforce development investment (e.g., training).

Given the importance that many of those interviewed (particularly those who felt strongly about the need for a stronger focus on human and workforce issues) put on changing the internal culture of the industry, the industry should consider a project to further explore the need for and desirability of cultural change. This project could be a series of outreach sessions, a high-profile roundtable, or a study.

The industry should work with the major transit labor unions to determine if there are opportunities for creating joint projects addressing workforce issues. At the least, an ongoing process for consultation and exchange of ideas should immediately be initiated with the labor representatives already working on these issues.

The industry should consider whether there are ways to

enhance cooperation with the Canadian Motor Carrier Passenger Council from across North America.

On a somewhat more long-term basis, the industry could undertake one of the other widely supported initiatives, such as developing a model course on human resources planning and setting up a listserv for exchanging ideas on trends and best practices.

Before the industry can go forward in any of these areas, it needs to proceed on six fronts:

- Decide in principle which options it wishes to pursue;
- Develop a study plan for each option;
- Find resources to support the study plan;
- Decide how each of the follow-on initiatives is to be managed (the author recommends dividing the industry into a series of subcommittees, with each having responsibility for a single follow-on project);
- Establish an overall timeline and deadline for each individual project; and
- Determine what additional support or involvement may be needed from other industry members.

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Without the enthusiastic cooperation of people throughout the public transportation industry, it would have been impossible to produce this report. Special thanks are due to the members of the Workforce Development Initiative for their unfailing insight, support, and assistance. The author would like especially to single out Bev Scott, M. P. Carter, and Stephanie Pinson for their help in identifying people to interview and for their assistance in arranging the interviews. The author is indebted to Gail Charles of WMATA for her thoughtful comments on earlier drafts of the report.

Vivienne Williams and Pam Boswell of APTA have skillfully and efficiently served as liaison with the workforce group and the rest of APTA.

Of course, the 31 people who took the time from their busy schedules to share with the industry their insights on workforce issues deserve the greatest thanks. The author has tried his best to accurately and fully reflect what they said.

ATTACHMENT A: LISTENING/ACTION SESSIONS

1. General Managers Seminar, January 28, 2001, Phoenix, Arizona. Attendees: General managers, chief executive officers of transit systems, and their assistant general managers.
2. Report given at the Marketing and Communications Committee Meeting (in conjunction with the Marketing Seminar), February 21, 2001, Atlanta, Georgia. Attendees: Public transportation personnel involved in marketing, communications, media relations, advertis-

ing, planning, research, service development, and customer service.

3. Legislative Conference, March 10, 2001, Washington, D.C. Attendees: Board members/policy makers, transit operators, consultants, manufacturers and suppliers, government relations staff, and local coalition members.
4. Commuter Rail Conference, April 1, 2001, Seattle, Washington. Attendees: Commuter rail board members, senior executives, middle managers, officials currently running or interested in starting a commuter rail system, and suppliers/consultants.
5. Bus and Paratransit Conference, May 8, 2001, Calgary, Alabama. Attendees: Transit bus personnel, bus and paratransit personnel involved with fixed routes and van services, consultants and suppliers, and representatives of disability organizations.
6. Rail Transit Conference, June 12, 2001, Boston, Massachusetts. Attendees: Rail transit system personnel, board members, policy makers, suppliers, consultants, and other personnel involved with rail and fixed guideway design, construction, operations and maintenance.
7. Transit Board Members Seminar and Board Support Workshop, July 17, 2001, Denver, Colorado. Attendees: Transit board members/policy makers of transit systems and board support personnel.
8. Human Resources Conference, August 3, 2001, Phoenix, Arizona. Attendees: Human resource and civil rights professionals, including disadvantaged business enterprise (DBE), women business enterprise (WBE), affirmative action (AA), and equal employment opportunity (EEO) officers and Americans with Disabilities Act (ADA) specialists.

ATTACHMENT B: KEY ISSUES IDENTIFIED BY THE WORKFORCE DEVELOPMENT INITIATIVE WORKING GROUP AND LISTENING SESSIONS

1. Aging of the current workforce
 - Long-term problem: need for replacements (a problem for the future)
 - Succession planning is vital
 - Immediate problem: Lack of flexibility and skill in addressing new technology
 - A signal of other problems in recruitment
2. Changes in expectations for workforce/nature of job
 - Need at top for broader perspective and thinking
 - At all levels, increasing need for understanding of technology
3. Declining interest in transit as a career/poor image
 - “Stability not growth” compared to other industries
 - Poor image (some say no image at all)
 - Difficult working conditions/uninteresting and boring work

4. Compensation issues
 - Level of wages may no longer be competitive, especially given relative unattractiveness of the jobs
 - Poor wage structure—civil service model (high average, poor at top)
 - Wage structure makes it hard to move into lower ranks of management
5. Increased competition from other employers because of the image, compensation, and other problems of the industry
6. Increased dependence on technology, yet poor fit with workforce skills
 - Mismatch between needed skills and workforce skills
 - Lack of planning for introduction of technology— not designed to be “user friendly” (probably not adopted as part of overall comprehensive plan sensitive to workforce issues)
 - No workforce participation in adoption
 - High turnover rate in tech positions, partly driven by desire for new challenges
 - Training and investment need funding, institutional support
7. Old-fashioned work organization
 - Quasi-military
 - Heavily unionized
 - Traditional union emphasis on rules and seniority make flexibility in terms of training, pay, and practices difficult
 - Often reinforced by politics or statute
8. Changes in expectations of younger generation
 - More tech oriented
 - Different attitudes toward the work versus security tradeoff
 - Less content with hierarchy: both unions and the quasi-military organization of much of transit are alien to them
9. Problems in matching needs with changing workforce
 - Language issues with new immigrants (e.g., Hispanics in the South)
 - Reading and other skills of young workforce
10. Problems with drying up of traditional recruitment pool
 - Military
 - Traditional unskilled and semi-skilled workforce
11. Political and other barriers exist to solving problem
 - Politicized environment
 - Reduces pay, work rule flexibility
 - Unionized
- Need to determine how much freedom for change there is politically
- Study and recommendations need to take political (and other) realities into account
12. Diversity
 - Often have diverse workforces
 - Haven’t fully addressed all diversity issues (e.g., meeting immigrant needs in order to take advantage of an attractive pool of potential workers)
 - Commuter rail seen as having a greater diversity challenge than bus and urban rail
13. Lack of research
 - What is the baseline human resources profile of the industry?
 - What are the key positions?
 - What are the key competencies?
 - What are the key pipelines now for providing these resources?
 - How bad are the problem(s)? What evidence?
 - Turnover rates?
 - Problem by specialty?
 - Trends: is it getting worse?
 - What is happening in blue-collar workforce generally?
 - Technological evolution of industry and implications for workforce?
 - Benchmarking; how others are addressing compensation, demographic changes, technology, recruitment, etc.?
 - Railroads?
 - Express companies?
 - Other government or quasi-governmental agencies (are there more successful models for compensation, work organization, etc.)?

ATTACHMENT C: INTERVIEW QUESTIONNAIRE

1. What do you see as the public transportation industry’s three to five biggest challenges in attracting and retaining employees?
 - Why are these the biggest challenges?
 - How have they arisen? What has changed in the transit industry or the outside environment to create these challenges?
 - What studies, data, or other evidence do you or others have that support your belief that these are critical challenges?
 - Will your answer be different in 5 years; in 10 years?
2. In what ways do you see changing demographics in the workforce affecting the public transit industries and

your organization's ability to hire and retain employees?
In particular:

- a. How well prepared is the industry for the increasing diversity of the workforce?
 - What are those changing expectations?
 - How are they different from past expectations?
 - What changes have you made in response?
 - What changes could be made?
 - b. How well prepared is the industry to address the changing expectations of younger workers (Gen X'ers and younger)?
 - What are those changing expectations?
 - How are they different from past expectations?
 - What changes have you made in response?
 - What changes could be made?
 - c. Are there other key demographic challenges?
3. How are changes in technology affecting the industry's ability to attract and retain employees?
 - What are particular challenges you have faced in adopting new technology?
 - What can be done to address technology issues with current staff? With potential new hires?
 - Are there concrete examples (positive or negative) you can cite from your experience or that of others that can help the industry address technology issues?
 - To what degree has the workforce been involved in the adoption and implementation of new technology? Would more involvement be helpful? How might it be achieved?
 4. Can you suggest examples, from your organization or elsewhere, of innovative approaches to employee recruitment and retention? These can include examples of:
 - Work reorganization
 - New approaches to recruiting (responding, for example, to changed workforce demographics)
 - New approaches to compensation
 - Initiatives to address changes in technology
 - Special school-to-work and/or other educational programs (e.g., apprenticeships, work with community colleges, or vocational schools)
 - Others
 5. What barriers are there in the transit industry to innovation on workforce issues?
 - Political?
 - Institutional?
 - Work rules and practices?
 - Other?
 - How might these barriers be overcome?
- Can you cite specific examples of addressing and overcoming barriers?
 6. Many have said that one of the problems the transit industry faces in recruiting and retaining staff is its image.
 - Is this correct?
 - What is the sector's image?
 - How might it be changed?
 7. Are there organizations or businesses that are doing a better job than transit in competing for the transit industry workforce?
 - Why are they more successful?
 - Are there lessons that transit can learn from them?
 8. What organizations or businesses can you suggest that might be good "benchmarks" for the transit industry to use in thinking about how to address workforce initiatives?
 - Can you cite public-sector examples as models?
 - Private-sector examples?
 - What can these other organizations or businesses teach the transit industry?
 9. Are there institutions or other outside resources that the transit industry should be working more closely with in order to address workforce issues (for example, educational institutions)?
 - Can you cite examples of successes in working with others?
 10. Which stakeholders need to be involved in APTA's Workforce Development Initiative? Can you suggest ways APTA could reach out to these stakeholders?
 11. What would you like to see as the outcome of APTA's workforce initiative?
 - What products/results of the initiative would be most helpful to you and why?
 - Are there tangible products/resources/information that would be useful?
 - Would a benchmarking study of other industries be helpful? How could it be used?
 - Where else do you look and what have you found helpful in addressing workforce issues?
 - Can you suggest data, studies, or other resources that APTA might consider in its work?
 12. Please suggest anything else that you believe would be helpful to APTA and the transit industry as it addresses workforce issues.

ATTACHMENT D: INTERVIEWEES

#	Name	Position	Association
1	Victor H. Burke	Executive Vice President	Dallas Area Rapid Transit
2	Peter M. Cipolla	General Manager	Santa Clara Transportation Authority
3	Shirley A Delibero	President and CEO	MTA of Harris County
4	Bob Irwin	President and CEO	BC Transit
5	Robert Molofsky	General Counsel	ATU
6	Raymond Jurkowski	VP Human Resources	SEPTA
7	Scott Ruddick	Manager of Education and Training	Canadian Urban Transit Association
8	Stephanie L. Pinson		Gilbert Tweed Associates
9	Beverly A. Scott	General Manager	Rhode Island Public Transit Authority
10	Edward Thomas	Associate Demonstrator for R&D	Federal Transit Administration
11	Ronald J. Tober	CEO	Charlotte Area Transit System
12	William L. Volk	Managing Director	Champaign-Urbana Mass Transit Director
13	Tony Kouneski		APTA
14	Fran Hooper		APTA
15	Tom Peacock		APTA
16	Maureen Milan	Head of Operations	NJ Transit
17	Barry Barker Louisville	General Manager	Transit Authority of River City
18	*	VP HR	Company A
19	Joel Volinski	Deputy Director	Transit Center for Urban Transportation Research
20	Ray A. Inge	Executive Director, HR	MTA LA County
21	Paul A. Toliver	Director, Transportation	King Country DOT/Metro Transit
22	Jerry Benson		Salt Lake City
23	*	CEO	Company C
24	*		Company B
25	Brian Turner		Community Transportation Development Ctr. (Affiliated with TWU)
26	Kevin Hyland	Vice President, HR	MTA NYC
27	Joanne Crawford		Motor Carrier Passenger Council of Canada
28	*		Company D
29	*		Company E
30	David Turney	CEO	Digital Recorders, Inc.
31	George Dixon	Board Chair	Greater Cleveland Regional Transit Authority

* Names have been omitted to maintain confidentiality.