

Developing a people-focussed organisation

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Abstract:

Research reflects the objective data about people and things. This paper is data from people reflecting on themselves and their organisation. It chronicles and examines the people and the organisational development steps of Transperth, the West Australian metropolitan public transport organisation.

The paper outlines the shift in the nature of the organisation from a focus on equipment and systems to a customer focussed culture. It gives an historical introduction and a survey of the change processes, from the perspective of internal staff and an external consultant dealing with issues all major transport instrumentalities face in the 1990's.

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Objective

As the audience for this paper, you are our customers, and it is therefore our intention to try and meet your needs.

What we hope to do is to share with you a range of initiatives which the Transperth organisation has undertaken over the past two years in its attempts to become more responsive to the needs of its customers and its staff. We would be interested to know how your organisations have approached similar problems and issues.

Transit organisations today are confronting major threats and opportunities and it seems sensible to share and learn from one another's experiences in confronting these challenges. We need to take notice of our stakeholders - customers, staff, taxpayers, Ministers, the media and so on - in order to provide quality transport services.

Preamble

The strong customer focus implied in this paper is not an unfamiliar theme to the Chief Executive Officers of state transit organisations across Australia and New Zealand. In September 1989, Transperth hosted the annual ANZCTA General Manager's Conference in Perth.

In a significant departure from the usual conference agenda, Transperth established a special conference theme entitled 'Yes, Customer', justifying it as follows:

"The popular television programme might suggest that a governmentally-owned transit organisation is more adept at saying 'yes' to Ministers than to customers.

Is our industry in touch with its customers? How can we assess customer needs and expectations? Are we adequately training staff in customer care? How well do we market our products? Can we be more innovative with new and different products?"

These questions set the scene for a full day of the conference spent focussing on the customer. Transperth Chairman, Stuart Hicks, opened the discussion on the needs and expectations of the customer, and delegates reported on their own activities designed to 'get in touch with the customer'. The conference was addressed by a representative of the Canadian Urban Transit Association who gave details of the successful 'Transit Ambassador' training programme. A guest speaker from the Bank of New Zealand spoke about his organisation's attempts to become more customer oriented, and this was followed by a facilitator who took the group through some exercises designed to make them more aware of customer issues. (This included the requirement that the General Managers be outfitted in bus operator uniforms).

In the evening, the group plus their spouses were involved in a presentation by the Playback Theatre Company, who dramatised the issues and experiences of the day and 'played them back' theatrically to the audience.

Subsequent feedback from the Conference participants has been very positive in terms of the theme and the value it contributed. A tangible outcome has been the

widespread support for and adoption of the Transit Ambassador programme by several state transit bodies.

This paper seeks to develop the issues explored at that conference further and share, in some detail, one organisation's attempts to address the 'people' aspects of the organisation - the needs of its customers and staff - in a number of ways. Transperth still has a long way to go before many of our efforts will bear fruit, but our experiences may perhaps save you 'reinventing the wheel' within your own organisations and encourage you in finding that you are not isolated in your experience of some of the difficulties we too have faced.

A Brief Organisational History

In the pioneering days of public transport in Perth, many colourful individuals bought buses, trams and trolley-buses in what became a highly-competitive market. It was fun in those early days when competing companies raced each other to be first to pick up passengers.

In reality, of course, a city with a population as small as Perth's but with an evers-spreading suburban sprawl could not sustain the expanding number of bus companies and so, by the 1950's, the Government of the day looked towards formation of a central agency to run an integrated bus service.

It was in 1958 that the Metropolitan (Perth) Passenger Transport Trust was established to acquire all private bus services and the MTT progressively took over offering the public an integrated system, but at the same time, inheriting ageing bus fleets and scattered maintenance depots.

During the next 20 years, the MTT had much of which it could be proud. Under the chairmanship of Ted Adams, successful negotiations were conducted with 13 private bus companies, bringing them all painlessly into the MTT. Like most public transport organisations around Australia, the MTT experienced increased patronage in the 50's and 60's until the dominance of the car grew too great and, in the 1970's passenger numbers began to fall off.

In 1971, the MTT's inaugural secretary, George Shea, became chairman of the organisation and took many initiatives to boost patronage. It was under Shea's chairmanship that the free City Clipper service was introduced and a flat fare system was adopted.

Patronage was still falling in 1981 when the MTT broke with the tradition which had seen bus industry executives take the chair and when Leslie Hyland was appointed. Leslie was an executive from BOAC, now British Airways, who came to MTT from Rugby Portland Cement. He restructured the organisation, introduced the Multi-Rider concept (10 rides for the price of nine) and took the MTT into commercial television advertising.

The catalyst for the most recent changes in the history of the organisation, and, importantly, that which led to the development of a people-focussed public transport operation, was the appointment of Stuart Hicks in 1985.

Stuart came from an academic background, his previous post being that of Deputy Director-General with the West Australian Department of Transport.

Unlike many of his predecessors, Stuart Hicks took on the dual roles of chairman and chief executive officer and began to shape the organisation known as Transperth today.

Rather than take a 'new broom sweeps clean' approach - one that traditionally sees major changes in senior personnel - Stuart remoulded the talent that already existed within the organisation and began to change its culture - its way of doing things.

Perhaps one of the simplest ways to demonstrate his technique is to relate one of his favourite ploys, a tactic he still uses today whenever he feels it necessary to remind those of us who work with him why we are in business.

Stuart will spread onto the coffee table a smattering of the organisation's annual reports.

"Look at these", he says, flicking through the glossy pages, "there is page after page of colour photographs of clean, modern buses, but there are no passengers aboard and no staff shown". The point he makes is that it is as if the organisation of the 60's and 70's concentrated entirely on operating the latest vehicles, but gave no thought to its passengers or staff.

Now, of course, it is not true to say that people were forgotten by Mr Hicks' predecessors but a change in ethos was necessary for Transperth to survive into the 90's and beyond.

While many of the people who began with the MTT in the 1950's are still with Transperth, and making a valuable contribution to the organisation, Stuart Hicks also recruited talent externally for key roles like the introduction of a community liaison programme; the future strategic planning so vital to meet the challenge of change; and to spearhead a new focus on the customer.

Patronage is now increasing annually, and, with the support of a State Government strongly committed to public transport, record sums are now being invested in such ventures as an electrified suburban rail system (Transperth became responsible for the suburban railways in 1974), introduction of a Free Transit Zone in the centre of Perth, the building of an airport-style central Perth Bus Junction and a complete new rapid transit system now under construction to the expanding northern suburbs.

By themselves, these innovations will contribute significantly to the growth of public transport in Perth but they are also expensive. For Transperth to continue to hold public support, there was a need to ensure the West Australian community received tangible benefits from an organisation geared to respond to changing demand. Thus, the philosophy was adopted to slowly but steadfastly change the focus of the organisation from one which had previously been product or hardware oriented to one that put people - users, staff and the community at large - in the forefront of all future strategies.

Transperth Initiatives 1988

1988 was a significant year for Australia, and also for Transperth, for that was the year that a number of organisational change initiatives really got underway.

A Special Projects Executive joined Transperth, on secondment for three months, and those three months stretched into twelve.

The secondee began by undertaking an organisational diagnosis and identified major strengths and weaknesses, threats and opportunities. Several areas stood out as ready for improvement activities, and work was undertaken on the following projects:

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- * The development and implementation of an induction programme for all new Transperth staff.
- * A more passenger-oriented emphasis in recruitment advertisements for bus operators.
- * A corporate planning seminar in December 1988 for members of the Transperth senior executive team, aiming to clarify our mission and goals. This included spouses in both planning and social activities.
- * A series of exit interviews with tradespeople leaving the organisation to seek their reasons for leaving and their suggestions for improvements.

Case Study 1: Bus Operations Restructuring

One major initiative that was commenced at this time was an ambitious project for major change in the Bus Operations Division. The Division had been for some time discussing the need for changes to its internal structure and to the recruitment, selection and training of its bus drivers.

To facilitate progress, the Special Projects Executive worked with Management to establish a Bus Operations Task Force and two Working Parties; one to address depot restructuring and the other to look at human resource management initiatives. Each of the three bodies had representation from Bus Operations management, the Personnel Department, key Unions and staff. A firm of organisational consultants was employed to assist with the project and they also attended all meetings. The assignment lasted several months and resulted in two major reports from the Working Parties to the Task Force. Major aspects of the study are as follows:

(a) Bus Operator Recruitment, Selection and Training

The consultants undertook a thorough review of existing procedures. The bus operator's job was analysed and a comprehensive job description for the position was written, reflecting both the content of the job and the competencies required. Passengers and bus operators were formally consulted as part of the process. Based on the review, a series of major recommendations were made, as follows:

- develop and incorporate a biographical questionnaire as part of the selection system, to enable Transperth to cope effectively with large numbers of applicants;
- incorporate a test instrument into the interview process which would provide a means of exploring candidates' personal characteristics and likely behaviour;
- incorporate interpersonal and customer relations skills training into the Bus Operator training course;

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- design and implement standard procedures to facilitate the transfer of learned skills from the Bus Operator training course into practice on the road.

Since these recommendations were made in October 1989, the Bus Operations Division and Personnel Department have been working together to implement the desired improvements to our recruitment, selection and training processes.

(b) Depot Structure

Pressures to change the existing structure of the Bus Operations Division from a highly centralised to a decentralised mode were enhanced by the imperative of national award restructuring. The old structure involved centralised authority and decision making and a depot structure where one depot superintendent could be directly responsible for up to 200 bus operators.

A desire for improved efficiency and effectiveness, for the provision of more challenging work and opportunities for personal development and for a 'team-focussed' approach to structure were all instrumental in influencing the need to change.

Wide ranging consultations were held with Divisional staff at all levels during the study, as well as with passengers. The recommendations of the Depot Structure Working Party were as follows:

- * The creation of a new position of Depot Support Officer, reporting to the Depot Manager, with its major responsibility the day to day performance management and support of groups of approximately 30 bus operators.

- * Devolution of more authority, accountability and control over depot operators to the Depot Manager, including increased responsibility for budgeting and human resource management.

Implementation of these changes is occurring on a pilot basis at a particular depot, and will gradually be spread across the entire Division over a period of several years.

Case Study 2: Adoption of Total Quality Management

Late in 1988 the Transperth Executive was introduced to the concept of Total Quality Management (TQM) as the sort of customer and people oriented approach that may be relevant for the organisation into the 90's. Over a period of months, senior management were exposed to TQM approaches via seminars, periodicals, reference books, articles and visiting speakers. Sustained executive support for TQM resulted, and in late 1989 a TQM consultant/facilitator was seconded from another agency to work with Transperth on developing a TQM programme tailored for the organisation.

Transperth has now developed its own 'Transperth Quality Service' programme. The main elements of the programme are:

- * training programmes for managers and staff on improving services and processes;

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- * provision of trained staff to assist users of the programme;
- * managers providing direction for the programme and supporting their staff.

Training will be made available in three phases:

- 1 Awareness of quality service and quality improvement principles for all staff.
- 2 Specialised training for facilitators and team leaders who will then work with quality improvement teams.
- 3 Training for members of quality improvement teams.

There is a strong interest in TQM within the Western Australian Public Sector and Transperth has championed a TQM network which draws together TQM practitioners from a wide range of WA Government Departments and Authorities to share experiences.

The expected benefits from implementation of a TQM approach include significant reductions in waste and error within the organisation; a strengthened customer focus; and the empowerment of staff at all levels to become involved in solving problems and suggesting improvements to work processes.

1989

During 1989, the pace of change within the organisation appeared to accelerate as Transperth staff became more involved in the significant infrastructural developments which were occurring in public transit in Western Australia. These included:

- * the decision to construct a new northern suburbs transit system integrating rail and bus and extending north to Burns Beach;
- * major work in electrification of Perth's suburban rail services;
- * the establishment of Australia's first Free Transit Zone in the Perth central business district;
- * the construction of a new state-of-the-art bus junction in the heart of Perth;
- * the construction of an exclusive bus lane in Perth's Kwinana Freeway.

With the new era of public transit, Transperth management sought to review the organisation's mission and strategies to reflect our objectives for the 90's and beyond.

In October 1989 the top 35 executives and managers participated in an intensive three day residential workshop. The objective was 'to develop a co-ordinated strategy encompassing a re-assessment and refinement of a vision for Transperth which is accepted and understood by key stakeholders'. The workshop

was facilitated by an external consultant and included input from stakeholders, a SWOT analysis, and an assessment of stakeholder expectations. The workshop resulted in the development of a new mission for Transperth and the definition of a set of critical success factors required to support the mission (see Attachments A & B). The workshop also prepared a list of strategies and short term actions to address the critical success factors.

Since the workshop, the mission is being spread to all levels in the organisation using, as a catalyst for commitment, a "warts and all" video in which staff relate what is good and bad about the organisation and customers comment on the plusses and minusses of public transport in Perth. The mission statement has enabled Transperth to focus on the 'people' aspects of its activities due to the mission's heavy emphasis on the needs of both staff and customers.

Case Study 3: Transperth's Customer Service Department

The following case study is set out in his own words by an external consultant who has been working with Transperth to improve its "people" focus.

As a process consultant, helping others to help themselves, I have worked with the Customer Service Department since September 1989. Previously I had worked with the Transperth Executive in one corporate planning seminar and had worked with individuals in the organisation.

The Executive showed a concern to manage a transport dilemma. That is; how to find a balance between being frugal with funds and, at the same time, providing a service for the people of Perth? Or, "how do you keep voters contented with a good quality service and pay for it from what Treasury will give?" The supply of funds is controlled, the demand is large, and there is an expectation that the market should increase. Historically, though, the staff have been bureaucratic.

The Customer Service Department was seen as a way of assisting the whole organisation to be focussed on the customer and a monitor and promoter of good service.

Initially I worked with the Customer Service Department in conducting a workshop in September 1989 to address morale, teambuilding and to give the new Director a picture of the state of affairs among her staff. The workshop was to get staff to start the process whereby people think about what they were to do in the future. The Chairman addressed them and threw out a challenge. He offered them what he called the "purple robe": the opportunity to exercise entrepreneurial leadership.

Formerly, the organisation had had a strong focus on operations and equipment. The culture was old and dependent. Just as customers of bus services are dependent on buses, so people inside the organisation were highly dependent on authority and power from above. However, here was a Chairman offering an opportunity and scope of leadership; scope for focus on customers as people, focus on the market for which Transperth existed.

The response was stunned silence, some concern and some resentment. The Chairman had also suggested that the Customer Service Department might invite him back at the end of the workshop to show what they had done. So there was much debate about whether to or not and "how could you invite him back if you have nothing to show?" They then reframed; ie changed and put their own meaning to what "The Purple Robe" could mean to them.

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Finally it was agreed to invite the Chairman back and tell him that the purple robe for them was telling the truth, "telling it as it is" - so if they had nothing more to show than that they had had an attitude change, they would declare that. This agreement took time and much discussion, confrontation and negotiation. It was, I believe, the beginning of a new, more independent 'culture' - not so "scared of the boss" that they would fabricate something to show him or so rebellious that they would see his request to invite him back as an opportunity to reject him.

They did invite him back and they did say, with some facilitation, what they had been doing; ie deciding what the purple robe could mean to them and where they could go next. I believe they achieved an enormous amount on that day. Changing the culture to support direct communication instead of "snowing upwards" is quite an advance. Secondly, they agreed to a two year change cycle to change the structure and functioning of the Department. Thirdly, and this was most exciting, they chose a group called "The Customer Focus Group" to manage change within the Department. The way they chose the group was by agreeing on the qualities they wanted in the people in the group. These were:

- * knowledge of Transperth
- * honesty
- * assertiveness
- * ability to work as a team member
- * optimism
- * planning skills and
- * ability to reverse roles and see the world from another's point of view.

They then assessed everybody in the Department on these qualities and a group of six people dropped out very simply from all the choices expressed. The group chosen thus has worked on the change processes of the Department since then. I believe the criteria on which they chose their Customer Focus Group were the beginnings of their new culture.

The next step on their two year change cycle was a Future Search Conference. This is a corporate and strategic planning method whereby a group plans with its stakeholders and those above it. The Department's Customer Focus Group planned the format for the Conference, chose and managed the venue and invited superiors and peers to plan with them. The Conference looked at where the Customer Service Department should be heading. Objectives and strategies were drawn up:

- 1 Customer Focus: ie attention to the internal and external customer.
- 2 Training and development of staff.
- 3 Developing a multi-modal culture (ie train, bus and ferry).
- 4 Developing a communications strategy which focuses on strengths and empowers the customer.
- 5 Developing a proactive marketing strategy inside and outside the organisation.

Again, I believe the Department achieved quite a lot in a well planned and highly structured couple of days. Since then they have, to my knowledge, focussed

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mostly on marketing, or working with a marketing consultant to develop a marketing plan.

It is always difficult to maintain the long and the short term goals and the broad and particular vision. There is still a lot of work to be done to keep the Department on track with its overall development plan as decided in September 1989. Further, the whole organisation has a series of "initiatives" as detailed elsewhere in this paper.

So there is the danger of a "surfeit of initiatives" throughout the organisation. If staff have several initiatives to attend to they will be in danger of losing sight of goals they have set themselves.

Also, I doubt that people realise how much they have achieved and how long it takes to change. It takes a long time to turn around a supertanker. I still hear cries for "runs on the board" and realise that people become urgent and concerned for instant "just add water" results.

My work with the Customer Service Department has been exciting and edifying. People have begun developing the nucleus of change as a group focussing on internal and external customers. They have shared agendas instead of hiding them, they have sought to support one another and the vision they have built. This is a solid development from an organisation which once might have said "We run the buses, it's just that people don't know how to catch them."

1990

In 1990, Transperth's 'people' focus is being continually developed through a range of initiatives from all areas of the organisation. It seems amazing that in two short years the organisation has moved from being fairly sluggish and complacent to a climate of dynamic change and growth. Since the beginning of this year a number of significant initiatives have been commenced, all aimed at improving our 'people focus'. These include:

- * The development of a Transperth *marketing strategy* which aims to identify our customers and their needs and to develop strategies to meet those needs
- * The development of a Transperth *training and development strategy* which seeks to outline structures, resources and implementation plans for staff training and development across all areas of the organisation.
- * Participation by Engineering Division staff in a TAFE *Workplace Change Programme* which has resulted in empowerment of staff and significant cost savings and improvements to work practices through the staff's own initiatives.
- * The development of a *marketing strategy* encompassing two new key positions - that of a Patronage Strategist developing policies to meet defined customer needs and a Community Strategist to maintain strong community support, particularly among stakeholders.
- * The appointment of Depot Support Officers and start of the *Depot Restructure* trial at Redcliffe, taking decision-making back to the depots.

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* The development and administration of an organisation-wide *Employee Attitude Survey* which aims to provide the opportunity for employees to have their say about issues that directly affect them. The survey is being administered by Curtin University and aims to measure three key variables; employee commitment, organisation climate and employee satisfaction. Survey results are designed to assist managers to identify areas for improvement within their Departments and branches.

* The introduction of the *Transit Ambassador* training course generating professionalism, reinforcing customer relation skills and projecting enthusiasm for "win, win" situations with customers.

* The training of facilitators now forming Quality Service teams which examine specific problems and determine, by lateral thinking using statistical and charting principles, workable solutions.

What has Transperth learned from its involvement in these initiatives?

A number of strategies that seem fairly essential in achieving a 'people' focus have emerged over the past two years.

(i) *Transformational leadership* - creating a vision and encouraging people to share it - seems to be an important attribute for managers in leading the organisation to an enhanced customer focus. The development of our mission was a difficult but worthwhile experience as 35 managers struggled and eventually worked together as a team to forge the vision. A high level of commitment to the mission has been the result. The challenge now is to inspire our staff and customers to share our vision and help us to achieve it.

(ii) *Identifying the organisation's internal and external customers* and developing ways of *finding out their needs* seems to be a logical prerequisite to becoming customer-focussed. This involves developing good communication channels and creating opportunities for consultation and feedback. Transperth has not in the past actively encouraged customer complaints - but if we are genuine about wanting to know about customer needs, we must solicit feedback through a variety of channels. Public meetings, discussions with community organisations, market research, advertisements in the media, and shop front facilities are just a few of the ways in which we are now making it easier for the customer to tell us what they need from us, and what they think of us.

(iii) *Consultation* has been a key factor in the success of some of our organisational change activities. The establishment of committees, task forces and working parties with adequate representation from staff and unions has proved an essential factor in the success of many projects, and has enhanced the creativity of the groups in the process. It has also helped to improve our industrial relations climate and has enabled better communication with staff at all levels. We are still far from satisfied with the quality of communication with staff up, down and across the organisation, due to its size and the irregular working hours of many staff, and are keen to find ways to improve the communication flow. Current attempts include

provision of staff notices, newsletters and a telephone newslines, but feedback from staff tells us we must do more to make them better informed about what is happening in the organisation.

(iv) *Empowerment of staff* - giving them a greater say in their work life - has proved to be a difficult task, probably because it involves a significant change in organisational style and climate. After years of working in a traditional 'top-down' bureaucracy, it is hard for staff to adapt to the concept of the 'inverted triangle' organisation where the front line staff are at the top and supervisors, managers and executives are below in a support role. To overcome natural staff suspicion and cynicism is very difficult, and some staff have developed a dependency on and comfort with the old regime which makes it almost impossible for them to accept the new style. Staff have to learn to trust one another, to take risks and to work in a team, and these are huge demands.

The organisation can help in a number of ways. Giving staff the opportunity to develop new skills is a basic requirement. Leading by example is essential - being a role model for staff is a real challenge for many managers. The TQM approach of providing comprehensive training in problem solving skills and process improvement tools is a useful starting point, for teams of staff can then undertake local improvement projects and achieve early successes to spur them on. Staff must also be allowed to make some mistakes as part of the learning process without fear of organisational censure.

What Does the Future Hold?

All modern management gurus - Toffler, Peters, Drucker et al - tell us that organisations can expect even more rapid change throughout the nineties and beyond. "Learning to love change" is described as a key attribute for our organisations and ourselves if we are to prosper in the years ahead.

If, rather than victims of change, we are to be masters and mistresses of our organisational destiny, then we must clearly understand the characteristics of both our internal and external environments. We must identify our strengths and weaknesses and know the market in which we operate. Hence, we need to get close to the customer - whether he or she be our passenger, our shareholder, our staff or our Minister - and find out what that customer needs, wants and expects from us. In this way we can become increasingly responsive to the people who are so essential to our continued existence. However, as Dr W Edwards Deming so clearly put it:

"You don't *have* to do this; survival is not compulsory".

This paper expresses the personal opinions of the authors and is not necessarily intended to represent the views of Transperth.

Transperth's Mission

Transperth: Working to secure recognition as one of the world's great public transport systems by:

- Customers**
 - * Always listening and responding to the mobility needs of the people of Perth.
- Quality**
 - * Recognising that our passengers have the right to expect and receive quality service every time.
- Value**
 - * Ensuring that our passengers and the general community receive maximum benefits for their contribution.
- People**
 - * Recognising that our people are the critical factor in achieving success.
 - * Developing and maintaining a highly motivated team of appropriately skilled people dedicated to excellence in service.
 - * Treating passengers, the general community and each other with friendliness, courtesy and dignity.
- Style**
 - * Understanding that the responsibility to achieve this mission is ours and will be best achieved by our being visionary, innovative and competitive in our business style.

Transperth's Critical Success Factors (CSF'S)

The CSF's required to support the Mission are as follows:

- Attain commitment to the mission throughout Transperth.
- Excellent people through excellent HRM.
- Identify and satisfy customer needs.
- Achieve greater influence over Transperth's external environment.
- Aggressively and effectively procure and manage resources in an integrated way.
- Visionary management with a bias for action.
- Empower employees through devolving specific authority and responsibility for management performance.