Performance-Based Management: On the Rise in the Public Transportation Industry

If you don’t know where you are going, any road will take you there. That is a paraphrase of an exchange between Alice and the Cheshire Cat in Lewis Carroll’s Alice’s Adventures in Wonderland.

This also speaks to the necessity of strategic, outcome-based planning by transportation organizations.

Connecting the management of public transportation to strategic planning and performance measurement has long been an intuitive and conventional practice across the country. The American Public Transportation Association (APTA) organizes workshops on a continual basis to heighten exposure to new ideas and to advance the state of the art.

Mark Aesch, the former chief executive officer of the Rochester Genesee Regional Transportation Authority and my good friend, has written a full book on performance management and how it can instill performance-driven attitudes in public transportation organizations. Mark’s book, Driving Excellence: Transform Your Organization’s Culture and Achieve Revolutionary Results, has been a topic at many APTA meetings across the country. The book is anecdotal, reader friendly, and a case study on the ability of performance measures to help transform organizations.

I am pleased that the article “Does Performance Management Lead to Better Outcomes? Evidence from the U.S. Public Transit Industry” by Theodore H. Poister, Obed Q. Pasha, and Lauren Hamilton Edwards presents convincing, research-based evidence that strategic planning and performance management, the principal components of performance management in public organizations, do indeed contribute to improved organizational performance at U.S. transit systems and that their use results in improved outcomes at those systems.

MAP-21 and the New Call for Performance-Based Management

In documenting how performance management practices are associated with gains in outcomes, this new research is very timely. The new federal surface transportation law enacted in the summer of 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21), set seven national goals: safety, infrastructure condition, congestion reduction, freight movement, economic vitality, environmental sustainability, and reduced project delivery delays. The U.S. Department of Transportation will establish performance measures for these national goals and establish a definition for public transportation “state of good repair.” Recipients of federal transit grants are required...
to develop a transit asset management plan and a safety plan, set performance targets related to state of good repair and safety, and produce a report on asset condition. While most public transportation agencies have long managed their organizations using such systems, MAP-21 reaffirms the importance of stewardship for the nation’s transportation infrastructure. APTA has been leading the way in setting industry guidelines; it recently released a standard definition for “state of good repair” and Guidelines for a Transit Asset Management Plan.

Performance measurement systems are important management tools for transportation organizations. As the MAP-21 law is implemented, it is important that performance management be treated as a local, goal-oriented approach for selecting, implementing, and monitoring transportation projects and programs. These new requirements, however, must not become a new burden or checkpoint for grant delivery. Expediting program delivery was another key objective of MAP-21, with Congress, the U.S. Department of Transportation, public transportation agencies, and state departments of transportation are all committed to seeing that citizens benefit from transportation investments as expeditiously as possible.

Of course, performance management needs to be data driven. The new emphasis on performance means that there also needs to be emphasis on the collection of good data for monitoring, analysis, and decision making. Working groups within APTA are giving attention to this vital area. Fortunately, the high-tech world we live in provides new opportunities for real-time data collection. New tools in this area are ever evolving.

Looking Forward: Next Steps for Performance Management
The effectiveness of transportation programs must be measured at the system level, that is, the effective functioning of the entire transportation system in states and regions. This includes highway programs and public transportation working together with other parts of the transportation system in achieving mobility, accessibility, environmental, and other national goals.

The public policy goal is for everything to work together as a system. Strategies to address issues such as traffic congestion, air quality, energy efficiency, and economic health cannot be measured by the performance of individual transportation modes alone. In its entirety, it must be viewed as one system, planned as one system, interconnected as one system, managed as one system, and optimized as one system. When done right, two plus two really can equal five. The whole will be greater than the sum of the parts.

Trends point to a greater mix of public transportation choices in the more balanced system of our future. The numbers tell the story. America will add another 90 million people between now and 2050, with the largest growth in metropolitan areas where public transportation will be most vital and a preferred option. Younger generations, less inclined than baby boomers to direct 19 percent of their household budgets toward transportation (a standard of the automobile era), are opting for transit-oriented development.

People are voting with their feet and with their wallets:

• Public transportation ridership is up by more than twice the rate of population growth over the past 18 years (see APTA’s ridership statistics at http://www.apta.com/resources/statistics/Pages/RidershipArchives.aspx).
• Voters last year faced 62 local elections in which they were asked whether they would choose to pay for public transportation options in their community, voting in the affirmative 49 times, a success rate of 79% (see the Center for Transportation Excellence’s election monitoring at http://www.cfte.org/elections/past).
• Real estate in proximity to public transportation is valued by the public at a significantly higher level than similar properties not connected to public transportation (see APTA and National Association of Realtors 2013).

While many trends are bright, this is all the more reason to make sure that public transportation agencies are using performance information to guide decisions and continually monitor progress toward predetermined goals and outcomes. As the Cheshire Cat observed, you need to know where you want to go. New data-driven management approaches will provide valuable guideposts and also generate information to enable transportation practitioners to communicate with the public in a clear, meaningful, and accountable way on the value of the transportation services they are providing.

References