

## The Board's Performance: A Self-Assessment Process

As Doug Eadie said, “Performance accountability is a hallmark of high-achieving organizations and individuals; they set high standards, monitor their own performance, and take concrete steps to become better at what they do.” (*Reference 28*)

This chapter summarizes Transit Cooperative Research Projects 85 and 104 by Simon and AECOM, respectively, that relate to the board's accountability and assessment process. The reports may be ordered at [www.tcrponline.org](http://www.tcrponline.org).

Research by Simon showed that very few boards conducted evaluations of overall board effectiveness. When boards had conducted assessments, the process was usually an informal self-assessment, such as asking whether the board achieved its goals last year. Another common method of board assessment was through elected officials or the city, county, or state government.

Yet when the AECOM report was presented during an APTA Transit Board Members Seminar, interest was extremely strong. Board members wanted to begin the process and volunteered to help facilitate the process for other transit boards.

The Simon report proffered that the board's effectiveness is measured by the ability to increase ridership while containing costs (e.g., system productivity and expansion).

Simon described characteristics of effective transit boards. Understanding their role and responsibilities as policymakers, the report said that successful boards tend to . . .

- Achieve goals
- Evaluate the board's structure and functions and their impact on system performance
- Use the skills and talents of diversity in age, gender, race, background, geographic representation, and professional roles
- Function as a cohesive group
- Stay focused and accountable, attending meetings fully prepared
- Advocate for public transit
- Educate its members
- Focus on policy rather than trying to become the manager
- Encourage open communication and information flow
- Establish good relationships with the CEO and senior staff
- Help improve performance measures including service costs per mile and hour, vehicle miles, vehicle hours per employee, and others
- Help generate ridership and farebox revenue
- Communicate with legislators and key stakeholders
- Set the transit system's strategic direction
- Become knowledgeable about the transit service as well as aspects of the communities in the service area

Simon's research findings indicated that the strongest influences on the effectiveness of transit boards were: (1) board member commitment and (2) the leadership of the CEO. Also very important were receiving timely information; the chair's leadership; the clarity of the board's role, duties, and activities; and clear management expectations.

Simon's work suggests criteria to consider for measuring board effectiveness:

1. Did the system achieve the goals in the strategic plan?
2. Do the services meet the needs of the community?
3. What is the public opinion of the board and the transit system?
4. Does the board work as a cohesive group?
5. Are the vehicles and facilities safe, clean, and well-maintained?
6. Has service quality improved?
7. Which are the common complaints and what was done about them?
8. Did revenue increase, particularly farebox revenue?
9. How did the system perform during the year?
10. Is the budget balanced?
11. Did ridership increase?
12. What is the labor-management relationship like?
13. Does the transit system have a positive reputation with the media?
14. Does the board have a positive relationship with the CEO and senior staff?

The AECOM report built upon the Simon report. It suggested that the board may choose to conduct an assessment process either annually, when there are several new board members, or when the system is facing difficulty or dissatisfaction.

The AECOM process involved choosing from three levels of complexity using criteria related to:

1. Board processes
2. Strategic planning
3. Fiduciary and legal responsibilities
4. Diversity program
5. CEO relationship
6. Public advocacy

An additional set of questions related to behavior, leadership, trust, and communications. A goal-setting process was included. When the report was nearly completed, AECOM administered the self-assessment process at an APTA Transit Board Members Seminar, with breakout groups reflecting the above subject areas.

Sample criteria for board processes included the following statements to rate from "strongly agree" to "strongly disagree":

- Board members do not become involved in specific management, personnel, or service issues except in a predetermined oversight role.
- Board members attend meetings well prepared and participate fully in all matters.
- Board members work cohesively and cooperatively and try to minimize miscommunication.

- The board creates and communicates the agency's strategic direction. This is achieved by regularly evaluating core values and strategic mission.

The assessment process needs an administrator of the board's choosing who will distribute, collect, analyze, and present the results to the board. This may be a consultant or member of the national transit community, or an advisor to the board such as its legal counsel or a member of the staff or board. Board members from other systems who have gone through the same assessment process may be volunteer administrators.

Confidentiality may be a priority for the board, yet the board may not have discretion under the state's laws. Public disclosure of the assessment results, however, may have positive results because the board is responsible to the public and this would be of interest to the public. Public understanding of the board's strengths, efforts, and work towards improvement may enhance public trust and tend to further the interests of the transit system when other projects and services need public approval. Public disclosure may be the motivator to effect constructive changes and follow through with a future self-assessment process.

The board would agree on the degree of confidentiality desired and know what is legal. Members may consider conducting the process during an executive or closed session or at a board retreat, if it is permitted by law. The process may be oral or written.

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*Please see references for this chapter: 1, 28, 50*

### *Understands the Board's Role*

Effective transit board members understand their role and responsibilities as policy makers.

### **Characteristics of an Effective Transit Board**

#### *Achieves Goals*

An effective public transit board achieves the goals identified in the strategic plan. In terms of transit system performance, at a minimum, this would include the quality of the transit service, meeting community needs, increased ridership, and so on.

#### *Assesses Progress*

An effective transit board monitors its progress on an annual basis, but also conducts a through assessment every 3 to 5 years. Such an assessment would not only evaluate progress in terms of the transit system's performance, but also evaluate the effectiveness of the board's organization, structure and functioning, and its impact on performance. A comprehensive assessment includes evaluating the board's composition, membership, orientation, meetings, committee structure, and information flow, as well as transit system performance criteria. This type of assessment would be under the purview of the board development committee.

#### *Balanced*

An effective transit board is balanced along several dimensions. These dimensions include age, gender, race, skills and talent, transit system riders, constituency, and jurisdictional and political representation. In terms of skills and talent, many focus group participants mentioned the importance of having board members who are political, as well as those with business, financial, legal, and marketing backgrounds.

#### *Cohesive Group*

An effective transit board functions as a cohesive group. Open communication is encouraged, but the group supports the majority opinion. Personal and individual agendas are eliminated or decreased for the good of the transit system. Board members are team players who are willing to support the majority decisions of the board.

#### *Committed*

An effective transit board is committed to and advocates for public transit. Board members are focused and account-

able. They attend meetings, devote adequate time for meeting preparation, stay abreast of the issues, and participate in meetings and work to influence favorable outcomes for the transit system.

#### *Educates*

An effective transit board informs and educates its members. All new members receive a orientation, which includes at a minimum: (1) a thorough introduction to transit history and current facts; (2) budget information; (3) policies, procedures and statistics about the transit system; (4) meetings with the general manager/CEO and key staff, board chair and executive committee chairs; and (5) tours of the equipment and facilities. In addition, they are informed of the role and responsibilities of a board member, kept abreast of current issues, and provided access to ongoing education and training.

#### *Focuses on Policy*

An effective transit board understands the distinction between policy and management and focuses on policy making. Member role clarity and expectations are communicated and reinforced by the board chair and executive committee. All activities, such as meetings and agenda items are designed to focus members on policy making and away from day-to-day management concerns.

#### *Maintains Good Communication*

An effective transit board has a good communication system that encourages open, honest discussion, as well as challenging questions. The board assures the flow of accurate information in a timely manner to all members, including the dissemination of written materials prior to board and committee meetings.

#### *Maintains a Good Relationship with CEO*

Effective transit boards have established positive and supportive working relationships with the chief executive officer and senior support staff.

#### *Helps to Improve Transit System Performance*

A major objective of an effective transit board is to be able to put service on the street in a cost-effective manner that meets the mobility needs of the community. Performance measures include cost per revenue miles, cost per revenue hours, vehicle-hours per employee, and vehicle miles.

*Increases Revenue*

An effective transit board understands and undertakes a critical fund-raising role, which includes generating ridership and farebox income. This role often includes communicating with legislators and other key leaders through meetings, information dissemination, presentations, and providing testimony.

*Knowledgeable*

Effective transit boards do not work in a vacuum. They are knowledgeable of the community that the system serves in terms of culture and needs of the community business leaders, and other organizations.

*Politically Astute*

Effective transit boards establish good working relationships with all constituent groups and stakeholders, including, employees, support staff, community, legislators, politicians, and labor. Politically astute boards also monitor employee morale and the system’s reputation and image in the community.

*Strategic*

Effective transit boards help the transit system to set a strategic direction and shape a strategy for the future. The board helps the system to identify and maintain focus on strategic priorities.

*Strong Chair*

A strong chairperson is essential for an effective transit board. It is the chair’s role to lead and motivate the board in achievement of the transit system’s mission, strategic goals, and performance.

**INFLUENCES ON BOARD EFFECTIVENESS**

CEO/general manager leadership and board commitment were identified as the two main influences on transit board effectiveness. Board member commitment, the receipt of timely information, and the chair’s own ability to provide leadership were also considered as key influences on effectiveness by the board chairs. Clarity of the board’s role and management expectations were also considered very important to board success. The weakest influences on board effectiveness were board orientation, measurement of board effectiveness, and compensation. See Figure 10.

<b>CEO Ratings of Influences on Board Effectiveness N=155</b>	
<b>Factor</b>	<b>Majority Rating</b>
CEO/GM Leadership	Very strong
Board Commitment	Very strong
Board Receipt of Timely Information	Strong
Board Chair Leadership	Strong
Clarity of Board Role, Duties, Activities	Strong
Clarity of Management Expectations of the Board	Strong
Board Composition	Strong
Board Size	Strong
Most transit systems (54 %) considered compensation as having “a weak to no impact” on effectiveness.	

<b>Board Chair Ratings of Influences on Board Effectiveness N=75</b>	
<b>Factor</b>	<b>Majority Rating</b>
CEO/GM Leadership	Very Strong
Board Commitment	Strong
Board Receipt Timely Info	Strong
Chair’s Leadership	Strong
Clarity of Board Role	Strong
Clarity of Mgt Expectations	Strong
Board Composition	Strong
Board Structure	Strong
Political Responsiveness	Strong
Dedicated Funding	Strong
Planning Involvement	Strong
Committee Structure	Strong
Evaluation of Mgt. Performance	Strong
Board Transit Knowledge	Strong
Board Diversity	Strong
Board Orientation	Somewhat Strong
Measure Board Effectiveness	Somewhat Weak
Compensation	Somewhat Weak

Figure 10. CEO and board chair ratings of influence on board effectiveness.

**Board Assessment**

Board members should have sufficient continuity and institutional memory to promote long-term planning and follow through (4). However, the current research shows that very few boards are actually conducting evaluations of overall board effectiveness. Of those that do measure effectiveness, it is usually an informal self-assessment (see Figure 11). Sometimes it can be as informal as asking, “Did we achieve our goals this year?” Systems that conduct assessments do so on an annual basis. A small percentage of transit boards also hire outside consultants to evaluate their performance.

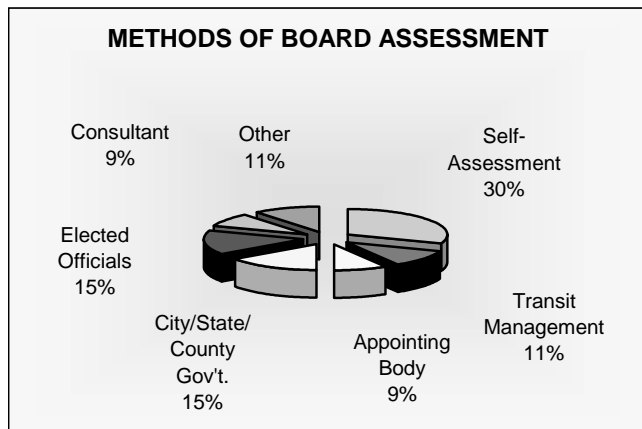


Figure 11. Methods of board assessment.

### Measures to Assess Board Effectiveness

A board that has defined its role and responsibilities already has the criteria for evaluating its performance. Board members provided the following criteria for measuring board effectiveness:

- *Achieves Strategic Goals*  
Did the system achieve the goals and objectives as identified in the strategic plan?
- *Appearance of Equipment*  
Are the vehicles and facilities safe, well maintained, and clean?
- *Balanced Budget*  
Did the year end with a balanced budget?
- *Increased Ridership*  
Did ridership increase?
- *Labor/Management Relationship*  
What is the relationship among the board, transit system, and labor? Were contract negotiations successful?
- *Meets Community Public Transit Needs*  
Do the transit services meet the needs of the community?
- *Morale/Attitudes of Employees*  
What are the attitudes/morale of the transit system employees?
- *Public Opinion of Board and Transit System*  
How does the public view the system?
- *Quality of Transit Service*  
Has the quality of the service improved? What are the areas of complaints?

- *Reputation with Media*  
Does that transit system have a positive reputation with the media?
- *Revenue*  
Was there an increase farebox income? Was there an increase in revenue?
- *Transit System Performance*  
How did the transit system perform during the year?
- *Working Relationship Among Board Members*  
Does the board work as a cohesive group?
- *Working Relationship with General Manager/CEO and Other Staff*  
Does the board have a positive relationship with the CEO and other transit system staff?

### IMPROVING TRANSIT BOARD EFFECTIVENESS

To improve effectiveness, the board should evaluate its dynamics, such as board composition, board size, board characteristics, board member orientation, how the board functions, board bylaws, board committees, and the board itself. Suggestions for improving transit board effectiveness include the following:

- Appointing bodies should carefully weigh appointments, particularly in terms of the appointee's interest and time commitment.
- Appointing bodies should get input from the board regarding the expertise or representation needed prior to making board appointments.
- The role of the board should be clearly defined, discussed and written.
- Board functions should be clearly described, discussed and written.
- Board members should have clearly defined attendance requirements.
- Board members should receive formal orientation to the board and ongoing education.
- Board members should receive information in a timely manner.
- Committee assignments should be made based on the member's experience and interest.

Transit CEOs and board chairs provided the following suggestions for improving board effectiveness:

*Quality Improvement:* Engage in various quality improvement strategies, such as finding ways to enhance board mem-

ber commitment and time allotted for board work, or measuring board effectiveness more formally.

*Board Composition and Structure:* Improve board composition and structure by broadening board diversity (perhaps by including elected officials and others), and streamline the board and committee structures.

*Planning:* Engage in strategic and long-range planning.

*Communication/Information Flow:* Improve information, communication, and knowledge, in terms of board member experience with and knowledge of transit and of providing information from management in a clear, timely fashion.

Although there is “no universal formula for what boards should look like or how they should function (9),” the right board membership with the right competencies and team dynamics remain critical factors in determining board effectiveness and efficiency.

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