

**Evaluation of Management and
Organizational Structure**

WASHINGTON STATE FERRIES

**FINAL REPORT
EXECUTIVE SUMMARY**

Conducted by the:



**For the Joint Transportation Committee
Washington State Legislature**

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1. INTRODUCTION AND EXECUTIVE SUMMARY

This Executive Summary provides an overview to this study as well as a summary of study findings and recommendations.

INTRODUCTION.

In August 2011, the Joint Transportation Committee retained the Matrix Consulting Group to conduct an evaluation of the management and organizational structure of Washington State Ferries (WSF). The primary goals and objectives of this evaluation were to identify the appropriate number of management layers, identify effective chain of command and spans of control, and make recommendations to improve the efficiency and effectiveness of management. The WSF has been the subject of numerous reports over the past several years (e.g., Performance Audit, Ferry Finance Study, Governance Study, Management and Support Review). This study represents a focus on the management positions within the organization. To understand the management organization of the WSF and achieve the study's goals and objectives, the project has conducted the following activities:

1. Interviews with more than 70 individuals, including the following:
 - Key elected officials, to obtain their perceptions of how well the WSF is managed, organized, and operated, including the identification of primary issues and potential improvement opportunities.
 - The Secretary of Transportation and the WSDOT Chief of Staff, to understand the overall management, organizational, and operational issues of the WSF, including the past and present efforts to improve how the WSF is operated.
 - More than 60 individual employees of the WSF, including the Assistant Secretary and Deputy Chiefs, the Directors, Managers, and Coordinators, as well as Vessel Captains, Terminal Supervisors and Senior Engineers. This also included site visits and tours of ferry operations.
 - Key staff from the Joint Transportation Committee, the Senate Transportation Committee, the House Transportation Committee, the Governor's Office, and the Office of Financial Management.

2. The collection and review of WSF information from previous studies and reports, and the review of organizational charts, job classifications and descriptions, employee contracts, employee listings, and applicable workload and service level data.
3. An employee survey which was distributed to approximately 1,500 employees at all levels and divisional work units to obtain their perceptions regarding management and structural issues, and input on the potential opportunities for improvement (the survey results have been included in the appendices and specific survey metrics provided in a web-based link in the Employee Response Chapter).

Based on these activities, this document provides the key findings and recommendations regarding WSF management and operations, followed by the initial assessment of organizational spans of control, and ending with the assessment of the collective bargaining agreements which impact management decisions and operational costs.

The remainder of this summary identifies key findings, conclusions and recommendations.

EXECUTIVE SUMMARY.

The primary findings, conclusions and recommendations are summarized below. The chapters within this report should be accessed for a detailed discussion and analysis of each issue and the background behind recommendations.

Key Findings from Employee Feedback:

- Keys strengths observed include: the safety of the employees is perceived a high priority; the working relationship between many work units is good and the processes within those units function well; the clarity of policies and procedures is high; staff understand what performance is expected of them; there are effective training practices and accountability is good.
- As it relates to the political environment, the majority of respondents perceive that there are opportunities for improvement. Over 70% of respondents disagree with the statement that the union and WSF management work effectively

together. Over 70% of respondents disagree with the statement that the legislature, the Governor's Office, and the WSF work effectively together. The results were consistent among all survey respondents at all levels within the Washington State Ferries, although clearly some levels of the organization would be more informed as to the actual interactions among legislators, Governor's staff and WSF management.

- The majority of respondents indicated opportunities for improvement as it relates to defining a clear vision for the future, providing more consistent work direction, and improving teamwork among managers.
- The majority of respondents indicated opportunities for improvement as it relates to improving business processes and working relationships between some work units, and developing more clear lines of communications up and down the chain of command.
- The majority of respondents indicated opportunities for improvement as it relates to re-organizing the structure to promote more efficient use of staff, streamlining management positions and reducing managerial layers.
- The majority of respondents indicated opportunities for improvement as it relates to improving the timeliness of how managers and supervisors provide feedback to the employees and the timeliness of problem resolution.
- With respect to interview results, in some instances the management interviews concurred with overall survey responses, and in other instances differing opinions were offered. By example, management did not typically have issues with respect to lack of vision or a substantive need for improved business processes. These distinctions are further detailed in the Employee Response Results chapter.

Additional Significant Findings by Project Team:

- The level of micro-management and the extent of competing inputs from various stakeholders (e.g., Legislature, customer groups) create a "reactive" organization which is costly and resource intensive.
- There is an imbalance of managerial spans of control, ranging from one-over-one reporting relationships to managing several dozen personnel. Ultimately, however, management re-organization will result in minimal net change in management positions. Additionally, there is a lack of proper management and supervision during certain times of the day / night and at certain WSF locations.
- The WSF Performance Management System (performance evaluations, performance objectives, performance indicators) is not consistently used or fully established throughout the organization. The project team fully supports the

current efforts by the legislature and the Office of Financial Management to establish measurable performance objectives.

- Some administrative tasks performed by managers / supervisors are over emphasized and extremely time-consuming. These include such tasks as auditing personnel pay orders.
- Information technology systems are not effectively utilized in various instances, which impacts management efficiency.
- Many employee contract terms and conditions are uncommon and have a negative impact on the ability for managers to run operations and staff in the most efficient and effective manner possible.
- There are several managerial positions in the WSF that would be classified in many other public sector organizations as professional jobs or supervisory positions (as opposed to managerial).

PRINCIPAL RECOMMENDATIONS:

(Note: Page number references below refer to the discussion of the recommendation in the full report.)

Spans of Control and Supervision

Recommendation 1. In conjunction with other operational, organizational and cultural changes as reflected in this report, consolidation of some managerial functions in the WSF is possible. **Page 18**

Recommendation 2. Lower level management / supervisory positions are necessary in some functional areas of the WSF. **Page 18**

Recommendation 3. All WSF operations should have an assigned supervisor to manage daily functions, irrespective of the time of day / day of week. This can be an acting supervisor or a dedicated supervisor. **Page 19**

Recommendation 4. Those personnel assigned to regularly act in a supervisory capacity should be paid "acting pay" for such service. **Page 19**

Recommendation 5. Different supervisory models could be adopted to avoid the need for site-specific supervision. This could include a Supervisor outside of 9-5 in the Operations Center overseeing dispatch on-site and terminal functions remotely. The issue is to ensure that personnel with dedicated responsibility and accountability are assigned to manage/supervise. **Page 19**

Performance Management

Recommendation 6. As contractually practical, ensure an annual performance evaluation program is executed for all first-line supervisor positions and above on an annual basis. Properly completed performance evaluations are integral to a broader Performance Management Program. **Page 20**

Recommendation 7. Follow-through on the independent Performance Objective Development Initiative. The Governor’s Office should use SMART objectives for the WSF, reported quarterly to key stakeholders, to ensure the organization’s accountability and help minimize legislative operational involvement and inquiry, as practical. **Page 20**

Recommendation 8. In concert with the above, develop an Annual Work Plan as part of a broader Performance Management Program, whereby the Governor’s Office can hold the WSF accountable for achievement of certain agreed upon initiatives. These results should be reported to the Legislature. **Page 20**

Recommendation 9. To facilitate effective agency-wide Performance Management, contracts should be negotiated whereby manager/supervisor selection is based upon the “most qualified” person, with seniority being utilized as a factor only on “equally qualified” individuals. **Page 21**

Contract Management

Recommendation 10. To facilitate efficient and effective WSF operations, contracts should be negotiated with terms and conditions that are equitable to staff while retaining appropriate management rights and flexibility to productively operate the WSF agency. **Page 22**

Organization and Operations Related

Recommendation 11. Improve staff / management relations through internal joint teams dedicated to solving major WSF issues. Issues resolution could potentially be focused upon any major initiatives identified in the recommended Annual Workplan. **Page 23**

Recommendation 12. The Governor’s Office and WSDOT executive management, in conjunction with WSF executive staff, should establish and agree upon clear performance standards which to evaluate the level of success achieved by the WSF organization in providing services to the public. These performance standards should ultimately be deemed appropriate by WSF stakeholders as representative of a “productively run organization” hopefully limiting their over-involvement in WSF operations. **Page 23**

Recommendation 13. Enhance internal operations through internal staff / management teams dedicated to solving major WSF issues. By example, identify time-consuming and repetitive managerial administrative tasks and then re-engineer these processes to reduce administrative burdens. **Page 24**

Recommendation 14. If various administrative efforts are deemed mandatory, identify and hire para-professional positions, as practical, to re-allocate these duties, thereby freeing managers to perform core business associated with a management position. **Page 24**

Recommendation 15. Ensure all IT projects developed are consistent with a WSF Information Technology Strategic Plan (ITSP); if this is not in place, develop an ITSP. **Page 25**

Recommendation 16. All information technology projects should be managed consistent with Engineering-based PMBOK (Project Management Body of Knowledge) standards. **Page 25**

Recommendation 17. Re-visit major information technology initiatives that are identified as potential failures or have significant implementation problems and report to WSDOT executives the steps that must be taken to resolve such issues. **Page 25**

Recommendation 18. In the mid-term, conduct a comprehensive WSF compensation and classification study specifically defining the roles and responsibilities of all WSF positions and well as compensation recommendations based upon knowledge, skills, abilities and job requirements. This should include Relief Employees as well as On-Call employees. Such studies typically cost \$500-\$1,000 per job classification and could be limited to various job classification layers (e.g., all supervisors). **Page 26**

Recommendation 19. Provide adequate (e.g., 40 hours) supervisory training to all new managers and supervisors with regard to expected roles and responsibilities, with particular emphasis in such areas as personnel management. Periodic re-fresher training is encouraged on a bi-annual basis. The cost of such operations is dependent upon the training performed (on-site versus off-site) and whether absent positions resulting from training require overtime coverage. **Page 26**