

# **AN EXAMINATION OF THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND TRANSIT PERFORMANCE**

## **PROBLEM STATEMENT**

At a time when public transit agencies are searching for more effective and efficient ways of raising revenue, expanding ridership, increasing service miles, and seeking ways of reducing operating costs per passenger trip and per service mile, there is a critical characteristic of bureaucratic organizations that can significantly impact the ability of transit agencies to achieve their functional goals. This critical characteristic is organizational structure, which defines the scope and limits of behavior within an organization, its lines of authority and accountability, and its relationship with its external environment. What is unknown is whether policy analysts, administrators, and elected officials give this public administrative matter adequate consideration in their quest for increased performance in public agencies.

## **OBJECTIVES**

The objective of this research is to examine the relationship between organizational structure and performance among public transit agencies in the United States in order to determine the extent to which transit performance is influenced or affected by organizational structure, if it is affected at all. A key question is whether different organizational transit forms have different effects on performance. Increased knowledge obtained on the relationship between structure and performance can be applied in making policy or management decisions regarding transit performance or organizational change. The results of this study potentially could usefully inform policy makers in their policy considerations on how to improve efficiency and effectiveness in transit delivery to citizens of Florida and elsewhere in the United States.

## **FINDINGS AND CONCLUSIONS**

This study has not found any significant difference between publicly managed transit agencies and contract management agencies. Indeed, for transit policymakers who wish to opt for increased contract management, the research could not support that decision. Policymakers, however, can be informed by the following specific findings:

- Special (Independent) authorities perform better than agencies that are part of municipal governments. Study results show that these structures had a higher mean performance in 8 of 10 indicators.
- Statistically, there was no significant difference in performance where type of ownership was concerned.

- Agencies that are part of municipal governments proved to be more efficient than contract management agencies. They had a higher mean performance in 7 of 10 indicators.
- Contract management agencies had a higher mean performance, in terms of effectiveness, than agencies that are part of municipal governments.
- None of the four structures studied (general government/public management, general government/contract management, special authority/public management, and special authority/contract management) displayed any significant difference in performance. That is, statistically, none of the structures studied can be said to be superior in performance when compared to the others. At best, according to the findings, it can be said that some structures performed better in certain performance areas than in other areas or performance activities.

## **BENEFITS**

The findings of this study will benefit everyone interested in the relationship between organizational form and transit performance, including transit managers, policymakers, planners, researchers, and citizen advocates. They would be of particular interest to managers and decisionmakers who may be contemplating transit organizational reform, restructuring, or change as a way of improving transit performance. By highlighting the trade-offs involved in the complex interrelationship between organizational structure and transit performance, this study provides useful information on the conditions and objectives for which the various organizational forms may be better suited.

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