

C 1.3 PERFORMANCE OF THE ROAD ADMINISTRATION

1. Integrity is of prime importance in good governance in all economies and PIARC should promote global awareness of this.

If integrity is not assured, road administration (RA) performance will always be endangered. Given the large sums involved and the long worldwide history of collusion and corruption in the road sector, awareness of the integrity issue and measures to guard integrity always should remain a major element of the governance architecture of RAs all over the world. The negative impact on road organisations, economy and democracy cannot be underestimated.

2. The governance of a road administration should be tailor-made for their assigned responsibilities and circumstances.

The performance of RAs depends on a fit between its governance architecture and the environment within which it operates. It is a key finding that to enhance RA performance, its governance and structure, the use of human resources and the use of performance indicators should be tailored to the main activities that the RA performs and does not perform.

Three categories of activities typically executed by RAs require different governance architecture:

- strategic planning & policy making;
- capital investment, that is the (re) construction and upgrading of roads; and,
- service level delivery, mainly consisting of maintenance and operations.

3. Stakeholder/user influence is increasingly important and will shape the aims, values and management of Roads Administrations.

A strong customer influence on the priorities and standards of the RA is becoming a basic value in governance in the Scandinavian countries.

Managing RAs with customer influences is described as a good practice for mature road networks. Here, the government and its administrations decide in general and on a strategic level and the customers involved decide on the level where they have the very best knowledge and for their own good.

The influence of customers on administration at operational and strategic levels provides the administration with a deeper understanding of how needs and problems are composed which enables the authorities to efficiently utilise their sometimes limited resources. It also gives customers more realistic expectations of authorities.

4. Management of road administrations should focus on its external interfaces with all stakeholders.

This comprises for instance the relation between a RA, road users, private contractors and other road network managers.

It starts with a clear understanding of its role and responsibilities (tasks) within the chain, translated into governance design and organisation structures.

Suppliers must exhibit the same values as RA's for efficient service delivery under an outsourced model.

As a consequence, staff skills should be oriented not only on the ability to perform internal tasks, but even more so on managing relationships and partnerships within the value chain. The RA should be a professional procurer, contractor as well as a professional supervisor.

This also extends to the usage of performance indicators, performance monitoring and measurement. Alignment of performance management systems in the value chain is crucial for creating the needed public value and the sustainability of authority to act as a RA.

5. An imbalanced, ageing workforce is a major threat for the continued, successful operations of road administrations and PIARC should promote a mitigation strategy to avert this threat.

Based on survey responses, over 40% of RA staff are over the age of 50. As these employees move towards retirement, much of their experience and knowledge will be lost to the RA if adequate measures are not taken.

6. An innovative, coordinated approach for engaging young people has to be found in order to attract them to the engineering profession and, in particular, to the road sector.

Surveys have identified low levels of enrolments in university engineering courses resulting in an inadequate number of graduates to replace the aging workforce. Furthermore, there is increasing competition from other professions for bright young people.

7. Effective strategies for the recruitment and retention of staff, as well as maximising their productivity are the core human resource management elements needed for the continued successful operation of road administrations.

Experiences shared at workshops indicated that the majority of HR departments in RAs were looking at holistic methods of managing the somewhat complex challenges related to Human Capital management. Engagement of employees from initial recruitment and throughout the various stages of the employment cycle needed to be actively and proactively managed in order to ensure that the organisation maintains the capability to achieve its present and future goals.

8. Road administrations moving to outsourcing should undertake it in a carefully planned way that appropriately develops the revised competencies of the road administration and its industry partners.

Experience to date has indicated that ignoring this advice has led to inefficiency and in some instances failure and inability for road administrations to deliver their goals and objectives.

9. When establishing a performance measurement regime, road administrations should have a clear understanding of its functions, its deliverables and processes and should impart this to all its stakeholders.

Performance indicators can be used in many different ways, e.g. as a strategic evaluation tool, an incentive based system or as raw data. Indicators have a best fit for one or more purposes, depending on the position of the RA in the value chain. Deviation or ambiguity of these purposes and agreements on indicator usage, can lead to a misunderstanding or even a breach of trust between the parties involved.

10. Road administrations should apply the tests of good governance when selecting performance indicators and should have regard to effective alignment of the complete set of indicators and the efficiency of their application.

Good governance organisation and structures, identified by the Committee, have been incorporated in a software tool called the Performance Indicator Navigator. This can assist in the selection of performance indicators in accordance with the principles of good governance.

Before the final suite of performance indicators is implemented it is important to ensure that performance indicators are well targeted, relevant, understandable and achieve balanced coverage to avoid distorting behaviours developing within the road administration.

As for all governance instruments, the administrative burden of performance indicators should always be kept in mind. Therefore, before introducing new performance indicators sanity checks should be performed to check whether the information is already available or can be included in an existing indicator.

11. Road Administrations must review their performance measurement regime periodically or when circumstances dictate.

The environment within which Road Administrations operate is unlikely to remain constant. It is important that the measurement of performance continues to be relevant to the political and societal demands made of it. To ensure this is achieved, periodic reviews of the performance measurement regime or reviews when there is a radical change are necessary.

OVERARCHING CONCLUSION

Technical Committee 1.3 (Performance of Road Administrations) identified some serious challenges facing road administrations:

- The need to improve integrity;
- Ageing workforce;
- Shortages in key competencies, particularly to meet the needs associated with outsourcing;
- The need to identify and manage the complex interfaces it has with its stakeholders;
- The need for road administrations to establish effective performance measurement systems that:

- demonstrate to our increasingly demanding stakeholders that we are delivering what they want, when they want it and at the least cost, and
- motivates staff and suppliers to improve their performance.

The Committee believes that its reports describe the means to start meeting these challenges and points the way forward for Road Administrations and PIARC.