

An Address by a Chief Executive Officer
to
The Arizona Department of Transportation

Good afternoon, everyone.

I want to thank George Porter and the Arizona Department of Transportation for inviting me here today. We all have a vested interest in solving the vexing and seemingly endless problems that are plaguing the Department's Motor Vehicle Division and other ADOT services.

I am not presuming for a moment that I know all the answers. The problem is, at one level, too institutionally complex to be dealt with by one person's single, decisive solution ... or even a blue-ribbon panel. At another level, I submit to you that it is not so much a problem that can be "solved" ... as it is a culture gone awry that must be changed.

For all the recommendations, suggestions, and proposed solutions for "fixing" ADOT's performance issues ... "fixing" a problem is not necessarily "solving" it. There is a saying that you can put lipstick on a pig, but you'll never make it pretty, and all you accomplish is angering the pig.

Personally, as an end-user of ADOT and the MVD, I bring my own perspective with me. I don't like to wait in lines ... I do expect an employee to be at the service window when it's my turn ... and I anticipate getting my questions answered or my problem resolved in a timely way.

As a taxpayer, I want to believe that I am getting my money's worth from a public agency. And, while I know we all have bad days, I also believe that common courtesy and a little understanding go a long way toward helping one human being take into consideration the problems of another.

As an operator of a transportation fleet that spans the country and extends across our southern and northern borders, I bring to the table a very broad perspective on the issue of highway transportation and the governance of licensing, safety, and operations.

From that perspective, my expectations for public service are even higher, because there is more at stake than my personal convenience: The safety of our drivers and the drivers around them is paramount ... the quality of the roads over which our cargoes are carried cannot be compromised ... the fiscal health of the state agencies must be maintained ... and the security of the licensing, certification, and documentation of vehicles, drivers, and cargo cannot be breached.

What I do hope to impart today is one-man's experience with a set of standards—personal and professional core guidelines, if you will, that have stood the test of time. Not just for me, but for the employees of my company ... and for millions of hard-working Americans who, every day, choose a course of life guided by a pole star of unwavering ethics.

More importantly, though, I believe I bring something else to the issue ... a work ethic that makes incomprehensible to me the notion of not performing the work I'm paid to do ... of failing to serve my customers ... of placing my colleagues, my company, and my community in jeopardy because I choose personal gain over personal ethics.

Let me say clearly that I am not holding out my personal approach to workplace conduct as a sole example. Every one of Swift's employees, from the executive offices to the cabs of our trucks ... from the loading docks to the maintenance shops ... every one of our employees believes in meeting the highest personal and professional standards.

It is the culture our company's leadership has promoted and insisted on from 'Day One' in 1965, when Jerry Moyes got underway with a start-up trucking firm ... to today where Swift operations encompass 16,000 trucks, 50,000 trailers, 20,000 drivers, 38 terminals in 27 states, and routes stretching across the United States, Mexico, and Canada.

I don't pretend to be an expert, but I'm more than willing to share how we continue to tackle the challenges of cultivating a climate where everyone understands what the right thing is ... and then does it.

Good ethics is not only about staying out of trouble. It is about creating strength in individuals, relationships, and organizations. And that is why, when the news stories about fraud and other criminal activities in MVD began to hit the newspapers and airwaves several years ago, I, like everyone in this room, was disturbed by the depth of the abuse.

The very nature of Swift's operations brings us into contact with the transportation departments of every state, as well as the bureaucracies of our two neighboring nations.

We are not so naïve as to believe Arizona's Motor Vehicle Division is the only highway department in the country facing manpower, service, and even legal problems. But it is our State's MVD ... and as Arizonans we have the right to expect that our government offices—especially those charged with public safety—are above the temptations of crooks and scoundrels. Apparently, more than a few public servants didn't share that sentiment.

The notion ... no, I take that back ... the reality that public service employees were lining their pockets with what were, essentially, bribes for licenses, shook the faith the public places in the men and women who are charged with protecting public safety.

There are some who would say, *“Oh well ... what can you expect? It happened at Enron ... at Tyco ... at Health South ... at WorldCom. If the big guys can line their pockets, we shouldn't be surprised that the little guys succumb to lesser temptations.”*

That flawed reasoning also accepts the illogic that public employees can be excused for wanting to reach into your pockets and mine for some extra income. In this instance, greed and economic status seem an easy *'fall guy'* for explaining behavior. I reject that premise ... and apparently a lot of juries of late have, too.

Let me read you something that I think goes a long way toward really explaining their behavior. It's from a story by Jahna Berry that ran last October in the *Arizona Republic*. The quote is from a report by ADOT's Inspector General, Peter Francis,, in which he suggested why Governor Napolitano's strategy to prevent fraud from happening again may be in jeopardy.

Mr. Francis referred to a part of the governor's plan for “security enhancement” that called for dividing up duties and responsibilities among several workers, when he wrote, *“That way it's harder for one employee to engage in misconduct.”*

I mean no disrespect to either Governor Napolitano or the Inspector General, but that strategy, ladies and gentlemen ... that “security enhancement,” is no better than *“putting lipstick on a pig.”* And here is why:

I believe most employees are inherently trustworthy ... well-intentioned ... and ready-and-willing to meet the needs of their fellow citizens, in this case, their customers. In like manner, most public servants do not come to their jobs with any intention to defraud the community ... to commit crimes ... or to behave badly.

What they do come to do is earn an honest living doing meaningful work. And, rightfully, they have the expectation that their supervisors will respect their work ... develop their skill, abilities, and career potential ... and ultimately recognize them with appropriate rewards and incentives.

Most public employees do not *“go wrong”* out of the blue. And they don't *“go wrong”* when left alone.

Of course, realistically, some do. Those are the employees we must be focused on. Those are the employees the Inspector General ... the Governor ... ADOT ... and the news media need to drill down to. Not the vast majority of public employees who do their work with pride ... and who go home at the end of the day knowing they adhered to the standards of conduct most of us take for granted.

What differentiates the two groups? What separates the “straight shooters” from the deceivers? I will tell you this: the answer is not something that can be repaired by making sure no employee “*works alone*.” That is a formula for failure.

- First, because it does not address the root cause of the problem.
- Second, because it is demeaning.
- And third, because it drives a wedge of distrust—real or perceived, it makes no difference—between the vast majority of good workers and their leadership. And once driven deep, that wedge is tough—sometimes impossible—to remove without leaving a lasting scar.

At Swift, I don’t believe there is a single employee I would worry about working alone. Not one. Every day our drivers and owner-operators are out on the highways shepherding hundreds of millions of dollars of products to distant destinations. They are on their own with those cargoes.

Do I trust them? You betcha.

Do they know I have faith in them to perform their duties as responsible, trustworthy, ethical men and women? You betcha.

Do I ever think twice about an employee working alone? Unless it’s a personal safety issue, I don’t.

The difference is understanding. Let me repeat that ... the difference is understanding. Understanding the real needs of our state employees. Understanding their desire to put in an honest day’s work for an honest day’s pay. Understanding that they, too, in all likelihood, want to meet the public’s demand for timely, efficient, and effective service.

And understanding ... and this is the most important one ... understanding that the solution to the problem may not be in changing the employee, but in changing the climate that governs their behavior. Those intangible concepts, attitudes, and values that profoundly influence their day-to-day performance. In

other words, in changing the *culture* of an organization ... any organization, public or private, yours or mine.

In his book, *The Seven Habits of Highly Effective People*, Stephen Covey writes, *“What a difference real understanding can make! All the advice in the world won’t amount to a hill of beans if we’re not ... addressing the real problem. And we’ll never get to the problem if we’re so caught up in our own autobiography, our own paradigms, that we don’t [look] at the world from another point of view.”*

The success Swift Transportation enjoys relies heavily on its strong culture ... those informal *rules*, if you will, that spell out how people are to behave. We have cultivated our own individual identity. We have a history and values to pass along ... not just a service to offer. We have institutional ‘*good news*’ stories to tell ... not just profits to make. We have company heroes for our managers and workers to emulate ... not just faceless bureaucrats who give orders.

And I know our employees feel good about what they do for a living ... and who they work for. Our drivers don’t say, *“I drive a truck for a living.”* They say, *“I’m with Swift Transportation,”* and the pride in their voice and in their behavior sends a message to our clients, our competitors, and our community that our drivers know they belong to an outstanding company ... with a great reputation ... and a strong, solid identity in the marketplace.

The culture of a company is its personality ... a personality just as unique as yours or mine, or the family down the street. You can easily tell the “culture” of an organization by looking at what is important to its employees ... how they treat others ... how they behave on-the-job ... and, as we’ve seen on evening news, how they behave when they think no one is looking.

Strong cultures set the bar for good behavior. By knowing exactly what is expected of them, Swift employees waste little time in figuring out what they should do ... or how they should act in any work situation. On the other hand, organizations with weak cultures often have employees who waste a lot of time just trying to figure out what they should do ... how they should do it ... or, even if they should even do it at all!

Ethics and values are the bedrock of culture. They shape behavior, on- and off-the-job. Let me give you a personal example. Never, once, in my father’s 40-year career did I ever see him play hooky by calling-in sick in lieu of taking a vacation day. **Never once in 40 years!** Contrast that with the absentee records in so many companies today.

So what is the personality ADOT wants to exhibit? What is the culture it wants as its own? Make no mistake, culture can have a powerful effect on people's work lives. And an equally powerful effect on the organization.

Culture can make employees fast or slow workers ... responsive or non-responsive ... team players or individualists ... customer-focused, or *'I couldn't care less.'* It can make the difference between receiving a public service award ... or receiving a drubbing in the *'Arizona Republic'*.

The issues and challenges of ADOT are not just ADOT issues and challenges ... they exist across Federal, State, and private sector organizations. The goal we are all striving for is "quality." And I'm saying that quality in public service, or in any service for that matter, is rooted in accountability and performance ... and embedded in a commitment to excellence.

To achieve that goal, all employees depend on ... and deserve ... an understanding of what is expected of them ... those unvarying standards ... that are communicated to them unequivocally and rigorously ... so that they can do their jobs as they should. Rules that not only determine how they are to do those jobs ... but which make crystal clear what is right and what is wrong. What is acceptable behavior ... and what is unacceptable behavior. What will be tolerated ... and what will not.

Adding layers of employees, for example, to a job that can be accomplished by one employee in order to discourage criminal activity seems to me as much a sign of misplaced trust, as it is wasteful of both the taxpayers' dollars and the human spirit. That is not the culture we want in either our public offices or private corporations.

Our employees—yours and mine—must constantly be exposed to and challenged with guiding principles. Because exercising good judgment and doing "the right thing" when the path is uncertain result from clear understanding of those ideals, standards, and principles.

So, how do you go about changing the personality or culture of a company? Well, first of all, it's a top-down exercise. It comes from the highest leadership position and makes its way down to the lowest box on the organizational chart. It must be pervasive. Nothing less will do. In order to establish a culture of quality, you have to change expectations and behaviors ADOT-wide. And you have to lead by example.

Managers can and should influence how employees act. For example, language standards. Is swearing acceptable for employees in a public service job? Setting standards has a very strong influence on culture. Change the standards, without equivocating, and you start to change the culture.

What about public decorum and rudeness? Does ADOT tolerate disruptive behavior? Wholesale interruptions of people and service while an employee takes a cigarette break? Or does it look the other way at discourtesy to a customer? State leaders may squirm at the answers to those questions ... and yet the evidence so far requires the decision-makers to address the problem head-on ... together, as a team.

Supervisors, managers, and executives must *'step up to the plate'* and, as business magnate W. Clement Stone, once said, and *'Have the courage to face the truth. Have the courage to say 'no.'* [And to] *do the right thing because it is right.'*

You in this room are leaders in the crusade against *business as usual* ... against bureaucratic inertia ... and against policies and procedures that deny quality service to the citizens of Arizona.

Part of that leadership means making yourself visible and available through what I like to call, *'management by walking around.'* Find out what's going on. What are your employees' issues and problems? What's going right ... and what's going wrong on-the-job? What needs improvement ... and how can that be done? It may well be that they have some pretty worthwhile suggestions and recommendations. Have an "open door" policy in your office ... and talk to your employees—all of them—from the newest hire at the forms desk to the longest-tenured supervisor of Title and Registrations.

Let them hear from you when they're doing a good job, not just when they've made a mistake. Encourage people. Use rewards and incentives when appropriate ... and don't be put off from the task because it involves some paperwork on your part.

And communicate. Not only *'talk the talk'* ... but *'walk the walk'* in modeling the type of employee ADOT values.

Part of leadership, too, means exercising appropriate discipline. Egregious transgressions demand action, swift and sure. And consistency across the board is essential. No exceptions. We have to be willing to get rid of those who, for whatever reason, do not conform to the cultural norms ... or who do not perform in service to our customers.

Dogs in an organization run in packs and will drag an organization down. And dogs in an organization can sometimes masquerade as cats and have 9 lives. My advice is to move them all out!

Good management is rigorous in its approach to eliminating bad players, and uncompromising with respect to a corporate code. In his book, *Good to Great*, Jim Collins says, “*To be rigorous means consistently applying exacting standards at all times, especially in upper management.*” Collins concludes, “*To be rigorous ... means that the best people need not worry about their positions and can concentrate fully on their work.*”

Nothing I’m suggesting is radical. Embracing the benefits of a strong and rigorous culture ... and discarding the burdens of an ineffectual, “care-less” culture ... is just plain common sense.

Time has taken its toll on our transportation system and its governance. Struggles with budgets ... coming to terms with upward trending immigration ... clinging to old technologies ... rushing to adapt to new ones ... trying to meet expanding customer demands with stagnant personnel resources ... all of these “distractions” have dragged ADOT off center.

But that can be changed. It is a matter of social, political, and cultural will.

I have a strong belief, borne of experience, that leaders at all levels hold the potential for real, positive influence and results ... if they will just exercise it. As an Arizonan ... and a taxpayer ... I ask that you help forge and fashion a culture of excellence within our Department of Transportation.

If we believe that people are a company’s greatest resource ... and they are ... then we must accept the fact that the challenges before all of us represent very real opportunities. Opportunities to fashion a better ADOT ... and to better serve the men and women of the great *Grand Canyon State*.

Our citizens ... and our public servants ... deserve nothing less.

Thank you.