

Developing an ROI Assessment Model for Employee Development Programs Implemented by California Transit Agencies

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Introduction

This research explores and investigates how transit agencies in California implement Return on Investment (ROI) assessments which evaluate the effectiveness of employee development programs designed to combat high turnover in the transit industry. As of 2022, approximately 43% of transit workers were over the age of fifty-five and transit agencies are fated to face significant labor shortages over the next decades. As occupations in the transit industry often require industry-specific training and job vacancies generate a range of cost accrual for agencies, an assessment of current employee development programs simultaneously addresses a key issue for transit agencies and helps justify the implementation of further employee development programs despite budget constraints.

Study Methods

This research utilizes a three-pronged approach consisting of a literature review, surveys, and interviews. Initially, the researchers reviewed relevant literature on transit workforce development and worker shortages, evidence on transit agency employee development strategies and outcomes, and evidence

on ROI methodologies and practices. Based on this evidence, a survey was developed and distributed to members of the California Transit Training Consortium (CTTC). While the survey covers general information such as agency size, type, modes and service area about each individual agency, the focus lies on employee training and training assessment, employee development programs, organizational goals and performance metrics, and information on cost tracking and program-specific ROI calculations. An overall assessment of foundational parts of employee development programs is fundamental in creating effective and accurate ROI assessments.

Findings

The Survey responses from nine transit agencies in California showed major overlap in the organizational outcomes, which are desired to be achieved as an outcome of employee development programs. All transit agencies offer employee training and tracking of training effectiveness to assess ROI implementation. No extensive tracking of long-term pre- and post-training performance metrics is indicated in the survey responses, suggesting the lack of a key component in

determining the impacts of training ROI assessments. There is great variation in the collection and tracking of human resource and cost data. Additionally, none of the agencies surveyed reported a calculation of turnover costs for staff positions, thus missing another vital component necessary for ROI implementation. The absence of these key components and metrics suggests that while there is a broad framework for ROI assessments in place, effective ROI implementation would require a more detailed effort past monitoring and spreadsheet analysis. To implement effective ROI assessments, results from the literature review, survey, and focused interviews outline the necessity for technical assistance in successful design and implementation. The research also indicates concerns extending past labor shortages of frontline workers and maintenance technicians and into staff capacity for ROI assessments regarding the required knowledge for systematic analysis of performance metrics and cost data. Research further showed that outdated technical equipment and data sources represent key exacerbating forces in many public transit agencies. A third fundamental concern over the implementation of successful and meaningful ROI is the lack of consensus over qualitative performance metrics such as “employee satisfaction” and their subsequent processing into monetized benefit values.

Policy Recommendations

The research identifies the development of guidelines addressing each ROI component, including the parts addressed previously, and executive-level training modules as a potential first step in aiding public transit agencies in California to develop and implement ROI models. Such assistance tools could be disseminated by an overarching and connective agency like the California Transit Training Consortium (CTTC) to its various member organizations. This solution would not only offer a cost-effective delivery, but also a transit workforce-focused training programs and technical assistance resources. With these resources, agencies can develop and implement ROI models; this translates to expertise in allocating limited resources to employee development programs with proven effectiveness and the ability to monitor impacts over time to ensure continuous improvement.

About the Author

Dr. Reeb oversees a multimillion-dollar portfolio of research and learning development programs. He is the principal author and editor of the book *Empowering the New Mobility Workforce* (Elsevier 2019), which was endorsed by the late Norman Mineta. He is a member of a National Academies of Sciences, Engineering, and Medicine Rural Transportation Issues Coordinating Council (A0040C) and two standing committees focused on Native American mobility issues (AME30) and workforce development and organizational excellence (AJE15). His research-driven reports, publications, and workforce development programs promote innovation and civic partnerships between leaders in business, government, and education. “Transportation in GIS,” a pilot class Tyler developed in partnership with Los Angeles Trade Technical College, won the American Planning Association Award of Excellence for Opportunity and Empowerment. Tyler is currently teaching and developing a new online curriculum for the University of La Verne’s Masters of Health and Public Administration programs. He is also pilot testing Intelligent Transportation Systems (ITS) and data science talent pipeline programs at CSULB in partnership with Gannett Fleming and Jet Propulsion Laboratory.

To Learn More

For more details about the study, download the full report at transweb.sjsu.edu/research/2316



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