

The Viability of Employing Private Business Strategies in a Law Enforcement Environment

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Abstract

This paper examines the strategies found in private business enterprises and compares them to those found in public law enforcement agencies. Using input garnered from surveys of various law enforcement agencies, along with empirical information in various texts on business strategies, this paper discusses the potential value and viability of employing these private sector business strategies in a law enforcement setting. The strategies that this paper will focus on are those that are most often cited by business leaders as being vital to the success of their organization. Those strategies are measurement and continuous improvement, being customer-focused, developing employees, and promoting those that achieve results.

Introduction

The law enforcement profession is one steeped in tradition. From where the badge is worn on the uniform, to the uniform itself; from who we honor, and how we honor them, with ethics and integrity, law enforcement is rich in customs and tradition.

These traditions, for the most part, serve this profession well. However, with regard to how law enforcement conducts business, the way it has always been done may not be the best way. In a time in which citizens expect more visibility, faster response times, greater customer service, and less crime, the law enforcement community is clearly under a microscope, and expected to perform with greater efficiency than at any time in the past.

This paper examines the manner in which public law enforcement organizations conduct business, as compared to the business strategies that are seen in private business, and determine if opportunities exist for law enforcement to benefit by employing these private business strategies. In doing so, the premise of this paper is found in the hypothesis that private business employs strategies that are attributable to their success; these same strategies can be applied in a law enforcement setting; and, if applied properly, will achieve comparable success.

Jack Welch, the Chairman and CEO of General Electric between 1981 and 2001 are referenced throughout this research due to his renown in the field of business management. During Welch's tenure as the head of GE, he increased the company's market value by more than \$400 billion over two decades and remains a highly-regarded figure in business circles due to his innovative management strategies and leadership style. (Wikipedia, 2006)

Moore (2002) stated “Given the enormous power of a financial bottom line in managing business enterprises, it is tempting to want the same kind of thing for public policing. Moreover, it is tempting to try to construct this ‘bottom line’ for policing by relying on the same basic concepts that the public sector relies on--- e.g., that value lies in the satisfaction of individual ‘customers’ and in the ‘profits’ earned by the organization for its shareholders and owners.

One of the cornerstones examined is that in viewing law enforcement as a business, with a focus on a “bottom line”, the efficiency, and effectiveness, with which services are delivered, can be increased by employing certain strategies.

CompStat, a tool first developed by the New York City Police Department for increasing the precinct commander’s authority, responsibility, and discretion as well as the degree of control they exercise over personnel and other resources is discussed as one of the strategies employed by law enforcement that is similar to those found in the private sector.

Business strategies examined include the use of a measurement system to measure performance and to aid in the subsequent development of a plan for improvement, focus on the customer, philosophy on promoting those people that achieve results, and rewarding exemplary performance.

Numerous publications, including periodicals, books, magazines, and electronic articles were researched to provide insight into the business practices of private enterprises. The subject of strategies and business practices used in the private business sector is one that is much written on and therefore readily available for review in substantial quantities.

Methods

A questionnaire consisting of 19 questions was developed to determine the extent to which law enforcement agencies actively employ strategies for measurement and continuous improvement, rewarding innovative thinking, tracking successes or failures, as well as valuing customer satisfaction, and recognizing the importance of the employee’s contributions and development.

The survey instrument was disseminated to law enforcement agencies represented in Senior Leadership Program 11. After receiving only four responses, a mass e-mail was sent to every agency contained in the e-mail address book of the Accreditation Manager for the Hillsborough County Sheriff’s Office (199 agencies), along with a brief explanation of the purpose of the survey. In all, 10 completed surveys were returned.

Weaknesses in this paper include the small number of respondents to the surveys, which resulted in a very limited information pool from which it is difficult to draw reliable conclusions. Another weakness is that there is no supporting documentation as to whether or not the practices of private businesses that are referred to in this paper can be directly attributed to the success of the company. In many instances, it is inferred and a seemingly logical conclusion to draw; however, empirical data is lacking to support this inference. And lastly, a degree of weakness must be recognized in the subjective nature of questions in a survey

that allows for interpretation of key elements or terms, such as ‘strategies’, ‘policies’, ‘skills’, and so forth. This assertion is evidenced by the responses received in two surveys filled out by two different people for the same agency. For question number 12, “How important is ethics in your organization?” one person answered “very important”, while the other respondent answered “most important”.

Results

Questionnaire

The total number of questionnaires disseminated was 199. The total number returned was 10, for a 5% return rate.

The results of the survey (Appendix) indicate that the majority of the agencies have in place policies that infer that they employ similar strategies to those found in the private sector. However, when queried about what portion of their budget is devoted to these same strategies, the responses often vary widely.

Furthermore, there were no notable or significant differences in the response ranges for agencies based on size of their jurisdiction, whether or not they served an incorporated area or unincorporated, or the number of sworn and civilian employees in the agency.

In the survey, the following questions sought to obtain information regarding whether or not each responding agency pursues a strategy for measurement and continuous improvement:

Question 1: Does your agency have a policy which guides its *sub-units* or *components* to measure certain goals and objectives which are linked to achieving the organization’s mission? Eight agencies (80%) reported that they do have such a policy.

Question 2: Does your agency have a policy which guides its *sub-units* or *components* to develop strategies designed to achieve continuous improvement? Seven agencies (70%) reported that they do have such a policy.

Question 3: Does your agency have a policy for measuring and reporting on its success or failure as *an agency* in achieving certain key tasks (e.g. response times, cases cleared, etc.)? Six agencies (60%) reported that they do have such a policy.

Question 4: Does your agency have a policy for developing strategies designed to achieve continuous improvement as *an agency* in meeting these key tasks? Seven agencies (70%) responded that they do have such a policy.

Question 11 asks for a numerical value showing the priority that measurement and improvement initiatives receive in budgetary decisions. Only two responses out of 30 (less than 7%) ranked these initiatives as either first, second, or third priorities in their budgetary process.

The following question sought to obtain information regarding whether or not each agency encourages innovative thinking and input from the first line supervisors and non-supervisory personnel:

Question 5: Does your agency have a system that rewards or recognizes individual efforts at innovations that save money / improve efficiency / increase effectiveness, etc? Seven agencies (70%) reported that they do have such a reward system.

The following questions were designed to obtain information regarding the focus each agency places on customer satisfaction:

Question 6: Does your agency have a procedure for measuring customer satisfaction? Five agencies (50%) responded that they do have such a procedure in place.

Question 7: Does your agency provide training for its employees in customer satisfaction? Six agencies (60%) reported that their agency does provide such training.

Question 13: What would you say is the primary focus of your organization (e.g. public perception, effective law enforcement, quick response times, good press, etc)? Only two agencies (20%) specifically stated that customer service was the primary focus of their agency.

The following questions sought to obtain information regarding whether or not each agency seeks out employees with demonstrated abilities in the hiring and promotion processes:

Question 8: Does your agency seek, recruit, and give preference in hiring to potential new employees who have experience in the field, with a demonstrated ability to be successful? Nine agencies (90%) responded that they do.

Question 14: When considering filling a vacant position at the entry level in the organization, what do you look for, and what would cause you to exclude a candidate from employment? Only one agency (10%) responded that they look for applicants with a proven ability to do the job.

Question 15: In terms of your organizational structure at the Vice President and above (Majors, Colonels, etc.), what does your agency look for in filling executive level positions (who gets promoted)? Only four agencies (40%) gave a response indicating that experience and performance were key considerations for these assignments.

The following questions looked to gather information regarding whether or not each agency places value on investing in their employees:

Question 9: Does your agency have a policy for investing in the growth of its employees? Seven agencies (70%) responded that they do have such a policy.

Question 11 asks for a numerical value on what priority training receives in budget decisions. Only one response out of 30 (3%) listed training as receiving a priority of either first, second, or third.

The following questions sought to obtain information regarding each agency's policy on rewarding performance:

Question 10: Does your agency have a policy for rewarding exemplary performance? Ten agencies (100%) responded that they do have such a policy.

Question 11 asks for a numerical value on what priority level performance bonuses receive in budgetary decisions. No agency listed performance bonuses as either a first, second, or third priority in budgetary decisions.

The following question sought to obtain insight into the value of ethics in the organizations:

Question 12: How important is ethics in your agency? All ten agencies responding listed ethics as being either important (1 response), very important (6 responses), or the most important thing (3 responses).

In tabulating the responses to question # 11, different dimensions were grouped together as appropriate based upon their similarities. These groupings are as follows:

Grouped together as a function needed to perform the central job of delivering law enforcement services, are the responses 'Respond to calls for service'; 'Provide a greater law enforcement presence to deter crime'; 'Community-oriented policing'; and 'Equipment (necessary to perform the job at a current level).

Grouped together as a function needed to improve the operation are the responses 'Research and development'; 'Continuous improvement strategies'; 'Benchmarking with other agencies / organizations to see "how they do it" in order to perhaps improve performance'; and 'Equipment (necessary to increase/improve performance)'.

The function of rewarding was captured in the response 'Performance bonuses'. Grouped together as a function of training are the responses 'Training (mandated)' and 'Training (discretionary)'.

The following question was developed as a 'catch all' question, intended to gather any other relevant information not covered in the preceding questions:

Question 16: Any other information that you can provide to assist in understanding the guiding philosophy of your agency regarding how it conducts business and why it conducts business in that fashion? There was no information provided in this response that was valuable to this report.

Lastly, questions 17, 18, and 19 were used to gather demographic information about the agency and its jurisdiction.

Discussion

It appears clear that the majority of law enforcement agencies have attempted movement toward employing certain strategies to their operation that have proven successful in the private sector. The most notable strategy to date is the adoption of a version of CompStat by many agencies. Beer (as cited in Willis, Mastrofski, and Weisbud 2003), characterized CompStat as "a new crime-control program (that) combines all of the major prescriptions offered by contemporary organizational development experts with the latest geographic information systems technology".

In 1994, New York City Police Commissioner William Bratton implemented CompStat as a tool to empower precinct commanders. It is a "multilayered dynamic approach to crime reduction, quality of life improvement and, personnel and resource management. CompStat employs Geographic Information Systems to map crime, detect patterns, hot spots, and identify problems. In weekly meetings, ranking NYPD executives meet with local precinct commanders from one of the eight patrol boroughs in New York City to discuss the problems. They devise strategies and tactics to solve problems, reduce crime, and ultimately improve quality of life in their assigned area." (Wikipedia, 2006)

CompStat, (Willis, et al 2003), possesses the following six core elements: Mission clarification, internal accountability, geographic organization of operational command, organizational flexibility, data-driven analysis of problems

and assessment of department's problem solving efforts, and innovative problem-solving tactics.

This program fits exceptionally well with the strategies often employed in private business. For example, many of the initiatives instituted by Jack Welch after he was named chairman and CEO of General Electric in 1980 are strikingly similar to the functions of Compstat. This fact lends support to a position that private business strategies can be deployed successfully in law enforcement.

According to Krames (2002), Jack Welch was elected Chairman and CEO of General Electric on December 19, 1980. On that day, a share of GE stock was priced at \$14.50. Due to inflation and a depressed stock market, GE had actually lost half of its stock market value over a ten year period (when adjusted for inflation). When Welch became CEO, GE's revenues were \$27 billion. In 2000, the company did \$129 billion in sales. Welch transformed GE from an aging industrial manufacturer into a diverse, global juggernaut. Not since Alfred Sloan revamped GM's bureaucracy half a century earlier has one corporate leader had such a great impact on a large corporation.

Clearly, Jack Welch is an innovative, effective leader in the business community. His ability to transform failing enterprises with his leadership is well documented. By examining his philosophies on business operations, we can attempt some conclusions on their potential in a law enforcement setting.

During Welch's years at GE, he launched five companywide initiatives (three of which are relevant to the focus of this paper). The first of these initiatives was called Work-Out, and was designed to transform the culture of GE by ridding the company of unnecessary work, instilling confidence, and getting managers talking to their employees (Krames 2002). There is a clear connection between the underlying focus of this philosophy and the same underlying focus of Compstat's goal of mission clarification and organizational flexibility.

The second of Welch's initiatives was Product Services, which was the driving force behind GE's migration into the product services market, rather than the product manufacturing world that GE had limited itself to prior to this initiative. This initiative became a reality because Welch felt that it fit GE's vision of a customer-focused organization (Krames 2002). This "customer-focused" philosophy is a recurring theme in any contemporary business management study. Jerry Koehler (personal communication, 2000), professor of Management at the College of Business Administration at the University of South Florida stated that the key to business success is customer satisfaction, which is achieved by delivering a product or service that meets or exceeds the customer's expectations, at a price that meets or exceeds their expectations, and in a time frame that meets or exceeds their expectations.

Harry and Schroeder (2000) assert that "The three areas of customer satisfaction---delivering high-quality products, on time, at the lowest possible cost---need to be focused on at all levels of an organization.

The third Welch initiative, the Six Sigma process, is perhaps the most cited, and certainly the one most suited for application to a law enforcement operation. According to Krames (2002), Six Sigma, which is achieved when a process results in only 3.4 defects per million products, involves five activities:

defining, measuring, analyzing, improving, and then controlling processes. “The primary focus of Six Sigma is to improve products and processes that boost the productivity of GE’s customers while enhancing the quality, speed, and efficiency of GE’s operations.”

According to Harry and Schroeder (2000), the improved quality that results (from instituting a Six Sigma initiative) will translate not only into cost reductions but into increased sales and quantum leaps in profitability.

Other benefits that law enforcement could realize from Welch’s leadership include his philosophy on hiring. According to Slater (2000), Welch stated that the most important thing he did at GE was “Hiring great people. And then making sure the truly effective people get promoted as fast and as far as possible.”

Returning now to the hypothesis of this paper, which is that law enforcement can benefit by adopting some of the same strategies utilized in the private business sector, for this to be true there must be a road map of sorts that can take us to a point where these strategies can be implemented. The first and greatest obstacle to this is the oft-cited “bottom line” that private business focuses on, and which, anecdotally, does not exist in law enforcement.

For these strategies to exist with legitimacy in a law enforcement setting, we must understand that law enforcement does have a bottom line. To fully explain this, we must first look at the bottom line of private business. A simplified explanation of the private business “bottom line” is the net result when we subtract the cost of producing a product or service, with the amount paid for the product or service by the consumer. The dollar amount left over is the “bottom line”. Since private business exists to make as much money as possible, we can say that the degree of their success is measured by the amount of money they make after all of the necessary subtractions are completed. In other words, the degree to which they accomplish the reason they exist, is their profit.

This same definition can be applied to a law enforcement setting. We do not exist to make a dollar, but there is a reason for our existence, and we can measure the degree to which we accomplish this. For this definition, we can find a multitude of answers in a law enforcement setting, and must be cautious to not attempt a blanket statement of “to enforce the law”, or “crime prevention”, or any other similar blanket statement. According to Moore (2002), “...crime reduction may be a desirable and valuable thing. The police may be able to contribute to this goal. But, in the end, there is so much else that contributes to overall levels of crime that it would be wrong, substantively and managerially, to hold the police accountable for controlling crime.”

Most policing scholars argue that there is no single “bottom line” in policing. Like other public agencies, police departments have competing goals (Maguire n.d.) Rather than attempt to apply private business strategies to an overall, elusive, and abstract goal such as “enforcing the law”, the solution may best be found by applying these strategies to functions that exist in law enforcement for the purpose of achieving the loftier goal of “crime prevention”, or “the enforcement of the law”.

Strategies we have discussed, such as hiring the right people and promoting them as quickly and as far as possible; focusing on customer satisfaction; and the implementation of a Six Sigma type program, if applied to the functions of law enforcement, with a focus on the “bottom line”---the degree to which that function accomplishes the reason it exists---can have the same dramatic results that the private sector has realized over the years.

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