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San Jose (CA) Police Department — *(handwritten)*

③ A PRACTICAL MANAGEMENT BY OBJECTIVES (MBO)
SYSTEM FOR POLICE DEPARTMENTS

THE NEED FOR MBO

This article describes the experience of the San Jose Police Department
in developing a practical Management By Objectives (MBO) system. The Depart-
ment grew rapidly in the 1960s and 70s and now has over 1,000 employees
(800 sworn personnel). With growth, previous informal forms of goal setting,
communication, and accountability proved an ineffective means for the Chief
of Police and his top management staff to attain organizational control,
anticipate problems, implement policy, and achieve specific objectives.
There were other related organizational shortcomings: lack of downward com-
munication, no standardized and scheduled internal reporting, and no means
of consistent follow-up on decisions.

Various forms of communication were used. Memos served to obtain per-
mission for activities, to outline problems as seen by individuals within
the Department, and, in some cases, to respond to oral initiatives by manage-
ment information.

Staff meetings also took place both at the top management level and
within the Police Department bureaus to discuss work-related problems and
arrive at approaches for solution. However, except for the Chief's immediate
staff, which met weekly, these communication efforts were carried out mainly
on an unscheduled, "as-needed" basis. Records were not always kept of
decisions and directions given in staff meetings, and follow-up was mainly
based on a combination of urgency of the issue and the responsiveness of
the individual(s) involved.

For several years prior to initiation of an MBO system[1] in 1976,
"quarterly reports" were prepared by some bureaus of the Police Department,
principally within the detective bureau. The transmittal and use followed
various patterns, depending on the particular preferences and management
style of command personnel in charge at the time.

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[1]We must qualify the use of the term "MBO system" by stating that no claim
is made that the San Jose model adheres to some theoretical model. San
Jose borrowed from various ideas and procedures associated with MBO litera-
ture, but the Department made modifications, or invented procedures, as
need dictated.

In some cases, reports were "noted" by the Deputy Chief and filed
at that level. In other instances, reports were transmitted to the Chief
of Police. As with other communication media used in the Department,
actions taken, report format, downward organizational communication,
timing, and other matters were informal and not standardized. This situ-
ation sometimes caused those preparing the quarterly reports to question
the value of the system and their investment of time on reports.

By mid-1975, it became apparent that methods of control communication
and accountability, completely suitable for a small department, where face-
to-face communications were effective enough to handle the limited number
of issues under consideration, was no longer adequate. New means began to
be designed.

MBO AND THE PROGRAM BUDGET

In the 70s, another development occurred that strengthened and supported
the effort to create an MBO system in the Police Department. The City
initiated a "Program Budget" which, although it called for no follow-up
reporting system at the City level, formed a basis for an effective internal
police management reporting network. Further, it caused the Department to
formulate purposes or objectives for each of its programs and for the
Department as a whole. In the City's Program Budget, thirty separate
programs were shown for the Police Department, each with its own objectives.
Each objective has its own "measurement data," which sets forth quantified
yearly targets for the program. For example, the Fraud program has as its
objective, clearance of 75% of reported credit card crimes. The "measure-
ment data" or year target is thus 2,025 cases cleared.

THE QUARTERLY REPORT

Starting in 1976, the Chief of Police required all department programs
to submit Quarterly Reports up through the chain of command. The Quarterly
Reports contained a statement of the program's official budget objectives
as well as additional internal objectives developed for departmental
management. "Measurement data," whereby program managers were required
to indicate their progress to date in achieving the year target shown in
the Program Budget for their program are shown in the report.

In this way, the Chief of Police could do early monitoring of problems related to yearly program estimates. For example, if the actual rate of robbery as of the end of the first or second quarter was much greater than the anticipated rate, the Chief might contemplate increasing the staff of the Robbery program. On the other hand, if the clearance rate of robberies was significantly lower than anticipated, the Chief could investigate the reasons for clearances being less than anticipated.

The report contains several other sections: "Comments on Objectives," "Highlights/Problems," "Staffing," and "Fiscal." In the "Comments on Objectives" section, the unit manager discusses over- or under-achievement of objectives if either has occurred. Steps to correct under-achievement of objectives should be outlined.

The "Highlights/Problems" section reviews plans for the upcoming quarter. Important changes in personnel, unit procedures, and other organizational matters are discussed in this section.

Description of program problems is a key part of the report wherein the program manager points out difficulties, particularly difficulties related to required change in organizational policy or procedures. These difficulties might include diminished personnel availability due to illness, vacation, disability leave, etc. On the other hand, the problems might include bottlenecks brought about by other departmental programs. For example, a program might experience difficulty because the personnel section of the Department had not processed new personnel into the program as rapidly as anticipated. Another difficulty could involve late delivery of equipment, thereby causing manpower to be idle and yearly targets to be missed.

The program manager, in conjunction with his supervisior, formulates an approach to resolving the problem and states that approach in the report. If the manager and his bureau supervisors believe the problem should be resolved on the departmental level, this is stated.

The section dealing with "staffing" reports on the personnel level within the program during the quarter. As in any organization, many shifts in staff occur over the year due to loaning of personnel, disability, sick leave, temporary assignments, etc. With the new format, program managers can associate work achievements or shortfalls with staffing resources during the quarter. The Chief of Police and top managers need to know how "extra" personnel within the program, such as those loaned on a temporary basis, were used to make work of the program more effective.

Conversely, the Chief needs to know how shortages in authorized personnel level affected the work output of the program. A complete linkup between the MBO system and the budget has not yet been completed; but, the incorporation of "staffing" into the quarterly report is a major step in that direction. The City's Program Budget format does show the total dollars and personnel allocated to each program, but does not indicate costs of various aspects of work carried out by each program. For example, the Program Budget does not indicate what portion of the Vice Unit's budget is devoted to solicitation arrests or gambling arrests. Through use of the RIS system (described above), it may be possible in the future to indicate costs for subprogram activities if the need for costing on this level is required.

The "fiscal" portion of the report is derived from a report issued by the Finance Office of the City. This section will show the status of the expenditure of the program's budget, i.e., whether the program is over- or under-budget to date. Expenditures of overtime funds and an indication of whether this expenditure is within budget will be presented in this new section of the report.

EARLY EXPERIENCE WITH THE MBO SYSTEM

Initial implementation of the system in 1976 brought some difficulties, such as program managers resisting "increased paper work." Since the report was extremely simple and could be completed in two pages, this criticism did not achieve much support. Another more valid criticism was that the report was not fully and consistently used by superiors, including captains, bureau chiefs, and the Chief of Police. In addition, no one was sure exactly how top managers would receive the portion of the report dealing with "problems" that could be construed as criticism of management.

Another early factor inhibiting implementation was the tendency of unit managers not to think of themselves as responsible for the total operation of the program, i.e., the budget, personnel and all other factors traditionally concerning managers. Individuals heading programs, usually lieutenants, often thought of themselves more as simply occupying a "step on the ladder of advancement" within the Department. This step required certain decisions regarding investigative procedure on cases and decisions on approach to critical police field situations; but, taking initiatives on issues of budget, personnel utilization, and program organization were not previously recognized as a part of their responsibility or prerogative.

QUARTERLY REPORT TO THE CHIEF
San Jose Police Department
FY 1978-79

PROGRAM_____

BUREAU_____

CONTACT PERSON_____

(Circle one)

1   2   3   4   Quarter

I. OBJECTIVES

II. MEASUREMENT DATA

1.

2.

3.

4.

5.

	QUARTER			Year
1st	2nd	3rd	4tn	Estimate

NOTE: Fill in cumulative figures in all columns to date.

III. COMMENTS ON OBJECTIVES

QUARTERLY REPORT TO THE CHIEF
PROGRAM: _____
Page 2

IV. HIGHLIGHTS/PROBLEMS

V. STAFFING

VI. FISCAL

SUCCESSFUL SYSTEM IMPLEMENTATION

However, within a period of time, program managers became more
accustomed to use of the MBO system and its quarterly reporting vehicle
and found advantages in the reporting procedure for themselves. Program
managers began to recognize the system as a way to emphasize operational
problems that could only be addressed by top management. Before, such
difficulties could be communicated orally by the program manager to his
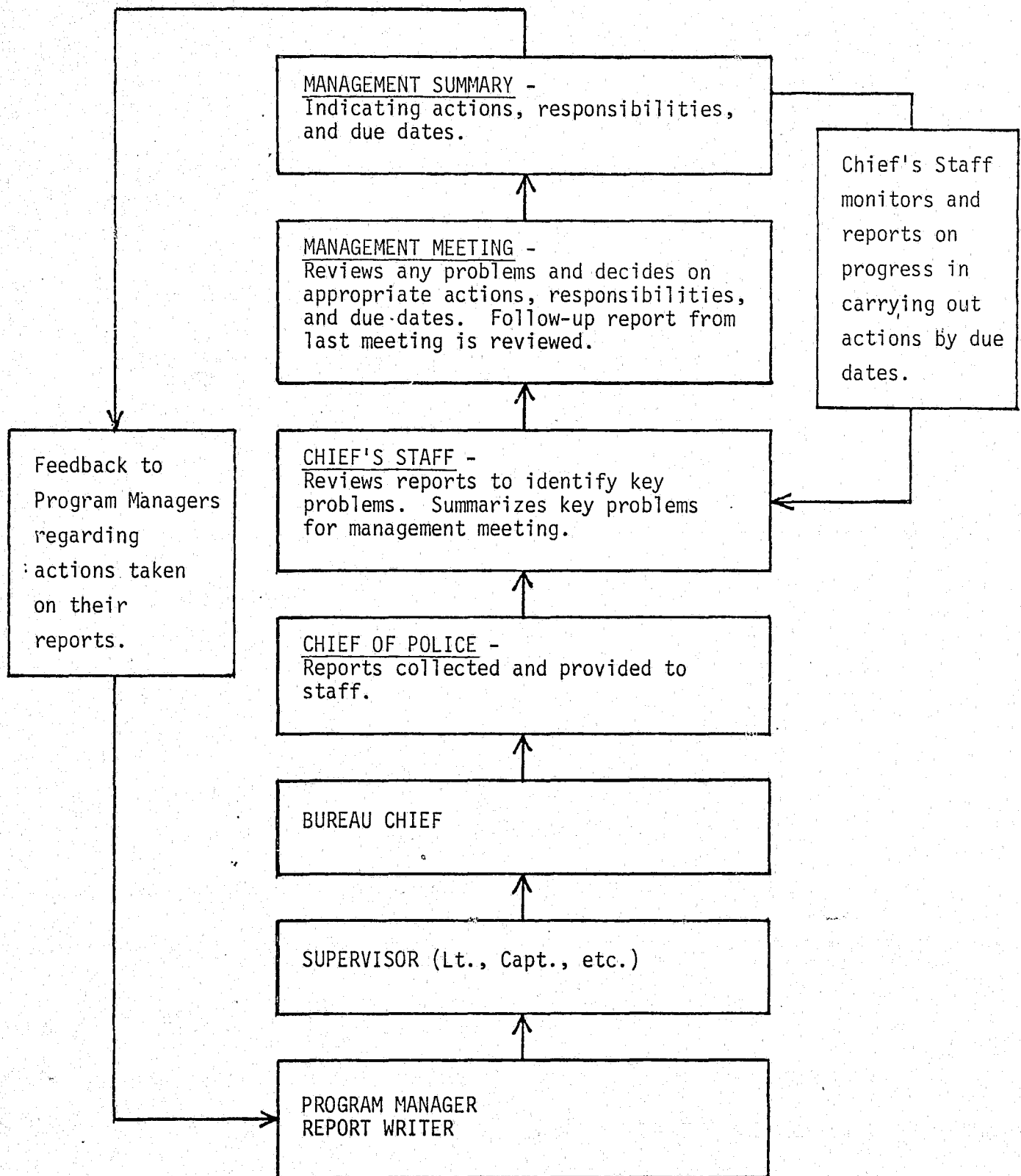supervisor; but desired results did not always occur.

Program managers noticed that, with implementation of MBO and the
Quarterly Report, some changes they requested in their reports began to
be seriously addressed. Many of the problems discussed in early reports
began to be seriously addressed. Many of the problems discussed in early
reports had existed in the Department for a long time prior to the ini-
tiation of the reporting system. However, clear documentation of problems
and their review by the chain of command began to create real pressures
for problem resolution. The reports also became extremely valuable in
developing the annual Program Budget for the Department to document key
activities of the program over the preceeding year.

Another important aspect of the Quarterly Report is that it presented
top-level management--that is, the Chief of Police, the Assistant Chief
of Police, and their immediate assistants--with a workable vehicle for
concisely summarizing current, key activities of what has become a large
organization. Within a short period of reading time, perhaps one hour,[2]
top management can gain a specific view of the progress and the current
and anticipated problems of each unit in the 30-million-dollar-plus
organization. Anyone familiar with the wide variety of responsibilities
given to the municipal police department, ranging from helping children
cross the street to arresting armed robbers, can appreciate the value of
such an information tool. Among other advantages, it helps the police
manager begin to move away from "brush fire" management to one of antici-
pating opportunities and problems.

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[2]An executive summary is prepared for the Chief and his top staff; however,
the full report is indexed and made available. The summary can be read
in 15 minutes or less.

FLOW OF MBO REPORTING

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│                                                  │
│       ┌──────────────────────────────────────┐   │
│       │ MANAGEMENT SUMMARY -                  │   │
│       │ Indicating actions, responsibilities, │───┼──┐
│       │ and due dates.                        │   │  │
│       └──────────────────────────────────────┘   │  │
│                         ▲                         │  ┌──────────────────┐
│       ┌──────────────────────────────────────┐   │  │ Chief's Staff     │
│       │ MANAGEMENT MEETING -                  │   │  │ monitors and      │
│       │ Reviews any problems and decides on   │   │  │ reports on        │
│       │ appropriate actions, responsibilities,│   │  │ progress in       │
│       │ and due dates.  Follow-up report from │   │  │ carrying out      │
│       │ last meeting is reviewed.             │   │  │ actions by due    │
│       └──────────────────────────────────────┘   │  │ dates.            │
│                         ▲                         │  └──────────────────┘
│  ┌──────────────────────────────────────┐        │            │
│  │ CHIEF'S STAFF -                       │        │            │
│  │ Reviews reports to identify key       │◄───────┘            │
│  │ problems.  Summarizes key problems    │◄────────────────────┘
│  │ for management meeting.               │
│  └──────────────────────────────────────┘
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MANAGEMENT SUMMARY -
Indicating actions, responsibilities, and due dates.

MANAGEMENT MEETING -
Reviews any problems and decides on appropriate actions, responsibilities, and due dates. Follow-up report from last meeting is reviewed.

Chief's Staff monitors and reports on progress in carrying out actions by due dates.

CHIEF'S STAFF -
Reviews reports to identify key problems. Summarizes key problems for management meeting.

Feedback to Program Managers regarding actions taken on their reports.

CHIEF OF POLICE -
Reports collected and provided to staff.

BUREAU CHIEF

SUPERVISOR (Lt., Capt., etc.)

PROGRAM MANAGER
REPORT WRITER

Another positive effect of the MBO system and the Quarterly Report
is that issues addressed cause program managers, or their superiors, to
be brought together to work out _real_ solutions to long-standing problems.
For the first time, communication, with a procedure attempting "fail-safe-
follow-up" (more about this in the next section), was built into the system.

MANAGEMENT MEETING ON THE QUARTERLY REPORT

Initially, the Planning and Evaluation Unit and the Staff Inspections
Unit of the Police Department were responsible for recommending actions
based on information in the Quarterly Reports. These recommendations went
directly to bureau chiefs and program managers, and informal follow-up
took place to assist in achieving recommended solutions. It was recognized,
however, that direct participation by top managers in the Department would
help arrive at the best course of action for achieving objectives and
addressing problems identified in the Quarterly Report. Consequently, a
Management Meeting on Quarterly Reports was established as a part of the
MBO system.

The management group, consisting of the Chief, Assistant Chief,
Bureau Deputy Chiefs, and Captains meets a short time after Quarterly
Reports are submitted. They receive executive summaries and complete copies
of the Quarterly Report so that everyone has all departmental reports.[3]
Prior to this meeting, a team made up of Research and Development members
and Staff Inspections members compile a list of "Key" issues from the
reports for review by the top management group. In the meeting, the
management group develops solutions for the identified problems or for
new issues brought forth at the meeting. At the meeting, the Chief or
Assistant Chief assign responsibilities to individuals in the top management
group and establish due dates for carrying out actions decided upon.

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[3]As an option, only reports to be discussed at the meeting could be
distributed.

A short time after this meeting, a simple document in matrix form (Management Summary of Required Actions) is sent to meeting participants, indicating the problems that had been discussed, the agreed-upon solution approaches, assigned responsibilities and due dates. Disagreement with aspects of the meeting outcome, as reflected in this document, are to be taken up and resolved immediately with the Chief of Police. This matrix document is incorporated in the subsequent Management Meeting, and a part of the meeting is devoted to reviewing success in carrying out decisions of the previous meeting (the "fail-safe, follow-up" referred to above).

SAN JOSE POLICE DEPARTMENT
MANAGEMENT SUMMARY OF REQUIRED QUARTERLY REPORT ACTIONS

_____ Quarter

Below are summarized problems or issues requiring action which were identified in the quarterly reporting process. The actions agreed upon at the Quarterly Management Report Meeting and the responsible party for completing this action are also listed. If any aspect of this Management Summary does not agree with your understanding of committments made at the quarterly report meeting, communicate this to the Chief within two working days of receipt of this report.

PROBLEM/ISSUE	REQUIRED ACTION	RESPONSIBILITY	REPORT DATE

This approach makes the duties of managers in resolving problems very specific. Documentation, even in the brief form utilized, clarifies what was agreed upon and what was to be done. The emphasis is to make responsibilities and due dates clear, instead of spread vaguely among several individuals in a manner that would be subject to misunderstanding.

Initially there may be a tendency by some managers to treat the new system in a "business-as-usual" manner--a relaxed response to assignments accompanied by a tendency to obscure responsibility for particular assignments. However, it proved difficult for an individual to extracate himself from commitments, due to the specificity of the management meeting summary. The result has been better accountability and improved performance by all top managers.

COMPUTERS AND MBO

In the summer of 1978, a computer-based system, known as Records Indexing System (RIS), became available to detective units. This system tracks case status and makes it possible to look at workloads of detective programs, as well as to determine case "success," using measures such as D.A. complaints issued. The Quarterly Reports for the units are being reformatted to conform to the RIS data outputs. (This usually only means using new terms for basically the same productivity measures.) The subsequent Program Budgets for these units will also reflect RIS reporting formats.

The expansion of RIS to capture program budget measurement data used in quarterly reports for all programs in the Department (not just detective programs) is being considered. This, in essence, would "automate" the Management By Objectives information system and its quarterly reporting procedure. This automation would permit more indepth analysis of the data and generation of useful reports relating to productivity, workload per employee, and other issues.

This is not to say that the manual collection and reporting of data does not work well. The San Jose City Auditor selected five Police Department programs at random to audit the accuracy of the manually-collected data used in quarterly reports. They found a very high degree

of accuracy. Using the manual system, units were able to supply the
auditors with backup data, supporting information presented in the
Quarterly Report. Automation would provide assistance to program mana-
gers and make it easier to prepare the Quarterly Report or other manage-
ment reports that might be required. It would also enforce a standari-
zation of the types of measures used by all units. In addition, it might
create the impetus, "aura of legitimacy," and utilization that data
processing sometimes brings.

EVALUATION OF MANAGERS THROUGH MBO

An important benefit to the Chief of Police provided by the Manage-
ment By Objectives system is that it allows him to identify the most
effective management personnel available to him. The most capable
departmental managers have grasped the value of the new reporting system
and have used it effectively to show how they have reorganized and deployed
their program's resources for maximum productivity. In their reports,
they comment with insight on the relationship between productivity and
current staffing. These managers use the report to draw attention to
their administrative approach in addressing particular field problems.

Other managers, who may have excellent reputations in field police
work, may demonstrate a lower level of understanding of program manage-
ment and reporting. These managers will sometimes leave sections of the
report blank or sparsely utilized, indicating that they have no particular
ideas about management of the unit. There is no recognition of the need
to seize the initiative to positively manage the program.

Increasingly, the Chief of Police and the Personnel Unit have, in
the MBO system and its accompanying reports, a tool to help make promotional
decisions. If a jurisdiction faces a situation of a static or decreasing
police budget, improved management becomes even more important. Productivity
must be sustained or increased through management skill instead of increased
budget.

CONCLUSION

In summary, the Management By Objectives system, which includes
quarterly reporting, the top Management Meeting, and the system for follow-up

and accountability provides the Department with a practical and valuable
tool. These features of the San Jose system will benefit a department
of any size.

The system provides a means to establish purposes for each section
of the organization (these purposes can go by the name of "objectives"
or other names) and to quantify the expected level of success in achiev-
ing these purposes over a budget year.

Then, quarterly or monthly, management can require an accounting of
the achievement of these preselected purposes or objectives. A great
volume of studies are available to police organizations from which they
can select purposes, objectives, productivity measures, or other criteria
for measuring success of units of the police department.

It is important for top management of the Department, i.e., the
Chief of Police and his top managers, to identify and develop managers who
can become increasingly productive within existing budgets. Government
resources will continue to be limited, particularly on the local level;
and there is an increasing requirement for police managers who, using
their administrative capabilities, can restructure existing resources to
be more effective and productive in conformance with the expectations of
the citizenry.

Finally, the MBO system, as implemented through the Program Budget
and the Quarterly Report, is an invaluable resource for responding to
City Council, the City Manager, and the citizenry at large. At budget
time, as mentioned above, the information system has provided a rich
information resource for formulation of both the program and the line
item portion of the budget. It is important that the system not be thought
of as a punitive device to "monitor" people, but as a guide to upper- and
middle-level management to help them structure and focus their work, and
provide a goal or target over the course of the fiscal year.

The system can also serve as a signal that the organization favors
the type of manager who seeks greater productivity and that good administra-
tive skills will be rewarded. The administrator is encouraged to come
forward and seek higher positions. The MBO system, and its use as described

above, tells these individuals that in this organization they stand an excellent chance for advancement. In-house training and means of supporting outside schooling should be used to enhance this self-selection and advancement process.

HOW TO CREATE A POLICE MBO SYSTEM

The following recommended steps for creation of Police MBO apply equally to large or small departments. A larger department may have the capability to automate the data collection and output. However, manual systems are entirely functional.

1. Organizational Structure

Identify the units or programs within the organization that will generate objectives and, subsequently, monthly or quarterly reports. Any unit within the department, regardless of size, can be required to formulate purposes or objectives and generate reports. The criteria for selecting reporting units or programs are dictated by the information needs of departmental management.

2. Development of Objectives or Purposes

Each reporting program will develop a statement of purposes or objectives. Program managers and their staffs should be responsible for initial development of these purposes. Objectives or purposes should center around the main reason for the program. Managers should ask themselves: "If we are successful, what results should be evident?" (i.e., less crime, fewer citizen complaints, more D.A. complaints issued, etc.) "What particular objectives do you have to improve the operation and procedures of your program?" (e.g., improved record system, specified training for 100% of program personnel, etc.) Objectives or purposes need to be concise statements which lend themselves to quantification.

3. Quantify Objectives and Purposes

This phase involves setting an annual target for each objective formulated. For example, the objective may be to "reduce citizen complaints regarding police behavior within the community." The annual objective might be to reduce complaints by 50%. This would involve determining the present level and setting half of that level as the estimated level for

the new fiscal year. The target figure should not be too high so as to be unattainable; but it should be high enough to represent an attempt to increase the productivity of the program.

4. Develop Budget for Each Unit

The fiscal officer of the organization should develop a cost estimate for each program, including all personnel, equipment, projected overtime, and other supplies associated with the unit. This phase may involve some estimates, since organizations will contain central supply from which all the units draw, but estimates are entirely appropriate.

5. Establish Personnel Levels for Each Unit

Establish a list of personnel authorized in the budget for each unit. List personnel by job classification and the number in that class.

6. Establish a Reporting Structure Including:

a. Form. Develop a report format which best suits the organization.[4] The format should be brief, no more than two pages. The format may include sections dealing with achievements, problems, data reflecting progress toward yearly goals, personnel level, and expenditures.

b. Timing of Report. Determine the frequency with which the report needs to be submitted. Tie this frequency to the information requirements of top management.

c. Report Usage. Determine a flow of reporting from the report writer up to the top executive of the department. Determine the appropriate input for each level receiving and reviewing reports. A mechanism should be built into the report enabling managers at each level to indicate how they will address problems identified by their subordinates, if appropriate.[5] This prevents all problems from being passed to the top executive. It is recommended that a Management Meeting on the reports be established to make decisions and formulate approaches for addressing problems and issues

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[4]See San Jose format above under the "Early Experience with the MBO System" section, page 5.

[5]San Jose is testing the approach of having program managers discuss problem resolution with their respective supervisors. They then indicate in the report at which level the problem will be addressed (i.e. program level, bureau level, etc.). If the level at which the problem should be addressed is not stated, the implication is that the bureau believes the problem should be addressed on the Department level.

identified in the report, which are not already addressed by managers in the chain of command as the report was passed to the chief executive. At this meeting, top management jointly works out viable approaches and assigns responsibilities and due dates.

d. Use of Report in Budget, Personnel Selection, Etc. Determine how the report can be appropriately used for annual budgeting, for personnel promotion, for personnel evaluations, and for other departmental requirements.

7. Training in MBO For:

a. Report Writers (Program Managers). Training is needed for individuals responsible for initially preparing the report. The principles of MBO, report formats, appropriate writing style, due dates, and explanation of the annual objectives and estimates of achievements must all be covered in the training. (Some of the need for training will be obviated if the individual participated in formulation of objectives and measurement targets.)

b. All Personnel. All personnel in the organization need to receive brief training in the meaning and purpose of the MBO system--the part this system will play in accountability, budgeting, problem detection and correction, personnel evaluation, and other matters. The general format of the report should be familiar to all organizational personnel.

c. Top Management Personnel. Special and more intense orientation is needed for top management personnel to acquaint them with the format of the report, its importance to the chief executive, and the use it will play in control and accountability. The means established for follow-up and accountability relative to the top management group needs to be covered. It is important that top managers, including the chief executive, become committed to the report as an informational tool to control and improve the organization. The MBO system must be used continuously by the top executive and his assistants to gain credibility as a working information and control tool of the organization. If this happens, organization personnel will follow through and make MBO an effective part of their program's operation. If top management uses the system to communicate downward about their actions and deliberations regarding issues raised in reports by program managers, the system will be favored and supported by lower echelon managers and their staffs.

8.   Auditing and Administration of the System

In the San Jose Police Department, the City Auditor and the Staff Inspections Unit perform an auditing function. It is important to have some entity available for auditing the validity of data reported by departmental programs. Simply having an audit capability informs the departmental programs that they will be accountable for data validity at some time in the future.

Someone in the organization must be designated to receive, edit, and compile the reports for the Chief of Police. The Chief will require this person or unit to develop a "management summary," listing the key problems and highlights contained in all the reports. This summary can serve for the top Management Meeting, furnishing points which need follow-up.

There should be an attitude of flexibility in designing the report to meet the particular needs of the organization. Procedures and report format should be thought of as tentative at first. Over the first year of reporting, changes to improve the format will become obvious and can be implemented. As within any new system, some organizational resistance will be experienced. Department management should be prepared to deal with this resistance realistically, sorting out valid and invalid criticism. Real "bugs" will need to be worked out. Format, timing, or other aspects should be altered to fit existing automated or manual data collection systems. Consolidation or deletion of data systems may be necessary in instances where the organization is duplicating data collection.

Individuals requiring additional information on the San Jose Police Department's Management By Objectives/Quarterly Reporting Procedure are encouraged to contact Chief Joseph D. McNamara directly at the San Jose Police Department, 201 West Mission Street, San Jose, California 95110, (408) 277-4212.

END