

Private-Sector Lessons for New York's Finest

The New York City Police Department has been justly praised for spurring a drastic decline in crime. But it has also come in for criticism, amplified in the wake of the fatal February shooting of Amadou Diallo, for treating city residents, especially minorities, insensitively. The Diallo shooting was probably accidental, but the NYPD ignores citizens' complaints at its peril, for good relationships with the public are essential to its effectiveness.

The NYPD has improved its performance in substantial part by importing

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management concepts and techniques from the private sector. But its experience also shows something of the difficulty of translating business models to the public sector. Consider the implications of three key management ideas:

• **Performance measurement.** What organizations measure, they get; what they fail to measure, they sacrifice to produce the effects they do measure. It is crucially important, then, that organizations measure the things that really matter. In the case of a police department, the most obvious measure is the crime rate. As former NYPD Commissioner William Bratton puts it, "Crime reduction is to a police department what profit is to a private company—the bottom line."

But the analogy is faulty. Profit is calculated by subtracting costs from revenues; crime reduction is the equivalent of revenues. The NYPD's "bottom line" would be the value of crime reduction less the cost of producing that result—not only in tax dollars but also in the use of state authority.

We don't usually think of authority as an asset that is used to produce things of

value. But this asset is deployed every time a policeman uses his sirens to clear the streets, cites a citizen for a minor offense, taps his nightstick ominously or unholsters his gun. For the police to exercise authority, citizens must cede bits of liberty from the stock of freedom we all enjoy.

A police department therefore needs a management control system that measures both the valued output and the costs of producing it (reckoned in both financial and liberty terms). This is essential if the police are to retain their legitimacy in the eyes of citizens. A police department that lacks legitimacy can no longer produce crime control, security or justice.

• **Quality improvements.** Focusing attention on authority as an asset brings us face-to-face with a familiar dilemma: the apparent trade-off between effective crime control on one hand, and the protection of civil liberties and the development of strong community relationships on the other. But viewing this as an inevitable trade-off leads us to another important lesson from the private sector.

In the 1970s U.S. auto makers found themselves struggling to cope with Japanese competition. Detroit thought it was beaten. It could not significantly improve the quality of its products without also dramatically increasing their cost. But once managers looked closely at their manufacturing methods, they discovered that there were ways of improving quality while reducing costs.

Similarly, we have learned through the efforts of pioneering police chiefs that there are ways of operating police departments that reduce crime and enhance security without harming civil liberties or community satisfaction. The ideas associated with community policing offered ways to control crime while making fewer ar-

rests and to improve police relations with the community by negotiating crime-control strategies.

• **Customer service.** Like corporate leaders, police chiefs understand that they should be intensely focused on satisfying their "customers." Of course, it is a little less clear who their customers are. The most obvious answer is citizens who call the police for service. Police have worked hard at making their responses faster, more reliable and more courteous.

But police chiefs face a dilemma: The goal of providing services to individual citizens sometimes conflicts with providing services to the city as a whole. Consider this bit of police terminology: When officers arrive to respond to a citizen's call, just before they step out of the car, they commonly radio the dispatcher and report that they are going "out of service." When the encounter is over, the officers radio to say they are back "in service." To whom

are the officers in service? The individual citizen who called, or the dispatcher? From a "customer service" perspective, the answer may seem obvious. But the dispatcher is interested in customer service too. His "customer" is the citizenry as a whole, and their desire to ensure an effective response to serious crime. That is, the mission is effectiveness, not the satisfaction of individual callers.

Under the old strategies of policing, the dispatcher's concerns were paramount. Community policing re-establishes the priority of the calls for service, even when they involve minor offenses—partly to build a working relationship with the community, partly to have an opportunity to intervene earlier in circumstances that could lead to crime.

Community policing also recognizes that the "customers" of the police are not

just individuals who call, and not just the city as a whole, but also groups of citizens organized around particular interests: block associations worried about the quality of life in their neighborhoods, merchants worried about shoplifting, women victimized by domestic violence, parents who want safe schoolyards. In the past, such groups were viewed as "special interests" that had to be resisted to ensure city-wide effectiveness and fairness. But community policing is responsive to such groups, allowing police to build relationships that can be translated into greater effectiveness in controlling crime.

Police departments have even learned that those they cite or arrest can be considered customers. Speeders, idlers and burglars needn't appreciate being arrested. But it's worth finding ways to make these encounters safer for both officers and those arrested, and to do what police departments can to reduce the sense of injustice felt by those who felt the force of the law brought to bear on them. Some departments now routinely survey the people they arrest in order to obtain feedback on how they are using their authority.

The NYPD has used business management ideas to create value for its "owners" and "customers"—the citizens of New York. But it needs to apply these principles even more rigorously in the future. A police department must be able to account to its owners for the way it is using their liberty as well as their money. It needs to keep searching for ways to produce more safety and security using less money and authority. And it needs to find ways to keep all its customers satisfied—the individuals who call, the citizens and their representatives who define the overall mandate of the organization, the "special interest" groups that need assistance and even those individuals who run afoul of the law.

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