

# **READY, WILLING & ABLE**

## **The Case for Police Boards Using Human Capital Management**

---

Human Capital Management (HCM) offers some tools that Police Boards and Commissions can use to advance their governance. Many performance concerns in police services have human origins; for example, in recent months the issue of adequate supervision over use of force has been much in the public eye. I think that HCM provides a way to understand the human condition at a strategic level that is appropriate for a board; it enables a broad perspective informed by useful metrics while leaving personnel transactions to HR professionals. This paper makes a business case for using HCM to manage and build police capacity so as to enhance the value that police services provide to communities.

### **What is Human Capital?**

---

Police agencies use physical, financial and informational capital to deliver services. They also employ uniformed and civilian employees to perform and support police work. Like tangible capital investments in police buildings, databases and equipment, employees form a pool of intangible capital that represents value. The name for a workforce's total value is human capital. In dollar figures it usually is represented as the total expenditures on people, including wages, overtime and benefits, and the cost of administering them. Taken as a whole, human capital makes up a large proportion of what a community funds when it pays for policing.

Human capital also is talked about in terms of talent, or a police service's capacity to deliver the results its community expects. Used in this sense, human capital is the aggregate knowledge and skill that enables a police service to do its work. In practical terms, it means responding appropriately to calls for service, managing crime scenes properly, conducting effective interviews, obtaining and executing search warrants correctly, and testifying in court to obtain judicial disposition of charges. The talents that enable these accomplishments relate to human capital's performance. They should be of abiding interest to police boards and commissions.

### **What does Human Capital mean?**

---

For police services, HCM is about creating and sustaining a workforce that provides value to communities. It is not about human resources or personnel administration; it is a much broader perspective on the human condition in a police service and is a legitimate and appropriate concern of a board or commission with governing responsibilities. HR and personnel are about internal functions and transactions. To be sure, human capital cannot be effective without these, but HCM is an executive task and a governing interest enabled by the HR function and facilitated by personnel administration.

Using the term "human capital" enables subtle yet significant changes in perspective that might help boards and commission to focus their thinking in new ways. The first way is to see that a workforce represents an intangible asset that has value. A traditional accounting view treats employees as a cost. Police boards often focus on managing inputs such as costs to govern effectively; but what are costs from one perspective is value from another. A police service might cost a community \$5 million per year in wages, but it is, by definition, just as accurate to say that the community values policing to the tune of \$5 million, because that's what its citizens have agreed to pay for it. Although employees do entail costs, they also represent value, and boards should consider both perspectives.

The second new perspective is that boards can increase value by focusing on talent and building capacity so that police operations are more effective. Unlike other kinds of capital that depreciate, human capital can appreciate in value through effective recruiting, targeted training and succession planning, to name a few HCM practices. Increasing a workforce's ability to do more police work, and to do more difficult police work, results in a police service that returns more value to the community it serves. Looking at the potential value that improved performance creates helps a board to focus on outputs as well as inputs, and to have a more balanced perspective.

The third new way of thinking is that HCM provides a new and different way to look at risk, particularly the risk of performance loss caused by an inadequate, poorly trained or unengaged workforce. People perform police work, and police services rely heavily, almost exclusively, on human performance to get their job done. Understanding where different kinds of risks might develop, and how to manage them, is a strength of HCM.

## **The HCM Business Case: Engagement Drives Results and Creates Value**

---

Human capital is important because it relates directly to service delivery. Unlike other forms of capital, the decision to apply human capital rests with the owners, the individual employees who own the talent to perform or enable police work. In a sense, police agencies merely rent the talents they use; ownership stays with the individuals, who make decisions every day, and probably many times during each day, about how much of their capital they will use to do the job at hand. We all hope it will be 100% all day, every day, but we know that things seldom turn out that way. Something always gets in the way, whether it's a piece of gear that doesn't work, a work relationship that goes sour or the simple grind of daily life in a difficult job, all of which can lead a person to say, "Not today... and not this shift... today I have the throttle at 40%."

So employees control their human capital and decide when, where and how much of it to use. The extent to which they decide to use it is known as employee engagement. Research by the US Merit Systems Protection Board shows that engaged employees help public agencies improve their results<sup>1</sup>. The degree of workforce engagement is usually identified from an employee survey. The resulting data can give boards insight into their human capital's performance, and point out areas where management's attention should be directed. If a police service with a \$5 million workforce is only 60%

engaged, then its community is receiving only \$3 million of the \$5 million value it is entitled to. Two good questions for a board to ask are what caused the other \$2 million to be lost, and how can it be reclaimed?

HCM is a set of practices and ideas that can add value, build an effective workforce and facilitate employee engagement. The result might be improved police service. Boards and commissions can benefit by using HCM tools and techniques appropriately to advance their governance and return value to communities.

## Two Critical Jobs

---

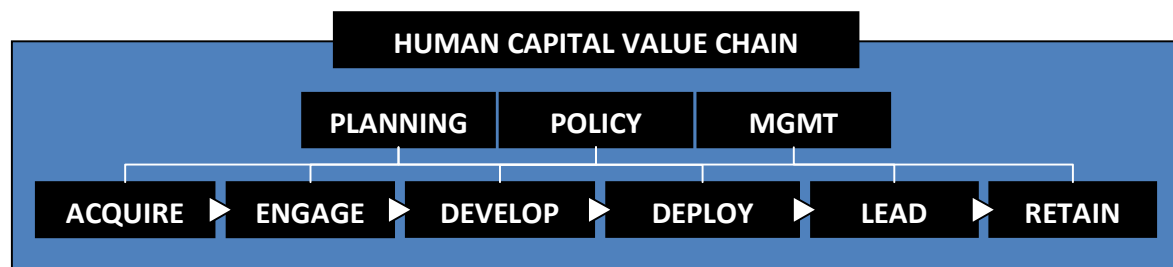
Employees in organizations perform many different jobs. Although all contribute, some are more important to service delivery than others. For example, in courier operations such as FedEx and UPS, airline pilots and delivery drivers do critical jobs; the business can't run without them. Senior management maintains a focus on these jobs to ensure that the business meets performance expectations.

In police services, front line constables and dispatch operators do the critical jobs. It is true that specialized services like major crimes, supervisors, managers and commissioned officers all play important roles; but at a minimum, communities expect to have someone to call for help and someone to respond when their call comes. Dispatch Operators and Constables are the people who do these jobs, and no police service can function without them. Their status, capacity and level of engagement are of continuing interest to a police board.

## How Do You Manage Human Capital?

---

HCM occurs through a range of practices. Consider a chain of activities that colors an employee's total experience with a police service and that creates and sustains engagement over time. Taken together, these activities constitute a value chain through which a police service manages its investment in its workforce. A schematic of a typical HC value chain appears below. Note that the words in the boxes describe activities that add value to the workforce. They do not describe organizational roles or functions that perform any particular activity.



Here is how the chain works. Suppose that a police board, in consultation with its police executive, sets a policy to become an employer of choice and agree to a strategic goal to be the most effective police service within a region or jurisdiction. Working with the board, this police service plans its human capital requirements and manages the activities in each box to be consistent with this policy and to achieve the goal. This thinking is usually set out in a Human Capital Plan, which forms a section of the service's overall strategic plan.

To implement this plan, the service acquires employees using recruiting, orientation and on-boarding activities that are designed to reflect this policy and meet the plan's objectives. Next, it actively engages employees; provides development to create an effective workforce; and makes decisions about where best to deploy employees, for example, whether to watches, shifts or specialized services.

Supervisors and managers lead employees via effective workplace relationships, which enable and support good performance. Leadership support creates an environment within which employees do jobs and tasks that delivers service, creates unit-level results, and enables progress toward the goal. Leadership quality strongly affects engagement, which, in turn, drives activities to retain employees.

Value is added throughout the chain by explicitly designing practices and using tools and procedures to create and maintain high levels of engagement in the workforce. With the police board's support and oversight, the police executive manages the chain as a system to foster engagement, build capacity and maximize the value that the workforce provides to the community. Although the overall plan reflects board-level goals and policies, the specific approach in any one area relies heavily on supervisors, managers and HR professionals to accomplish results.

## **What Can I Do With This?**

---

Using this approach, a police board can balance its focus on inputs such as costs with an equivalent focus on outputs such as performance. This approach gives police services another way to look at the human condition and confirm that the service is providing value to the people who pay for policing.

Some large organizations manage this chain as a complete system, with purpose-designed functions, sophisticated information systems and close integration with a business plan. Most police services do not have the resources to do this and, unless they are starting from scratch, efforts to move in this direction would probably be a distraction. However, it would be feasible for a board to pick a few key areas and drill down on them to assure itself that its workforce is ready, willing and able to deliver police services.

Although all parts of the chain are important, the key areas for boards are critical jobs, succession planning, the service's capacity or readiness to do police work, and the level of workforce engagement. Four tools can help boards to understand whether their expectations are being met in these areas.

## **Tool #1: Critical Jobs Risk Assessment**

---

As part of its governing role in managing risk, a police board could focus on its service's critical jobs. Good questions to ask a police executive are if these jobs are presently 100% filled, if the pools of talent are known, and if a ready pipeline of talent is available to fill vacancies. Following up on the responses should lead an executive to look for ways to remove any barriers to acquiring the talent needed for these jobs.

The board also should know about turnover in critical jobs. Knowing how often vacancies occur, how long they last, what they cost and how long it takes a new hire to become effective will ensure a board that the executive is managing human capital with an eye on performance.

Asking these questions is not an intrusion into day-to-day management. Rather, it is about seeing the large patterns of human capital churn, understanding the risk that significant turnover poses and probing to find out why people are leaving. This information can provide a board with insight into the state of human capital, as well as assurance that the executive understands and is focused on the risk.

## **Tool #2: Full Range Succession Planning**

---

Police boards are naturally concerned about changes in leadership positions, and they use replacement planning to prepare for turnover in these roles. They also might do succession planning to build for the future by considering the developmental needs of employees who are marked for leadership positions.

When doing replacement planning, boards should be asking questions about which key positions have active replacement plans and how many candidates are available immediately if the need arises. Succession planning prepares a service for orderly leadership transitions by developing candidates through stretch assignments, rotations and leadership development. The difference between the two practices is that replacement planning essentially clones the current leadership style, but succession planning can change it. Boards that wish to change their service's culture can use succession planning to embed new perspectives in their management structure.

A key choice for a board is how far into the organization succession planning should go. Most succession plans look at the top two or three positions but, in light of the impact on employee engagement, boards might want to think about extending the practice downward to include supervisors and managers, and to make selections for these positions as important as those for senior management.

Supervisors interact with their workforce daily, and the relationship between supervisors and employees is a key to engagement. A bad day for a police service, and for its community, is a day when the relationship between a constable and a patrol sergeant does not deal well with differences; and either party, or both, disengages to reflect on a failed transaction.

Supervisors and managers greatly influence critical jobs, and can help or hinder successful performance. Selecting the best candidates for these roles should be high on a police executive's list of priorities. Police boards can help by pushing succession planning far into their organization and shining a light on the potential for good people to make a difference.

### **Tool #3: Capacity Check - The Bench Strength Map**

---

Police services are delivered during interactions between police officers and citizens. Police officers deliver these services by applying their knowledge and using their skills to perform a job or task that has a result, such as managing traffic accidents, investigating assaults or interviewing witnesses. In delivering a service, the Police officers' behaviour(s) create(s) a result that, hopefully, satisfies the citizens' needs.

Police services naturally focus on how well officers perform the competencies needed to deal with each situation. It is important to distinguish between a police officer who is competent and one who is proficient in a competency. An officer becomes competent by successfully completing a training program and/or by obtaining a required professional certification. If a person has graduated from a police college, or similar institution, he is assumed to be competent.

From an employer's perspective, competency is like an On/Off switch: a person either is competent or he is not. But, what matters for job performance is proficiency, i.e., the extent to which a person can perform a competency successfully across a range of situations. For example, every new police officer should be competent in the use of force. But, proficiency comes with experience and practice, after which an employee can make difficult judgments about using force in ambiguous situations.

As the box shows, most police work uses eight competencies. Specialized services might use others, but this list probably accounts for a large percentage of police work. Suppose that a service has a goal of reducing residential break-and-enters. It is easy to identify the specific competencies required to accomplish this goal, to establish a required minimum level of proficiency, to measure employees' actual proficiency in each competency and to compare actual proficiency to desired proficiency. This information can be displayed as a Bench Strength Map to show what percentage of the workforce has the proficiency needed to accomplish the service's goal of reducing residential break-and-enters. If prepared for a range of activities, a Bench Strength Map can show a police board whether its service's human capital has the capacity to perform to expectations. A Bench Strength Map shows operational readiness.

- | Policing Competencies               |
|-------------------------------------|
| • Present Testimony in Court        |
| • Use Intelligence                  |
| • Conduct Interviews                |
| • Conduct Investigations            |
| • Obtain Judicial Authorization     |
| • Show Concern for Officers' Safety |
| • Manage Records                    |
| • Use Technology and Software       |

Proficiency is where performance starts, and Bench Strength Maps also can show where attention needs to be directed to improve performance. Proficient employees can perform difficult tasks and are more productive than non-proficient employees. The former also tend to be more engaged than the latter because they see meaning in their work and are motivated to perform.

A Bench Strength Map is of great interest to a police board because it connects individual employees' behaviours to a police service's priorities. It shows the degree and strength of alignment between people and strategy and it connects people to performance in a way that is easy to understand. Performance closes the loop between a board's responsibility for providing police services, a service's delivery of law enforcement services, and a police service's accountability for the results of exercising their responsibility.

#### **Tool #4: Workforce Engagement Surveys**

---

Employee engagement is the extent to which employees are willing to apply their human capital in service to their organization. It is the extent to which they believe in what they do, commit to their job and expend effort to make the organization successful. It is different from employee satisfaction because it has a behavioural component. It means that employees are not just happy or satisfied, but are actively engaged in making the organization successful.

The more engaged an employee is, the more discretionary effort and human capital he expends. This increases his output. Research suggests that a 10% increase in engagement increases discretionary effort by 8%, which leads to a 2% improvement in performance. Engagement is also a leading indicator of retention: the greater the engagement, the less the need for retention efforts.

The level of employee engagement is determined primarily through surveys. A range of commercial providers do this work, and the key is to find one with experience in the public sector, preferably in policing, with a database that it can use as a benchmark. As well as obtaining employees' views on engagement, the survey should explore a workplace's quality and the perceptions of its supervisors, managers and leaders.

In addition to engagement surveys are a number of informal measures such as reduced absenteeism, sick leave usage and disability leave. Boards also can look at the number of employee referrals for new hires, and participation in internal organization events, as measures of employee engagement. Similarly, voluntary representation of the organization externally, the number of internal job applicants and spontaneous suggestions for improvement indicate employee engagement.

## Summary and Conclusion

---

This paper proposes that police boards and commissions think about using human capital ideas and some diagnostic tools to deepen their understanding of the human condition in police services and to advance their governance.

Human capital represents the total value of a police service's workforce. Its measurement is in financial terms, and also in terms of its capacity to accomplish goals approved by the board. Unlike other forms of capital, the decision to apply talent remains with employees. It is in a police service's interest to create and sustain a workplace where employees engage fully and commit to using a large percentage of their talent every day in service of their community.

The paper makes the point that activities that build engagement can increase the value of a service's human capital. Some organizations do this by operating a chain of activities that add value, build capacity and sustain high levels of engagement throughout employees' time in service. This might be too great an investment so, instead, police boards might find that using some of the tools outlined in this paper will provide them with the information they need to conclude that their police service either is or is not returning value to the community that pays for it.

---oooOooo---

---

<sup>i</sup> US Merit Systems Protection Board, the Power of Federal Employee Engagement, September 2008.