MANAGEMENT INCENTIVE PROGRAMS AND THE FUTURE OF LAW ENFORCEMENT

DARRELL W. FIFIELD
COMMAND COLLEGE III
PEACE OFFICER STANDARDS AND TRAINING
SACRAMENTO, CALIFORNIA
JANUARY 1987

3-0036
~~3-0037~~

This Command College Independent Study Project is a FUTURES study of a particular emerging issue in law enforcement. Its purpose is NOT to predict the future, but rather to project a number of possible scenarios for strategic planning consideration.

Defining the future differs from analyzing the past because the future has not yet happened. In this project, useful alternatives have been formulated systematically so that the planner can respond to a range of possible future environments.

Managing the future means influencing the future--creating it, constraining it, adapting to it. A futures study points the way.

The views and conclusions expressed in the Command College project are those of the author and are not necessarily those of the Commission on Peace Officer Standards and Training (POST).

© 1987 by the
California Commission on Peace Officer
Standards and Training

TABLE OF CONTENTS

		Page
Acknowledgements		i
CHAPTER I	Executive Summary	1
CHAPTER II	Introduction	6
	A. Purpose	6
	B. Organization of Study	7
	C. Limitations	8
CHAPTER III	Incentive Program Research	9
	A. Overview	9
	B. Improving Productivity Through Incentives Theory	11
	C. Incentive Programs from the Practitioners and Consultants Perspective	19
	D. Results of Incentive Programs	24
	E. Summary	30
CHAPTER IV	The Future Middle Manager and His Organization	32
	A. Introduction	32
	B. Recent Literature	32
	C. Summary of Command College Study on the Future Middle Manager	44
	D. Group Input	48
	E. Summary	57
CHAPTER V	Scenarios of the Future	60
	A. Introduction	60
	B. Scenario #1	61
	C. Scenario #2	64
CHAPTER VI	Management Incentive Program Model	70
	A. Introduction	70
	B. Incentive Categories and Objectives	71
	C. Performance Objectives	80
	D. Experience	82
	E. Reward System	83
	F. Models	84
	G. Summary	88

		Page
CHAPTER VII	M.I.P. Strategic Plan	91
	A. Introduction	91
	B. Situation	92
	C. Mission	99
	D. Execution	100
	E. Administration and Logistics	102
	F. Planning System	103
	G. Implementation, Negotiation Strategy and Tactics	104
	H. Summary	109
CHAPTER VIII	Summary and Conclusions	111
	A. Summary	111
	B. Conclusions	119

ATTACHMENTS

BIBLIOGRAPHY

ACKNOWLEDGEMENTS

This was one of the most challenging, exhilarating and successful projects I've had the privilege of completing. The success of the project, however, rests with a great number of individuals and organizations, who collectively provided me with the necessary data, inspiration and support. I would like to thank each of them by the following acknowledgement: My loving wife, Judy; my endearing friends Captain Bob Pool and Escalon Chief of Police Jack Storn; Chief of Police Max Downs; Advisor, Dr. David Jamieson; and the following individuals: Ernie Dowd; Diane Cookmeyer; Bob Bokern; Richard Bastrom; Ed Miller; Joan Smith; John Younkers; Tom Salemme, and Fred Dorin. I would also like to thank the following organizations: A. S. Hansen; Laventhal and Horworth; Arco; Toyota; Daniel Freeman Hospital; Tri-Valley Growers, and the American Productivity Center in Houston, Texas.

CHAPTER I

EXECUTIVE SUMMARY

Law enforcement organizations throughout California are not utilizing or developing middle managers to their fullest potential. Most, if not all, of the California law enforcement organizations do not offer any type of significant reward system which motivates higher levels of individual performance. Similarly, most of these agencies do not recognize the critical role our middle managers will play in future of their organizations. Little guidance or goal setting have been provided to highlight organizational growth and direction. This has resulted in producing a law enforcement middle management corps that is performing at a mediocre level, and which is ill-prepared to meet the changes and challenges of '90's.

If the skills of the individual leaders of the organization are improperly developed or neglected and the middle managers are left to perform at less than their best, chances are very good that the organization's productivity is suffering as well. If something does not intervene, the situation will exacerbate, which will be a direct result of the impact of the inevitable future changes in law enforcement.

Therefore, the purpose of this study is to develop a "Management Incentive Program" which will develop skills for the future needs of the organization, promote self motivation, maximize individual and organizational

productivity and, above all, provide meaningful rewards within the grasp of all levels of above-standard individual performance. The study's basic purpose is restated in the form of the following question: "Can an incentive program be developed and implemented which would reward high performance, while at the same time developing individual skills which together will meet the needs of the organization of the future?"

In order to achieve the purpose and answer the question, the study first reviewed the relevant literature. This literature described types, purposes and results of incentive programs. Nine main benefits to the use of management incentive programs were identified, as follows:

A. Cultivates high achievers.

B. Motivates personal development and individual skills.

C. Encourages promotional aspiration.

D. Builds feelings of participation and security in the organization.

E. Builds an organization more responsive to change.

F. Increases organizational productivity.

G. Higher likelihood of retaining high performance employees.

H. Develops employees toward organizational goals.

I. Creates a more dynamic manager.

Next, an overview of the middle manager of the future was presented in order to develop a reasonable idea of what skills a middle manager would need, as well as what future

organizational needs would be, if an individual in the organization were to be successful. The information was presented from three separate sources. The first source was a topical review of the literature, which was followed by a Command College paper on the future of middle management. Lastly, a group of practitioners, consultants and law enforcement personnel presented trends and events that, in the group's consensus, were the most likely to impact the future of law enforcement.

A distillation of this information produced eleven major trends for the future. These are as follows:

1. Growing concern for wellness.
2. A need for entrepreneurial management skills.
3. More future employee commitment.
4. Increased participative management.
5. Implementation of pay for performance programs.
6. More progressive executive leadership.
7. Reduction of middle management positions.
8. Middle managers acquiring broader skills.
9. Stricter guidelines for resource accountability.
10. A concern for the organizational culture.
11. Adaptability to technological advancements.

All of the information in this chapter was then synthesized and used (a) to design two scenarios and (b) to design incentive objectives for a law enforcement middle manager incentive program. The second

scenario described a "like it to be" future. It presented a very dynamic picture of the law enforcement organization of the future. Also included were personal characteristics of the future middle manager. This scenario was based on organizations implementing management incentive programs and becoming very proactive.

Based on this scenario, seventeen incentive objectives were developed for an M.I.P. The incentives were divided into four main areas: Increased employee commitment; increased employee growth; increased knowledge and experience and overall application.

Next, a number of models were presented. These models included options which contained variables of performance evaluations and/or experience as part of the reward system. It was further discussed that models were completely flexible as to number of incentives, value of each incentive, number of incentives per reward, type of rewards and amounts of the rewards. It was also discussed that individual incentives could be created by the immediate supervisor to outline personal and short-term goals.

Finally, a strategy was presented for implementation of the Management Incentive Program within the law enforcement organization. Many areas were described that should be considered during this implementation period. Of critical importance was the presentation of a plan to include the strategy, concessions and negotiation tactics that would be needed if a successful M.I.P. were to be adopted.

This study concludes by answering a qualified "Yes" to

the question presented. It is asserted that M.I.P.'s are an emerging organizational trend for the public sector, and are a reality for the private sector.

Finally, it is incumbent upon today's top executives in law enforcement to develop and implement incentive programs which will reward above average performance. They must further do away with antiquated, inflexible and non-motivating traditional salary structures. Incentive programs are obviously one of the most successful ways to develop individual skills and motivation, to increase organizational productivity and create an organizational climate and culture that will be adaptable and responsive to the future.

CHAPTER II

INTRODUCTION

A. Purpose

Throughout California's law enforcement organizations, top executives are concerned with the future role development, adaptability and performance of their middle managers. (Storn, 1986) Current literature suggests that middle managers are being significantly reduced in both private and public sectors. With the advent of new technology, the role of the middle managers is continually being revised. (Pascarella, 1984) Future projections have suggested additional skills and an expanded concept of managerial characteristics will be needed in order for the middle manager of the future to survive and be effective. (Stein, 1984) These represent but a few of the many concerns facing today's middle manager, the middle manager of the future and their superiors.

The wide proliferation of these concerns has produced a middle management cadre throughout California which is genuinely concerned about their wellbeing within their respective organizations. Concerns such as these usually manifest themselves in high turn-over, low productivity and poor promotability.

Concomitantly, top law enforcement executives are furhter concerned with the rigid and antiquated reward systems that are inadequate for the recognition and motivation of top-performing middle managers.

It is my opinion that these conditions are the primary source of widespread lacklustre or marginal performance by middle managers throughout the law enforcement community.

This study then gives rise to the following question, "Can an incentive program be developed and implemented for law enforcement middle managers which will reward high performance, while at the same time develop individual skills to meet the needs of the organization in the future?"

It is therefore the purpose of this study to answer the question by developing a middle management incentive program model, which will develop high-performing and effective middle managers who will be "future-ready". This model will be designed to create an organizational climate for middle managers in law enforcement which will:

a. Develop new skills for future needs.

b. Motivate in all areas.

c. Maximize productivity.

d. Provide meaningful rewards for all levels of above-standard performance.

B. Organization of Study

Excluding the introduction, the paper will be organized into seven major sections, as follows:

I. Executive summary of entire study.

II. Review of the literature regarding the theory and application of incentive programs. This section

will also include an overview of the predominant current salary structure used in California law enforcement agencies.

III. A careful look at the middle managers of the future in general with highlighted specifics pertaining to law enforcement.

IV. The development of two scenarios which will encompass the future world of middle managers in law enforcement.

V. Utilize the most likely scenario and develop an incentive model based on objective performance guidelines. This model will be designed to motivate and reward the middle manager of the future for his continued high performance.

VI. Development of a strategic plan to include model implementation, problem identification and solutions, transition management, management structure and policy recommendations.

VII. Summary and conclusion.

C. Limitations

All the resources used in the study are dated later than 1979. All interviews and surveys were completed within the last 6 months of calendar year 1986. The results of the study will be designed to allow any law enforcement organization to easily modify the incentive model for their particular application.

CHAPTER III

INCENTIVE PROGRAMS

A. Overview

Law enforcement organizations have, for many years, designed their compensation and reward systems to meet rigid requirements of public service organizations. With few exceptions, there appears to be no indication at present that these organizations are using any type of genuine incentive program to help motivate, develop or reward high performers in middle management or any other level of the organization. Nearly all compensation is fixed by annual salary resolutions that are inflexible.

As a glaring example, middle management positions in eight California city police were surveyed in August, 1986. The eight cities were: Pasadena, Glendale, Stockton, Sacramento, Richmond, Alameda, San Jose and Berkeley. All of these cities had a 3, 4 or 5-step compensation plan. Upon promotion, it would take an average of three years to reach top step in any given position. All eight cities required no bonafide subjective standard in order to advance to the next salary step.

The implications are obvious, however worthy of mention. First, poor performers, average performers and high-achievers are all lumped together in each salary level. It is conceivable that the newly promoted who are higher

achievers than their counterparts with higher seniority will be actually paid less for doing a better job. Secondly, there is a strong tendency for high-achievers to become apathetic when the organization tacitly rewards low and mediocre performers by letting them passively earn their salaries. (Hansen, 1986) Discipline can be imposed, but civil service procedures make it virtually impossible to impose this discipline on poor or marginal performers. Besides, most individuals in the system have long since figured out what it takes to just "get by" in their particular role.

Thirdly, there is no drive or motivation for the individual middle manager to pursue higher levels of skill and personal development for either their current needs or for the future. Most middle managers have become resigned to the fact that promotional opportunities are very rare and that in fact there is a trend for a reduction in the ranks of middle management.

Fourthly, potential high achievers are never cultivated in this type of environment which lacks a genuine reward system to separate the high achiever's level of performance from that of the marginal manager. If there were any latent aspirations towards becoming a high achiever, the environment would not be conducive to promote this individual striving. (Jamison, 1986)

Are middle managers in private corporations in the same type of environment?

Are there in fact programs and incentive systems working that have turned organizations around and produced a higher performing middle manager?

If there are organizations which have successfully developed high-achieving middle managers, can that technology be transferred to the public sector?

The answer to all these questions is an unequivocal yes. (Miller, 1986)

B. Improving Productivity through Incentive Theory

Before proceeding, an operational definition of "incentive" is necessary. Roy Delizic, a consultant in Pennsylvania, states "Incentives are variable rewards related to the achievement of specific results. In order to have a true incentive system, the desired results must be known beforehand and the relationships between desired results and related rewards must be clear and substantial. Otherwise, the program is likely to provide nothing more than after the fact rewards for achievements that happen to have occurred." (Delizic, 1984)

In corporate America, successful incentive based systems for middle managers are flourishing. A review of the literature revealed that incentive programs for middle managers come in a variety of tailor-made systems. Some of their names are: merit pay, skill-based pay, annual incentive award, pay-for-performance, merit bonus, management incentive or pay-for-productivity. (Crandal, 1986)

Regardless of what label it wears, incentive programs generally give rewards for three separate aspects: performance, achievements and skills. These are the main focus of any incentive program.

Why did corporations place so much importance on these incentive programs? One reason is described by Jay Offner, president of Managing Change Inc., in New York. Offner states that middle management ineffectiveness costs money. For an individual earning $30,000 p.a., his hour is worth $15. Wasting one hour a day costs the company $3750 p.a. At the $50,000 salary level, or $26 an hour, the loss rises to $6250 p.a. For a senior manager earning $100,000, every wasted hour is $50, or $12,500 p.a. Multiply these figures by the number of people in your organization who aren't working up to potentials, and the totals can be staggering. Offner says we can close this management productivity gap by utilizing incentive programs that reward high performers and effectively become positive reinforcment programs. (Offner, 1985)

Offner went on to say that good leaders understand the power of positive reinforcement, whether it be complimenting a good job or rewarding efforts in line with management's objectives. Why does positive reinforcement improve management productivity? The recognition of achievements helps assure middle management's continued interest in doing a good job. It builds a feeling of participation and security within the organization.

Peters and Waterman In Search of Excellence state: Positive reinforcement is an overlooked aspect of improved productivity, (Waterman, 1984)

> "Our general observation is that most managers know very little about the value of positive reinforcement. Many either appear not to value it at all or consider it beneath them--undignified or not very macho. The evidence from excellent companies strongly suggests that managers who feel this way are doing themselves a great disservice. The excellent companies seem not only to know the value of positive reinforcement, but how to manage it as well."

Richard Copeland (Copeland, 1984), a professor of management at Harvard University, attributes the success of incentive programs to expectancy theory. Expectancy theory has typically demonstrated superior predictive validities in comparison to other theories. It is generally viewed as a dominant if not predominant theory of motivation. Expectancy theory is based on the principle of expected value. People are seen as making choices based on the expected payoffs associated with different behavior alternatives. Simply put, the greater a person's expectancy, the greater his effort toward the various rewards. The person will be motivated to work harder.

Similarly, the more highly a person values the various rewards that may be obtained, the greater the person's work motivation. By the same token, if a person does not see a likelihood of obtaining highly valued rewards, then the appropriate motivation will not occur. So the motivation has to first be highly desired, and secondly, be attainable. Otherwise, motivation will not occur. (Kopelman, 1984)

The three main implications of the expectancy theory are as follows:

First, the stronger the performance/reward relationship, the higher the average organization-wide level of work motivation. Consequently, in an organization where rewards are highly unrelated to job performance, many employees can be expected to exhibit little work motivation. Some individuals, those with a high need to achieve, might be expected to work hard despite the absence of reward and recognition; however, this is only a small percentage. Most studies have found this to be in the ten percent area. (Luthans, 1983)

Secondly, the stronger the performance/reward relationship, the more likely it is that high performing employees will be retained. But, in organizations where rewards are largely unrelated to job performance, the most productive employees will tend to be the least satisfied and the most likely to quit. Indeed, many will conclude that there has to be a better way. Furthermore, in such settings the least productive employee will tend to be the most satisfied and the least likely to quit! Unfortunately, no matter what type of reward system an organization adopts, it is virtually impossible to satisfy all employees. However, it is rational to invest in the satisfaction and retention of those employees who contribute the best.

Thirdly, it might be noted that where - as rewards importantly influence satisfaction, it is the reward system that importantly influence work motivation and job

performance. While increased rewards will generally raise job satisfaction, satisfaction is not an antecedent of motivation and performance. Rather, highly satisfied workers will hang around and smile a lot...the happy worker will be the productive worker only if productivity is preconditioned on happiness, i.e., if rewards are based on performance. (Kopelman, 1985)

Ed Lawler (Lawler, 1984) another well known writer on incentive programs, feels strongly about the results of these programs. Lawler is a U.S.C. professor, and director of their Center for Effective Organization. It is Lawler's opinion that incentive reward systems can influence organizational effectiveness in the following three ways:

First, it improves attraction and retention of qualified employees and managers. Research on job-choice, career-choice and turnover clearly shows that the kind and level of rewards an organization offers influences who is attracted to work for an organization and who will continue to work for it. Overall, those organizations that give the most rewards tend to attract and retain the most people. Research also shows that better performers need to be rewarded more highly than poor performers in order to be attracted and retained. Finally, the way the rewards are administered and distributed influences who is attracted and retained. For example, better performing individuals are often attracted by merit based reward systems.

Second, it improves motivation. Those rewards that are important to individuals can influence their motivation to

perform in particular ways. People in work organizations tend to behave in whatever way they perceive that will lead to rewards they value. Thus, an organization that is able to tie valued rewards and/or goals and objectives to the behavior it needs to succeed is likely to find that the reward system is a positive contributor to its effectiveness.

Thirdly, it improves corporate culture. Reward systems are one feature of organizations that contribute to their overall culture and climate. Depending on how reward systems are developed, administered and managed, they can cause the culture of an organization to vary quite widely. For example, they can influence the degree to which it is seen as a human resource or as an entrepreneurial culture, an innovative culture, a competence-based culture and a participative culture. All of these are exigent to the success of organizations - now and in the future.

In summary, (Lawler, 1981) Lawler feels that overall, the design of an effective reward system demands not only a close coordination between business strategy as an organizational reward system, but also as a clear match between the reward system and the other design features of the organization. The implication of this reward system design is not only that there is no one "right" set of practices for reward systems, but that it is also impossible to design an effective reward system in the absence of knowing how other design features of the organization are arranged. This suggests that the key strategic decisions

about the reward system need to be made in an in interactive fashion, in which tentative reward system design decisions are driven by the business strategy and then are tested against how other features of the organization are designed. The key, of course, is to ultimately come up with an integrated human resource management strategy that is consistent in the way it encourages people to behave, that attracts the kind of people that can support the business strategy, and that encourages them to behave appropriately.

Lawler and a research scientist, Gerald Ledford (Ledford, 1985) discuss the merits of including skill-based pay in the incentive program. Organizations should be paying for the skills people have rather than for the jobs they do.

Skill based pay begins with the concept that individuals should be paid for their skills, and argues that paying for skills has many advantages over paying for jobs. Skill based pay systems start with the identification of those skills that are needed to be done in the organization now and in the future. The skills needed to perform these tasks are identified and tests are measured to develop and determine whether an individual has learned the skills involved. The number and kinds of skills that each individual can learn, given his or her position in the organization, are also determined. (Fomburn, 1984) Managers are told that they can learn these skills. Thusly, managers are typically paid for only those skills that the organization needs and that they currently can and are

willing to perform. According to Lawler and Ledford, evidence suggests that when combined with a participative approach to management, an incentive performance system can produce other benefits. This seems to be particularly true when the pay system for managers encourage acquisition of some upwardly vertical skills. When managers learn both horizontal and vertical skills, they can gain an entirely different organizational perspective and come to understand the entirety of organizational operations, the way in which an organization is managed and the information that supports it. This helps them to do a number of things that they could not do without this breadth of understanding and perspective. (Conner, 1986)

First, managers can solve systematic problems more effectively. Their broader perspective makes them more innovative in improving operations and more effective in solving problems and makes them better communicators.

Second, managers often have a great sense of commitment to organizational effectiveness when they have an overview of the entire operation. Feedback about such things as quality and services becomes more meaningful to them and thus their intrinsic motivation to perform increases.

Third, skill based pay is an important reinforcer of participative culture. It is a concrete way in which organizations can back up commitment to participative management and will lead to such thoughts as "People are our most important resource". Meaningful rewards are given to individuals to grow, learn and develop. Organizations with

skill based pay typically have cultures that value human development and are quite optimistic about the capabilities and potential of the people who work there. This effect, although sometimes difficult to quantify, is nevertheless a very real and important advantage.

Finally, and perhaps most important, when employees are broadly knowledgeable about the operations of the organization, the potential exists for them to be more self motivating. That is, they are in a better position to control their own behavior, cooperate with others and ultimately participate in self-managements groups and team that run a particular part of the organization. To the degree that skill based pay aids in self-management, tremendous savings are possible. It can lead to a reduced number of management levels and can also reduce the number of support personnel required. (Cook-Meyer, 1986)

C. Incentive Programs from the Practitioner and Consultant's Perspective

From the theorist point of view, incentive programs are definitely a management resource that should be capitalized on. But, what about the practitioners and consultants in the corporate world? Are they satisfied?

Charles Thorp, the director of benefits for Pepsico Corporation (Thorp, 1986), is extremely satisfied with the results of his annual incentive programs that reward individual performance. It is his opinion that

organizations should strive to make at least a portion of annual salaries contingent on individual performance and preestablished results areas. For example, in management by objective programs the majority of organizations, either do not utilize this approach or base so small a percentage of the incentive payment on individual performance that its intrinsic effectiveness as a true incentive is severely limited.

All organizations should make use of an annual management incentive plan concept as a means of focusing attention on key performers and organizational goals and objectives. The assumptions underlying this concept are as follows:

First, the annual incentive plan is intended to reward individuals in direct relation to their performance and contribution to the success of the organization.

Second, rewards should be scaled according to level of individual impact on such success.

Third, individual managers want to be compensated on the basis of their performance.

Fourth, managers will attach greater importance to identified goals if they know that a portion of their compensation is based on their performance in reaching those goals. (Dowd, 1986)

The work behavior scientists in general support these assumptions. More importantly, the rational executive and the performance-oriented manager will also embrace these assumptions as the most appropriate rationale for an

incentive system. Thorp summarizes by stating, "the key to making any incentive scheme work is for executive management to have the will to manage the system actively, and be willing to differentiate on the basis of performance." He added that executive managers must be willing to enforce performance pay approach to the administering of rewards if they also know that their own pay is determined according to the same philosophy. Within the organization, the will of the manager is like a snowball that if practiced by top executive management gains momentum as it rolls down the ranks of management.

According to P. Sethi, in an article in Executive Compensation (Sethi, 1986)), top corporation managers across the nation are all trying new management incentive programs to compensate top performers. Top corporation executives feel that they must develop a reward system that provides incentive to managers for creating real long-term future values for the organization. Furthermore, to be effective, these incentive systems must be based on factors that are largely controllable by management and on criteria that are objective, verifiable and rationally acceptable to those whose performance is to be measured.

In 1981, the Research Institute of America published a staff recommendation on incentive programs. (Jones, 1981) It was their opinion that few Americans can agree on the definition of productivity, but everyone can agree that we need more of it. Furthermore, survival for a great number of organizations in the 1980's will depend on their ability

to raise productivity. They feel the answer to more productivity currently and in the future lies primarily with the use of incentive programs. The literature suggests that when an individual's pay is linked to performance, motivation to work is increased, productivity is higher and individuals are more satisfied with their jobs. Productivity rises as much as 60 percent with good work measurement and incentive programs installed. Yet, only about a quarter of America's corporations are covered by incentive programs. Few non-manufacturing operations are on incentive programs. Most incentive plans in operation today are oriented toward individual workers. Many employees and managers prefer the individual incentives they have worked with for years. Some operations are better suited to individual incentive programs. The overall productivity of employees working on individual incentives will be higher than that of the same employees working with no incentive or as a group. When a worker's earnings depend on his own efforts and abilities, he is more likely to produce at a higher level if he benefits from his own increased output. Top performers will not work as hard under group incentives, often feeling that they are pulling the deadheads along with them. (Levine, 1983)

Lastly, in October, 1986, I met with six consultants of the American Productivity Center in Houston, TX. This Center is a non-profit consulting organization that is dedicated to increasing productivity throughout the country in both the private and public sector. It has been, or is

currently affiliated with 300 of the nation's largest and most prosperous corporations and public entities.

The consultants I contacted were unanimous about their belief that incentive programs have a direct relationship with productivity. In fact, the Center itself has a massive ongoing program, utilizing gain-sharing as an incentive program for all levels of corporate hierarchy. (O'Dell, 1986)

In addition, I contacted other consultants at Hansen & Company and Laventhall and Horowith, Inc., in Los Angeles. They also concurred with the incentive program's unquestionable value toward higher levels of productivity and greater individual motivation. Finally, I contacted executives at Toyota, Atlantic-Richfield and Daniel Freeman Hospital, Inglewood, CA. In addition, I contacted an executive with United Packing in Modesto, CA. All four of these corporate executives concurred that incentive programs were exigent in the success of corporations. Each of these firms had their own type of incentive program in place.

In summary, when designed and managed effectively, incentive programs can be a valuable organizational tool. Incentives can be instrumental in implementing new strategy, in identifying current and potential management talent, in motivating people to produce desired results, develop desired skills, in forcing management to decide what results are desired, in communicating goals and monitoring and feeding back information to both groups and individuals. (Younkers, 1986) Despite complexities in organizations, it

is still possible to develop incentive programs that are appropriate for organizations with different goals and objectives. (Smith, 1986)

Incentives, of course, are not a panacea or a substitute for critical parts of effective management. Moreover, there may circumstances in which incentives are inappropriate and result only in a waste of time, effort and money. But, when the circumstances are ripe and the climate supportive, incentives can provide a vehicle to draw from each employee his or her best, and to give rewards in order to accomplish the best for the total organization. (Salemme, 1986)

D. Results of Incentive Programs

Theory and speculation are convincing, but what exactly is occurring in corporate America? In 1985, the New York Times published an article on incentive programs that were newly implemented in seven different well-known corporations. (Times, 1985) They were as follows:

1. American Can created a customized 4-year incentive plan for managers in the packaging division.

2. American Express created a new limited partnership incentive plan for key executives in investment banking and brokerage operations. They expanded incentives for branch managers in 1984, and then created an incentive plan for middle managers in 1985.

3. AT&T froze salary levels and is installing individual incentive plans for middle managers, professionals and technical workers. They further created special compensation programs for six smaller ventures.
4. Bell Atlantic is cutting salaries of 20,000 managers, from foreman through assistant vice president, by 2.5-4.0%. In 1986, they were installing individual incentive programs. These individual incentive programs will allow these individuals to earn up to 32% of their annual salaries in incentive programs.
5. Equitable Life created about 20 divisional incentive plans for middle and senior managers, and pared their salary increases appropriately.
6. Ralston Purina Corporation created long-term incentive plans for its groups, and expanded the managers covered by incentives from a handful of top corporate officials to about 300 middle managers, including divisional, market and product managers.
7. Tektronix created individual incentive programs to reward mainly technical managers and middle managers for key contributions.

In another study, from 1981-1984, Sibson & Co. surveyed 66 companies. (Schuster, 1985) Twenty-four of these companies had incentive programs. They found out that the

24 companies with incentive programs had the following characteristics:

1. Performance priorities were set by the top executives.
2. Contributions to the attainment of the performance priorities were duly recognized.
3. Employees understood the priorities and what they should do to support them. They also understood what the support meant and what financial rewards it led to.
4. Financial rewards communicated the priorities of the corporation accurately, and distributed the results to those individuals who were responsible.
5. As performance priorities shifted, including financial rewards, all members of the organization responded to the change consistently.
6. Rewards emphasized individual communication and motivated individual behavior. The best performers were self-directed and chose the way they wanted to expand their efforts among several alternatives. The organization wanted to make the attainment of goals its most attractive channel for individual energy.
7. Financial rewards were distributed according to how accurately employees hit their performance objectives.

The results from these 24 companies were substantially

better than from the other 42 companies. As an example: The price of common stock of the 24 companies increased 33.9%, while the other 42 companies' stock increased only 6.4%. Net earnings for the 24 companies increased 112.5%, while the earnings of the other 42 companies only increased 45.8%. Return on equity increases for the 24 companies was 43.2%, while the other 42 only increased 16%. Return on capital increases for the 24 companies was 48.7%, while the other 42 companies only increased 22.6%. Lastly, the profit increase per employee in the 24 companies was 9.4%. The profit increase in the 42 companies was a -6%.

In another study by the Conference Board (Overstreet, 1985), it was found that 90% of manufacturing companies in the United States have annual incentive plans for their managers and executives. The size of the annual incentive reward as a percent of participant salary varied from an average of 57% for its executive officers to 25% for its lower level managers. It was apparent that the annual incentive award represented a significant portion of the participant's total earnings. The overall resulting corporate productivity of these manufacturing companies was up 20% following the implementation of incentive programs.

Nash and Carroll (Nash, 1982) in their book <u>The Management of Compensation</u> cite the results of five early surveys encompassing more than 4700 interventions. Average increases in productivity after switching from time based to output based pay plans range from 29 to 63 percent. The median increase is 34.5 percent. More recently, an

extensive literature review found that, on the average, individual incentive plans increased output by 30 percent. Group incentive plans typically increased output by only 18 percent. Additionally, a comprehensive review of productivity experiments reported the results of seven studies which examined the effects of financial incentive. Results were positive in all cases, with performance increases ranging from 18 to 46 percent.

Clare Vough (Vough, 1979), in his book, Productivity: A Practical Program for Improving EFficiency, describes how IBM increased labor productivity in the manufacturing typewriters by nearly 200% over a 10-year period. According to Vough, one-half of the increase in production was due primarily to two practices. Pay for productivity, only for productivity, and promote for productivity and only for productivity. In other words, increased efficiency arose from giving every person a tangible, visible and personal stake in the division's productivity results.

Notes from Michael Fein, (Fein, 1977) a consultant to more than 500 companies, indicated that by any measure, pay tied to performance is the most powerful motivator of improving work performance. It is undeniable that from floor-moppers to corporation presidents, productivity rises when their pay is tied to it.

Similarly, John Minor (Miner, 1978) has concluded that whatever literature one reads, the evidence regarding the motivating effects of contingent incentives is quite overwhelming. Perhaps this explains why psychologists speak

about the law of effect rather than the theory and hypothesis of effect.

Finally, while reviewing through the corporation literature, an incentive program in the Federal government was discovered. (Henderson, 1984) The Government Employees Incentive Awards Act of 1954, established a uniform government-wide incentives award program. The Civil Service Reform Act of 1978 then made some modifications to this program.

This Act provided that incentive awards could be granted to any employee who earned a special achievement by performing in a superior manner over a specified period of time, or by performing a special act or service. A bonus of up to 15% of base salary was awarded to employees whose quality of actions demonstrated superior performance. The actual bonus would reflect the degree to which the individual employee's performance exceeded the standard performance for that particular job. In 1981 and 1982, the following results were achieved in the form of cash awards for superior performance over a specific period of time for special acts of service. The amounts paid in awards for 1982 were $51 million, and in 1981, $32 million. The number of awards granted in 1982 was 98,000, and in 1981, 95,000. The Federal government felt it received $83 million in benefits as a result of these awards in 1982. In 1981, the benefits amounted to $59 million.

So, not only are there results in the private corporate sector, but also in the public sector as well.

E. Summary

To summarize, a review of the theoretic and results oriented literature attest to the value of financial incentives for improving performance, both immediately and in the future. A recent review of ten prominent techniques used to improve organizational functioning indicated that there is no more effective way to improve productivity than by financial incentives. Overall, incentives have been found to be an efficient remedy for organizational apathy and stagnation. (Kopelman, 1986) Incentive programs which offer meaningful rewards are going to definitely impact the overall performance and productivity of the individual and of the organization.

In conclusion, the chapter presented the following 9 benefits to the utilization of a management incentive program.

1. Cultivates high achievers.
2. Motivates personal development and individual skills.
3. Encourages promotional aspirations.
4. Builds a feeling of participation and security in the organization.
5. Builds an organization that is more responsive to change.
6. Increases organization's productivity.
7. Higher likelihood of retaining high performing employees.

8. Will develop employees toward organizational goals.

9. Builds a more dynamic manager, which results in:

   a. Innovative problem solving.

   b. Increased commitment to organization's effectiveness.

   c. Reinforcement of participative culture.

   d. Develops broader knowledge of organization's operations.

These positive benefits can be directed toward not only today's objectives, but also toward long-range organizational goals. Organizations who do not use incentive programs will lag behind those who do, and will more than likely continue to employ sub-par individual performers. (Latham, 1981)

CHAPTER IV

THE FUTURE MIDDLE MANAGER

A. Introduction

The purpose of this chapter is to provide data for the generation of scenarios describing a law enforcement middle manager's role responsibilities and environment in the year 2000. This data will be generated from three separate sources. The first source will be a brief look at some relevant articles in the literature related to expectations, skills and roles of the future middle manager. The next source will be a summary of the previous Command College study, written on the future of the middle manager. The last source will be a summary of a survey of a professional group, involving a cadre of expert consultants and practitioners focused on the law enforcement middle manager of the future.

B. Recent Literature

Most if not all of the information in the literature about the future of middle management is directly related to corporate America. In a recent article in Management Review, by Rosabeth Kanter (Kanter, 1986), it was strongly suggested that there is an overwhelming need to reshape middle management in order to ensure their positive impact on the organizations of the future. Kanter feels that

middle management roles are changing annually in order to keep competitive, and that middle managers are already clearly feeling this pressure. Some examples are: a pharmaceutical company is "delayering", as they put it, to reduce unnecesary levels that were "delayers" of decisions and actions. It has distributed a kit of instructions to all departments for rearranging the organizational chart. Secondly, a leading oil company calling itself an elephant learning dance, is trying to become more agile by collapsing levels of the management hierarchy. Thirdly, interested in cutting costs as well as improving delegation downward, a telephone company--once among the most intricately graded of organizations--has almost eliminated an entire managerial level, and has doubled supervisory spans of control in its largest department. Fourthly, an auto giant took its first step toward streamlining by banning all one-to-one reporting relationships (where a boss is responsible for only one subordinate). Fifth, a widely-respected household products manufacturer has gradually thinned its line management ranks by creating high-committment work systems, in which employee teams and individuals take full responsibility for (Anon., 1985) production without requiring managers.

In addition to reducing the middle manager ranks, organizations are redefining the role of the middle manager. The manager as a prover or message-carrier is disappearing. What is happening is that the manager is becoming an idea entrepreneur. Increasingly, the only legitimate justification for management is to create something, to

change something, or to initiate something. Simply passing other peoples' work is not good enough. Of course, idea entrepreneurs do not have to occupy the traditional roles in a status-structured chain of command, because command is not the operative word of the future--selling is.

According to Kanter, it is time to develop the middle manager into someone with vision who looks ahead and identifies new issues, and is capable of mobilizing the troops for action. These new entrepreneurial managers will be called "changemasters", who will combine ideas with action. Their skills will lie in seizing initiative to set new things into motion without even waiting for formal direction from above. They not only add value by their presence, but they save top management time and energy because they do it without being told.

Kanter further feels that the best way to predict the future is to invent it. Business today no longer can afford space-occupiers who do not add something important by their presence. The new "club" is reserved for high performers, regardless of status.

As an example, John McKeon, general manager of Honeywell-Australia shocked everyone several years ago by transforming the annual top executive golf outing into a pleasure trip to Fiji for all high performers, including secretaries and machine operators. The first time certain key managers were not included was a good clue to the new performance expectations.

Finally, Kanter (Kanter, 1985) states that the old

style manager was a watchdog or a prover. The new is more likely to be the servant of the group. Robert Townsend, legendary former president of Avis, once defined his role as carrying water for the workers. "Innovate or perish" is the slogan for the new management. Despite the trimming of management hierarchies, there will be plenty of exciting well-paid jobs with leadership responsibility in the future for those who know how to lead the change. These jobs may not all bear the title "manager", they may not be stacked on top of one another in the command sequence, and they may not come with membership cards to exclusive internal clubs. They will, however, provide another kind of privilege - the satisfaction that comes with exercising creativity and having an impact on the organization.

In a recent Business Week cover story, the topic was what is "In" for the 1990's and what is "Out" for '80's for middle management. (James, 1985) The article listed what's "In", as follows: Entrepreneurs, the 50-plus market, pay for performance, strategic planning, touchy-feely managers, "demassing" (= delayering the organization), skunk-works (training seminars), restructuring the organization, back to basics, and defining/maintaining corporate culture.

What's "Out" is: Corporate planners, Yuppie market, management by objectives, autocratic bosses, economists, walk-around managing, theorists and consultants.

In another article by Ed Lawler (reviewed in the preceding chapter), a discussion ensued about skill-based pay for middle managers in order for them to adapt to the

future. Lawler states that manufacturing organization which emphasize the new management recognize that manager skills are the key to their future success. For example, knowledge based management requires individuals with a broad range of skills throughout the organization, and that skill-based pay can motivate managers to get the training they need in order to be effective.

The changing demographics of a society also suggest that skill-based pay will become increasingly popular. The baby boomers are rapidly approaching the age where they expect to be in middle management; at the same time, the new management calls for flatter organizational structures and leaner staffs. (Swinehart, 1986) This means that the number of positions in middle management be limited, and there were fewer opportunities for upward mobility for the boomers. In traditional management, this would mean the boomers would plateau or stay in dead end positions. But, if skill based pay (performance pay) were put in place, these boomers could be rewarded for making lateral moves, and as a result would continue to learn and develop. They are likely to become more valuable to the organization, since they would have a better over-all understanding of the business, and not be embittered as a result of topping out in pay. (Lawler, 1983)

In a publication from the Security-Pacific Bank in 1980 on future managers, the following futures conclusions were presented. In terms of information flows, where once the manager was someone who acquired stored/edited information,

dispersing it only on a need to know basis, the future manager will be someone who transmits and shares unedited information on a want to know basis. The goal of the executive is still the same - to get the job done; but the tools, methods and processes will be different. There will be a diminished need for management, and an increasing need for leadership.

There will be a pronounced search underway in corporate America to find the organizational structure appropriate to a time that has vast interconnected communicative networks, a well-informed workforce and a society that politically prefers decentralization of power and local problem-solving.

There are two concurrent supportive themes which surface. The first centers on vision in leadership, on common purpose and image. The second theme is centered on autonomy, internal entrepreneurship and participation. Thus, the challenge for the modern corporate manager is how to extend freedom and responsibility to people - while keeping them focused on the shared goals of the organization. The result will be the challenge of maintaining a structure that is still somehow responsive and adaptable to future changes.

For future middle managers, the ultimate challenge will be social architecture; mobilizing participation in whatever cultural change is appropriate for the organization's future survival and success. This will require not only vision, but also vitality and the ability to communicate the vision - or what some call "charisma". Intuitive perception of new

visions will become more important in the coming period of surprise, complexity and continued rapid change. The future middle manager will integrate his/her control within the entire organization. He will be a team-builder and will redistribute power. The new leadership style requires the manager's role at all levels to be transformed, with more time spent initiating problem-solving among team members and individuals; seeing that internal/external information receives the best possible decision-making, and pushing decision making down to the lowest and most efficient levels practicable--i.e., participative management.

According to Security-Pacific, (Security Bank, 1980) four developmental characteristics should be instilled in the middle manager of the future. First, middle managers must be taught collaborative skills in individual and group terms, to look at long-term goals, and to have more confidence in dealing openly with highly trained and more proficient workers. Second, rewards for risk-taking must be instituted and considered as fanfare given to those who at least try new ideas, who are innovative--even if some turn sour. Thirdly, goals and expectations must be kept simple and clear and operations/communications streamlined.

Finally, the number of middle-manager gatekeepers should be reduced - giving workers and managers more authority and control over product and service decisions.

The article from Security-Pacific further states that the attributes and characteristics of the future middle manager should match the needs and aspirations of the

emerging social character of the new workforce. This type of middle manager must be secure enough to be open to criticism, must have a mature but playful personality and can articulate the values and principles of the organization. This is a concept of stewardship. Leadership is a trust which is exercised for the benefit of all - the leader as a server, the followers guided by a vision of the organization's purpose.

In another future-related article, Donna Fenn (Fenn, 1986) in Inc. talked about the trend toward wellness in corporate America. She states that one of the few things that may be rising faster than the cost of health insurance these days is corporate spending on wellness. Wellness is her term for a variety of new programs that go beyond traditional health benefits in an effort to keep employees healthy as opposed to treating them when they're sick. Corporate America, she states, is looking for better ways to spend additional money on employee health, at a time when health insurance rates are soaring 20% or more annually. Why? Because spending money on wellness now, she argues, is the best insurance available against even higher future related costs. A growing body of evidence indicates that businesses pay a steep price for employee health problems that might be prevented.

As an example: the Washington Business Group on Health, a national employers organization for health care issues, estimates that every smoker costs an employer from $624 to $4611 a year in illness, absenteeism, accidents,

disability and death. Hypertension, according to WBGH, costs businesses $2 billion annually in lost workdays. It's also the primary cause of hospitalization and accounts for 7.5% of all physician visits. She goes on to say that statistics linking health care costs to psychological problems are even more remarkable. According to various studies, up to 70% of all physicians visits involve a mental health concern. A recent study of 85,000 Federal employees and Hawaii residents eligible for Medicare, showed a 37% reduction in medical bills for those given access to short term psychotherapy. The Samaritan Institute, a Denver-based non profit organization with 106 community counseling centers, estimates that productivity losses due to stress cost industry $17 billion per year.

Because more and more corporations feel that individual employee wellness provides immediate financial return to the organization, they are offering incentives to their management employees. As an example, a Spencer, Massachusetts, processor of pressure-sensitive films has offered a $30 gift certificate each month to ex-smokers who do not resume smoking. Within a year, the number of smokers in that company was significantly reduced and absenteeism was cut by 50%. Maupintour, Inc., a tour operator in Laurence, Kansas, gives away exercise clothing to employees who meet monthly fitness goals. Schwartz Meats, in Norman, Oklahoma, offers its 15 employees up to 2 weeks of bonus pay if they exercise regularly. Sky Brothers, Inc., an Altoona, Pennsylvania food distributor, pays part of health club

memberships for employees who participate in the company's physical fitness program.

Wellness takes on an even greater priority when coupled with law enforcement. According to Mike Anderson (Anderson, 1986), in an article in Law and Order magazine, states that studies have revealed that about 84% of all police officers do not exercise regularly, that 64% are overweight, and that 66% smoke. Anderson said "more good would be accomplished than anything else in preventive medicine if cigarettes were eliminated."

Lifestyles responsible for untimely deaths of police officers, according to Anderson, include improper diet (gallons of coffee, soft drinks, donuts, potato chips, etc.), smoking, stress, lack of exercise, overeating and overindulgence in alcohol. Consequently, officers suffer more heart attacks, health disabilities and alcohol related deaths than do people in other occupations. Anderson added that vigorous physical activity promotes discipline and emotional stability, instills confidence and makes it easier to remain calm under tense conditions.

It is apparent that the law enforcement middle managers of the future are going to have to make wellness a top priority if they are going to maintain physical and emotional stability through the nineties.

Accordingly, the future middle manager must create a climate in which employees take greater responsibility for their lives at work. The middle manager will focus the attention, consciousness and energy of members on the

organization's purpose, while remaining aware that members have their own legitimate purposes outside the organization. The middle manager will facilitate and create an atmosphere of innovation, change, adaptability and flexibility. (Kirlan, 1986)

Another current trend for management is the identifying, maintenance and publicizing of the "corporate culture". Corporate culture, as defined by H. Hagedorn (Hagedorn, 1984), a PhD from Harvard, is (1) what we think of what we do; (2) how we do it; (3) what we think most important to get done, and (4) why it's so important. Culture also includes our expression of the kind of management we want (or think we deserve). What we think we are really good at as a company, and what we think we can't do successfully but wish we could.

What makes corporate culture powerful and characterizes a strong culture is the presence of identical values in a lot of heads throughout the hierarchy of the organization, expressed in the same way at the same time. This common vernacular makes communication easier, which in turn makes organizational activity and change more feasible.

According to Darrell Connor (Conner, 1986) president of O. D. Resources, corporate culture is resurfacing today because of the degree of change most organizations are currently experiencing. These changes are due to ethnic displacement, or movement in communities, financial resources, new community expectations, employee generation gaps and other demographic and social issues.

It has, and will continue to become necessary for middle managers to learn how to identify and utilize on the corporate culture to support changes and reinforce consistency in the organization's future. It has further become necessary for managers to learn how to modify an agency's culture to support changes in: (1) how people operate in their jobs; (2) how they feel about their work; (3) the type and amount of information they must master in order to succeed, and (4) the values they develop about their work. Therefore, if necessary change is to occur in a supportive, orderly and timely fashion, it will be incumbent upon the middle manager to have his grasp on the organizational culture.

In addition, the future middle manager must utilize the cultural network and succeed via the corporate culture. Where the culture is properly and effectively constituted, it should not be necessary to spend a great deal of time or to engage in disciplinary policing in running the ship. (Stein, 1986)

As Peters and Waterman put it in their book In Search of Excellence, (Waterman, 1984), "an effective management leader must be a master of the corporate culture at both ends of the spectrum; ideas and visions that generate excitement and enthusiasm for others, but actions and implementation at mundane levels of the organization as well."

The role and task of the future middle manager is to implement new cultural norms, changing cultural norms,

instilling new values and prescribed goals. (Bokern, 1986) The process will be long and often will be likely to result in less than what top executive management might wish. Resistance to new norms stems from the resistance to new pathways from those with vested interest and from psychological barriers against the organizational change. The article concludes by stating that the stronger the culture, the less need for official policy and formal procedure - and the better the overall motivation, performance and productivity of the individuals within the organization. (Etzioni, 1984)

C. Summary of Command College Study on the Future Middle Manager

In June, 1986, a Command College study, titled "The Future of the Middle Manager" was completed by Craig D. Steckler (Steckler, 1986) At the time of its completion, Steckler was the police chief in Piedmont, California. He currently is a deputy chief with the Fremont (California) police department.

In his study, Steckler outlined 15 items that will impact the future middle manager. They are listed as follows:

1. Insufficient monies to support the middle management infrastructure.
2. Increased unrest in the workforce due to lack of respect for authority.

3. Increased interest in leisure activities.

4. Union and management unrest; executive demand for increased productivity, coupled with decreased costs and increased accountability.

5. Sixty percent of the workforce chemically dependent.

6. Increased average age of population world-wide.

7. Availability of computerized information will decrease need for middle management.

8. Technology in the home will make work at home a commonplace.

9. Increased employee rights.

10. Recentralization of decision making.

11. Deregulation laws will continue to change and be driven by the marketplace.

12. Greater reliance on computerization, technology data and artificial intelligence.

13. "Me-generation" will become middle managers and create organizational goals & objective conflicts.

14. Increase in specializations.

15. Advanced technology will cause middle managers to earn less than their specialized subordinates.

16. Greater technology = greater need for high-tech management.

Steckler further made a general summary from the information he reviewed. He stated that research indicated that there will be a reduction in the future in the hard number of middle managers. He said this will come about for two reasons: First, computerization of the work environment will lead chief executives to directly access information which is more accurate and timely. The traditional role of the middle manager as an information gatekeeper will be impacted by this technology. By the year 2000, office

automation will be at least two generations older than it is today. Secondly, participative management will be the norm for most organizations. Indications are today that participation is not just a "quick-fix" but rather a style that is proving itself capable of increasing productivity and employee morale.

Steckler in his "most likely" scenario talks about three challenges for the middle manager of the future. First, the changing technology. By the year 2000, anything one can imagine will be available; portable offices, tele-conferencing equipment, home computer terminals, robots and other electronic goodies will change the role and status of the middle manager, and assign them possibly to remote button pushing positions. It will give middle managers greater autonomy. Secondly, middle managers will have difficulty with complex internal environments within which the organization must operate. Changes in the discipline of management are moving forward at a rapid pace as day to day decision making increasingly is taken over by computers, the new middle manager will have to devote more time and energy to unprogrammed activities, such as developing subordinates and resolving human relations problems within the organization. Steckler states that the future middle manager must strive to reduce tension between the organization and the internal environment. He feels there will be an absence of conflict between the goals of the organization, in the interests of both the employee and the community served. A growing emphasis will be placed on the

quality of life inside the organization, rather than on the quantity of services delivered. Working will be seen as the principal means of self-fulfillment. Therefore, the future middle manager will need a broader sense of the department's goals and objectives. Apparently, the middle manager of the future will have to re-think their role altogether, with different objectives and responsibilities. Thirdly, middle managers will have to deal with an increasing complexity in their external environment. Middle managers will see increasing demands to protect the physical environment, the quality of opportunity for all people, and an extension of demands in the area of human rights. These demands will add new dimensions to the concept of organizational social responsibility. These forces will directly impact the future organization's social systems, and consequently will expand the practice of management into a larger world by the year 2000 - which will be: fast-paced unstable social systems; a more socially concerned humanistic society, a service-oriented economy, and a more knowledgeable society.

Finally, Steckler says that the profile of the future middle manager will include the following: (a) there will be more women middle managers; (b) a need for the more sophisticated understanding of automation technology; (c) he or she will need to be a generalist; (d) decision making will be based more on direct participation and better information, and (e) a growing concern for the quality of life will require more people-sensitive managers.

Steckler concludes by saying that top executive

managers are responsible for the managers of the future. Top executives must recognize the challenge and take immediate steps to train and develop our current and future middle managers.

D. Group Input

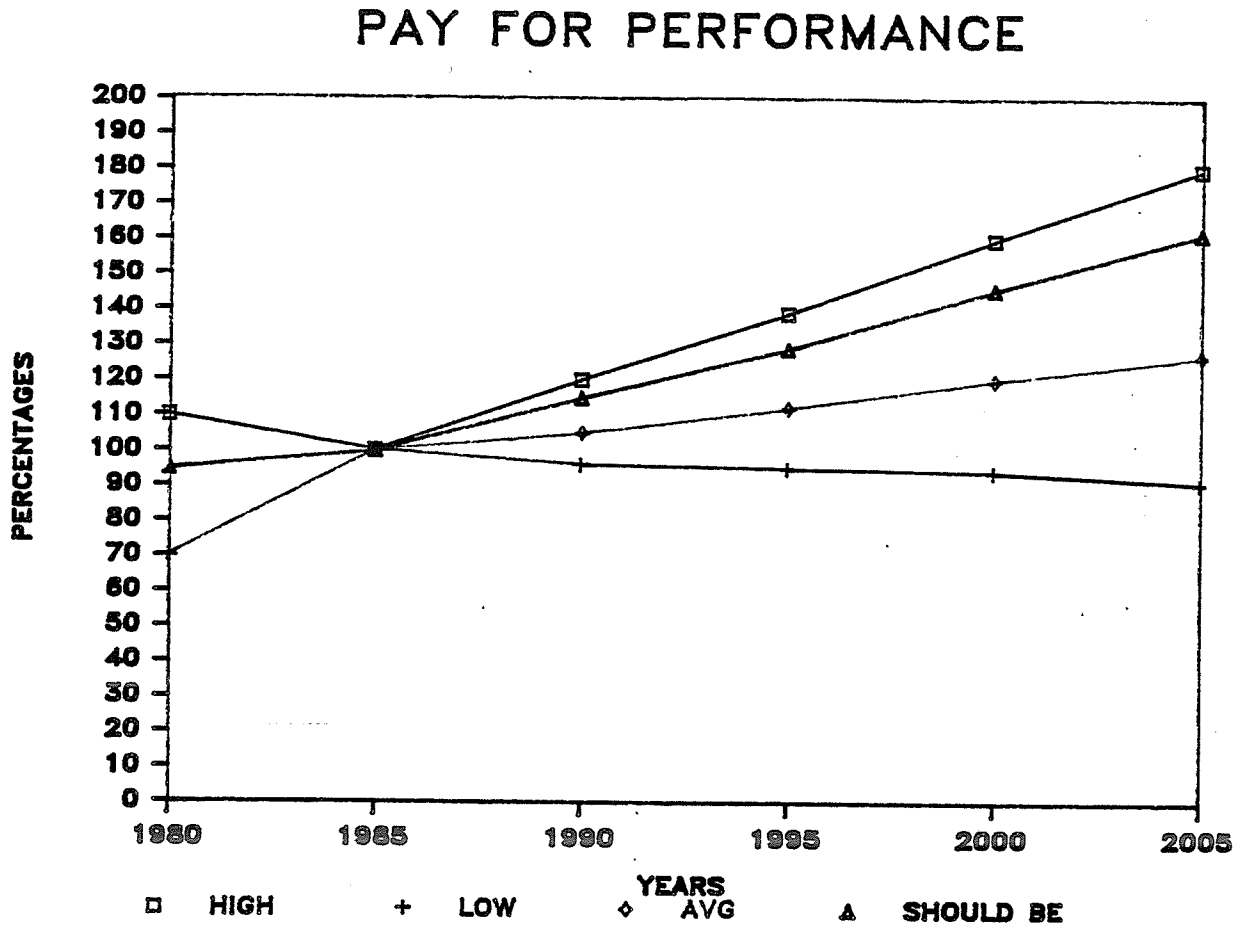
In order to gather the latest and most significant data on future law enforcement middle managers, a group of 19 consultants, businessmen and law enforcement personnel was formed. The group was composed of: 5 Fresno police officers from different ranks; business executives from agribusiness, hospital administration, health care providers, health benefit organizations, Atlantic-Richfield Corporation and Toyota; consultants from 4 different management consulting firms who have completed extensive work in the public sector. Ages of the group ranged from 27 to 50, and the group of comprised of both males and females. Minorities were also represented.

The group was asked the question: "What is one of the most significant events and trends that will impact the law enforcement middle manager in the future?" The future was identified as the year 2000, and middle managers were identified as lieutenants, captains and deputy chiefs in most law enforcement organizations of 30 or larger.

The group identified a total of 30 trends and 25 events. Using the Delphi technique, the 10 most emerging trends were identified. They were:

1. Improved employee committment.
2. Genuine concern for wellness.
3. Entrepreneurship
4. Participative management.
5. Pay for performance.
6. Demassing.
7. Broader responsibilities (generalist approach).
8. Futures-oriented planners.
9. Defining corporate cultures.
10. Computerization/new technologies.

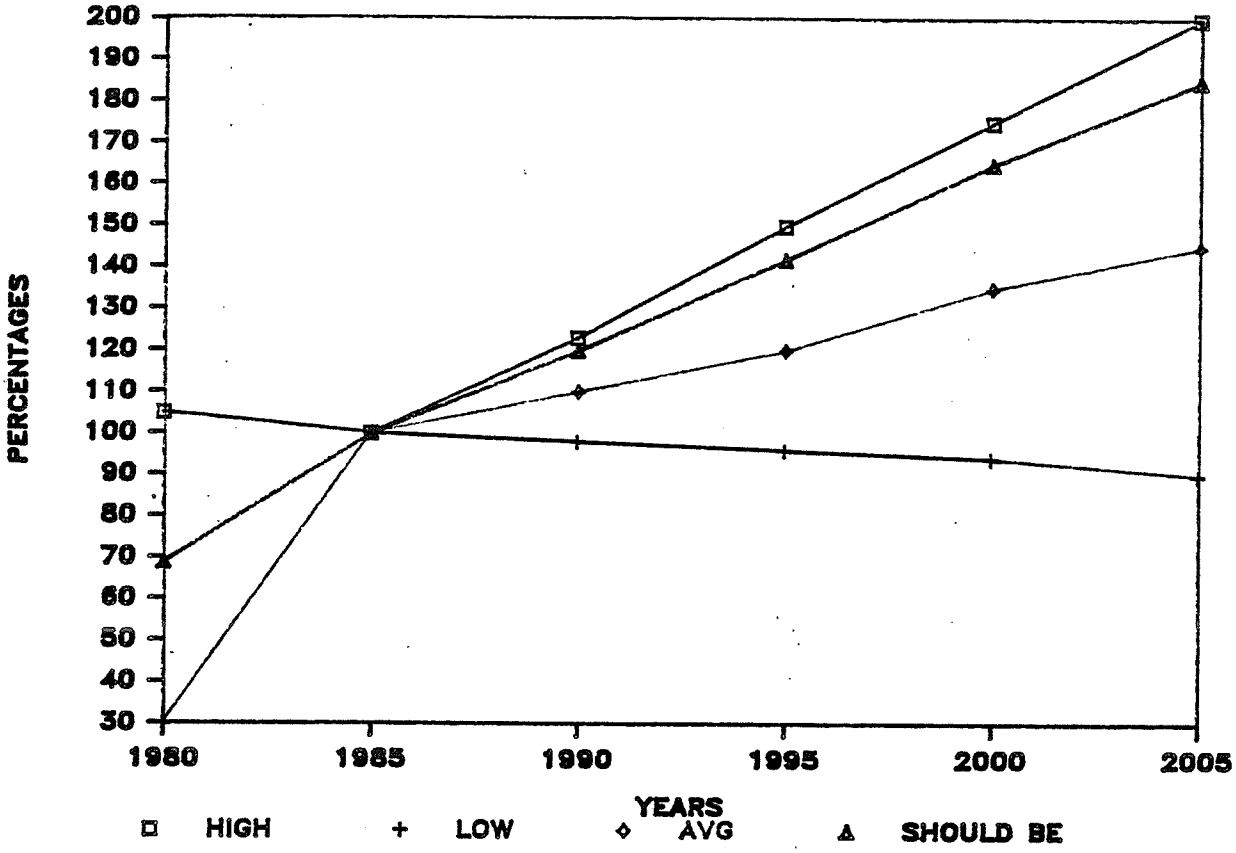
After carefully analyzing all of the 10 trends, five emerged as the most dominant, and were utilized to determine critical events that could impact the issues. These five trends were graphed relative to the panels overall average of futures impact.



(1)

Improve employee committment. The research has shown that the organization of the future must receive the most from its budget dollar. Resources are scarce and demands are high. A genuine committment to optimum performance through self-motivation, self-initiation, and results-oriented actions. The middle manager must be a visionary, an entrepreneur and a strong leader if the organization is going to be successful.

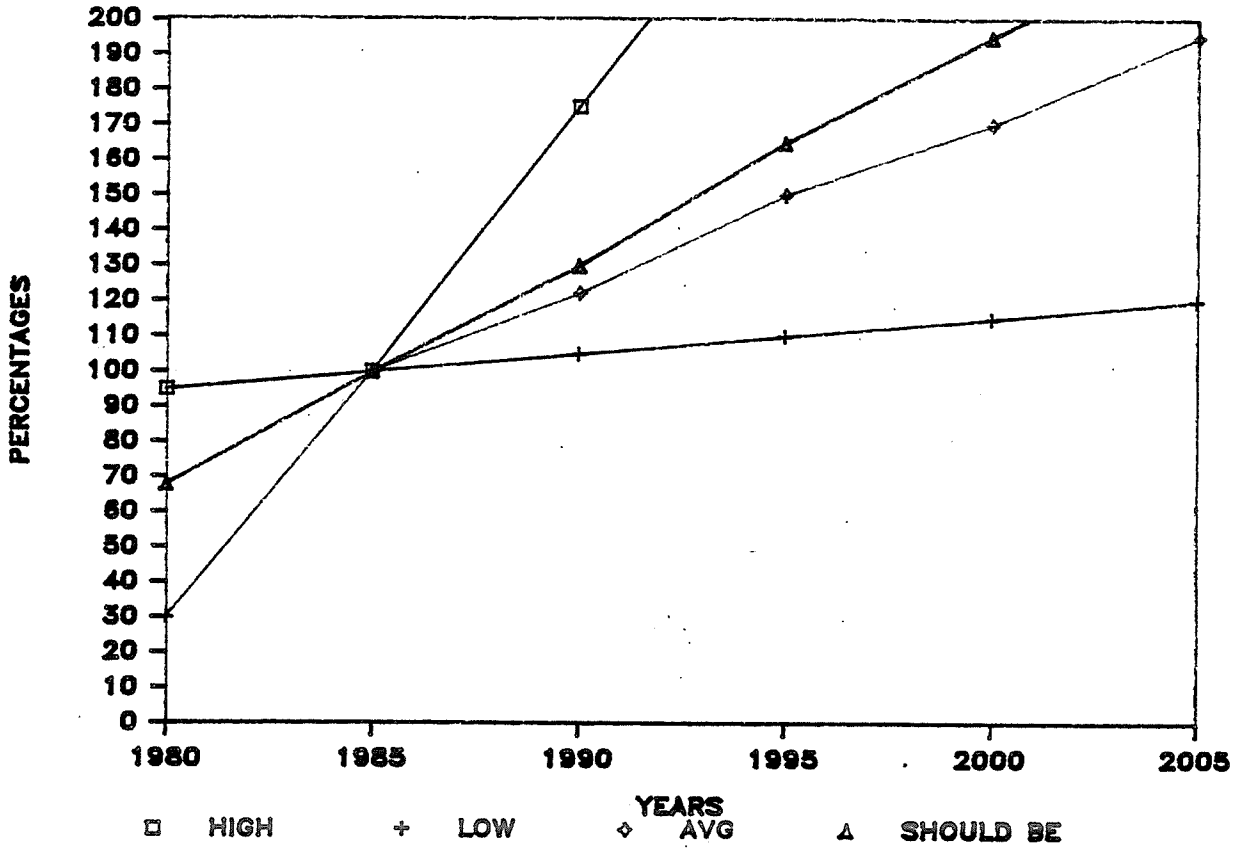
PARTICIPATIVE MANAGEMENT



(2)

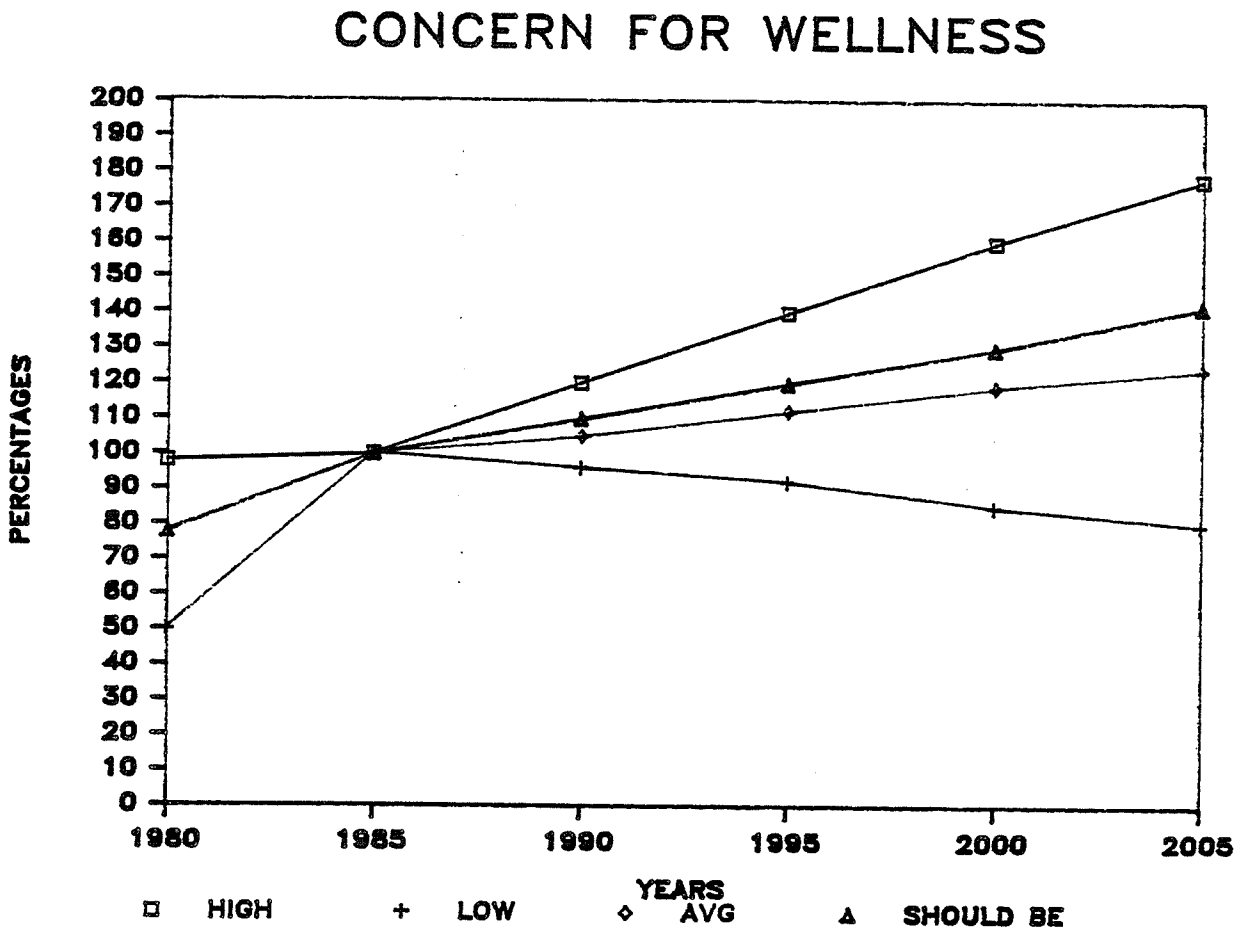
It was the group's consensus that wellness will be a top priority of the future. With the increased awareness and presence of toxins, pollutants, hazardous wastes, junk foods and leisure orientation, society in general will have to take steps to make wellness a number one goal. Health care costs, employee benefit costs and replacement costs all affect the performance of the organization. Middle managers must make conscientious efforts toward not only the setting of examples, but also the cultivation of subordinate wellness attitudes.

ENTREPRENEURSHIP



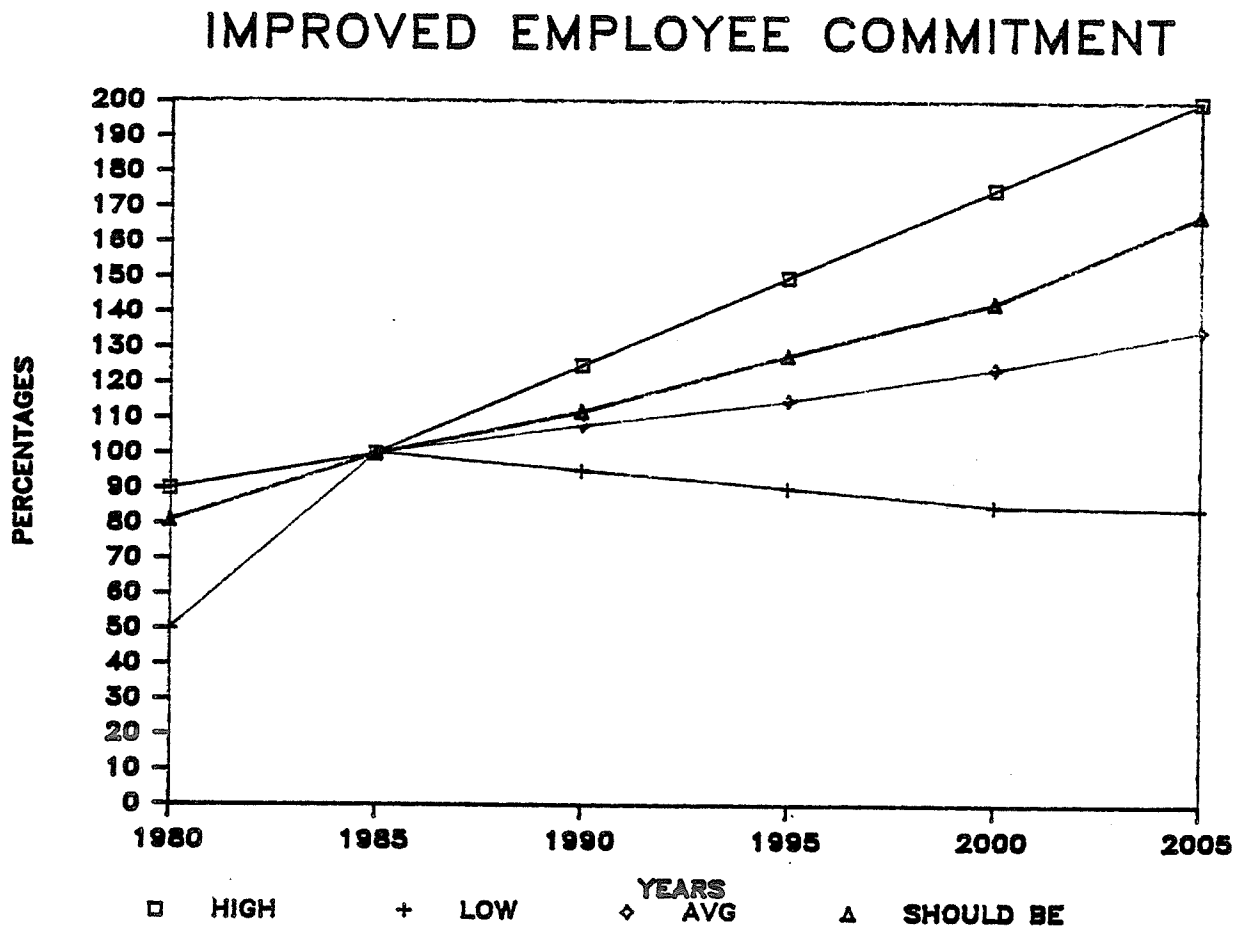
(3)

Entrepreneurship. Future middle managers must constantly be creating new programs, practices and procedures to deal with the fast-paced continually changing environment. They must be visionaries who can put their visions into practice. Not only will they be concerned with developing new ways of service delivery, but also ways of adapting the organizational environment to stimulate individual performance and meet future individual needs.



(4)

Participative Management: The group unanimously concurred that participative management philosophies will be a dominating factor in the future success of any law enforcement organization. Decision-making should continue to be passed to the lowest level of the organization, hence input from those who are actively impacted by organizational decisions. The group went on to say that organizations, either by attrition or other means of separation, are going to replace the traditional authoritarian managers with managers who express and utilize participative management theory.



(5)

Pay for Performance. The time is rapidly approaching for law enforcement organizations to get on the bandwagon and develope management incentive programs that will encourage and motivate individual skills, skill development, improve performance, revitalize committment and personal satisfaction. The private sector has already tried and proven a variety of incentive programs, and it is time for the public sector to break from tradition and design reward systems that truly differentiate levels of performance.

After the five most significant trends were identified, the panel reconvened and determined significant events which would impact the question. Again, after utilizing the nominal group technique and the Delphi technique, a list of 25 events was pared down 10. These 10 were:

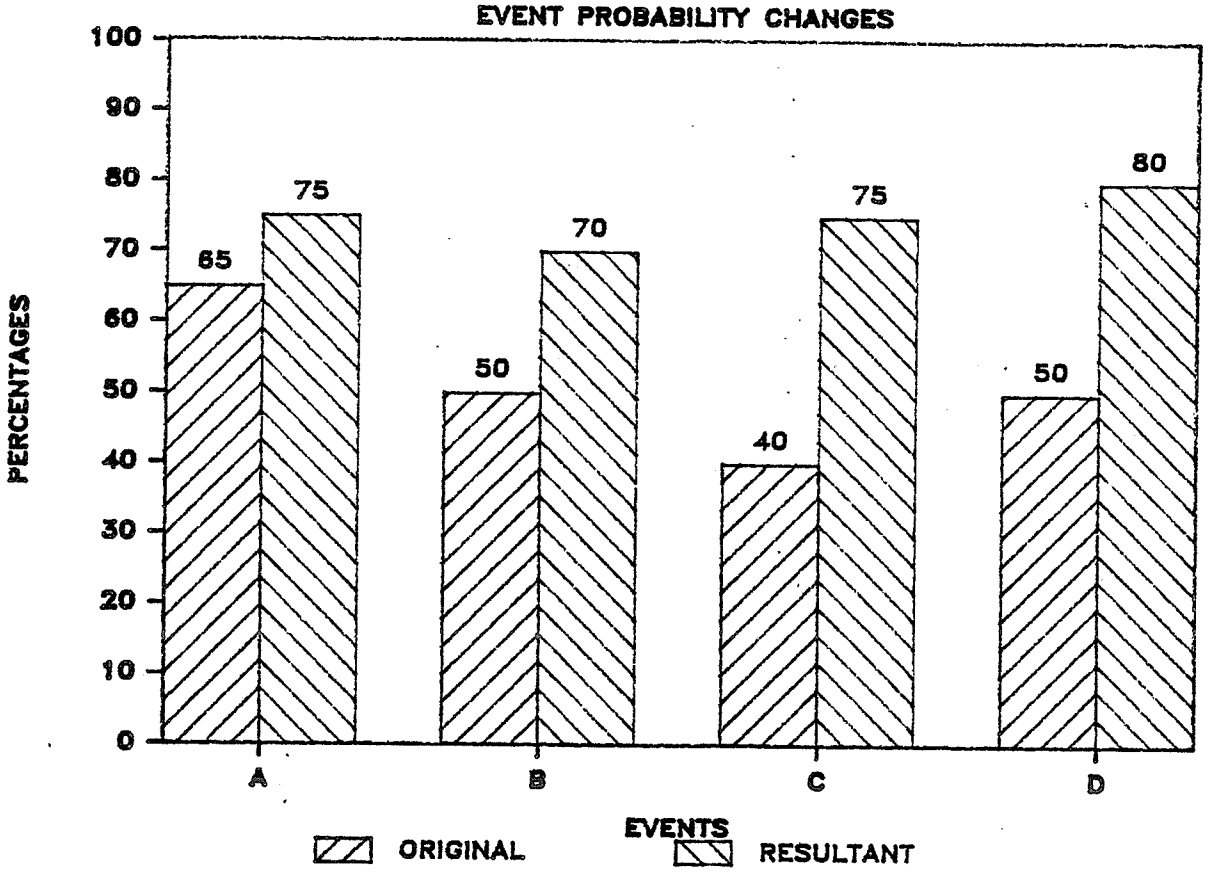
1. A more progressive executive leader is hired for the organization.
2. The actual number of middle management positions are reduced in the organization.
3. A pay for performance program is implemented for middle managers.
4. Middle managers in the organization acquire broader skills as a result of an extensive training program.
5. The organization implements stricter guidelines for resource accountability.
6. Traditional functions in the organization are contracted to private business.
7. National disaster.
8. Significant percentage of middle managers leave the organization for private industry careers.
9. All middle managers receive salary cuts.
10. The police officers association unionizes.

After more deliberations and another Delphi, the most important five events were selected. These five had the probability of occurrence, as follows:

		Probability %
1.	More progressive executive leadership in an organization.	70%
2.	Reduction of middle management positions.	65%
3.	Implementing pay for performance programs.	50%
4.	Middle managers acquiring broader skills.	40%
5.	Stricter guidelines for resource accountability.	50%

These five events were then cross-impacted, and the resultant overall impacts were graphed. Those graphs and the resultant modified probabilities have been included as a part of this chapter.

PROGRESSIVE EXECUTIVE LEADERSHIP

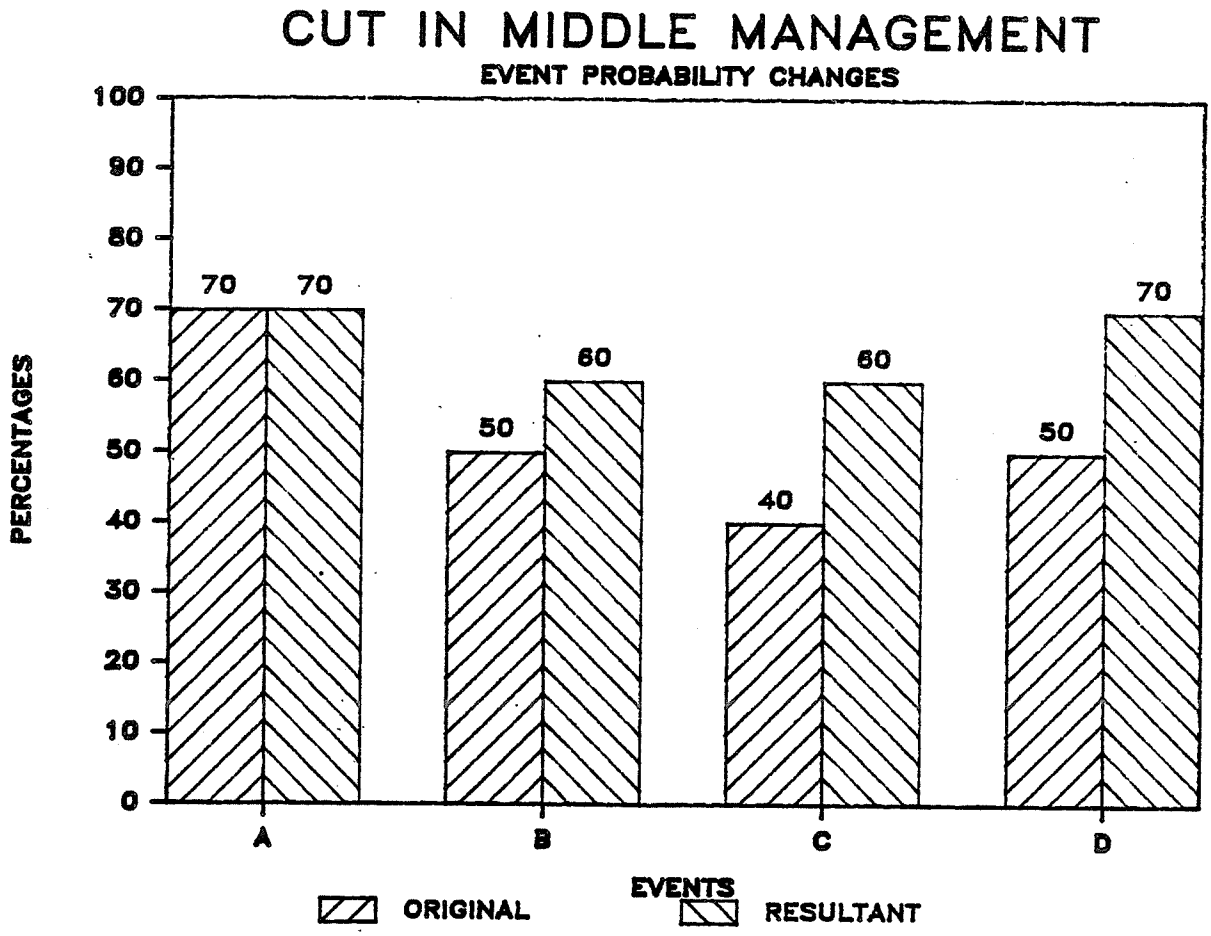


A. CUTS IN MIDDLE MANAGEMENT

B. IMPLEMENTATION OF INCENTIVE PROGRAM.

C. MANAGERS ACQUIRE BROADER SKILLS

D. RESOURCE ACCOUNTABILITY GUIDELINES



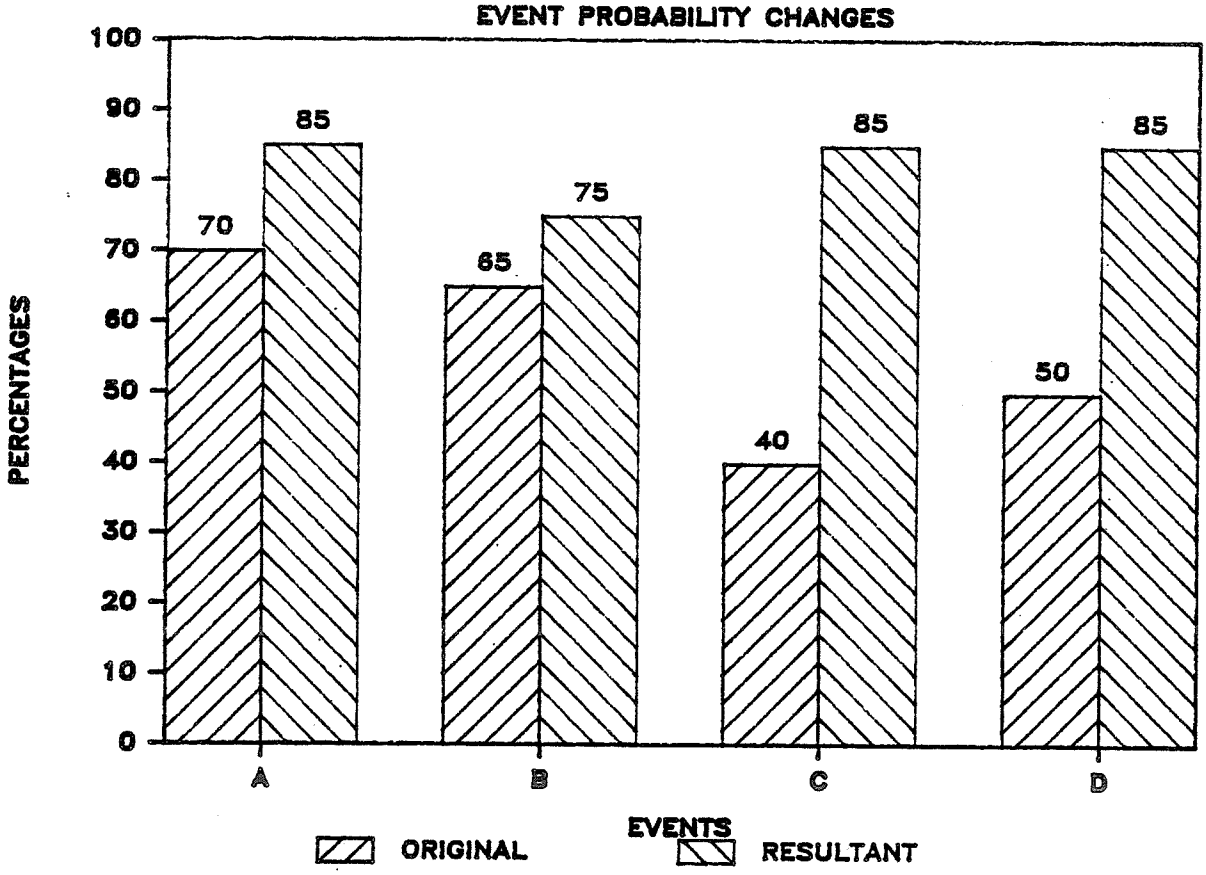
A. PROGRESSIVE EXECUTIVE LEADERSHIP

B. IMPLEMENTATION OF INCENTIVE PROGRAM.

C. MANAGERS ACQUIRE BROADER SKILLS.

D. RESOURCE ACCOUNTABILITY GUIDELINES.

IMPLEMENTATION OF INCENTIVE PROGRAM



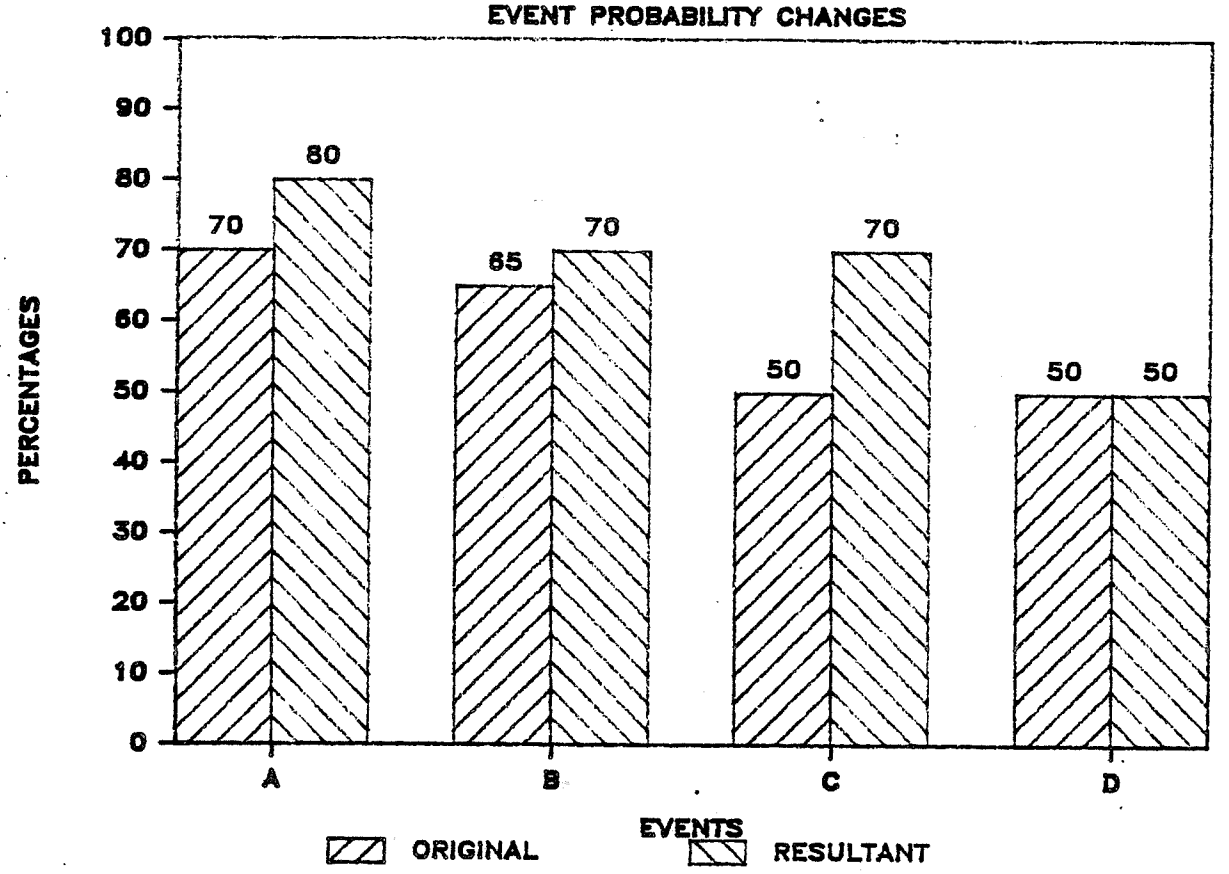
A. PROGRESSIVE EXECUTIVE LEADERSHIP.

B. CUTS IN MIDDLE MANAGEMENT.

C. MANAGERS ACQUIRE BROADER SKILLS.

D. RESOURCE ACCOUNTABILITY GUIDELINES

MANAGERS ACQUIRE BROADER SKILLS



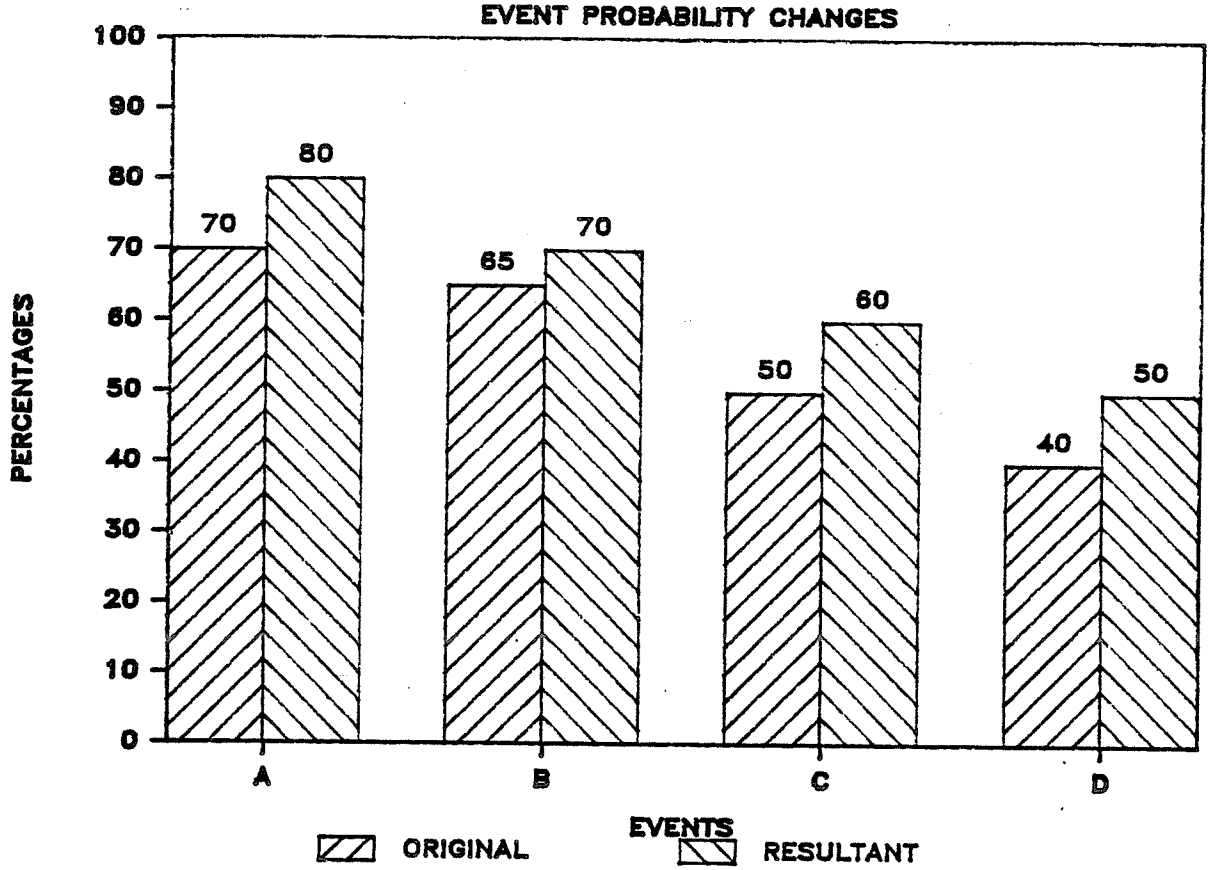
A. PROGRESSIVE EXECUTIVE LEADERSHIP

B. CUTS IN MIDDLE MANAGEMENT.

C. IMPLEMENTATION OF INCENTIVE PROGRAM.

D. RESOURCE ACCOUNTABILITY GUIDELINES.

RESOURCE ACCOUNTABILITY GUIDELINES



A. PROGRESSIVE EXECUTIVE LEADERSHIP.

B. CUTS IN MIDDLE MANAGEMENT.

C. IMPLEMENTATION OF INCENTIVE PROGRAM.

D. MANAGERS ACQUIRE BROADER SKILLS.

E. Summary

From the three separate sections of this chapter, have emerged future middle management concerns. In the first section, the literature presented and discussed eight main future trends, as follows:

1. Concern for wellness.
2. Concern for identification, maintenance and publication of the organizational culture.
3. The increased possibility of rapid change, especially demographics, and having the appropriate skills and information to adapt to that change.
4. The need to reward and motivate high performers through incentive programs.
5. The need to develop creative thinking, self motivating middle managers.
6. Need to deal with the changes and complexities of the future workforce.
7. Reduction in the numbers of middle managers.
8. Growth in participative management philosophy.

In the second section of the chapter, a previous paper on the future of middle managers presented 15 specific future trends. From five general trends, these 15 trends were deducted as follows:

1. Middle managers should be aware of changes in the workforce. Workers will tend to be more self-oriented and less organizational oriented.

2. Middle managers will have to be equipped to adapt to changes in the work and service environment.

3. Middle managers must concern themselves with changes in technology. For the most part this would be computerization.

4. A continued reduction in the middle management workforce.

5. Trend towards reduction in individual specialization and an increase in generalization of responsibilities for the middle manager of the future.

The last section presented information as prioritized by a group of practitioners and consultants. Their future trends for middle managers are in 9 main areas.

1. Growing concern for wellness.

2. A need for entrepreneurial management.

3. More future employee commitment.

4. Increased participative management.

5. Implementation of pay for performance incentive programs.

6. More progressive executive literature.

7. A redirection of middle managers positions.

8. Middle managers acquiring broader skills.

9. Stricter guidelines for resource accountability.

All of these trends were then synthesized and developed into two future scenarios.

CHAPTER V

FUTURE MIDDLE MANAGER SCENARIOS

A. Introduction

As a result of the information presented in the previous chapter, two future scenarios were written. These scenarios describe the future law enforcement middle manager in the year 2000. Scenario #1 is a "could be" description of the future, which focuses in on an environment that has been slow to respond to change, yet forced into using advanced technology. Any changes have been more reactive in nature, with limited emphasis on strategic planning. Organizational success is based on the ability of the employee to meet the most pressing serious demands in a short term.

Scenario #2 is deigned to describe the "like it to be" future of the law enforcement middle manager in the year 2000. It focuses on long-range strategic planning, individual creativity and organizational reward systems. Crime and organizational problems are anticipated and planned for, rather than allowed to happen willy-nilly. A balance between individual needs and priorities and the organization's goals and objectives are stressed in order to achieve optimum organizational growth and performance.

B. Scenario #1

In the year 2000 in the state of California, law enforcement is a top priority to the state residents. In the last 15 years, revenues for law enforcement organizations have been steadily outpaced by law enforcement organizational expenses. Civilianization has increased to the point where most departments have already exceeded a 50% ratio of sworn/non-sworn. In addition, private policing agencies have emerged in the larger metropolitan areas, and are proving to be effective in reducing costs as well as handling their particular role.

At the local level, personnel cuts at supervisory and management levels have helped reduce the growing financial constraints. Hardest hit were the middle management ranks. The middle management roles have been taken over by the new computer technology, which again has proven to be much more cost effective than having to pay for a "warm body". The middle manager's decision-making responsibilities have been significantly reduced, because of the extensive use of participative management. Decisions are forced to the lowest possible level of the organization, and the feedback is sent directly to top management.

Middle managers as a group are struggling for a new identity. They have not adapted contemporaneously to their constantly changing environment. Reward systems for performance and achievement are still not in place. Below average and high-performers work side by side and earn

exactly the same rate of pay, and enjoy exactly the same benefits. Salary scales are based on a 5-step system, which normally allows a promoted manager to reach top step within three years.

The system actually motivates the poor performer and retards the high performer. Because of the reduction in upper ranks, promotional opportunities are almost non-existent. Middle managers feel they have been sold out by top management, and that they are the "forgotten few" in the organization.

Young, bright and innovative supervisors, have little or no ambition to be promoted into the managerial ranks. It appears to them as a dead-end job, which offers very few long term rewards. This attitude is similar throughout most of the public sector. In contrast, however, in corporate America, the middle manager is quite a different individual. For the past 15 years, corporate America has continually upgraded and capitalized on the talent and brainpower of its middle managers. They have religiously sought out and implemented reward systems for their middle managers. Corporate America has adopted the philosophy that middle managers must be rewarded for their increased skills, knowledge and performance. Corporate management feels that a proper reward system will motivate and create an environment conducive to allowing middle managers to become inventive, self-motivated, forward-thinking and change oriented managers.

This thrust by corporate America has caused the most

promising present and prospective law enforcement middle managers to leave public service and pursue their careers in the private sector. Turnover and the associated costs of hiring and retraining are very significant in most law enforcement organizations.

Furthermore, the middle manager currently in the organization have become increasingly nervous about their opportunities for the future. This has caused a pronounced increase in absenteeism and disability-related retirements. However, in the face of adversity there are still those who continue to respond, as needed, and get the job done. It appears, however, the overall individual performance of the middle manager is marginal. This can be attributed to both organizational and environmental changes as well as future unknowns. Two of these changes can be identified, however. First is the reduction of middle management positions which has caused the overall responsibilities for middle managers to broaden significantly. The skills and training needed to cover these wide responsibilities have yet to be adequately developed in the individual middle manager. Secondly, the change in demographics has given rise to huge diversities of special interest groups or publics. Each of these groups have their own unique and important crime-related problems, which they want action on. Some of the interest groups have acquired incredible political power and can be identified as the following: senior citizens; Hispanics; Southeast Asians; businessmen; PTA's; service organizations and religious organizations.

Their evolution, goals and objectives have not been closely monitored by law enforcement in the past few years, hence at best a reactive relationship exists between those groups and law enforcement.

Performance evaluations continue to be an enigma. Most middle managers agree that, since there are no meaningful rewards, performance evaluations are top management's attempt to catch someone doing something wrong. They have a negative connotation and are still not taken seriously by most raters. Only in cases of the worst individual performers are they of any benefit.

Serious crime itself is being adequately controlled. Lesser crime has had to be forsaken because of the higher priorities. The major job of the middle manager is to shift his resources to that particular crime or area which is giving the organization the most problems. The organization realizes this is a reactionary posture; however, most law enforcement staff concur that with the resources available, this is the safest approach to the problems.

Overall, law enforcement agencies are meeting their service population's most pressing demands. Major crime is being controlled, and people have the perception that the police are doing an adequate job with what they have to work with.

C. Scenario #2

Law enforcement agencies in the year 2000 in California

are the most highly respected in the nation. This has been partially attributable to the overall quality of the respective middle management staff. Because of the futures orientation of California's highest law enforcement executives, they have tenaciously striven to develop a cadre of high-performing, self-motivating, committed, self-confident and highly skilled middle managers.

What is the profile of this middle manager? He (referring to both female and male) is more than likely to be between the ages of 35-42. Thirty-six percent will be non-Caucasian; 15 percent will be female; 32 percent will be bilingual, and most of them will speak and read Spanish. Ninety percent will hold a B.S. degree, and another 40 percent of those will hold an advanced degree. Ninety percent will be at their average weight, with another 6 percent only 10-20 pounds overweight. Most will be in good to excellent physical condition, and will engage in physical activities four times a week.

Ninety percent will be married for either their first or second time. They will be emotionally stable in spite of each of them having an average of 2 children. The future law enforcement middle manager will be working on the job an average of 46 to 54 hours a week. Forty to 60 percent of his time will be devoted toward job-related activities. He will donate another 40 percent of his time toward his family and outside leisure activities.

The most important priorities of the middle manager, in their order of importance, are:

1. Children and family.
2. Spouse
3. His/her work

The best incentives or inducements for the middle manager's position, in the order of importance, are:

1. Job rewards
2. Job salary
3. Job security

The retirement age for the future middle manager will be 57 to 63 years, with over 30 years of service.

Characteristically, the future law enforcement middle manager will have a strong committment to the job. Because of changes in the organizational structure, due to decreased middle management positions, he will have developed broad skills and experience in the areas he's accountable for. He will understand the vital importance of developing, promulgating, reinforcing and maintaining the organization's cultural values and ethics. Hence, he possesses a high level of ethical integrity. Communication skills will be acutely developed--both in written and spoken form.

Concomitantly, listening skills will be just as important and refined. These skills will be utilized continually, because of his constant interaction with local special

interest groups who voice multifarious crime-related problems. Because of the continually changing organizational demands and with new technology and environmental variants, the middle manager will be a master change agent. He will be flexible and adaptable; and above all, creative.

Since financial resources are at a premium and expenses are rising faster than revenues, the future law enforcement middle manager must utilize results-oriented leadership, dovetailed with resourcefulness, in order to get the "most bang for the buck". He will be a visionary who analyzes trends and events to better adapt to and control an ever-changing future; he will be called a futures-planner. Technology has produced law enforcement computer technology that is second to none. The future middle manager has seized the new technology and has developed the skills to get the most out of it. Even though the computer is partially responsible for the reduction of ranks within the middle management workforce, the future middle manager recognizes the value and importance of the computer to the organization's overall performance.

The future middle manager will be physically and emotionally stable, having long since developed the control and stamina to deal with the frustrations and disappointments that have become commonplace to law enforcement middle managers. Events such as fewer resource dollars, decrease in numbers of middle managers, force-fed computer technology, broader responsibilities, always

changing internal/external environment, proliferation of more than one state language, and strict demands on results accountability - to name but a few. The future middle manager has conquered these debilitating stresses through a better understanding of his role, and he exudes self-confidence, a thirst for optimum results, a renewed committment to the job and an increased priority for physical and mental wellness.

Law enforcement top executives have also recognized the problem and have made high committments toward this development of their middle managers. This has been accomplished through the extensive use of comprehensive incentive programs for middle managers. Although not deemed a panacea for organizational woes, corporate America over the past 20 years has continually increased individual performance and organizational productivity through incentive reward systems. Law enforcement executives, some years ago, through technology transfer, developed incentive programs for law enforcement middle managers. The programs, as they exist today, are designed to motivate middle managers, reduce turnover and create promotional excitement. It places primary emphasis on skill development and retention, committment to the job, emotional and physical well-being, performance now and in the future, creativity and follow through--and lastly, knowledge acquired.

The reward systems are tailored to the individual parameters of that particular organization, and can utilize forms of monetary compensation, non-monetary compensation,

or a combination of both - for meeting the incentive objectives. The infusion of management incentive programs into the law enforcement organization has also created an atmosphere in the workplace that is conducive to motivating top individual performance. The atmosphere gives the law enforcement middle manager the fundamental security, while at the same time allows him to be creative, to develop entrepreneurial skills, to be a risk-taker, to be wrong sometimes, to make his own decisions without prior approval and, above all, to be concerned with the future as well as the here and now.

In the year 2000, the middle manager has become an exigent, intricate and essential cog in the mechanics of the organization. Because of his continual growth and excellent leadership, law enforcement has been able to maintain an advantage in its efforts to control crime.

CHAPTER VI

MANAGEMENT INCENTIVE PROGRAM MODEL

A. Introduction

This chapter will take the information presented in chapters III, IV and V and integrate them with Scenario #2, to produce a generic model of a management incentive program. The model will be general enough to fit most organizations, yet will be workable as a smooth transition after a minimum of tailoring. Additionally, this chapter will discuss the variables associated not only with the incentive objective, but how the objectives can be interwoven with other organizational concerns. These concerns are: the utilization and positive value of a performance evaluation system within the management incentive program; the kinds of possibilities available when selecting a reward system model, and lastly, the integration of experience into the model as an additional reward variable.

Overall, a management incentive model was designed to be a voluntary program that any middle manager may choose to enter. The management incentive program model would consist of a number of identified incentive objectives, which the organization desired each individual to perform. The measurement of performance would take place on a semi-annual basis. At that time, it would be determined if the individual manager continued to qualify or failed to qualify

for the management incentive program and the subsequent rewards. The management incentive model objectives could be modified yearly as the needs and priorities of the organization shifted. Furthermore, the rewards system was based on the theory that the more incentives objectives that were met by an individual, the higher his reward would be. Lastly, the models were designed to motivate the individual to meet the highest level of incentive objectives possible.

In order to assemble as much accurate feedback as possible, the futures group was contacted regarding the mechanics of the incentive model. The group was in complete agreement about the structure of the model. They stated the model should be designed with incentive objectives that could, as much as possible, be evaluated objectively rather than subjectively. It was the group's opinion, based on experience, that organizational "cronyism" was still alive and flourishing in most corporations today. An incentive program that consisted solely of subjective evaluative criteria would be highly suspect. Performance and achievements would be secondary to nepotism, cronyism, political trade-offs, etc. With these facts in mind, the basic incentive program model was designed to be as objective as humanly possible.

B. Incentive Categories and Objectives

The research, the futures analysis and the scenarios suggested that the objectives that would be recommended

could be grouped into four main categories. These categories are: committment; growth; knowledge and skills, and application. The first category related to the individual's personal organizational involvement and behavior. It also included his self intiative to maintain physical and emotional stability. Five possible incentive objectives under this category emerged.

1. Annual sick leave usage cap. The organization would establish an annual sick leave level. If the individual did not exceed that level, he would have met that incentive objective. This would also include an annual physical, to ensure that the individual wasn't masking a problem in order to qualify for this objective.

2. The individual would have to perform for a given period of time without any disciplinary action. For example, a 2-year period could be identified--and during that period, the individual manager could not receive any discipline equal to a letter of reprimand or higher. If he did receive a letter of reprimand or above during this period, it would take at least 2 years before he would qualify for this objective again.

3. Non-compensated overtime. Traditionally, middle managers are not compensated for overtime, but may perform 10 to 20 hours per week for the majority of the

year. Each position, or rank, could be given an annual overtime level. If that level was exceeded, then the incentive objective would be met.

4. Physical Fitness. Physical fitness standards could be identified which, among other things, measured strength, endurance and flexibility. On a semi-annual basis, if the individual passed the minimum requirements established by the standard, he would meet this objective.

5. Individual involvement in organizational competitive sports. The implication is that someone involved in competition has to train in order to be competitive. The training results in raising the individual's level of physical conditioning. This incentive would require the individual to become involved in an active sports program of organized competition at least 4 times a year. In order to meet this category's guidelines, the following competitive areas are recommended:

   a. running 6 miles or more (biathlon/triathlon).
   b. be on a baseball team.
   c. performs in Police Olympics.
   d. be on a volleyball team.
   e. soccer team
   f. basketball team
   g. football team
   h. water skiing competition

i. handball tournament

j. racquetball tournament

k. tennis tournament

Any of the above, individually or severally, could be used to complete this category each year.

Growth is the second category to be considered. In this day and age, growth comes in a variety of definitions and intensities. It can be transmitted through a number of media. The police manager can obtain his growth in basically three ways: he can attend specialized training classes/seminars; he can pursue instruction through a recognized program at a college or university; or he can grow through years of experience.

All these methods, singly or combined, can provide the manager with a broad base of current knowledge, skill and enrichment - as well as with a concept of self-discipline. It can be easily proven that, like the maturation process, the need and quest for professional growth is also a lifelong endeavor. Two objective incentives were developed.

(1) The pursuit of formal education. In order to meet this incentive objective, an individual would have to complete 6 units at a college or university each year. This would be the equal of 2 courses per year. This could be further refined by allowing only courses in the fields of business administration, public administration, criminology, speech, psychology or education.

2. Would encompass all the specialized training seminars and association meetings pertaining to management or law enforcement. If the individual completed 16 hours a year, at his own expense, the objective would be met. As an added attraction, the organization could allow middle managers some time off to attend out of town training, with all other costs assumed by the individual. Otherwise, in-town training would be entirely at the individual's expense, and would include his time off.

The last area, years of experience, will be discussed later in a separate section.

The third category involves knowledge. As individuals acquire more knowledge and/or new skills, acknowledged to be a desireable resource for an organization, they should be rewarded. Their skills and knowledge should be acquired independently, and not at the expense of the organization. Two objective incentives were identified.

1. Understanding and speaking Spanish. A local Spanish proficiency test could be adopted by the organization. If the individual attained a stated passing level, he would meet this objective.

2. Other more specific skills could be lumped into a broader category, and listed as follows:

   a. completion of Command College

   b. completion of FBI Academy

   c. master's degree

d. SWAT team member

e. licensed pilot

f. handwriting expert (graphologist)

g. polygraph expert

h. explosives expert

i. canine handler

j. bilingual (other than Spanish)

Proficiency tests would have to be established for each of these categories and administered annually. If any one of these were met by the individual, he would qualify for this broad overall objective. If more than one specific skill were achieved it would still qualify the individual for just this one objective category.

The last category, and possibly the most important, is application. This category can be easily demonstrated, but not necessarily easily measured. As managers grow and develop skills as their commitment strengthens, they must be able to put this all into motion. Motion, in this instance, is not to be defined as uncontrolled movement - but must be meaningful, focused, and capable of generating the desired results. Hence, application is proof that all the other variables have been assimilated correctly and then transmitted in such a manner that their collective result is a more desirable individual for the organization.

Application is further evidenced by the individual's ability to adapt to both the current and future needs of the organization. It is a measurement of his self-motivation,

his creativity and his entrepreneurship. To quote an old conundrum in the context of the middle manager, is he still cutting bait or is he actually fishing?

After careful deliberations, incentive objectives were developed for this last category.

1. The middle manager's role with the corporate culture. In order to qualify for this incentive objective, the middle manager must create, maintain or enhance a program designed to inform or reinforce subordinates about the organization's corporate culture or cultural

2. The attainment of an organizational goals and objectives. All organizations should have goals and objectives which pinpoint the mission of the organization. In order for the middle manager to meet this objective, he would have to establish or make sure that goals and objectives were established, and then reasonably attain those objectives at the unit or division level on a yearly basis. It is understood, however, that a vast array of variables must be considered when evaluating the attainment of objectives. Much discretion, therefore, must be applied to the term "reasonable attainment".

3. The use of middle management's individual budgets. If reasonably funded, the middle manager should be responsible for keeping within his annual budget, while

at the same time meeting his organizational objectives. If the middle manager stays within his budget on an annual basis, then he has accomplished this incentive objective.

4. The middle manager's off-duty involvement with community-oriented activities. This particular incentive objective is designed around the new focus on police/community partnerships. To meet this objective, the middle manager would have to perform 100 hours of community work as a volunteer each year. Community volunteer work could be approved by an executive body, and would include such things as being involved with religious groups, social organizations, fraternal organizations, sporting groups, charity groups, social service groups, etc. This type of exposure by members of the organization will be invaluable towards building a stronger and more positive relationship between the police department and the community it serves.

5. The recognition of the middle manager for achievements during the annual rating period. More specifically, this would be a recognition, award or significant commendation from the community, a major organization or the Chief of Police.

6. Impacting the organization through ingenuity and creativity. This incentive objective would be met if

the middle manager developed a workable procedure or process which allows for a cost savings to the organization at either the unit, division or bureau level for a period of one year.

7. Is along the same lines - involving the development of a creative program or unique idea which impacts the organization or service population in a positive way on a yearly basis.

These last two objectives would require subjective interpretation. It is felt, however, that both of these objectives will demonstrate the entrepreneurship of the individual middle manager by (1) analyzing what the middle manager does in terms of budgetary dollars and (2) what he does in terms of service.

8. Performance. This objective will be discussed later in its overall context to the management incentive program.

Finally, there is one more incentive objective that falls within the growth category. Every middle manager is observed by his immediate supervisor has an area where personal performance improvement is desireable and even necessary. In addition to the organizational incentive objectives, it is recommended that middle managers and their supervisors confer and develop individual incentives that

could be measured annually. These would be added to the total organizational incentive objectives already in place. The requirements for meeting these personal objectives would have to be included and agreed upon at the time the middle manager and his supervisor met. It is recommended, however, that no more than 2 personal incentives be used, so as not to overshadow the organizational objectives which are aimed at growth and direction.

C. Performance Objectives

The futures group of consultants and experts gave mixed feedback regarding the use/importance of performance evaluations in the management incentive project model. There were four main options discussed, which were identified as follows:

1. That the entire management incentive program could only be entered if an individual had an average performance evaluation. If an individual had a below-average evaluation, he would not be eligible to enter the management incentive program and would have to wait until the next review period before becoming eligible.

2. That a manager would have to have an above average performance evaluation to be eligible for the program.

3. That there would be no "qualifying" to enter the program; however, one of the particular incentive objectives would be the attainment of an above average performance evaluation. If this was attained, he would meet one additional incentive objective.

4. A complete integration of performance evaluations with the management incentive program through the reward matrix. Under this option, different above-average performance levels would be identified and reward incentives would be appropriately disbursed among the different performance levels. Consequently, only the highest levels of performance could receive the highest incentive rewards. Individual managers could meet the same exact number of incentives; however, because they received different performance evaluations, they would receive different rewards.

It should be noted that the confusion surrounding performance evaluation became identified under four different aspects. First, performance evaluations are highly subjective and standardization between raters is almost impossible to attain. Second, the performance evaluation instrument itself has long been a point of controversy, since the criteria and rating levels are innumerable. Thirdly, specific measureable data in service oriented public agencies does not exist. Because of the nature of police work, it is almost impossible to find

tangible data that will unequivocally demonstrate that a middle manager is performing at a level differing from that of another middle manager. Lastly, the incentive model itself implies a level of performance and is designed to stimulate and determine individual performance in a variety of objective areas, as well as a few subjective ones.

All organizations should proceed cautiously if performance evaluation is to be utilized as a major factor in the management incentive program reward system.

D. Experience

On the job experience is considered by many to be just as important as any other performance factor. As time goes by, and a manager consistently increases his formal knowledge and maintains an above-average commitment while demonstrating effective application techniques, his performance continues to increase. This implies that managers who have the same committment, the same formal education and apply themselves with the same tenacity, may only be differentiated by the variable of experience. Through experience comes, under normal situations, a better equipped and more productive manager. His total managerial output becomes fine-tuned, and soon situations begin repeating. Because he possesses historical data, his decision making process becomes enhanced over a similarly skilled manager with very little experience. The experienced manager therefore becomes a growing asset

because of his impact on the organization, as well as serving as a role model to his peers. Thus, it could be justified that experience within the management incentive program could yield increased individual performance to the organization. Therefore, there is a good argument for integrating experience into the management incentive program. If it is to be integrated, experience should only be accumulated while the individual is participating in the management incentive program. If he were to drop out of the program, by choice or failing to qualify, his time in the program would only start accumulating when he returned to the program.

E. Reward System

The literature has suggested that an incentive program reward which will genuinely motivate and modify individual performance will have to be between 10 and 20 percent of the individual's base salary. The reward itself can be classified into three separate types. First, the monetary reward which might include extra pay, extra benefits (deferred compensation, etc.), extra life insurance, better health & welfare benefits, better dental/eye care coverage, etc. Second, it could be a non-monetary reward in the form of extra time off. This could be vacation or administrative leave, or some other type of time off. There would be obvious tax advantages to the latter, in addition, it could in theory be termed a "no-cost" item to the organization.

Lastly, there could be a combination monetary reward and time off reward system. Whatever the particular reward format might be, it would be solely up to the individual organization to analyze their own situation and develop the appropriate reward mechanism.

F. Model

If performance or experience or both are considered, along with the basic incentive model, there are four possible models to choose from. First is the basic model, which excludes experience and performance. It is a single-level model, example as follows:

MODEL 1

	No. of Incentives Met				
	3	6	9	11	12
Reward %	1	3	6	9	15

Incentives objectives completed are listed across the top, and reward percentages in terms of base are listed in the five cells.

The next model adds results of a performance evaluation into the matrix and results as follows:

MODEL 2

Performance	No. of Incentives Met 2	6	9	11	12	Reward %
Outstanding	1	2	5	9	15%	
Superior	0	1	2	5	9	
Above Average	0	0	1	2	5	

Three levels of performance are used, which creates a 15 celled matrix. Incentive objectives met are along the horizontal plane, while the performance levels are on the left vertical margin. Inside each cell is a reward percentage awarded, based on where the individual falls in the matrix.

The third model utilizes an experience variable in place of the performance variable on the left vertical margin. The resultant percentages were recomputed because an experience matrix is going to yield increased eligibility in the number of middle managers.

Experience	2	6	9	11	12	No. of Incentives Met
8 or over	1	6	8	11	15	
4 - 7 yrs	1	4	6	9	13	
0 - 3 yrs	1	2	4	7	11	

The fourth model is a combination, using both performance and experience. Three matrices are needed. In the example, one matrix is used for each level of experience, and the rewards have been modified appropriately.

Combination Experience & Performance

		2	6	9	11	12	
0-3 Exp.	0	0	0	3	5	9	Reward %
	S	0	0	0	3	5	
	A	0	0	0	0	3	

	O	0	1	4	7	12	
4-7 Exp.	S	0	0	1	4	7	Reward %
	A	0	0	0	2	4	

	O	1	2	5	9	15	
9 yrs. Exp.	S	0	1	2	5	19	Reward %
	A	0	0	1	3	5	

As a final note, the models have been designed to motivate by disproportionately increased rewards toward the higher number of completed incentive objectives. In other words, as you perform more objectives, the reward percentage increases at a greater rate. In addition, the higher the number of incentives you complete, the less incentives needed to go on to the next higher box. The entire reward matrix system is designed to motivate the middle manager toward the highest level of incentives completed - hence, the highest level of performance.

The options are many, but each organization must perform careful analysis for a fit that will yield the desired results for that particular organization.

G. Summary

The components and variables of a management incentive program have been presented. It was stressed that this was a dynamic program that was voluntary to the law enforcement middle managers. Simply stated, organizational incentive objectives were identified. Individuals who entered the management incentive program would be evaluated on a semi-annual basis. The number of incentives met would translate into a reward. This reward could be in terms of money or time off.

The incentive objectives were divided into four categories. They were: commitment, growth, knowledge and skills, and application. Within these four categories, the following incentive objectives were presented.

1. An incentive related to the creation, maintenance and enhancement of the organization's cultural values.
2. Bilingual in Spanish.
3. Special skills or achievements.
4. Job related training at one's own expense.
5. Continuing education at one's own expense.
6. Performing community work at 100 hrs/year.
7. Qualifying for a minimum physical fitness standard.
8. Involvement in organized competitive sports four times a year.
9. Minimum sick leave usage.

10. No discipline/misconduct for a period of 2 years.
11. Above average performance evaluation.
12. Recognition, award or significant commendation from the community, an organization or the Chief of Police.
13. Development of an implementable program, procedure or process which allows for cost savings to the organization.
14. Development of a creative program or unique idea which impacts the organization or service population.
15. Establishment/attainment of unit, bureau or Division objectives.
16. Completion of 15 hours of uncompensated overtime.
17. Staying within budget.
18. Individualized incentives, as designed by the middle manager's supervisor.

Next, experience and performance evaluations were integrated into the reward model as option. A basic reward model was supplied, in addition to these variations. These reward models were designed to motivate the individuals to the highest levels of performance by giving them greater rewards for achieving the highest number of incentives met.

Lastly, it should be noted that the incentive objectives presented can be added to, selected from, or rewritten in order to enable the management incentive program to fit any particular organization. What is

presented is in fact a menu for the executive staff of the organization. They can select from that menu those particular incentives that are applicable to their particular organization. Another option, which was not presented in the text, is the option of weighting the incentives. In order to stress, in that particular organization, a particular direction or need, incentive objectives could be given more than a weighting of 1, in order to motivate middle managers in that direction. So, not only can the management incentive program promote individual growth and performance, but it can also identify and change the direction of the organization on a year by year basis.

CHAPTER VII

MANAGEMENT INCENTIVE PROGRAM STRATEGIC PLAN

A. Introduction

The previous chapters have presented both organizational incentive programs and the future of law enforcement middle managers. They have further developed a model which has adaptability possibilities for a large number of California law enforcement organizations. Once an organization has accepted the concept as an advantage, a decision to implement is made. It is therefore the purpose of this chapter to discuss a strategic plan for the implementation process of a management incentive program. This process will be based on an incentive program being implemented in the Fresno Police Department. However, any law enforcement organization in California could be substituted, with changes based on local characteristics and environment. This process will describe the implementation in six steps. Included in these six steps will be: funding alternatives, start-up strategies, positive and negative implications, project administration and planning and management recommendations.

B. Situation

The situation is a description of the environment, the stakeholder demands and resource analysis for the

implementation of the incentive program. This portion lays the groundwork and provides data for the decisions that follow.

1. Environment. Over the past few years, Fresno has experienced tremendous changes. It is no longer a small semi-rural agricultural community. Based on preliminary 1986 census information, we are now the 8th largest city in California, and the 64th largest city in the United States. This is based on a population of 285,000 people. This estimate reflects growth which has occurred primarily due to annexations of county land and new housing developments, for the most part in northern Fresno. Besides being heavily tied into agricultural-related services, Fresno and the surrounding community has a sizeable workforce in other areas. The city is extremely well-saturated with retail shops. It is a central hub for federal, state, county and city government agencies. Also, there has been an upswing in light and medium manufacturing and industrial concerns.

Even though there appears to be a solid employment base, there is a 9-10% unemployment rate and 41% of the population is classified as low income families. Fresno is fairly typical in comparison to other cities of its size, relative to other demographical parameters. Because of the predominantly sedentary lifestyle in this agrarian community, there is more time available to the citizens to become involved in community action. Fresno is dotted with many special interest groups as well as community and cultural groups. These groups are sporadically active in a

variety of areas. The local media are quick to analyze and publish its concerns with all these interested and, at times, outspoken entities. Rarely if ever are concerns or issues accented with violent overtones. Citizens utilize lawful routes to convey their opinions and demands.

Only a small handful among the various interest groups would voice ongoing complaints against the police department. As in any public service organization, there are sporadic attacks directed at police actions, but they are usually resolved within a short time-frame.

In order to respond to the community demands, as well as to become more effective in the delivery of police services, the department evolved into a community based policing structure which divided the city into five areas. The Fresno Police Department realized that it alone could not minimize or reduce criminal activity in the city without the active participation of the non-criminal community. After two years of planning, community based policing was introduced to the Fresno area. On July 1, 1981, the entire police department was reorganized to encourage police/ community cooperation. This was accomplished specifically through the decentralization of the Field Operations Division. Field operations, or patrol, was operated on a shift basis previously. This was referred to as a "shift structured patrol". Community based policing, in contrast, is based on the concept that staff and officers should be responsible for a given geographical area of town on a 24-hour basis, rather than by shift. This allowed staff

officers as well as sergeants and police specialists and patrol officers to be accountable for an area rather than for an 8-hour shift. This increased their scope of responsibility and familiarity with neighborhoods and their problems. In addition, the decision-making process was pushed down to the lowest level possible, to allow those people who are influenced by the decisions to become involved in them. The organization continually has emphasized participative management, and the concept grows in support annually.

The middle management ranks are composed of lieutenants and captains. There are six captains and 17 lieutenants. Turnover has been extremely low, and promotional opportunities have been slow. Most promotions in the last few years have been attributed to increased staffing.

Middle managers are not involved in any broad incentive programs, but are involved in an educational reward program. This consists of paying middle managers for educational accomplishments and relevant yearly course work. This program's pay is computed monthly on top of base pay. Qualifying individuals receive 2% for taking 3 units per semester, for a toal of 6 units annually. In addition, they can receive 3% for a bachelor of science degree and an additional 2% for master of science. So, if a middle manager is attending college and possesses a master's degree, he can earn 7% on top of his top base pay.

It is the overall feeling of top management that the educational reward program has outlived its usefulness as a

motivator. They feel that the block of funds used to fund the educational reward program could be better used in some type of management incentive program.

2. Stakeholders

When analyzing the implementation situation, you must analyze those individuals or groups who support or oppose a significant change to the organization. They are called "stakeholders". Management incentive programs would obviously qualify as a significant change, so great care and understanding must be developed about the stakeholders in order to facilitate the implementation. Attached is a comprehensive list of groups, organizations and individuals called stakeholders, who have interest in police policy planning and policy results in the Fresno Police Department. They can be supportive, antagonistic or neutral about the policy or upcoming changes. These stakeholders can debilitate or support policy formation and outcomes, and therefore must be considered at each step of the planning process. These stakeholders' interests can be roughly divided into 5 major areas: management; money; services; information and goals.

Management can be centralized or decentralized. It can be loose or tight. The department can be independent or dependent upon city government. Money is very critical. Do we need to get more resources, or can we get by on less by streamlining? Services can be proactive or reactive. They

can be broadened or narrowed. They can rest with the status quo or they can promote change with new technology. Police department information can be a very serious public concern; should there be more or less disclosure of department actions and policies? A number of stakeholders obviously want more disclosure--usually, internally within the police department, less disclosure is requested.

Lastly are the goals of the department. Do they represent change or do they support no change? Are they reflective of community needs or are they simply a product of the bureaucracy?

These are all questions and concerns that are raised by stakeholders who have a variety of self-interest and priorities.

In addition to the stakeholders are a group of implementation saboteurs called "snaildarters". These are individuals and small groups who can negatively impact the successful implementation of any new program/change, i.e., the management incentive program.

In summary, for all of these complex variables, there are groups or individuals who will support or protest each of them. It is therefore incumbent upon strategic planners to analyze the most important variables and contrast them to the most critical stakeholders.

Attached are listings of the stakeholders and snaildarters. In support, there are additional attachments which plot the snaildarters and stakeholders along two variables (see attachments #1 through #5). The plotting is

done along a vertical/horizontal axis. The vertical axis is an assumption of certainty or uncertainty relative to the way the snaildarter or stakeholder will approve or disapprove of the MIP concept. Secondly, along the horizontal axis is the plotting of the snaildarters and stakeholders importance or unimportance to the incentive program implementation. These graphs were designed to avoid lulling the implementation planners into a false sense of security based on what he thinks is a predictable surety. After all, politics, friendships, and concealed agendas are a part of the real world.

3. Resource Analysis

(a) Fortunately, a management incentive program is not labor intensive. It will require, in most departments, the assignment of one key person to administer the program. In the Fresno Police Department, there are management analysts. They are non-sworn managers who provide a support function for most planning, research and personnel related matters. It is highly recommended that a management analyst be assigned as the permanent administrator of the incentive program.

In addition, resources would be needed to form an advisory board which could arbitrate areas of dispute relative to qualification and/or reduction of rewards.

Lastly, middle managers and their respective superiors would be committed to reorganizing their time to allow the

management incentive program to be an ongoing process in the organization's quest for higher individual performance and organizational productivity.

(b) Funding. One of the primary concerns of the MIP program is going to be the cost. Can the organization afford it?

In order to sell the program, you must decide if the program is going to be developed around monetary, non monetary or a combination reward system. In order to determine this, you need a general estimation of the costs of the program. It is reasonable to say that 75% of the middle managers will participate in the management incentive program. If the average monthly salaries for all lieutenants and captains are aggregated on a monthly basis, the result is $97,600 in monthly middle management salaries. Seventy-five percent of that, or $73,200 is the amount that would be available for the management incentive program. If the range of incentive rewards were between 2% and 12%, 7% would be the average reward. Seven percent x $73,200 equals an average projected monthly increase in budget of $5,124. This equates to an annual incentive award of $61,488. This amount is almost equal to the annual award expended for the educational incentive program.

It appears, then, that the entire management incentive program under these parameters could be funded by the transfer of funds from the educational program to the incentive program.

If any combination of non-monetary rewards was utilized, then the $61,000 could be reduced and monies deferred for other administrative costs.

Another alternative to financing an MIP program would be to adjust the management salary pay structure. As alluded to in earlier chapters, most law enforcement organizations have 3 to 5 steps of automatic raises after a middle manager is promoted. The difference between the top and bottom step, in most departments, ranges from 10 to 12%. If the first step was utilized as the base salary, the organization could offer an incentive reward of up to twice the original top step percentage difference. Rewards could be offered in this example of up to 20 to 24%. This would result in minimum direct financial impact to the organization. It would also leave low performers on the lowest step of the original salary structure, and thus significantly reward the high performers.

Lastly, there is also the possibility that the budget allocating body would fund the cost of the MIP simply because of its predictable impact on individual performance and organizational productivity.

C. Mission

Changes in any organization should be directly related to law enforcement and the specific organization's missions. If the change cannot be tied to the mission statements, then further research and analysis is needed. In this case, the

MIP aligns itself both with the law enforcement mission, as well as the Fresno Police Department's mission.

1. Law Enforcement Mission: In general, it is the overall mission of law enforcement to protect life and property. Social order must be maintained and all applicable laws must be enforced. Law enforcement must also be responsive to service demands as well as to priorities of the city's governing body. All of these functions must be carried out in the most efficient and effective way possible.

2. Fresno Police Department Mission: The fundamental mission of the Fresno Police Department is to provide the leadership and professional support required to complement and improve the community's efforts toward the development of a balanced and cooperative police/community campaign against lawlessness and disorderly behavior. This must be accomplished in an efficient and effective manner through the direct leadership of the individuals in the organization.

D. Execution

The mission of law enforcement in the police department echo every other public or private organization's overall goals. Simply stated, organizations must provide the target clientele with a quality product or service, and do so utilizing the most efficient policies, practices and

procedures at the lowest possible cost. The execution of the mission is dependent upon the appropriate selected course of action and the projected results. Before the appropriate course of action can be taken, two alternatives are stated - based on the adoption or exclusion of a management incentive program.

1. Alternative A: allow the organization to evolve on its own. Take no action to reward high performers. Take no action to separate and identify low performers from high performers. Maintain traditional salary structures in the current premium pay program. Rely on self-initiated motivation to keep performance as high as possible. Make changes only when changes are necessary as problems arise, react appropriately.

2. Alternative 2: Implement an MIP. Design a program that will offer significant rewards to individuals for high performance. The incentive program should be developed to give stability to the organization and individual growth and direction. It should also create a climate that promotes creative thinking, independent decision making and future considerations.

3. Recomended Course of Action: Based on all of the facts presented in this paper, alternative 2 is the odds-on favorite. It should be selected with vigor, determination and confidence.

E. Administration and Logistics

In developing a strategic plan for identifying and implementing a management incentive program, administration and logistics must be considered. As recommended earlier, a non-sworn management analyst should be the ideal administrator. It would be his/her job, since they are part of the middle management team and familiar with the policies and practices of the police department and are not a candidate for the MIP itself, they are the ideal choice. This individual would be referred to as the "MIP Administrator".

Once selected as the administrator, their first concern would be to ensure that each one of the variables of the objective incentives had a verifiable base. This base would then have to be capable of being measured on a basis consistent with predetermined qualifying periods. The incentive objectives would be verifiable in 5 separate ways.

1. Annual skills test.
2. Historical data.
3. Personnel & training files.
4. Supervisory confirmation.
5. Administrator confirmation.

In order to spread the verifiable workload throughout the qualifying period, it is suggested that the individual's annual anniversary date be used as a point of reference. It

is further recommended that qualifying periods be at 6-month intervals to ensure that the reward itself is attainable within a foreeable future. Too long a period waiting for a raise in one's reward in all probability would be a demotivator.

As a final note, the management incentive program, once established, would be easily administered if it were computerized. Most departments have computer assisted capabilities, and only small storage and minimum programming would be necessary. At the end of each person's qualifying period, objective incentives met could be computed and the appropriate reward outputted.

Lastly, if monetary reward is going to be utilized, then it is strongly suggested that the reward be paid monthly in order to provide continuous short-term feedback for the middle manager's achievements.

F. Planning System

"Periodic planning" was the system recommended by group input. As shown in the support documents, this system will allow for planning on a regular basis and can be projected for three years with annual operational plans allowing for adjustments as necessary. The plotted chart which shows that periodic planning is most important was very close at times to issue planning and signal surprise planning. It appears that "signal surprise planning" relating to urgent issues might occasionally be necessary. There will also be

times when "issue planning" will have to be considered. Therefore, it is necessary that the planning system evaluation should be continued on a yearly basis. Refer to attachment 6 and 7 for actual data.

G. Implementation

1. Sequence Events. The following is a list of 18 major events that must be completed to ensure the successful implementation. As with any other program, the probability of success is largely dependent on the amount of preplanning as well as stakeholder negotiations that occur prior to implementation.

a. If the MIP is to be successful, top management must strongly support it. It is recommended that a deputy chief or the chief have overall responsibility for the program.

b. An objective uninvolved administrator should be selected.

c. Incentive objectives should be identified by the number available and the scope of each one. Input from stakeholders and shareholders should be solicited.

d. Incentive measurement criteria should be determined, and stakeholder/shareholder feedback solicited.

e. Periods of qualifications determined by length of time and starting dates.

f. Types and amounts of rewards identified and agreed upon with stakeholder and snaildarter feedback.

g. Reward model selected and degree of utilization of experience and/or performance evaluations is determined.

h. A grandfather process is determined for the transition of those individuals currently in the educational reward program to the MIP. They should be given at least a 6-month grace period without any loss of monthly pay.

i. Cost of program projected and funding sources identified and confirmed. Snaildarters and stakeholders feedback solicited.

j. Develop necessary forms and feedback loops for the program operation.

k. Computerize program if possible.

l. Arbitration process designed to resolve disputes, with Chief as a final authority. Recommend that a cross-section of the department sit on this arbitration board.

m. Annual planning group implemented to ensure program is impacting the current and future needs of the organization.

n. Reduce entire program to writing for verification purposes.

o. Provide orientation to staff middle managers.

p. Provide orientation to interested stakeholders and snaildarters.

q. Implement program.

r. Annual evaluation, focusing on successes, problems and recommended changes.

2. <u>Strategy</u>

a. Concessions. In order to complete the preceding steps, some concessions will obviously have to be made amongst the stakeholders. The three most critical stakeholders in this particular program are the Chief of

Police, the middle manager and the city manager. An analysis of all the steps resulted in four being the most critical. They are: C, F, G and I. It must be implicitly understood going into the implementation process that flexibility and concessions will be needed by all parties in order to make the program succeed. Each one of these implementation steps has built in areas of flexibility where concessions can be made.

b. Negotiating Strategy & Tactics. If I am involved in a negotiating process, I will do the following: My primary strategy will be cooperation. I'll employ the cooperative enterprise method of negotiating. I will attempt to achieve agreement with all parties involved, and will not expect nor demand total achievement of all the management incentive program goals. My goal will be designed so that all parties can share equally toward attainment. I will attempt to inspire trust through utilization of substantiated facts and good faith actions. I will constantly keep in mind that the whole situation is give and take, and that everyone should win and have needs satisfied at the end of the negotiating process. I will also remember that the negotiating process does have limits. I will know when to stop and not to continue on ad infinitum until I get my way.

In a more subtle vein, I will watch out for prejudices that may give away an advantage--either by myself or other negotiators. If in fact those advantages are mine, then I

will capitalize on them. I will be aware of the mistakes I make and attempt to minimize them. It will also be necessary for me to find the most basic need that my counterpart is trying to meet. By dealing with the more basic needs, I increase my chance for success in the negotiating process. The process should be free from hostility, adversity and any other type of negative gesture or communication. It follows, of course, that the entire negotiation be a mature, adult process where all parties respect each other.

3. Tactics:

In order to facilitate the negotiating process and achieve as many goals as possible, I have outlined six techniques which should be used throughout the negotiating process. First is forbearance - which means that individuals should remain calm, patient and be positive. Individuals should also expound on the virtues and facts of any given position. Individuals should not become easily upset nor show inexplicable emotional outbursts. They will remain mature and professional throughout the process. As a back-up technique to forbearance, individuals could utilize the surprise. This means that the individual will, at times and as necessary, show strong to mellow arguments on different points of contention. This will show concern and demonstrate belief that the individual's position is correct and should be agreed upon. Tenacity and assertiveness are

essential, but they must also withstand aggressive overtones. Other techniques will be utilizes to determine method and area of strategy application. First is participation. Individuals will treat everyone as friends, fellow acquaintances and respected professionals. Individuals will enlist other experts who are also well though by the participants as group authenticators of facts and position. Along with that technique, individuals will utilize the blanket technique and cover all areas of concern with overwhelming and highly irrefutable information. As a backup to these two techniques, individuals will use random sampling, which will go into detail, showing causes, needs and ramifications for any particular plan, as well as the reasons why it should be accepted.

Lastly, bracketing techniques will be considered whenever individuals feel that being right on target is not entirely necessary, as long as the goal attained is within close proximity of the original request. In summary, by utilizing the aforementioned strategies and tactical techniques, I believe that any position is considerably strengthened when individuals have the flexibility to modify their position, the results achieved will be acceptably close to those originally requested.

H. Summary:

This chapter discussed the 6-pronged approach to strategic implementation of an MIP. First, the situation

was carefully described to include the implementation environment, the stakeholders and snaildarters interest and possible impact, and lastly the resources needed and available. Next, the mission was stated - both in terms of overall law enforcement and the Fresno Police Department. It was confirmed at that time that the management incentive program and the resultant changes were within the scope and implications of both missions. Next, the execution of the mission was discussed, along with two possible alternatives. As a result of 2 alternatives, a selected course of action was presented. The next section dealt with the administration and logistics of the MIP, and focused in on the use of a non-sworn management personnel as the chief administrator of the MIP. Ongoing planning was then discussed and an ongoing planning system was recommended. Even though the planning system recommended was the primary system to be used, secondary planning systems were also under consideration in case the environment made unpredictable changes.

Lastly, the implementation of the incentive program was discussed. An 18-step strategy implementation was presented, three critical stakeholders were identified and areas of concession were delineated. Finally, the art of negotiation and the role it plays in the implementation process was discussed, including the use of strategy and tactics toward the overall negotiation process.

CHAPTER VIII

SUMMARY AND CONCLUSIONS

A. Summary

The purpose of this study, as presented in chapter 1, was to develop a management incentive program which would develop skills for future needs, promote self-motivation, maximize individual and organizational productivity, and above all, provide meaningful attainable rewards for all levels of above-standard individual performance. Its basic purpose was restated in the form of the following question. Can an incentive plan be developed and implemented which would reward high performance, while at the same time developing individual skills which would meet the needs of the organization of the future?

In order to achieve the purpose and answer the question, the study first reviewed the relevant literature.

Chapter III presented a wide view of the literature, describing types, purpose and results of incentive programs. The literature review was divided into three main areas. First, the academicians and theorists justifying the use of incentive programs, and justifying its purpose as a valuable motivational tool. Second, the practitioners and consultants in the field who work with incentive programs on a day to day basis gave strong supportive feedback to incentive programs. Third, documented results from organizations which had incentive programs were presented.

This information substantiated the theorists and practioners opinion about the power and impact of an incentive program to the organization and the individual worker.

The chapter in its entirety then presented 9 main benefits to the utilization of an management incentive program, as follows:

1. Cultivate high achievers.
2. Motivate personal development and individual skills.
3. Encourage promotional aspiration.
4. Build feelings of participation and security in the organization.
5. Build organizations more responsive to change.
6. Increases organizational productivity.
7. Higher likelihood of retaining high performing employees.
8. Develop employees toward organizational goals.
9. Creates a more dynamic manager, which results in innovative problem solving, a commitment to organizational effectiveness, reinforcement of the participative culture, and increased knowledge of the overall operation of the organization.

The chapter summarized by stating that the organizations who do not use incentive programs will significantly lag behind those that do, and will also have subpar individual performers.

Chapter IV presented an overview of the middle managers of the future. In order to develop the middle manager to to meet future needs, there had to be a reasonable idea of what skills a middle manager would need, as well as what future organization demands would be if an individual and the organization were to be successful.

The information to develop a future middle manager was presented from 3 separate sources. The first source was a topical review of the literature. Eight trends for the future were identified and summarized as:

1. A concern for wellness.
2. A concern for the organizational culture.
3. Increase of rapid change.
4. The need to reward high performers.
5. Need to be creative.
6. Need to deal with changes in the workforce.
7. Trend toward reduction of personnel.
8. Growth of the participative management philosophy.

In the next section, a Command College paper on the future of middle management was reviewed. The paper outlined five main trends that the author felt would impact the future of middle management. They were:

1. Changes in workforce.
2. Changes in environment.
3. Changes in technology.

4. Reductions of hard numbers of middle managers.
5. Reduction in specialization.

In the last portion of the chapter, a group of practitioners, consultants and law enforcement personnel presented 9 trends/events that they concurred were more than likely going to impact the future of law enforcement. They were:

1. Growing concern for wellness.
2. Need for entrepreneurial management skills.
3. More future employee committment.
4. Increased participative management.
5. Implementation of pay for performance programs.
6. More progressive executive leadership.
7. Reduction of middle management positions.
8. Middle management acquiring broader skills.
9. Stricter guidelines for resource accountability.

All of the information in this chapter was then synthesized and used to, first: design two scenarios and second, to design incentive objectives for a law enforcement middle management incentive program.

Chapter V presented two scenarios. The first was the "could be" future of middle managers. This scenario described law enforcement organizations in the year 2000. The organizations at that time had evolved year by year reacting to environmental demands. This scenario did not

include the utilization of an incentive program. It presented a reactive organization that was able to "get by". It was, however, not futures-oriented, and was plagued by a number of organizational problems.

The second scenario was described as a "like it to be" scenario. It presented a very dynamic picture of law enforcement organizations of the future. Also included were personal characteristics about the future middle manager. This scenario was based on organizations implementing MIP's and becoming very proactive. In addition, they took steps to plan for the future and had developed their management personnel to be adaptable and responsive to the future needs of their service population and the organization. The middle manager was converted from being the organization's excess baggage into becoming the organization's navigator.

Based on the scenario and the future trends, chapter VI developed 17 incentive objectives for an MIP. The incentive objectives were divided into 4 main areas -- commitment, growth, knowledge/experience, and application. The actual 17 incentives were:

1. Creation, maintenance and enhancement of a program designed to reinforce subordinates about the organization's cultural ethic.

2. Bilingual in Spanish (written & spoken).

3. Qualifying in the completion of some special skill or achievement.

4. Job-related training at one's own expense (16 hours per year).

5. Six hours of continuing education per year.

6. Performance of 100 hours of community volunteer work.

7. Qualify for minimum physical fitness standard.

8. Becomes involved in organized sports.

9. Minimum sick time usage.

10. Absence of discipline for 2 years.

11. Above average performance evaluation.

12. Recognition, award or significant commendation from the community, an organization, or the Chief.

13. Development of workable program, procedure or process which allows for cost savings. (one year period).

14. Development of a creative program or unique idea which impacts the organization or service population in a positive way. (one year period).

15. Establishment & reasonable attainment of unit, bureau or divisional objectives.

16. Completion of 50 hours of uncompensated overtime.

17. Staying within budget.

Next, a number of models were presented. These models include: options which contain the variable of performance evaluations and/or experience as part of the reward system. It was further discussed that the models were completely flexible as to the number of incentives, the value of each incentive, number of incentives per reward, types of rewards and the amount of the reward. It was also discussed that individual incentives could be created by the immediate supervisor to outline personal short term goals.

Finally, the previous chapter then presented a strategy for implementation of an MIP into a law enforcement organization. It described 7 areas that should be considered during the implementation. First, it went into great detail about the situation, to include the environment, stakeholders and snaildarters and resource analysis. Next, it discussed the law enforcement mission and the Fresno Police Department mission. Thirdly, it

discussed the execution - which included two alternatives for the organization to take. A decision was then made to execute using an alternative that would include an MIP. Fourthly, the administration and logistics were discussed, with a suggestion that a non-sworn management analyst be used as an MIP administrator. The fifth subject was the type of planning system needed to operate the M.I.P. Sixth was the implementation plans to include strategy and concessions, and lastly, the negotiating strategy and tactics that would be needed in order to have all stakeholders in agreement as to the type of MIP to be adopted.

For the implementation process, an 18-step approach was suggested.

1. Use of deputy chief as project manager.
2. Objective uninvolved non-sworn as administrator.
3. Objective incentives identified by number & scope.
4. Incentive measurement criteria determined.
5. Periods of qualification determined.
6. Type and amount of reward identified.
7. Reward model selected.
8. Grandfather process determined for managers in the EIP.
9. Cost of program projected & funding identified.
10. Necessary forms & feedback loops developed.
11. Computerize program if possible.
12. Arbitration process designed to resolve disputes.

13. Annual planning group identified.
14. Reducing the program to written format.
15. Provide orientation to staff.
16. Provide orientation to snaildarters and stakeholders.
17. Implement the program.
18. Develop an annual evaluation process to ensure that the program was still on target.

B. Conclusions

In my opinion, the study has in great detail answered a qualified Yes to the question presented. Incentive programs are an emerging organizational trend for the public sector, and are a reality for the private sector.

The future of law enforcement middle management and their organizations is broadly describable. Now is the time to make decisions in order to effectively impact the new changes ahead.

It is incumbent on today's top executives in law enforcement to develop and implement incentive programs which reward above average performance. They must further do away with antiquated, inflexible and non-motivating traditional salary structures. Incentive programs are obviously one of the most successful ways to develop individual skill and motivation, increase organizational productivity and create an organizational climate and culture that will be adaptable and responsive to the future.

STAKEHOLDERS AND ASSUMPTIONS

1. Law Enforcement

A.	Chief of Police	OPPOSED
B.	Police Union	SUPPORT
C.	Police Reserves	SUPPORT
D.	Police Middle Manager	SUPPORT
E.	Police Officers	SUPPORT
F.	Civilian Police Employees	MIXED
G.	Chaplain's Organization	SUPPORT

2. Government

A.	City Manager	SUPPORT
B.	Other City Unions	MIXED
C.	Other City Employees	OPPOSE
D.	Other City Departments	OPPOSE
E.	City Council	MIXED

3. Business

A.	Small Business Organizations	OPPOSE
B.	Large Business Owners	MIXED

4. Citizens

A.	Individual Taxpayer	MIXED
B.	Neighborhood Watch Members	SUPPORT
C.	Service Clubs	SUPPORT
D.	Church Groups	SUPPORT
E.	Volunteers	SUPPORT
F.	Women's Clubs	SUPPORT
G.	Senior Citizens	SUPPORT
H.	Charity Organizations	SUPPORT

5. Other Public Agencies

A.	Social Service Organizations	MIXED
B.	District Attorney	SUPPORT
C.	Judges	SUPPORT
D.	Sheriff	SUPPORT

6. Media

A.	Print	MIXED
B.	Electronic	MIXED

SNAILDARTERS

1. Government

   A. Individual Council Members
   B. Mayor
   C. City Department Heads
   D. Informal Leaders
   E. Budget Control Officer
   F. City Attorney

2. Law Enforcement

   A. Fresno Police & Neighborhood Watch Association
   B. Informal Police Department Leaders

3. Citizens

   A. Special Interest Groups
   B. Political Activists
   C. Minority Groups
   D. Business Associations

4. Business and Other Agencies

   A. Schools
   B. Builders/Developers
   C. Local Newspapers

ATTACHMENT 2

CERTAINTY

PLOTTING OF STAKEHOLDERS

4E
Volunteers

1D
Police Middle Mgmt. Staff

1G
Chaplains Org.

1B
Police Union

5D
Sheriff

4C
Service Clubs

1E
Police Officers

1A
C.O.P.

1F
Civilian Police Employees

1C
Police Reserves

2A
City Manager

2E
City Council

3C - Chamber of Comm.

UNIMPORTANT

IMPORTANT

4D
Church Groups

4H
Charity Organizations

5C - [illegible]
Judges

3B
Large Businesses

2D
Other City Depts.

5A
Social Serv. Organizations

2B - Police Union

6A - Print Media

4F
Women's Clubs

6B - Electronic Media

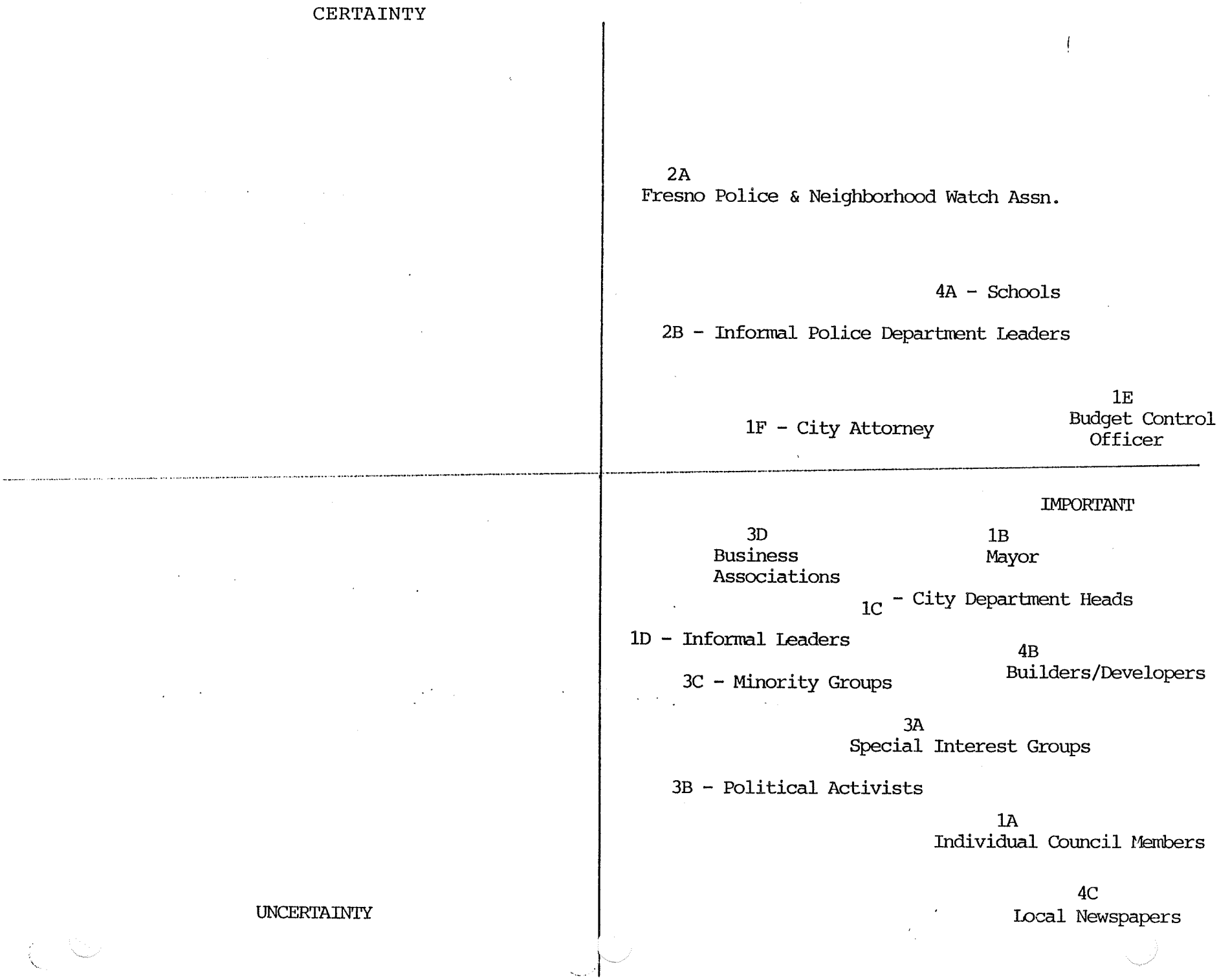
3A - Small Business Owners

UNCERTAINTY

ATTACHMENT 3

ATTACHMENT 4

PLOTTING OF SNAILDARTERS

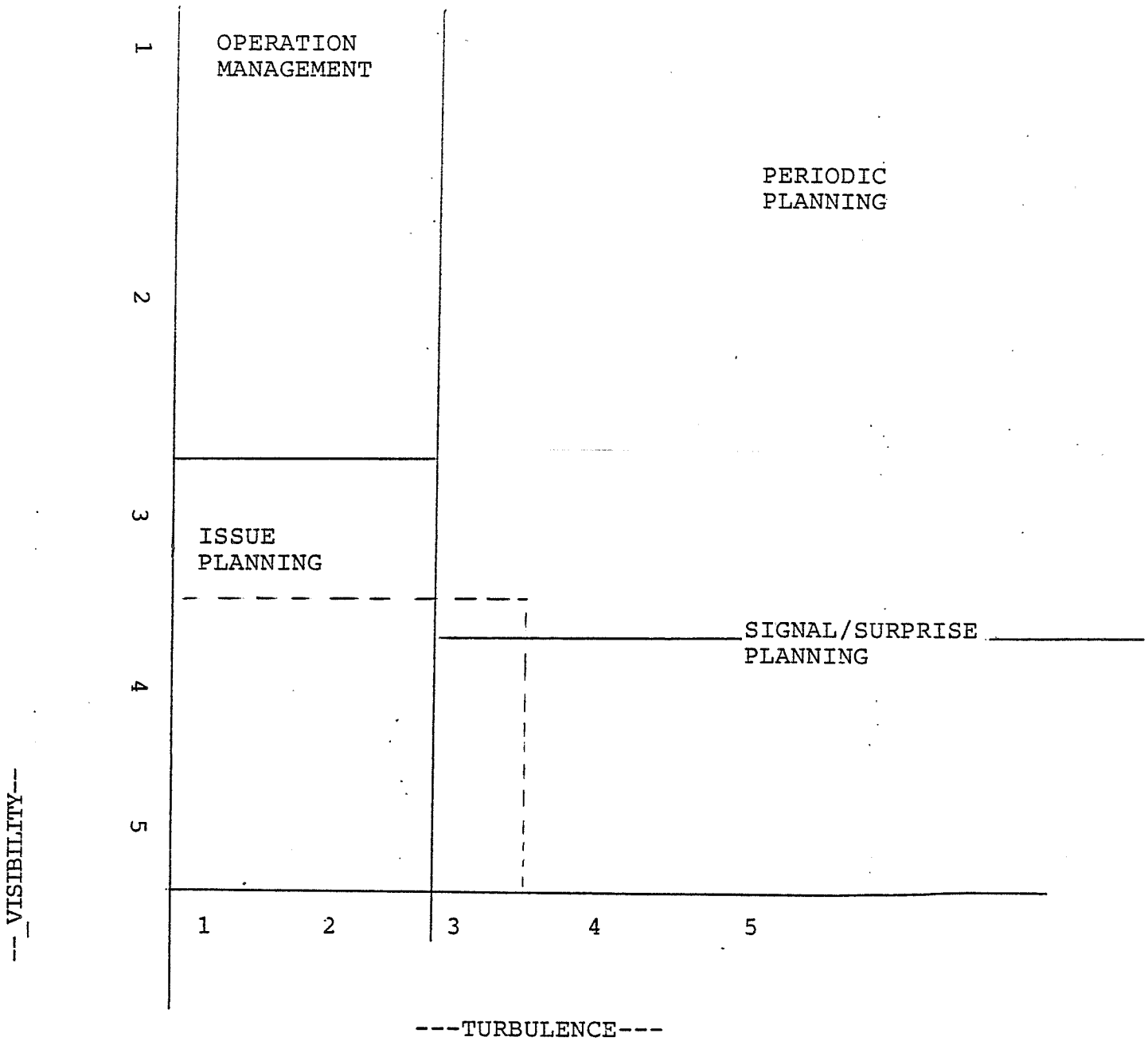


PLANNING SYSTEM

In deciding which planning system is best suited for the department, a group of consultants and employees were asked to evaluate the two dimensions of the environment. These dimensions are:

TURBULENCE (Number of Changes)	VISIBILITY OF FUTURE
No Changes (1)	Recurring (1)
A Few/Occasional Changes (2)	Forecast by Extrapolation (Trends)
Changes on a Regular Basis (3)	Predictable Threats & Opportunities (3)
Many Changes (4)	Weak Signals (4)
Almost Continuous Change (5)	Unpredictable Surprises (5)

After evaluating the two dimensions by each group member, their results were compiled for the total evaluation and then plotted for the best planning system to use. This planning system is periodic planning.



VISIBILITY 3.4 TURBULENCE 3.2

ATTACHMENT 6

BIBLIOGRAPHY

Amara, Roy, "Management of the 1980's", Technology Review, April, 1981.

Anderson, Mike; "Exercise Regularly", Law and Order, February, 1986.

Anon., "A New Area for Management", Business Week, April, 1985.

Bastrom, Richard, (interview) Arco executive, Los Angeles, California, September 1986.

Bokern, Bob, (interview), Carondelet Health Care, executive, Inglewood, California, September 1986.

Conner, Darrell, "Understanding Corporate Culture", AMA, 1986.

Cookmeyer, Diana (interview), consultant, A. S. Hanson, September, 1986.

Copeland, Richard, "Expectancy Theory", Harvard Business Review, November, 1984.

Crandal, Frederick, "Compensation Tied to Performance", Administrative Management, February 1986.

Delizic, Roy, Handbook of Wage and Salary Administration, McGraw-Hill, New York, NY, 1984.

Dorin, Fred (interview), consultant, American Productivity Center, Houston TX, September 1986.

Doud, Ernie (interview), consultant with Laventhal and Horworth, Los Angeles, California, September 1986.

Etzioni, Amitai, "High Tech, Basic Industry and the Future of the American Economy", Human Resource Management, fall, 1984.

Fein, M., "An Alternative to Traditional Manning", Management Review, February 1977.

Fenn, Donna, "Keeping Fit", Inc, February 1986.

Fomburn, Charles, Strategic Human Resource Management, Wylie and Sons, 1984.

Goddard, Robert W., "The Rise of the New Organization", Management World, January 1981.

Hansen, A. S., Management Incentive Plans, Hansen, Inc., Illinois 1986.

Henderson, Richard, Compensation Management, Rewarding Performance, Prentice-Hall, Illinois, 1984.

Hagedorn, Homer, "Everybody Into the Pool", Management Review, October, 1984.

James, Brian, "Business Fads", Business Week, January, 1985.

Jamison, David (interview), consultant in Los Angeles, September, 1986.

Jones, Jim, "Improving Productivity through Incentives", Research Institute of America, Inc., October, 1981.

Kanter, Rosabeth, Changemasters, McGraw-Hill, New York, New York, 1985.

Kanter, Rosabeth, "The Reshaping of Middle Management", Management Review, January, 1986.

Kirlan, John, "Committee on 21", Western City, October, 1986.

Kopelman, Richard, The Management of Productivity, McGraw-Hill, New York, NY, 1985.

Kopelman, Richard, "Merit Pay", Personnel Administrator, October, 1984.

Kopelman, Richard, Productivity in Organizational and Behavioral Perspective, McGraw-Hill, New York, NY 1986.

Latham, G., Increasing Productivity through Performance, Addison & Wesley, Maryland, 1981.

Lawler, Edward, Pay and Organizational Effectiveness, McGraw-Hill, New York, NY 1981.

Lawler, Edward, "Skill Based Pay", Personnel, No. 9, September, 1985.

Lawler, Edward, "Productivity and Incentives", New Management, Volume 1, #3, 1984.

Ledford, G., "Performance Based Pay", Personnel, September, 1985.

Levine, Hermine, "Incentive to Improve Productivity", Personnel, April, 1983.

Lockwood, S., "Contingent Time Off", Management Review, July, 1984.

Tharp, Charles, "Annual Incentive Award", Compensation and Benefit Review, March, 1986.

Times, New York, "Pay Linked to Perk", New York Times, July, 1985.

Vough, C. F., Productivity: A Practical Program for Improving Efficiency, Amacom, New York, NY 1979.

Waterman, J., and Peters, D., In Search of Excellence, McGraw-Hill, New York, NY 1984.

Younkers, John (interview), consultant with the American Productivity Center, Houston, Texas, September, 1986.