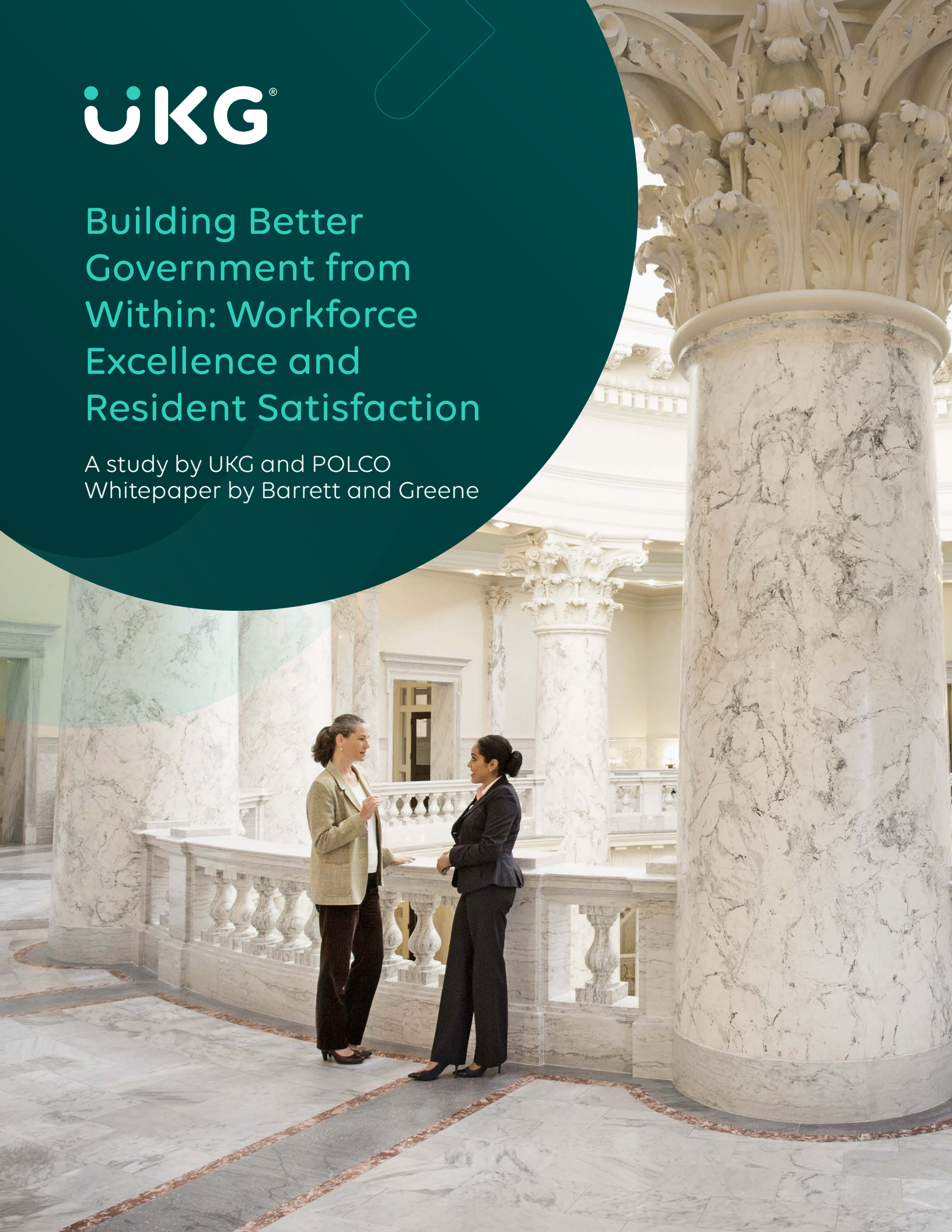# UKG®

Building Better Government from Within: Workforce Excellence and Resident Satisfaction

A study by UKG and POLCO
Whitepaper by Barrett and Greene

Introduction

Public sector organizations across the nation are struggling to deliver responsive services to their constituents while at the same time dealing with budget shortfalls and demands to be more cost-efficient. Unfortunately, budget cuts in government often focus on reducing employee costs, which comprise the majority of most state and local government budgets.

In this challenging environment, departments of human resources are often viewed as backroom operations. HR policies and practices help recruit, hire and retain employees; oversee fair and equitable compensation systems; and support leaders and departments to deal with knotty and often complex staff and management issues.

While these functions are important, a critical question remains, especially in today's difficult financial environment: what organizational outcomes do effective HR practices help deliver, especially in government?

In the private sector, research has revealed a substantial link between HR policies and company profit, market value, and cash flow.[1] Moreover, research on the private sector has shown that a positive employee experience correlates with a positive customer experience (and therefore with financial outcomes).[2]

[1] Huselid, Mark A.; Jackson, Susan E.; and Schuler, Randall S., "Technical and Strategic Human Resource Management Effectiveness as Determinants of From Performance," Academy of Management Journal, 40:1, pp. 171-188, 1997; Gerhart, Barry; Wright, Patrick M.; McMahan, Gary C.; and Snell, Scott A. "Measurement Error in Research on Human Resources and Firm Performance: How Much Error is there and How does It Influence Size Estimates?" Personnel Psychology, 2000,

[2] Yohn, Denise Lee. "Engaged Employees Create Better Customer Experiences." Harvard Business Review, April 5, 2023.

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However, the relationship between effective HR practices and outcomes is more difficult to document in the public sector, which does not have the same financial measures and where it can be difficult to assess customer satisfaction.

This research was designed to fill this gap by exploring the relationship between HR effectiveness and customer outcomes in the public sector. Specifically, do residents of local governments directly benefit from a well-run HR department?

The simple answer is "yes."

This study's results provide credible evidence that supports the hypothesis that effective workforce practices have a positive impact on:

- Resident satisfaction with both the quality of the services and the customer service they receive from their local government.

- Their overall confidence in their municipal government.

- The quality of life in their community.

This is therefore the first empirical study that shows the impact that internal HR practices can have on a critical public sector outcome: resident perceptions of government performance.

This finding is important not just for public sector HR but also for municipal government leaders striving to efficiently and effectively meet the needs of the people in their communities that they serve.

A goal that is more important now than ever as local governments face the dual challenges of strained budgets and increasing public demands for government services.

Despite the absence of previous empirical evidence, most of the HR directors interviewed in this research were unsurprised by the link between effective HR practices and resident satisfaction with local government. As Jana Ventura, HR director in the City of Sachse, Texas said, "Ultimately our sole purpose is to serve the community. So, if our employees are doing a good job and they're happy about what they're doing, then that's going to result in happy residents."

This research proved her prediction to be prescient.

Methodology

Our first step in exploring the hypothesis that effective HR practices are correlated with resident satisfaction was assembling a focus group of HR directors to help identify the key elements of a survey to be administered to HR departments to assess their effectiveness. This and the subsequent steps in this research were jointly conducted by UKG; the journalistic/research team of Katherine Barrett and Richard Greene; and The National Research Center (NRC), the in-house think tank and research lab of Polco, a civic engagement and data insights company that has administered The National Community Survey® (the NCS) to thousands of jurisdictions across the country to assess resident satisfaction with government services and community quality of life.

Based on the focus group input, we developed a 73-item survey to assess HR policy and program effectiveness. The survey also included six other questions on local government and HR department details (e.g., number of employees and level of centralization).

The survey questions covered human resources areas including HR mission and policies, recruitment and hiring, retention, training and development, technology, data, performance management, employee grievances, compensation and benefits, workforce and succession planning, working conditions, employee wellbeing, diversity, and labor relations.

In early February, we sent the HR survey to 238 municipalities where Polco had conducted the NCS in 2022-24. The NCS gauges residents' opinions on community life that include local government services and quality of life. It provides local governments with an in-depth understanding of residents' views of their community and its governance.

We received responses from 52 cities. Given the survey's length and scope, this response level was ample for our analysis.

We then scored each city's HR survey responses from 0 to 100 based on the average of the ratings on the survey items for each HR practice. The next step was regression analysis to compare these HR practice scores with the resident ratings from the NCS in four categories: customer service, quality of government services, confidence in government, and quality of life in the community. The NCS also rated these scores from 0 to 100, with 0 representing "poor" ratings from residents and 100 representing "excellent" ratings.

We then interviewed the HR directors of the cities with the highest HR and NCS scores to better understand their HR practices.

Results

We found statistically significant positive correlations between resident scores and specific HR practices in five areas: HR staff capability, employee performance management, employee well-being, recruitment and hiring, and compensation. While all of these correlations were statistically significant, some were stronger than others, as shown in Table I.

Table I

Correlations between municipal government human resources practices and resident ratings of government performance and quality of life.

	Municipal employee customer service	Quality of municipal services	Confidence in municipal government	Quality of life in the community
Employee performance management	★	★	★	★
HR staff capability	★	★	★	★
Employee well being	★	★	★	★
Recruiting and hiring	★	★		★
Compensation and benefits	★	★		

Legend: green stars represent positive correlations (higher HR scores associated with higher resident ratings)

- ★ Strong statistically significant positive correlation
- ★ Moderate statistically significant correlation
- ★ Statistically significant correlation
- □ No statistically significant correlation

For context and a deeper understanding of the findings, we interviewed HR Directors and other officials from the municipalities that had both the highest scores for HR operations and the highest resident ratings on the NCS.

The ten cities interviewed have populations ranging from under 20,000 to 224,000. However, jurisdictions of all sizes deliver many of the same services as these cities and have similar challenges as the booming urban centers that are often right next door.

The HR directors we interviewed cited a series of challenges: recruiting, hiring and retention; strained budgets; private sector competition; changing employee values; and the ongoing puzzle of dealing with a multigenerational workforce. All local governments, regardless of size, face these issues. The highly effective HR programs and policies that this research revealed are correlated with resident satisfaction apply generally across local governments regardless of size.

In the sections below, we describe what the highest-performing HR departments in our sample are doing to achieve the high HR scores in each area that our analysis showed correlate with high levels of resident satisfaction.

Performance Management

Performance management is the ongoing process of communication between a manager/supervisor and an employee to accomplish the organization's strategic objectives. In this study, effective performance management practices were highly correlated with local government customer service, quality of services, confidence in local government, and quality of life in the community.

The HR practices that drive successful employee performance management include regular employee evaluations, a system to monitor compliance, an effective process to deal with poor performance, and a formal program to recognize superior performance.

We found variations in performance management style and approach across the jurisdictions we interviewed. Some use quantitative methods while others rely on a supervisor's qualitative assessment or rely on 360-degree feedback, gathering comments from other departments, peers and sometimes even residents. Many also ask employees to do self-assessments.

"There have been all kinds of iterations of how to do this and how to do it right over the last couple of decades," said Jana Ventura, HR Director of Sachse, Texas, a diverse Northeastern suburb of Dallas with a population of about 33,800. "Ours is very simple. It basically facilitates a written conversation. We don't have a scoring metric. We don't tie it to compensation. It's just dedicated carved out time to talk to employees about how they're doing."

The town of Ashland, Virginia, population about 7,500, was concerned it was not getting the most value from its performance evaluations. In response, the town set up a committee work group "where we evaluated our annual evaluation form and process," said Doug Goodman, assistant town manager.

One of the biggest lessons from this work group was the need for regular feedback. At the beginning of Ashland's review, officials suspected that "younger generations wanted more feedback while veteran generations just wanted to be left alone," said Goodman. Instead, meetings with employees led to the conclusion that "regardless of generation or age, our employees wanted feedback more frequently than once a year. We instituted a new mechanism two years ago to require regular or supervisor check-ins. We require it to be at least quarterly. But again, you may have a brand-new employee that's fresh out of training or school that needs more. They might need more feedback than someone who has been on the job for 20 years. So that might be more of a monthly thing, but at least quarterly. That's the policy."

> Other cities interviewed also opted for more frequent performance check-ins instead of a common once-a-year version.

For example, Ashland police probationary officers receive more frequent feedback, particularly during an onboarding process that lasts a minimum of 12 weeks. "They are evaluated, sometimes hour by hour for the first couple of weeks because they have an on-the-job field trainer that's riding in the car with them. They're getting weekly written evaluations, sometimes daily written evaluations and they're getting this feedback for their own safety, for citizen safety and for the community, because you've given folks a badge and a gun."

Though Sachse only does one formal evaluation every September, this is supplemented by an annual "stay chat" that generally occurs in March. Stay chats help employees to communicate what they like about working for the city, the reasons they've chosen to continue to work there, and any issues they feel should be addressed.

> Regardless of frequency or methodology, HR directors told us that paying diligent attention to employee performance management has a big payoff in how the public feels about the local government employees they encounter. In fact, performance management was the only one of the five HR practices examined that strongly correlated with resident views in all four areas examined — resident satisfaction with government services overall, customer service, confidence in government, and quality of life in the community.

The success of performance management practices to actually improve employee performance depends on the quality of the employee-supervisor relationship. Beyond asking employees basic questions about what they're doing and what they could be doing better, Goodman added another critical question that a supervisor should ask: "How can I, as your supervisor, better enable you to carry out your mission? Is it education? Is it training? Is it direction? Is it just staying out of your hair?"

Productive employee evaluations also address subpar performance and problematic behavior such as too many absences or failure to get work done on time. Said Goodman. "If you're disciplining, you are disciplining to redeem a person. You set the tone. It starts at the top and matriculates down."

Attention to performance is particularly important during the new hire's probationary period. If a new hire underperforms in ways that cannot be addressed adequately, probation is the time to deal with an expensive hiring mistake.

Of course, performance management techniques also depend heavily on organizational structure and philosophy. Consider Goodyear, Arizona, a fast-growing city with a population that jumped from 18,911 in 2000 to 95,294 in 2020.

According to HR Director Lyman Locket, his department strongly emphasizes the city's values and meeting a set of annually established personal goals that link to the citywide strategic plan.

This link to the strategic plan is critical, with the number of goals for each employee carefully limited. "In the past, we may have had 10 or 12 goals for people to complete throughout the year. Now, no one has more than three goals because if you have too many goals, you're not going to be able to really focus on them," Locket said.

> Exemplary performance management practices also include rewarding employees for strong performance.

This doesn't necessarily mean money, which some organizations have tried with varying success. For example, the Town of Erie, Colorado, population 41,000, formerly tied salary increases to assessments of work quality. But this linkage was seen as less than effective.

Until about four years ago, the town gave a one percent annual raise for average performance, two percent for effective performance and three percent for outstanding performance.

But "performance reviews are very subjective," said Alicia Melendez, HR Director. "What we were finding is that we would have managers who didn't want to affect somebody's pay. And so, everybody was rated as just in the middle of the road. Or, we would have managers who were hard and so employees would never be rated as better than capable, while others said everyone was great."

"It just makes sense to give our raises consistently."

The town reformed its pay system so that everybody receives three percent "and it's actually caused us to have (more effective) performance reviews because you're not afraid to give a little bit tougher feedback."

Although it stopped connecting its performance management system with performance pay, Erie did not entirely move away from smaller monetary rewards for extremely good work. It introduced a bonus feature that allows supervisors to give the standard three percent for an outstanding review and a performance bonus of $500, as well as spot bonuses to recognize someone who is moving "above and beyond" on a specific project. "That's working great," Melendez said.

Performance Management: Moving to Performance Pay

In 2018, following a compensation and classification study, the Town of Shrewsbury, Massachusetts, a suburb of Worcester, began to make fundamental changes to its performance management system. At the time, the change was partly motivated by the town's difficulty recruiting and retaining employees.

One of the major shifts in 2018 was beginning to link pay to performance for its large number of non-union employees (in this town of about 38,400 residents, two thirds of employees belong to a union).

According to Kristina Ordung, HR director, the new performance management system is designed "to ensure that we're providing our employees meaningful salary increases and increasing communication between supervisors and their employees to create a performance culture." In addition, "it's getting people on the right path if they're not performing well, or onto development paths, and if people are doing really great work, we want to see (our employees) stay with the organization."

Shrewsbury was one of the top scorers on performance management in our survey. Town officials reported that HR requires regular employee evaluations, monitors compliance to be sure they are completed as required, has an effective process to deal with poor performance, and has formal programs to recognize superior performance.

How does Shrewsbury's performance pay work? Initially, salary increases were based on a supervisor's assessment of work quality and accomplishment of goals. Following the introduction of a Shrewsbury strategic plan in 2021-22, however, performance goals were also closely aligned to department and town goals.

The incentive amount varies from year to year based on the town budget (including calculations that also take union contracts into account.) In FY 2024,

the town provided a two percent cost of living adjustment for all non-union employees regardless of their rating. Employees rated as meeting expectations received an additional two percent (for a four percent total adjustment), and employees who exceeded expectations received a total of 5.2 percent.

The town also rewards especially good work with other incentives, such as extra days off or an additional one-time performance stipend akin to a bonus in the private sector.

Although there are still some remaining implementation challenges with the remodeling of the town's classification and compensation system and its move to pay for performance, Ordung said it helped create some "natural turnover" of employees who retired because they preferred not to transition to the new system, as well as employees who may not have been fully aligned with the town's renewed focus on performance, accountability and excellence in public service.

She added that the new system, which takes performance into account, has helped their employees gain a greater sense of their work's impact on the community.

"It has underscored the why of what we do for many of our employees," she said.

Performance Management Recommendations

- Make sure supervisors provide frequent feedback about job performance, regardless of the formal performance appraisal schedule, and ensure that supervisors have the training to effectively provide feedback and conduct performance appraisals.
- Ensure that performance discussions include how supervisors can help employees achieve their goals.
- Monitor departments to ensure that performance appraisals are conducted on schedule.
- Where possible, tie employee goals to governmentwide strategic plans and specific department goals — but limit the number of goals for individual employees to avoid confusing priorities or overwhelming employees.
- Consider stay interviews in addition to exit interviews to better understand what employees like best about their jobs and how the organization can boost retention.
- Reach out to employees through surveys, focus groups or employee committees to get input on how performance appraisal systems currently work — and then act, where possible, on their suggestions.
- For governments that use bonuses or performance pay to recognize high levels of performance, ensure that managers adhere to rules and principles of fairness.
- In the absence of monetary rewards, develop recognition programs, time off, or other ways to recognize employee performance.
- Deal with sub-par performance and discipline issues.
- Use the new hire probationary period to spot and deal with performance problems early.

HR Capability

This research revealed a particularly strong correlation between HR staff capability and residents' views of the overall quality of their local governments' services as well as government customer service. HR staff competence also correlated with resident confidence in government and their perceptions of the quality of life in their community.

Successful HR departments have top-notch HR staffs with the right motivation, attitude, skills, education, and experience.

"Nothing is more important than hiring the right people," said Jim Parrish, HR director in McKinney, Texas, population about 224,000. "I've hired three or four (HR) managers since I came on board (in early 2023) and those managers are the key because when you get the competent professional experience, then you can build the programs underneath them."

Effective HR departments understand the competencies and strengths of their own HR staff members, and the departments devote the time and resources to provide the training and career development that helps HR staff grow professionally.

Beyond education, experience and technical skills, Parrish and other HR directors whose HR capability ratings scored high in our survey emphasized the so-called soft skills that combine to build a team that is open and can work well with others.

Building a strong HR team also depends on developing carefully thought-out onboarding so HR employees know and understand not just their specific area or expertise, but also the values and strategy of the HR department and how it supports the organization's goals.

In Goodyear, Arizona, HR Director Locket emphasizes that their HR staff onboarding introduce the culture and key messages that his department wants to communicate to new staff. This is particularly important given the HR shift from a "transactional to a transformational role," as Locket said.

To reinforce Goodyear's culture, its four-day orientation focuses on the city's values of empathy, initiative, innovation, integrity, adaptability, and optimism and is used across the city's departments. This communication of values is then

operationalized by HR based on the department's centralized structure and business partner approach, with the goal of enabling HR to integrate Goodyear's culture across the city's departmental partners in a way that is meaningful and seamless.

Locket and other HR directors also strongly emphasize the importance of funding and encouraging training and professional development, including leadership courses. Citywide policies benefit all departments, including HR. For example, Winter Garden, Florida, population of about 51,500, has 100 percent educational reimbursement not just for tuition but also for fees associated with pursuing an associate or bachelor's degree, as long as the department has funding, and the employee earns acceptable grades.

One way that cities can build effective HR departments is through conflict resolution training, which helps HR and other employees create positive resident perceptions of customer service.

For example, through its employee assistance program, the HR Department in the town of Vienna, Virginia, population about 16,500, engaged a consultant to train employees to seek solutions with confrontational people who are ready for a fight. The HR staff and about 40 percent of the town's other employees participated. The police department was not included because it already had its own conflict training.

"When residents come in and are upset about something, we wanted (employees) to learn ways to defuse the situation and not make it worse, and to try to make sure that the person is being heard," said Michelle Crabtree, Vienna HR director.

This training has helped HR staff, who can often overhear residents complain to other departments also located in the town hall. "We've done a lot of customer service training, and we've really stressed how important it is that if we see something that's not going right, we see what we can do," she continued.

Two HR staff members in the Town of Erie, Colorado, are certified in teaching Crucial Conversations, which provides tools to improve customer service and interpersonal working relationships. HR periodically rolls this out to other departments to help employees learn how to handle situations where residents might be upset and "talk them through that without causing the situation to escalate," said HR Director Alicia Melendez. "It's been a gamechanger for us."

HR directors with high scores in HR capability mentioned other training to identify the personality factors that enable employees to connect with others and do our work well, said Locket.

The approach Goodyear's HR Department uses, Gallup's CliftonStrengths assessment, helps employees understand their strengths and blind spots.

Expanding HR Knowledge in Schaumburg, Illinois

Building HR staff capability in the village of Schaumburg, Illinois, doesn't always require external training dollars. It sometimes means giving employees new experiences, said Joseph Carey, Director of Human Resources.

There have been multiple opportunities to do that in Schaumburg. While officially termed a village, it's population of 78,723 makes it the most populated village in the United States. As in some other states, and particularly in municipalities near Chicago, about 26 miles away, the term village is based on incorporation status and historical factors, not population.

Carey, HR director since January 2024, was intent on creating a stable environment in the department and building trust. His goal, in addition to filling vacant positions, was to build expertise by providing opportunities for HR staff to work outside their job description.

This is accomplished by sharing knowledge, with HR staff invited to learn and potentially participate with employees who work in different HR areas. "On a bi-weekly basis, our HR knowledge share will cover a certain aspect of HR," explained Carey. For example, a recent topic was worker's compensation — aimed at employees in the department who don't normally work in that area.

"There's an opportunity for people to get exposed to all aspects of HR. If there's an interview in which we need to be involved, we'll let someone participate who doesn't normally engage in that," he said. Similarly, they may invite an employee

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not normally involved in union negotiations to attend a meeting in which a union contract is discussed.

Expanding the role of his employees also gets them out of HR's central offices and into the field, with every member of HR at one time or another visiting different departments to help with human resource related questions and to be the face of HR in other parts of the organization.

Carey also encourages his own staff to get involved in Schaumburg's three employee committees: Employment Engagement Committee, A Healthy You Committee, and a Voice Committee. The latter is focused on helping employees learn about and connect with the many cultures in Schaumburg.

HR Capability Recommendations

- Assess HR staff competencies to ensure a mix of skills and strengths.

- Select new HR staff members who will build core department strength. Focus not just on professional skills, but on softer personality elements that combine to build a team that is open and can work well with others.

- Use onboarding to reinforce HR department — and organization — culture and values.

- Provide training and career development to grow interpersonal and professional skills in HR.

- Consider training on conflict resolution both to help resolve employee disputes and build general HR staff skills for dealing with resident complaints.

- Use personality assessment exercises to help employees understand and work successfully with each other.

- Provide programs or events that help HR staff share knowledge with each other to increase their understanding of HR functions and responsibilities different from their own. Also provide opportunities for staff to spend time in other departments to learn about their needs and concerns.

Employee Well-Being

The UKG-Polco study revealed a strong correlation between employee wellbeing programs and resident perceptions of employee customer service, the quality of municipal services, confidence in the municipal government, and quality of life in the community.

Organizations can help employees achieve wellbeing by promoting solid supervisor relationships, a friendly workplace, emotional and physical health, a manageable workload, and pride in work.

Well-being can also be supported by both wellness and financial literacy programs, plus a comprehensive and easily accessible employee assistance program (EAP). Employees should be comfortable using an EAP without fearing any

impact on their employment, job, or promotion potential. The availability of EAP services should be well-publicized without any stigma attached to their use.

Beyond formal programs, one way to create a sense of wellbeing is to simply listen to employees. "We send out employee surveys and we act on them," said Kristina Ordung, HR director in Shrewsbury, Massachusetts. "We implemented family medical leave because our employees asked for it. We increased the amount of vacation time that non-union employees receive and gave them more vacation earlier in their tenure because that's what they asked for. We offer different employee events through the course of the year — like Red Sox opening day."

This appears to be paying off, based on a very low turnover rate in her town — only seven percent. "If you're developing your employees and they have an opportunity for growth within your organization, then you'll be able to see those dividends with longer-term employees (who) build relationships with the businesses and the residents in the area."

A focus on employee wellbeing often includes specific wellness programs. The HR department in Urbandale, Iowa, population about 45,600, has rolled out an employee wellness program and is "constantly pushing out content about employees taking care of themselves physically, emotionally, and financially," said HR Director Erin Freeman. "The idea is to make sure we're covering all those bases."

Vienna, Virginia, has both a wellness program and wellness committee, which has produced activities such as the Mayor's Fitness Challenge, in which employees and residents competed with other towns to log their hours of exercise. In 2025, Vienna held a health and wellness fair with local vendors and wellness specialists, as well as representatives from the town's health plans.

In McKinney, Texas, the city manager has made mental health a strong focus. While there was already a mental health program for public safety, the city has actively pushed the message to all departments that more attention is needed. McKinney recently hired a well-being coordinator to manage mental health and other wellness activities for the city's 1,340 employees. "This well-being person will be the hub of many of our benefits," said HR Director Parrish

A growing focus on mental and emotional health is also reflected in changes to McKinney's employee assistance programs. For example, the city recently extended the number of allowed EAP counseling visits from six to ten a year.

In Vienna, the EAP's six counseling sessions are available not only to employees, but also to family members. In July 2024, the city also rolled out a new paid leave plan that recognizes that sometimes employees must take time off if an extended family member is sick or has an accident. While taking a non-dependent family member to a doctor wouldn't qualify for sick leave in Vienna, this new more flexible policy allowing other paid leave recognizes the impact that a family sickness or accident has on an employee's personal life.

While attention to employee health and safety is common, cities are also paying attention to financial wellness. In 2023, the MissionSquare Research Institute reported that 40 percent of state and local government employee survey respondents said their employers offered financial literacy or financial education programs in 2022, up from 29 percent in 2019.[3]

For example, Goodyear has purchased an online course and platform that employees can use free of charge. "It's not about making money; it's about managing the money you have," said Locket. "We think it's a great platform because it hits so many aspects of financial well-being." Goodyear also provides "robust retirement planning that our benefits analysts do for our employees," he added, and the city now offers retirement seminars that emphasize the power of investing early in an employee's career.

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[3] "Public Sector Employee Financial Wellness Program Needs and Preferences (2022 survey results)," MissionSquare Research Institute, April 2023, 3, https://research.missionsq.org/resources/public-sector-employee-financial-wellness-program-needs-and-preferences.

"Happy Employees. Happy Residents."

One of the goals of the Sachse, Texas, Human Resources Department is to improve the day-to-day employee experience. "If employees are happy about coming to work, this will organically result in them doing a better job and that results in happy residents," said HR Director Jana Ventura.

The city fosters employee wellbeing in multiple ways. It concentrates on the basics — providing easy access to an EAP and focusing on both employee health and financial wellness — but goes further.

On the health front, for example, Sachse puts a special emphasis on rewarding employees for preventive health. Employees who have an annual well-person visit checkup get $50 and a day off, while other preventive visits are also rewarded with slightly less time off and smaller dollar rewards.

It would be easy to assume that certain HR initiatives would automatically lead to workplaces in which employees thrive. But instead of simply making educated guesses, Sachse reaches out to the employees themselves to see what they recommend. The city has also established a culture committee, which gathers ideas from workers that are then considered by the city manager, who either agrees or explains why the idea won't work.

This approach has resulted in recent changes. One well-received idea was a new more casual dress code based on allowing employees to dress for the kind of day they're going to have. "If you're an office employee and you don't have any formal meetings, you can wear jeans," Ventura said. Another popular change, in a city that doesn't permit remote work, was shifting to a compressed week, with work days running from 7:30 AM to 5:30 PM Monday through Thursday and ending at 11:30 AM on Friday.

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Beyond the ideas brought to the culture committee, in 2023 the city began requiring an annual performance evaluation and also introduced separate "stay chats" in which every employee in the city has a conversation with their direct supervisor about why they continue to work for Sachse and what they like about their employment. As Ventura explained, the conversation leads to, "What would you change if you could?" and "What could we do to make your time here better?"

Ventura keeps a list of ideas that have resulted from these conversations. In the Department of Public Works, for example, a stay chat with an employee who was drowning in responsibilities resulted in the shift of an underutilized position in another department to Public Works to provide much-needed relief. Another chat revealed that the internet speed in a fire station was slow, a technical problem that the city fixed.

The city manager, assistant city manager and Ventura review the problems, ideas and requests that emerge from these interviews – and sometimes the answer is no. "We didn't do any salary adjustments" as a result of the stay chats, she said, and "we did not change our policies on remote work." But "whenever we can solve problems, we do. Because some of the time something that could make somebody's employment experience better is something very small and very easy."

Employee Wellbeing Recommendations

- Encourage wellbeing through wellness initiatives, including medical appointments that support preventative health measures, promote physical exercise, and reduce employer costs.

- Consider innovative, alternative, and low-cost ways of promoting wellness and exercise such as fitness challenges.

- Promote employee mental health through access to EAP counselors and benefits that make mental health care affordable and accessible.

- Offer financial literacy and education programs to encourage savings, build knowledge of retirement programs, help employees reduce debt, and address other potential financial concerns.

- Survey employees to make sure services are widely known, that accessing an EAP does not carry stigma or result in adverse consequences for employees, and discover whether other elements that support employee wellbeing are necessary. If employee suggestions/requests are not feasible, explain why.

- Provide scheduling flexibility including offering remote work when feasible. If not, consider condensed work schedules with longer work days to free up more days off.

Recruitment and Hiring

The UKG-Polco study found a correlation between effective recruiting and hiring practices and resident perceptions of government customer service, quality of life in the community, and quality of municipal services.

Applications for state and local government jobs began to drop about a decade ago, creating serious understaffing problems and spurring renewed attention to recruiting and hiring. While finding qualified applicants is still challenging, particularly for hard-to-fill jobs like those in law enforcement, finance, nursing and IT, nationwide data about public sector hiring is showing some signs of improvement for local governments.[4]

However, much remains to be done, and multiple practices can improve public sector hiring. These include paying attention to — and calculating — time to hire; mounting aggressive marketing and branding campaigns; making the application process easier (for example, by enabling candidates to apply on their mobile devices); recruiting widely for vacancies using multiple avenues and approaches; and assessing new hire quality.

HR directors interviewed also reported they are adjusting qualifications for some jobs to allow candidates without traditional credentials such as college degrees to compete, and then training them on the job.

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[4] "Good News -- and Bad – About Public Sector Hiring," Greenebarrett.com, February 18, 2025, https://www.greenebarrett.com/management-update/good-news-and-bad-on-public-sector-hiring

While only a few of the cities surveyed excelled in all the hiring best-practice criteria, several that scored particularly well overall in the HR survey scored high in all but one or two hiring practices.

One consistent strain across the high-rated HR departments, even those with particularly small staffs, was a focus on recruiting and not just hiring. HR directors reported a variety of approaches to effectively recruit and hire. A few examples:

The top-rated HR departments devote staff time to recruiting. "We are very practiced at really selling the entire package," said Winter Garden, Florida, HR director Cheryl Jones. "We like to call it sell the sizzle. And there's a lot of sizzle. You're talking an excellent pension, which is hard to find anymore, and we have 100 percent tuition reimbursement, and excellent health insurance and leave benefits."

One clear focus is making the application and hiring process faster and easier. In Shrewsbury, Ordung points to the need to keep timelines as tight as possible, "in order to keep things rolling because we know that if you're applying with us, you're probably applying to other places as well."

Faster hiring is just the start. HR directors also cited the need to be transparent about the timing of steps in the hiring process. "We put the dates of everything from the written test to the physical test to the interviews in the (job) posting," said Freeman. That way, candidates know to set aside time in their personal and professional lives and "they know exactly when we know who we're going to hire."

We partner with a lot of schools in the area. We've been to middle schools and high schools to do presentations and talk about government, and we're very active in the community.

— MICHELLE CRABTREE, HR Director, Vienna, Virginia

We can't always hire at the level we want, but if someone is good, we don't mind training them up.

— JIM PARRISH, HR Director, McKinney, Texas

We've built in space in our union contracts to hire people who don't have all the (necessary) licenses. Shrewsbury will pay for you to get the licenses and then once, you've obtained them, we'll move you into a higher pay grade.

— KRISTINA ORDUNG, HR Director, Shrewsbury, Massachusetts

We've been collecting feedback from prospective employees and current employees and pulling in data from exit interviews. We're trying to identify areas where we could improve to attract every generation to the workforce.

— ERIN FREEMAN, HR Director, Urbandale, Iowa

Recruiting and Hiring for Character

The City of Winter Garden, Florida, faces recruiting and hiring challenges including a competitive local market, dramatically increasing wages for police and fire, and dealing with a multigenerational job market with differing needs and expectations.

Despite those challenges — or maybe because of them — the city has adapted its recruiting and hiring practices. These include branding and marketing, reducing time to hire, creating strong relations with community organizations, and paying close attention to the performance of new hires.

Based on the track record of a successful police cadet program, Winter Garden has started a similar effort that involves paying fire academy students while they obtain the education and certification they need to become firefighters. "That's a big commitment because it's a long time before they are through with the program and come on board. That's how seriously we take this," said HR Director Cheryl Jones.

The city's five-person HR staff has one employee who recruits almost full time, partnering with department heads on strategies that generate candidates and then screening applicants for minimum qualifications, with an emphasis placed on character.

The city relies on behaviorally oriented interviews to select candidates whose attitudes fit the city's mission, vision, and core values. "We want people who are interested in the city and who have educated themselves on the city and really want to be part of who we are," she said. "We ask them specific questions about what they're looking for in their work environment from a supervisor; what their expectations are. We get a better understanding of who they are and why we should select them."

As Jones said, "it really boils down to character. Integrity, honesty, collaboration, and teamwork are really significant."

The HR Director and Director of Economic Development also said the city focuses on employee retention through programs that encourage career development, to make sure that career mobility is embedded in the culture.

For example, an employee hired as a Customer Service Representative was promoted to Customer Service Supervisor based on her performance and consistently demonstrating the city's core values when working with residents. Then, recently, she became Customer Service Manager when the prior manager retired. An employee in solid waste whose days were spent driving from household to household to pick up trash received support from the city to successfully carve out a path to becoming a firefighter, said Marc Hutchinson, Director of Economic Development. "We recognize our employees and their desires for growth and talk with them about their career goals," said Jones. "Then, when positions become available, we look at all the candidates and if there is an internal candidate who has performed well and meets many, but not all minimum qualifications and demonstrates the characteristics of a really good representative of who the city is, we will invest in them. We have done that on many occasions and have taken the time to develop and help them grow."

Recruitment and Hiring Recommendations

- Recruit aggressively and widely including through community organizations, local interest groups, external job boards, and social media.
- Partner with department directors on recruiting strategies that generate qualified candidates.
- "Sell the sizzle," marketing the full value of employment, including not just salary, but other factors such as culture and values, benefits, wellness programs, and the sense of purpose from providing essential services to residents.
- Consider internship and cadet programs to help build the next cadre of employees.
- Visit middle and high schools to spread knowledge about career opportunities and generate early interest in public service careers.
- In job interviews, focus on identifying candidates whose values align with the organization's.
- Communicate in advance with job candidates about scheduling and timing of decisions.
- Survey job candidates and current employees about how to improve recruiting and hiring.
- Analyze where recruitment and hiring delays occur and eliminate unnecessary, duplicative, and time-consuming steps.
- Calculate and monitor time to hire.
- For hard-to-fill jobs, eliminate unnecessary qualifications and train on the job.

Compensation and Benefits

This study revealed that effective compensation and benefits practices are correlated with residents' perceptions of their local government's customer service. However, it is unlikely that any other HR area is as challenging as compensation. Organizations can change policies and practices in the above areas, like employee well-being, performance management, and recruiting and hiring. But compensation and benefits are highly competitive and require cold hard cash.

Many of the respondents to the UKG-Polco survey identified challenges including competing with the private sector and neighboring communities, negotiating with unions, and navigating the shifting preferences of different generations.

The cities that scored highest in this category calculate and communicate to employees the value of total compensation, both salary and benefits, and can show employees they're being paid fairly. These cities also have a compensation philosophy driving both pay and benefits, assess pay equity and make adjustments to respond to disparities, and conduct comprehensive market studies to remain competitive.

For example, McKinney, Texas, conducts an annual market survey for general employees and even more often for public safety. Other cities regularly monitor the labor market to see how they stack up against the competition, although the criteria for comparison organizations and survey frequency vary.

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Market surveys can generate targeted or more general changes. In Winter Garden, Florida, the market survey three years ago led to a citywide understanding that changes were necessary, leading to a significant recalibration of pay. Employees received up to a 15 percent increase, which "raised the compensation to a level where it's much more competitive," said Winter Garden's Economic Development Director Marc Hutchinson. "There was a time during COVID when inflation skyrocketed and there were folks who were looking at other opportunities that were paying $500 more or $1,000 more or $5,000 more. We had to take that big hit so we would keep people." The city also increased sworn police pay by 20 percent this year due to significant changes in the local market to maintain competitiveness.

HR leaders also mentioned changes in both pay plans and awarding modest hiring or retention bonuses. For example, to find candidates with a commercial driver's license (CDL), Vienna, Virginia offered a $2,000 hiring bonus to applicants who had a CD. The first $1,000 is paid after six months on the job and then another $1,000 after one year. To even the playing field with current employees who already have CDLs, Vienna also gave them a $2,000 bonus. Creating comparable adjustments to current employees helps avoid salary compression between experienced and new employees.

"This has helped attract and retain employees with CDLs and the turnover in this category is down substantially," said HR Director Michelle Crabtree.

Localities also made pay plan changes that alter the job classification system. For example, several cities had an excessive number of steps for employees to reach the maximum level of pay for their current job.

HR Director Erin Freeman in Urbandale, Iowa, explained that the city reformed its classification system by reducing the 16 steps in its pay plan to eight. This accelerated an employee's movement to the top compensation level. Changes like this can reduce the turnover of young employees who do not yet see the value of staying in a job based on promised retirement benefits decades down the road. In Urbandale, city research pointed to the importance of keeping a new employee for four years, which exponentially increased the odds that they wouldn't turn over.

> Urbandale also cited a generational issue that other HR directors also commented on. "The younger generations entering the workforce are not interested in long-term employment, therefore they are not drawn to the pension and health benefits which have historically been a city's most appealing employment trait."

That was the impetus for Urbandale to add a deferred compensation program for employees with the city matching two percent of employees' contributions. Urbandale also changed its vacation policy so that new employees start out with three weeks of vacation instead of two. The city also now provides a year's worth of sick leave as soon as employment begins.

In Erie, Colorado, HR Director Alicia Melendez pointed to the impact of the town's superior benefits. "I think we're one of the only municipalities in the state that offers 15 paid holidays a year," she said. In addition, the town has now pre-loaded 40 hours of vacation for new employees, so they have two weeks of vacation from their first day on the job. "I think things like that just really help our employees want to work in this municipality," she said.

Compensation: A "Highly Competitive Environment"

In the densely populated Dallas-Fort Worth Metroplex, McKinney, Texas is one of more than 100 towns and cities in the area, all of which must deal with a "highly competitive" environment, for the best and brightest people, said Jim Parrish, McKinney's HR Director.

That has raised the ante for the city's compensation and benefit policies and practices, which stand out in many ways. McKinney calculates the value of total compensation, regularly assesses pay equity to avoid compression, and runs compensation market studies every year for general employees and twice a year for police and fire. It then uses this information to fine tune both its pay and benefits.

If McKinney had infinite resources, competing on pay would be less challenging. But as with all other cities, that's never the case, and so the city continues to face the stress of matching compensation needs to the resources available while also ensuring it can fill the budgeted positions it needs.

One might assume that McKinney's major issue would be keeping up with the salaries offered by larger neighboring municipalities with bigger budgets. But being a larger city next to smaller towns and cities can also create problems. For example, several years ago, when Parrish first took the job of HR Director, he discovered that McKinney was struggling to compete with other communities for general laborers.

Parrish met with officials in other neighboring cities and found that many of them were paying general laborers $20 an hour, while McKinney was paying $17 an hour. "When I analyzed this, I realized we had to bump our pay up. Our city manager here is very innovative. We realized we couldn't raise all our city employees to a $20 an hour level. Instead, we created a public works pay plan" specifically for the public works department.

At the same time the city moved laborers up to $20 an hour it also increased the pay of their supervisors and crew leaders to avoid pay compression. That also had the benefit of keeping workers in higher level positions from leaving.

Before the pay change, 46 of the city's 200 budgeted public works positions were vacant. Today there are only eight openings and "And I think six of those are probably because they aren't ready to start projects," he explained. "And the pay system, instead of being a dissatisfier, became a satisfier. This made a huge difference."

No system is perfect and there are still ways that Parrish would like to change McKinney's compensation system. For example, employees must go through 13 steps to reach the top of the pay range in a specific classification, and he believes that fewer steps are preferable because it helps employees move up more quickly to the top of the range, where a career ladder and promotional opportunities can advance them further.

Compensation and Benefits Recommendations

- Tie pay and benefits to a compensation philosophy that fits with organization structure and goals, and the competitive environment.
- Conduct regular market surveys to compare pay and benefits against competitors while also considering differential factors such as location, tax base and housing affordability when assessing survey results.
- Calculate and communicate to employees the value of total compensation that includes both salary and benefits.
- If hiring and retention bonuses are used, evaluate whether they improve hiring and retention.
- Adjust current employee pay to avoid salary compression when increasing starting pay for job candidates.
- Reexamine classification and pay systems to assess if the number of steps required to reach maximum pay for a specific job may hurt retention.
- Survey job candidates, as well as new and current employees, to identify the benefits that will have the most impact.
- Recognize generational differences in designing benefits, acknowledging that some benefits are more aligned with younger age groups (e.g., education loan reimbursement or paid parental leave) while others (e.g., retiree health care) are more targeted at second-career or older employees.

Conclusion

Government HR leaders face a series of daunting challenges that will only accelerate in the years to come. Though HR departments have increasingly attempted to evolve from transactional to strategic, the next phase step is to become — and be seen as — truly transformational. But many HR departments are early in that process as they continue to be absorbed by compliance and routine but critical tasks like making sure paychecks go out on time or answering the seemingly endless array of questions about benefits packages.

Unlike their colleagues in disciplines like economic development, HR typically isn't involved in ribbon cuttings or other public celebrations. In fact, HR's good work is rarely given enough praise, including from elected officials. As one director put it, "HR is mostly thought of a back office operation and when it gets public attention, it's mostly when there's a bad outcome."

That is why this research should provide HR departments with a greater sense of achievement.

When public sector organizations develop effective human resource practices, the payoff is a heightened sense of resident confidence in government and quality of life. As Cheryl Jones, HR Director for Winter Garden, Florida, said, "The HR team is all about service and we provide that service to the employees, so they feel cared for, and it flows from them to the residents."

Our hope is that HR departments will use our results as evidence that investing in human resources can have a real payoff, including in residents' positive sentiments about local governments. In fact, in addition to implementing the HR strategies outlined below, local governments should regularly measure community satisfaction with services and quality of life — to ensure they remain responsive to residents and continually improve the quality of service they deliver.

The challenge for HR departments is to operate at a level that will positively impact their communities. Below are the 42 recommendations cited above that local governments of all sizes should consider.

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Recommendations

Performance Management

- Make sure supervisors provide frequent feedback about job performance, regardless of the formal performance appraisal schedule, and ensure that supervisors have the training to effectively provide feedback and conduct performance appraisals.

- Ensure that performance discussions include how supervisors can help employees achieve their goals.

- Monitor departments to ensure that performance appraisals are conducted on schedule.

- Where possible, tie employee goals to governmentwide strategic plans and specific department goals — but limit the number of goals for individual employees to avoid confusing priorities or overwhelming employees.

- Consider stay interviews in addition to exit interviews to better understand what employees like best about their jobs and how the organization can boost retention.

- Reach out to employees through surveys, focus groups or employee committees to get input on how performance appraisal systems currently work — and then act, where possible, on their suggestions.

- For governments that use bonuses or performance pay to recognize high levels of performance, ensure that managers adhere to rules and principles of fairness.

- In the absence of monetary rewards, develop recognition programs, time off, or other ways to recognize employee performance.

- Deal with sub-par performance and discipline issues.

- Use the new hire probationary period to spot and deal with performance problems early.

HR Capability

- Assess HR staff competencies to ensure a mix of skills and strengths.

- Select new HR staff members who will build core department strength. Focus not just on professional skills, but on softer personality elements that combine to build a team that is open and can work well with others.

- Use onboarding to reinforce HR department — and organization — culture and values.

- Provide training and career development to grow interpersonal and professional skills in HR.

- Consider training on conflict resolution both to help resolve employee disputes and build general HR staff skills for dealing with resident complaints.

- Use personality assessment exercises to help employees understand and work successfully with each other.

- Provide programs or events that help HR staff share knowledge with each other to increase their understanding of HR functions and responsibilities different from their own. Also provide opportunities for staff to spend time in other departments to learn about their needs and concerns.

Employee Well-Being

- Encourage wellbeing through wellness initiatives, including medical appointments that support preventative health measures, promote physical exercise, and reduce employer costs.

- Consider innovative, alternative, and low-cost ways of promoting wellness and exercise such as fitness challenges.

- Promote employee mental health through access to EAP counselors and benefits that make mental health care affordable and accessible.

- Offer financial literacy and education programs to encourage savings, build knowledge of retirement programs, help employees reduce debt, and address other potential financial concerns.

- Survey employees to make sure services are widely known, that accessing an EAP does not carry stigma or result in adverse consequences for employees, and discover whether other elements that support employee wellbeing are necessary. If employee suggestions/requests are not feasible, explain why.

- Provide scheduling flexibility including offering remote work when feasible. If not, consider condensed work schedules with longer work days to free up more days off.

Recruitment and Hiring

- Recruit aggressively and widely including through community organizations, local interest groups, external job boards, and social media.

- Partner with department directors on recruiting strategies that generate qualified candidates.

- "Sell the sizzle," marketing the full value of employment, including not just salary, but other factors such as culture and values, benefits, wellness programs, and the sense of purpose from providing essential services to residents.

- Consider internship and cadet programs to help build the next cadre of employees.

- Visit middle and high schools to spread knowledge about career opportunities and generate early interest in public service careers.

- In job interviews, focus on identifying candidates whose values align with the organization's.

- Communicate in advance with job candidates about scheduling and timing of decisions.

- Survey job candidates and current employees about how to improve recruiting and hiring.

- Analyze where recruitment and hiring delays occur and eliminate unnecessary, duplicative, and time-consuming steps.

- Calculate and monitor time to hire.

- For hard-to-fill jobs, eliminate unnecessary qualifications and train on the job.

Compensation and Benefits

- Tie pay and benefits to a compensation philosophy that fits with organization structure and goals, and the competitive environment.

- Conduct regular market surveys to compare pay and benefits against competitors while also considering differential factors such as location, tax base and housing affordability when assessing survey results.

- Calculate and communicate to employees the value of total compensation that includes both salary and benefits.

- If hiring and retention bonuses are used, evaluate whether they improve hiring and retention.

- Adjust current employee pay to avoid salary compression when increasing starting pay for job candidates.

- Reexamine classification and pay systems to assess if the number of steps required to reach maximum pay for a specific job may hurt retention.

- Survey job candidates, as well as new and current employees, to identify the benefits that will have the most impact.

- Recognize generational differences in designing benefits, acknowledging that some benefits are more aligned with younger age groups (e.g., education loan reimbursement or paid parental leave) while others (e.g., retiree health care) are more targeted at second-career or older employees.

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