

APPENDIX

COMPENDIUM OF HUMAN RESOURCE MANAGEMENT BEST PRACTICE REFORMS



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Aggressive Human Resource management (HRM) reform has been an ongoing process within public agencies for nearly thirty years. The absolute number of specific reform programs is impossible to gauge. One limiting factor is the simple fact that the United States contains over **80,000** governmental jurisdictions. Every one of these city, county, state, or special purpose agencies has probably introduced some type of HRM reform in the recent past. In addition to the sheer volume of technical, legislative, and procedural revisions in civil service systems, most of the alterations are the direct byproduct of “diffusion of innovation.” That is, once a good idea has been identified and successfully implemented, the reform spreads to other public jurisdictions without much fanfare. Thus, there may be many cases in which worthy reform programs have been introduced; yet the host agencies receive little or no outside recognition from the professional community.

With these thoughts in mind, the following list of HRM Best Practices is intended to accomplish three goals.

- **To provide a framework for discussing HRM innovation.** This Compendium is intended to organize the types of HRM reforms according to their functional objectives. The traditional functions of HRM – such as recruitment, classification, compensation, performance appraisal, discipline – are all intended to promote one common objective: to make public agencies perform more effectively. They are therefore interrelated, making distinctions between different types of reform programs somewhat artificial. Nevertheless, the various “personnel functions” do provide a convenient means of conceptualizing the diverse HRM reform agenda.
- **To briefly explain the logic and content of each major thread in the HRM reform fabric.** The underlying reasons why these reforms are both necessary and worthwhile are very succinctly stated in the context of their contributions to broader HRM objectives.

- **To chronicle the specific reform programs and jurisdictions that are most noteworthy as potential models that other public agencies might seek to emulate.** This Compendium does not attempt to offer a complete accounting for each and every reform, nor does it contain the names of every city, county, or state that might deserve recognition. Instead, the entries that are included below have been culled from an extensive review of the HRM reform literature. They are mentioned primarily because of the external recognition that they have received for their accomplishments, and/or for the perceived contributions that they make to innovation efforts.

More in-depth descriptions of seven jurisdictions can be found in a companion document entitled Human Resource Management Innovation in Selected Jurisdictions.

Functional Activity: Recruitment

Ongoing reforms are intended to expedite the identification and selection of qualified applicants. Most of the efforts in this regard involve a 1) reduction in the number of recruitment steps and authorizations that must occur before placement, 2) simplified exam strategies, 3) more aggressive outreach efforts, and 4) decentralization of authority to line managers.

Reform Ideas and Programs

- Elimination of single point of entry.
- Abolition of most paper-and-pencil merit exams, expanded use of technology.
- Expanded outreach efforts targeted at high-need communities.
- Selective certification, by which agencies are empowered to hire individuals with special skills (e.g., bilingual).
- Continuous outreach in which applicants may apply for jobs at any time rather than at designated times and locations.
- On-the-spot hiring for high-need jobs.
- Highly proactive efforts to reach potential applicants and to encourage incumbent employees to assist in the search efforts.
- Financial incentives to attract needed skills.
- Early cultivation of professionals through internships, tuition programs, job shadowing.
- Elaborate orientation programs that gently introduce employees into high-stress jobs in order to reduce anxiety, promote confidence, and enhance retention.
- Employee referrals to fill job vacancies (90% of employees in private sector reportedly arrive through referrals).
- “User-friendly” application systems that incorporate an eclectic mix of outreach, low-stress testing strategies, and uncomplicated procedures are essential elements.
- Emulating private sector search firms.
- Expanded flexibility for the appointing authority—no arbitrary rule of three (etc); cluster recruiting that permits applicants to apply for several job categories through just one test or screening device.
- Linking recruitment priorities to Agency mission statements.

Exemplary Locations of Best Practices - Recruitment

State of Florida: Exemption of line agencies from most state rules on recruitment and selection.

State of North Carolina: County agencies permitted to obtain “delegated authority” to recruit and select under very general guidelines from the State.

States of Colorado and Georgia: Eliminated merit system.

State of South Carolina: Eliminated merit system; created central job bank of position announcements, on-line postings of all jobs; extensive use of career fairs; virtual elimination of formal exams.

Albuquerque, NM: Managers allowed to accrue compensatory time for energies expended in community outreach and recruitment efforts.

New Haven, CT: Recruitment teams consisting of diverse (ethnic and gender) workers used to visit career fairs, attend public meetings, school fairs, etc.

Austin, TX: Strategic planning program that ties HRM objectives – such as recruitment – to missions and goals.

Federal Government: Recruiters given authority to make “on-the-spot” offers to job candidates with needed skills, such as RNs and engineers. The only restriction is that the applicants have 3.0 or better GPAs.

Atlanta, GA: City provides low interest mortgage loans for new workers who agree to stay a given period of time, and to locate in transitional or deteriorating neighborhoods.

Maricopa County, AZ: Community outreach program includes automatic faxes of every job opening to community and social service agencies.

State of Wisconsin: Paperless application, walk-in testing, continuous recruitment, less reliance on exams, decentralized decision authority.

State of Washington: National search efforts using all the techniques of “head-hunter” firms (paid for by charge backs to the hiring agencies.)

North Carolina County DSS Agencies: The Educational Collaborative with Universities in the state provides a pool of talent with staying power. Internship programs are part of this effort.

Fairfax County, VA: Uses continuous recruitment and web site to make job vacancies widely known. They have a university partnership that monitors a Student Unit Project.

Functional Activity: Retention and Improvement In the Quality of Life for Workers.

- Compensation
- Employee Development
- Supervisory Practices

Once recruited, public agencies often are unable to retain good workers due to unreasonable workloads, low pay, poor working conditions, unenlightened leadership, and a huge variety of “job dissatisfiers” that drive away talent. A “positive organizational climate” is probably the single greatest contributor to retention and high morale.

Public agencies once paid little attention to the intrinsic needs of their workers. Enhancements in working conditions and related components of the job context are a critical “target of opportunity” because many of these initiatives can be accomplished with a relatively small expenditure of funds. Likewise, the critical connection between supervisory practices and retention have forced a revolution in the means by which some public managers are trained, overseen, and rewarded.

Reform Ideas/Programs

- Broadbanding forms of classification and pay administration; this allows managers more flexibility in the job assignments and pay assigned to their subordinates.
- Merit pay, including pay based on skill levels (“skill-based pay”), bonus systems; longevity pay; signing bonuses.
- Employee recognition programs to heighten loyalty to the organization.
- Flextime and other types of scheduling changes that make work more attractive.
- Use of worker committees to identify problems and recommend solutions to management.
- Employee mentoring and expanded orientation periods.
- Telecommuting.
- Aids to training and employee development.
- Tuition reimbursement, on-site courses, incentives to participate in training opportunities.
- Job satisfaction surveys among workers to identify problem areas and fashion responses.
- Exit interviews to pinpoint deficiencies and/or to identify ineffective supervisory practices, job irritants, and employee suggestions for improvement.
- Embellished Employee Assistance Programs (EAPs) to support troubled workers and to provide paths to improvement.
- Reduce bureaucratic load on service providers in order to focus energies on clients and reduce job stress.
- Rotation of unpleasant assignments (on-call obligations) so as to reduce their impact on employees, especially those with families.
- Create a supportive and flexible work environment that encourages innovation, risk-taking, and reinforces the value of each individual (“changing organizational culture”.)
- Enhance employee empathy and understanding of the client community through interaction and training.
- Sensitivity training in areas such as sexual orientation, gender bias, ethnic differences, etc.
- Training the trainers in order to create an indigenous ability to introduce and perpetuate changes.
- Ensure that promotions are granted on a fair and impartial basis so as to protect the incentive and career system from serious employee dissatisfaction.
- Emulate private sector compensation approaches where applicable, such as through group incentives and shared savings plans.

Exemplary Locations of Best Practices - Retention and Improvement in the Quality of Life for Workers

City of Charlotte, NC: Line managers are given power to manage their personnel systems, and held accountable for such outcomes as worker retention. New city manager introduced a collaborative decision-making approach to administration; hiring decisions are made in a collective manner, along with priority setting.

State of South Carolina: Broadbanding in which 50 pay grades were collapsed into 10, and 2200 classifications reduced to about 500.

Maricopa County, AZ: Broadbanding; all Employee Assistance Programs (EPA) and related activities are housed under one roof for “one stop shopping” and coordination purposes.

Maricopa County and Phoenix, AZ: Recognized national leaders in conducting regular employee attitude surveys to assess problems and engineer responses.

Both are also known for very sophisticated training programs designed both to improve skills of workers and to increase managerial competencies.

State of Wisconsin: Broadbanding, along with various forms of incentive pay, equity increases, and skill-based pay.

California Department of Motor Vehicles: Comprehensive system of flextime, telecommuting, and job sharing (in which two employees split one job between them.)

Sacramento County, CA: Employee involvement in identifying mission, objectives, and program initiatives. They also have a model exit interview format.

Rochester, NY: Permits employees to reengineer their own jobs instead of following rigid classifications; compensatory time is provided to those who pursue additional education or involvement with the community.

Santa Clara County, CA: Flattened organizational hierarchy created to foster quicker decision-making and make the organizational culture more open and supportive.

Fairfax County, VA: Sponsors Professional Development Training and partners with the Virginia Institute for Social Services. The county also has a pay for performance system.

Lansing, Michigan: Model mentoring program in police department and social service agencies.

North Carolina County DSS Agencies: Variety of programs aimed at “celebrating the staff.” Retreats, recognition programs, small cash bonuses, participative management.

Madison, WI: Specialized training for employees on ingrained biases and means to recognize and reduce them.

Minneapolis, MN: Generalized training requirements on all forms of bias and the appropriate response to bias.

Albuquerque, NM: Model program for gender sensitivity training.

Savannah, GA: Focused training programs for supervisors on the critical importance of organizational culture, the necessity for an open and accepting environment, and the behaviors that can accomplish these ends.

Illinois Department of Employment Security:

Training the trainers program in which employees participate in curriculum development.

State of New York: Use of a “Promotion Index” in which candidates for advancement are assessed according to a skills “battery” and assigned a “promotability index” that is reportedly objective and widely accepted.

City of Greensboro, NC: Recognized as one of the few locations in which merit pay has been successfully implemented and managed.

City of Memphis, TN: Home of an innovative Employee Assistance Program that has reportedly cut costs 25% while greatly improving the delivery of services to the employee group.

City of Pittsburgh, CA: Employee compensation is linked to efficiency and performance standards; financial savings are shared with the employees in the relevant departments.

Durham County DSS, NC: To cut the red tape associated with service delivery, some positions have been modified and reallocated to hire support staff back-up for social workers.

Functional Activity: Performance Appraisal/Assessment

Employee dissatisfaction with the appraisal process usually rates as one of the — if not the — major job irritants. Failure to conduct a relatively reliable evaluation can kill motivation, and destroys all the other HRM programs on which evaluation depends, such as compensation, reward, and promotion.

Most traditional performance evaluation strategies are based upon very simplistic forms that concentrate more on personality traits than on actual job performance. Trends in HRM reform often focus on the appraisal mechanism because of its critical role in job satisfaction and in validating the outcomes of other personnel decisions. The chief trends include evaluations that are 1) tailored to the job (rather than using one instrument for multiple jobs,) 2) involve participation of the employee and other observers of performance, and 3) concentrate on measurable objectives.

Reform Ideas/Programs

- Flexible appraisal instruments that are designed for the employee being evaluated.
- The use of a “coaching” style in which the evaluation focuses on employee development objectives rather than punitive goals.
- Goals for the review cycle are decided mutually between the manager and subordinate so as to reduce misunderstanding, clarify expectations, and focus the mission.
- Goals are flexible, and the managers’ role is more to coax improvements than to judge outcomes.
- Increasingly, public agencies are asking for input from individuals who have not traditionally been involved in the appraisal process, including PEER evaluation, SUBORDINATE evaluation, and even CLIENT evaluation. When used in combination, this is known as 360-degree evaluation.
- Performance management systems that “decouple” appraisals from salary decisions, promotional opportunities, and other job outcomes are regarded as the preferred method of making the process employee-centered and developmental rather than punitive.

Exemplary Locations of Best Practices - Employee Appraisal/Assessment

Madison, WI: Traditional appraisals have been eliminated for all but probationary employees. In their place a collaborative system has been installed. This is based on individual goal-setting, leadership training, and employee involvement that extends to permitting workers to choose their own supervisors (within limits.)

State of South Carolina Employee Performance Management System (EPMS): This strategy combines coaching and collaboration with the use of a form that is universally applied to workers. The manager and employee meet at the beginning of the review cycle, agree on critical job duties, job objectives, and special assignments for the next year. Ultimately, they are judged on the basis of these performance objectives that they helped to establish.

State of Washington: The most celebrated success with appraisal reform has occurred in Washington. Their approach incorporates almost all of the elements of the current wisdom, and is perceived as a model that others should emulate.

City of Austin, TX: Austin conducts a model program of strategic alignment between HRM

and other city goals. This program is apparent in the evaluation process, where objective performance criteria for each department and subdivision are broken down into Individual goals for each worker. These objectives then form the basis for appraisals.

State of Oklahoma: This state has merged its training objectives with employee evaluations by creating a competency-based employee development program. Workers who are provided with training are ultimately assessed according to the new competencies that they acquired during training and related activities.

State of Iowa: Iowa is a prime example of a progressive HRM system in which the authority to design evaluation strategies has been decentralized to agencies. Also, the state aggressively links evaluations to training and employee development, and has exempted the training budget from cuts in other areas.

City of Phoenix, AZ: The only documented case of 360-degree evaluation that is not voluntary (a voluntary program exists in the State of Washington.)

Functional Activity: Labor Management Cooperation

More than 30 states now recognize the right of civil servants to bargain collectively over managerial prerogatives. A smaller number permit negotiations over salary, fringe benefits, and other critical terms of employment. White-collar workers are the fastest growing group of union members, and a huge percentage of recent efforts to organize workers have focused on public agencies. To the extent that these forces can be harnessed to the mutual benefit of both management and labor, all public agencies will benefit.

The American labor force has traditionally co-existed with management in an adversarial posture. Our culture does not promote cooperation, yet current demands on public agencies require a more participative approach to problem solving. Labor-management cooperation that is engineered through formal unions is viewed not only as an asset, but an absolute necessity if we are going to resolve the daunting tasks that confront us. As such, unions are often viewed as a potential ally in the effort to upgrade government operations, to introduce change, and to conceptualize and implement needed innovations.

Reform Ideas/Programs

- **Productivity Bargaining** – One common suggestion is that unions should “trade” wage increases and other concessions for increased output. For instances, a union might agree to a 5% increase in productivity (e.g., cases resolved, garbage collected) at the same staffing level; in exchange, the managers might agree to substantial compensation enhancements.
- **Win-Win (Consensus) Bargaining** – A far more comprehensive approach to Labor-Management cooperation is for the two groups to collaborate in a committee structure in order to solve problems and forge agreements that promote the interests of both parties.

Exemplary Locations of Best Practices - Labor Management Cooperation

State of Wisconsin: Wisconsin's approach to consensus bargaining is built on labor-management committees, and involves significant amounts of training for all parties that promote negotiating skills and a sense of their mutuality of interests. Through such measures, the State has been able to avoid labor strife in recent years, and to forge workable agreements in a variety of contentious areas such as: sick leave, disciplinary procedures, scheduling, Labor representation in hiring decisions, the use of self-directed work teams, and reductions in sick leave and absenteeism.

State of California: Various agencies such as the DMV and Public Safety. Some of the larger agencies in CA employ collaborative teams within the collective bargaining context. The stated goal is to “empower” everyone by making labor and management equal (more or less). Some of the stated benefits include the encouragement of innovation, the freedom to take risks, and far more attention to customer service objectives (clients are even included in employment selection decisions in some cases).

Marion County, Oregon: This county is known for its partnership between a large union and management representatives. In effect, the two parties have agreed to an absolute cap on labor costs while giving the union flexibility to bargain changes in salary, insurance, and other benefits. The current contract allows for a maximum of 6% increase in labor costs, thereby giving the employees incentives to keep their benefit costs (e.g., health insurance) low so as to maximize any raise that might be allowable under the cap.

State of New York: Due to its high level of union membership, New York has been one of the primary places of experimentation with varying approaches to consensus and productivity bargaining. The record to date has been spotty, but the ongoing effort continues. New York's experiences can be very useful to anyone wishing to explore the risks and rewards of labor-management participation.

Functional Activity: Altering the Role of the Human Resources Office

Almost any HRM reform will depend upon changes in the way that Offices of Human Resources (OHRs) approach their roles. Old emphases on control and procedures must be replaced with a more proactive focus.

The new approach to civil service reform is to transform the OHR into an ally of line management. This concept is based on the notion that HRM has never really had a “place at the table” with other managers because it has been dominated by its emphasis on procedures over outcomes and efficiency. Steps toward accomplishing this ambitious objective are evident in the reforms that have occurred in several areas.

Reform Ideas/Programs

- **The HRM Generalist** – Instead of staffing the OHR with narrow specialists, the new model calls for personnel practitioners who are generalists – “jacks-of-all trades” -able to serve line managers in the role of consultants. As such, they are assigned to various agencies and expected to provide an array of services that enhance the achievement of agency goals.
- **Decentralized HRM Functions** – Another component of the new administrative paradigm requires that centralized supervision of staffing functions be delegated to line agencies. The underlying premise is that those who are closest to the problem or situation are best able to fashion responses and solutions. Agencies are expected to assume responsibility over the functions – recruitment, evaluation, and classification – that once were strictly controlled by a central OHR.
- **Strategic Alignment of HRM with Other Agency Missions & Goals** – To maximize the utility of HRM services, recruitment and other activities must be integrated into the agency’s planning structure. Through a coordinated approach, the HRM function can reach its true potential as an ally/complement to line management.
- **Service and Planning Orientation** – Simply stated, HRM functions are expected to adopt a new conception that emphasizes service to line management. Sensitivity to the contribution to bottom-line objectives is implied. It also involves elimination of traditional emphases on rule enforcement.
- **The “IBM Model”** – The steps identified above are known as the IBM Model. IBM’s HRM function adopted a service orientation grounded in a generalist role for HRM practitioners. The company’s operations were decentralized long ago, before such measures were fashionable elsewhere.

Exemplary Locations of Best Practices - Altering the role of Human Resource Offices

State of South Carolina OHR: Of all the fifty states, South Carolina's HRM function most closely fits the new model. Its operations have been completely decentralized, the old specialists have been cross-trained and now serve as "consultants" to other agencies, and service to line management is the over-riding concern.

City of Austin, TX: Austin's approach to HRM reform is perhaps the most notable example of "strategic alignment" of HRM with other organizational goals. The HRM staff participates in an annual planning exercise (a "planning pyramid") that incorporates all phases of the HRM function. The resulting goals and missions are broken down at the departmental level through additional planning teams. Each department creates a "business plan" in which HRM objectives (staffing, reclassifications, personnel ceilings) are integrated.

State of Virginia: By reputation, this state operates a highly decentralized HRM function much like South Carolina's.

Federal Agencies: Under the auspices of the National Performance Review (NPR), HRM functions within most federal agencies have been empowered by the Office of Personnel Management to perform almost all of the tasks that had been centralized prior to the 1990s. Decentralization is a fact of life in most functional areas, such as recruitment, testing, classification, and the like.

Sacramento County, CA: This location is especially notable for the change process that is being marshaled and guided by the HRM function. By conducting research and examining programmatic options, the OHR has become an engine of reform for the entire county.

City of San Jose, CA: San Jose is one of a number of California jurisdictions that has adopted the IBM Model to more effectively deliver HRM services to agencies. Due to the City's high rate of unionization, it represents an interesting example of decentralization within an otherwise hostile context.