**Pharr PRIDE Program - Positive Culture Change through Progressive Leadership Steps**

As Mayor of Pharr, it is my honor to nominate Pharr City Manager Juan G. Guerra, CPA, for consideration for ICMA’s Strategic Leadership & Governance Award. During a time of needed change, Juan stepped up and delivered in many facets, the most notable one was the change in Pharr’s culture through progressive leadership steps summarized as the Pharr PRIDE Program.

**Pharr’s Challenge Prompting the Need for the Pharr PRIDE Program**

Pharr is a city in south Texas that shares a border with Mexico, operates a major international commercial bridge, manages a budget of over $100 million with roughly 700 employees, and has over 76,000 residents. As you can tell, Pharr is a city with great potential. To achieve Pharr’s potential, a culture that maximizes employee talents and cultivates the city’s resources is needed. The culture that existed before was not ideal, it needed to change, and this was a challenge that needed to be addressed. The culture in Pharr was previously filled with years of undisciplined spending, unprofessional ethics, distrust between staff and management, silos created at every department, questionable integrity when communicating with residents, and a failure to adhere to sound management principles expected by those in leadership positions. This culture was molded by many years of questionable Laissez-Fair leadership and management. In May 2015, the residents demanded change and after a very tense election they elected a new Mayor and Commissioners. To quickly implement change, the Mayor and City Commission unanimously chose Juan to lead the effort and appointed him as City Manager.

**About the City Manager**

Juan was born and raised in Chicago, Illinois. Recognizing their children needed a change of environment in order for them to succeed, Juan’s parents sacrificed and relocated the family to the Rio Grande Valley. After graduating from high school, Juan’s desire for a challenge in life led him to join the U.S. Marine Corps. Being honorably discharged, Juan’s focus and discipline transitioned to the classroom where he earned a Bachelor and Master degree in Business Administration and a Certified Public Accountant license, among others. Juan then entered the field of municipal finance with stops in La Feria, Sherman, and Fort Worth before being named Finance Director for Pharr. After leading Pharr away from major fiscal problems, Juan was then rewarded with a promotion to Chief Financial Officer. All of this prepared Juan for the major challenge of stepping up and leading the charge under the new administration’s directive to change the culture in Pharr. Having been in Pharr since 2007, he was aware of the improvements needed, and through his military training, he had gained the leadership abilities to get the job done. By developing and implementing the following three major tasks in November, 12, 2015, the culture in Pharr would be positively affected and changed.

**Program Implementation & Cost**

The first task was to develop a program indicating the level of professional expectations that the employees would be able to comply with and one that residents could hold city staff accountable to. This led to the centerpiece of the change in culture, the Pharr **PRIDE** Leadership Traits. The PRIDE Leadership Traits are: **P**rofessionalism in your work productivity and appearance; **R**espect for yourself, co-workers, employees and citizens; **I**ntegrity in your work and in your life; **D**iscipline in what you do; and **E**thical adherence to moral, professional, and legal standards. This program was fully implemented: a circular PRIDE logo was created and included in all marketing advertisements; the logo was placed on all Pharr vehicles and worn as a lapel pin on suits of employees and elected officials; all employees were provided training on this program; a webpage was created to promote this change in culture to the public; more than 20,000 magazines recognizing the PRIDE efforts were physically mailed to the residents to communicate the change in culture; and plans are currently underway to display the logo on all four water towers in Pharr. The cost for this task was roughly $10,000, and although this was an excellent start to the changing of Pharr’s culture, additional tasks would still be needed.

Juan’s second task was to redevelop the organization into a professionally efficient workforce. He acknowledged that in order to mold the new culture into a professional one, an employee program focused on professional growth, leadership training, teambuilding, diversity, and employee recognition would be needed. To implement this program, Juan developed a human resource professional into a key member of his management team, culminating into Pharr’s first Human Resource Department. Opportunities for professional growth, leadership training, and teambuilding were provided via three main activities: 1) Problem Solving Task Forces, consisting of 7 member teams of non-director employees whose role is to tackle new problems; 2) Pharr University, providing all employees with classroom training on changes to Pharr policies and City Manager expectations; and 3) monthly teambuilding events planned and hosted by each of Pharr’s 15 directors, training their peers on leadership, communication, and problem-solving, among other activities. Additionally, the development of a diverse workforce took place by opening employment opportunities for everyone, resulting in the hiring of four very qualified female department directors, a first for Pharr. Lastly, employee morale was boosted with the implementation of four main actions: 1) the initiation of the development of a Pharr Salary Schedule, to ensure that high expectations expected of employees are appropriately rewarded by fair and professional pay; 2) implementation of the Pharr Minimum Living Wage, which mandates that no full -time employee earn less than $11 per hour; 3) creation of three Employee Appreciation Days for employees and their family, one before and one after the school year at the Pharr Aquatic Park, and the third day as a Christmas dinner at the Pharr Events Center, to thank them for their hard work throughout the year. This task, costing roughly $150,000 mainly due to salary changes, contained a program with specific activities aimed at the redevelopment of the organization for a properly trained and efficient workforce with a boost in employee morale.

The third and final task was to develop an employee buy-in program on all the changes taking place. This was done by implementing efforts to ensure the employees had a voice in their governance. To get this done, Juan had Suggestion Boxes installed at all City of Pharr buildings so that anyone wishing to provide recommendations to improve operations could do so. He also created the Pharr Fraud Reporting Program to identify wrong, unethical, and/or criminal operations taking place within Pharr. Lastly, two annual surveys were conducted requiring employee participation. The first survey was on the effectiveness of the changes in culture. The second survey was to assess the leadership of the Mayor, City Commission, and City Manager. Getting buy-in from the employees at a cost of under $1,000, has been key to advancing continuous process improvements in Pharr.

**Program Results & Measurable Outcomes**

The change in culture has resulted in a measurably more efficient and satisfied workforce as well as a fiscally healthier government for Pharr taxpayers. The following six tangible results and measureable outcomes of the Pharr PRIDE Program are as follows: 1) the first annual survey resulted in 90% of the employees surveyed agreeing that the Pharr PRIDE Leadership Traits serve an important role in the City’s culture; 2) the second annual survey results which were analyzed by the University of Texas – RGV, whom touted our actions as unique to this area and progressive, resulted in Pharr leadership receiving a successful 65% approval rating; 3) due to improved budget management by all departments: the General Fund’s annual budget has shifted from negative $1.6 million to positive $3.8 million, this is an improvement of $5.5 million, or over 330%; 4) due to the adherence of spending controls and a teamwork approach to getting the job done: the General Fund’s cash management responsibly improved from only $734,000 in the bank to $4.1 million, this is an increase of $3.3 million, or 456%; 5) due to City employees working together as a team in maximizing City resources: the General Fund’s net revenues grew over $7.3 million, or over 200%; and 6) due to improved management oversight: the General Fund’s support of the Pharr Events Center decreased from $843,500 to only $68,500, a decrease of $774,944 or 92%.

**Lessons Learned**

The Pharr PRIDE Program was key to the major challenge of quickly changing the culture and improving operations, this can serve as a template for any administration. We learned the following lessons: 1) during the planning phase, being open to new ideas and working as a team is the only way to move an idea forward and generate a comprehensive program; 2) when implementing a new program, constant communication must become a habit in order to allow the employees to trust the changes taking place and have everyone moving in the same direction; and 3) in analyzing the program, it must be with integrity and open to the potential of a negative outcome. The Pharr PRIDE Program showed us that in order to change a culture, an acceptance of the problems at hand must be acknowledge and a plan to fix them get established.

**Contribution of City Managers**

One of the main roles of a City Manager is to develop a team to implement the policies of the elected officials, a great team is key to getting things done. Getting the right City Manager to develop the team is crucial to the success of a city, Pharr’s previous situation rectified through the Pharr PRIDE Program is evidence of that and serves to raise the awareness of the importance and contributions of City Managers. Pharr’s culture has dramatically changed and is continually developing into the professional and efficient workforce that the residents of Pharr expect and deserve.