

Articles

Service Demand and Employee Benefits Provision in Local Governments

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Researchers who study organization-environment adaptation argue that organizations adapt to demanding situations in their environment to maintain sustainability. Along these lines, when local governments face increased service responsibilities and needs, they generally attempt to adjust their managerial practices in order to enhance organizational outcomes. Drawing insights from two theoretical perspectives—organizational adaptation and resource-based view—the current study identifies service demand as an environmental factor that influences organizations’ managerial practices and employee benefits provision as an organizational adaptation. Using survey data from officials ($n = 225$) who work for township governments in Illinois in the U.S. and U.S. census data, the analysis found that benefit provision was related to service demand increases, suggesting that organizations facing high levels of service demand may seek ways to retain current staff or attract new staff, such as providing additional employee benefits programs, in order to meet the increasing service demand.

Introduction

While a variety of studies have contributed important insights regarding the types of challenges municipal governments experience, e.g., uncertainty and economic conditions (Jacobson & Sowa, 2016; Mohr et al., 2010), and internal factors, e.g., human capital, that influence how these governments face these challenges (McCrea, 2022), few empirical studies have examined the relationship between external challenges and organizational reactions such as managerial practices. Some research has found that when local governments face increased service responsibilities and needs, they generally attempt to adjust their practices in terms of resources. For example, in response to limited resources and capabilities, they may try to be more efficient to produce necessary services (Mohr et al., 2010).

Organization scholars who examine how organizations respond to changes in their environments provide a broad range of theoretical perspectives such as *organizational adaptation*, which highlights organizational responsiveness to environmental change (Daft & Weick, 1984), and *resource-based view*, which emphasizes resources (physical, human, and organizational) that are valuable and inimitable as necessary for organizations to develop competitive advantage (Barney, 1991). In particular, some literature argues that the resource-based view can be applied to the area of human resource (HR) management in that strategic HR practices can influence an organization’s competencies (Dollard et al., 2013; Lado & Wilson, 1994; Wright et al., 2001). As such, scholars view resources as important elements for dealing with turbulent and uncertain environments and suggest resource-based view as a strategy for organizations in a dynamic environment. In particular,

Bryson, Ackermann, and Eden (2007) demonstrate that “a resource-based approach to strategy formulation and implementation” (p. 713) can be relevant and useful to public strategic management theory and practice.

Drawing insights from resource-based view and organizational adaptation perspective, the current study examines the environmental factor-organizational adaptation relationship in a local government context in the U.S. To this end, this study identifies *service demand* (which reflects the degree to which the local government faces increasing service responsibilities and needs) as an environmental factor and *provision of employee benefits* (which reflects whether the local government provides benefit programs to employees) as an organizational adaptation of HR practices. It assumes that organizations facing high levels of service demand may seek ways to retain current staff or attract new staff, such as providing employee benefits program, in order to meet the increasing service needs and examines the following research question: *How do increased service responsibilities and needs influence employee benefits provision in local governments?* In particular, this study examines the research question in the context of Illinois township governments, a local government unit in the U.S. Township governments provide a particularly appropriate context for the study in that the main functions of township governments are to provide services for relatively vulnerable and less affluent residents who tend to vary in service demands across townships. Moreover, the services in most townships are provided by a limited level of internal operating resources, which makes it important for townships to ensure that they have necessary staff and relevant HR resources to address varying service demands.

In the next section, some theoretical background and relevant literature will be reviewed and then a brief introduction to township governments in the US and Illinois will be provided. This is followed by a section describing the data used to test the study's hypotheses and the results of the data analyses. Finally, the implications of results and the contribution of this study as well as its limitations will be presented and potential directions for future research will be discussed.

Literature Review

Resource-based view and organizational adaptation

According to the resource-based view, an organization's competitive advantage is associated with the resources (human, physical, and financial, etc.) it controls and uses to implement its strategies (Barney, 1991; Barney et al., 2011). Barney (1991) noted that resources that are rare, valuable, inimitable, and non-substitutable provide essential sources of sustainable competitive advantage. Extending the resource-based view, the dynamic capabilities perspective—defined as “the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece et al., 1997, p. 516)—emphasizes the essential role of strategic management in a particular type of external context, i.e., changing environments (Barreto, 2010). In a similar vein, Wright and colleagues (2001) show how the resource-based view of the firm can be applied to the field of strategic HR management and describe HR practices as “HR tools used to manage the human capital pool” (Wright et al., 2001, p. 703). Similarly, Lado and Wilson (1994) note that HR practices can give an organization a sustainable competitive advantage because these practices can enhance organizational competencies in unique ways. From a public strategic management context, Bryson et al. (2007) define resources as “any assets that an organization might draw on to help it achieve its goals or perform well on its CSFs [Critical Success Factors]” (p. 704).

Organizational adaptation has been examined in a broad range of contexts. For example, Sarta, Durand, and Vergne (2021) describe four attributes of adaptation including *intentional* (“rooted in organizational members' awareness of their environment, resulting in a choice to react to, anticipate, or ignore changes in the environment”), *relational* (“organizations and environments influence one another”), *conditioned* (“environmental characteristics also depend on, and evolve with, other organizations' actions”), and *convergent* (“organizations seeking to adapt are attempting to move closer to a set of environmental characteristics”) (p. 46). Alternatively, Comfort, Yeo, and Scheinert (2019), focusing on capacity, define organizational adaptation as “[t]he capacity of a department to adjust its allocation of resources, time, and personnel to meet current demands appropriately” (p. 167) and examine how county public health departments adapt their operations to manage stressful environments (unexpected needs; response surge) through communication structures.

Daft and Weick's (1984) early work in this area provided a broad theoretical perspective on organizational adaptation, arguing that organizational responsiveness to environmental change is influenced by how organizations recognize and interpret those changes. Building on Daft and Weick's (1984) framework, Goodstein (1995) described the mechanism for recognizing and interpreting environmental changes and organizational adaptation to employee needs associated with work-family issues. In particular, Goodstein (1995) noted that some organizations actively respond to work-family issues so that they can increase their legitimacy by responding to their internal constituencies, arguing that the recognition of the importance of work-family issue motivates greater organizational responsiveness. As such, this study assumes that organizations that face increased service demand (an environmental factor) may try to adapt to the situation by adjusting current resources and practices such as employee benefit programs (a specific type of HR practice).

The relationship between increased service demand and employee benefit provision

The increase in service responsibilities and needs that local governments experience may influence how organizations set up some HR practices such as employee benefit programs. It can be assumed that situations with a high degree of service demand (e.g., an increase in the number of recipients eligible for mandated services or in the scope of services township operate) may require sustained efforts of personnel and other necessary resources in the organization to meet the increasing service responsibilities and needs. This means that such organizations would need to try to make efforts to retain current staff resources and attract more staff; therefore, organizations may try to provide some benefit programs for current or potential staff in order to maintain staff resources and capacity.

Employee benefits refer to a type of compensation that organizations provide to employees in addition to a standard salary or wages (Donahue et al., 2000). Literature has shown the positive effect of the provision of employee benefits on a wide range of work-related outcomes such as increased organizational commitment, job satisfaction, and perceived performance and decreased turnover intention (e.g., Butts et al., 2013; Caillier, 2013; Ko et al., 2013; Lee & Hong, 2011; Premeaux et al., 2007) as well as organizational competitiveness and performance in the long run (Goodstein, 1995). These studies suggest that benefits provision is an important HR practice to retain current staff and recruit new staff, thus increasing staff capacity and sustainability. Therefore, the present study assumes that employee benefits provision serves as a signal that organizations care about employees' needs and expectations such as quality of life and career development, which reflects employers' attention to and adaptations in order to retain and attract staff resources in response to (environmental) service demand.

Along this line of logic, when service demand increases in a way that requires attention to the level of staff resources available to meet the service needs, adaptation may

occur in a way that addresses the situation by providing benefit programs to employees in order to retain current staff or attract new staff. In contrast, it is worth noting that some may argue that higher levels of service demand could drain internal operating resources (staff and budget), which might reduce organizations' ability to provide employee benefit programs. While acknowledging the counterargument perspective, the current study expects that service demand placed on township governments will lead to higher levels of employee benefits to meet the increased needs and responsibilities. In this study, increased service needs and responsibilities are considered in terms of service expansion in general assistance (GA) and total number of services township governments operate. Thus, the following hypotheses are proposed:

Hypothesis 1: *Townships with expanded service demands in GA are likely to provide higher levels of employee benefits.*

Hypothesis 2: *Townships with a greater number of services are likely to provide higher levels of employee benefits.*

Study context: Township Governments in Illinois

Townships exist as civil governments in 20 of the 50 states of the U.S. and township services vary in their activities ranging from very limited service to county-type services (Stephens, 1989). As the oldest form of local government in the U.S., township governments (often called as town governments, towns, townships, etc.) are often considered to be “the closest form of true democracy” (Carroll & Johnson, 2010, p. 226); township governments derive their governing power from town meetings where town citizens have control over governmental operations, which is different from cities and villages where mayor-council and council-manager governing bodies exist (Carroll & Johnson, 2010). Township governments typically have elected officials—including a board of supervisors or trustees—who handle daily operations of the town; most of their duties and powers are obtained from the state constitution and state statutes as well as town meetings (Carroll & Johnson, 2010).

While in New England states, townships, instead of counties, often provide extensive municipal-style services, townships in Midwestern states such as Illinois provide such services as road and bridge repair and social services in mostly rural areas within counties (Jong et al., 2022). In Illinois, there are 1,426 townships in 85 (of the 102) counties, and residents elect eight township officials: supervisor, clerk, assessor, highway commissioner, and four trustees (Jong et al., 2022). In addition to the elected officials, some townships in the northern part of the state have an administrator who is neither appointed nor elected. Illinois townships are required by statute to provide three

basic functions: maintaining township roads and bridges, assessing property values, and providing financial assistance (general assistance) to indigent individuals; beyond the three mandated services, some township governments provide other vital services¹ such as maintaining cemeteries and providing services for senior citizens (<https://www.toi.org>).

Data

Data for this study were gathered through an online survey administered to township officials in Illinois in collaboration with the Township Officials of Illinois (TOI) during January to March in 2021. The survey respondents who served as a supervisor or an administrator participated voluntarily and provided their responses online. In total, the survey was sent to over 1,213 officials (supervisors: 1,180 and administrators: 33) and 352 officials replied to the survey (supervisors: 329 and administrators: 23), yielding a response rate of 29%. Because the current study focuses on service demand and employee benefits provision, 127 respondents who did not respond to questions related to the main variables were dropped, which results in 225 observations for the analysis.

In order to check if the sample included in the current analysis suffers from any bias, data from the reduced (current) sample ($n = 225$) were compared with data from the excluded sample ($n = 127$) by analyzing the population that these townships serve. With respect to small townships (population < 1,000), 39.1% of the current sample are small townships, while 33.8% of the excluded sample are small townships. With respect to large townships (population > 5,000), 28.8% of the current sample are large townships, while 35.4% of the excluded are large townships. Given that, overall, 48.7% of Illinois townships are small townships and 18.2% are large townships according to the 2010 U.S. Census, the current sample shows a more representative proportion of Illinois townships than the excluded data. Nevertheless, it should be acknowledged that the sample tends to overrepresent large townships in Illinois.

The current study assumes that each survey respondent ($n = 225$) represents a township, although one township is represented by two survey respondents. With respect to survey respondents' demographic information, 94% are supervisors and 6% serve in an administrator role; 40% are women and 60% are men; and average tenure is 10 years. With respect to township characteristics, over half of townships are located in metropolitan counties (52%), while the rest of the townships are located in nonmetropolitan counties (48%). Finally, while two-third of the sample are statutory townships (i.e., townships that only provide the three mandated services), a third of the sample are nonstatutory townships (i.e., townships that provide additional services).

¹ Additional services include, for example, Family therapy, Mental health services, Senior therapy, Disabled services, After-school tutoring, Senior services, Community building services, Youth services, Food pantry, Notary public service, Hunting & fishing licenses, Cemeteries, Lending closet, Parks and recreation activities, Open gym, Libraries, Passports, Transportation, etc.

Table 1. Operationalization of Variables and Descriptive Statistics

Variable	Measurement	Mean	SD	Min	Max
General assistance (GA) service expansion	Whether the township has experienced expansion in GA in the last 10 years	.19	.39	0	1
Total services	The number of services the township provides	5.06	4.02	3	22
Personal sick leave	Whether the township provides personal sick leave	.34	.47	0	1
Family sick leave	Whether the township provides family sick leave	.35	.47	0	1
Vacation leave	Whether the township provides vacation leave	.30	.45	0	1
Employee assistance (EAP)/wellness programs	Whether the township provides EAP or wellness programs	.08	.27	0	1
Training/education programs	Whether the township provides training or education programs	.42	.49	0	1
Township administrator	Whether the township has a township administrator	.13	.33	0	1
Budget resource ^a	Total revenue: general fund (millions)	.39	.77	.01	6.01
Metropolitan ^a	Whether the township is located in a metropolitan (=1) or nonmetropolitan county (=0)	.53	.49	0	1
Median income ^a	Median household income (millions)	.07	.02	.02	.15

Note. ^aSource: Census Bureau

Variables

Dependent variables

[Table 1](#) describes all measures for this study. The dependent variables for this study are five types of employee benefits: *Personal sick leave*, *Family sick leave*, *Vacation leave*, *Employee assistance (EAP)/wellness programs*, and *Training/education programs*. To examine the degree to which organizations adapt to the external environment, the variables in this study focus on benefit programs that specifically reflect employees' needs related to quality of life, rather than on traditional or health-related basic benefits such as health/dental care and retirement plans. Survey participants were asked if the township provides each of the benefit programs (Yes/No).

Independent variables

There are two independent variables that reflect increased service needs and responsibilities: 1) expansion of general assistance (GA); and 2) total number of services operated by townships.

Expansion of General Assistance. GA refers to monthly financial assistance to meet basic maintenance needs; townships provide food, shelter, and emergency relief for people needing such support until they are able to support themselves (<https://www.toi.org/>). The first independent variable of service demand was measured based on GA because all townships (both statutory and nonstatutory) provide GA mandatorily and the expansion in GA captures one type of increasing service needs and responsibilities townships need to address. Survey participants were asked if GA has expanded during the past decade (Yes/No).

Total number of services. As described above, townships vary in service scope ranging from three basic functions by statute to additional voluntary services (i.e., minimum to

maximum number of services: 3 to 22). A higher score for total number of services captures a greater degree of service needs and responsibility overall.

Control variables

Some control variables that describe township characteristics were also used in this study. First, *township administrator* was measured as whether the township has a township administrator (yes = 1; no = 0). Scholars (e.g., Goodstein, 1995) note that professionals in organizations can influence the initiation of employee benefits related to employee needs and work-life issues. Having a township administrator is thus used as an indicator of the existence of a professional workforce within the township. In addition, several control variables were drawn from U.S. Census data. *Metropolitan* was included to capture if the township is located in a metropolitan county. *Median income* (logged) was included to capture regional socioeconomic characteristics of the townships served. Finally, *budget resource* was measured as the 2019 total general fund of each township.

Results

For each of five benefit programs (personal sick leave, family sick leave, vacation leave, EAP/wellness, and training/education), the provision of the benefit was modeled as a dichotomous dependent variable where the dependent variable took a value of one if the township provided the benefit and a value of zero if it did not. Here logistic regression was employed to predict the likelihood of providing each of five benefit programs.

In addition, an ordinary least squares (OLS) regression was conducted with the number of employee benefits as the dependent variable by summing the yes/no responses for each of five benefits (e.g., a value of 1 if only one benefit was provided by the township; and 5 if all of five benefits

were provided). Given the nonnormal, right-skewed distribution of this variable, a negative binomial regression model of benefit provision was also estimated. Although both analyses showed significant and somewhat consistent results,² the focus here is on the logistic analyses, i.e., modeling each of the employee benefit programs as a dichotomous dependent variable because 1) the summed scale of benefits ranging from 0 to 5 in the sample has a low variability, and 2) the validity of the summed scale is less established in previous studies.

Five regression estimations were developed and estimated using logistic regression analysis. Tables 2 and 3 present the results from logistic regression estimations. All five models also present odds ratios for each independent variable to indicate how important each independent variable is in predicting benefit provision. The analyses show the effects of the two independent variables corresponding to service demand—GA expansion and total services—on each provision of five benefits. Table 2 provides results for leave benefits provision. The findings show that *GA expansion* was positively associated with the provision of all of three types of leave. That is, townships that have experienced expansion in GA services were more like to provide leave benefits (personal sick leave, $\beta = 1.55, p < .05$; family sick leave, $\beta = 1.15, p < .05$; and vacation leave, $\beta = 1.37, p < .05$). *Total number of services* was positively associated with family sick leave ($\beta = .24, p < .05$), which indicates that townships that operate a greater number of services were more likely to provide family sick leave.

The interpretation of the odds ratios for the independent variables is as follows. First, GA expansion increases the likelihood of providing personal sick leave by 4.73. Second, GA expansion increases the likelihood of providing family sick leave by 3.16 and an increase by one unit of the total number of services offered results in a 1.27 increase in the likelihood of providing family sick leave, which indicates that GA expansion has a greater impact on increasing the odds of providing family sick leave than the total number of services. Third, GA expansion increases the likelihood of providing vacation leave by 3.96.

Table 3 provides results for EAP/wellness programs and training/education programs provision. The findings show that while *GA expansion* was not significant for EAP/wellness provision, it was positively associated with training/education programs ($\beta = 1.19, p < .05$). *Total number of services* was positively associated with both EAP/wellness ($\beta = .12, p < .05$) and training/education ($\beta = .14, p < .05$). In examining the odds ratios for the independent variables, GA expansion increases the likelihood of providing training/education programs by 3.29, which shows a greater im-

pact on increasing the odds of providing the benefit than the odds ratio for total number of services (1.15).

Taken together, the analyses suggest that the likelihood of benefits provision by townships can be partly explained by either whether there has been GA expansion or the number of services operated by townships, or both, which partially support Hypotheses 1 and 2. On the other hand, some township characteristics were also significant. Budget resource showed positive associations with most of the benefits provision, except for training/education. Moreover, townships with an administrator tend to provide a vacation leave benefit ($\beta = 2.25, p < .05$). The odds ratio shows that having an administrator increases the likelihood of providing personal vacation leave by 9.53. Finally, metropolitan and median income were not significant for employee benefits provision.

Discussion

Drawing from the literatures on organizational adaptation perspective and resource-based view, the current study proposed that service demand can be an important environmental factor that influences managerial practices and examined employee benefits provision, one type of HR practice, as an organizational adaptation to environmental factors in the context of Illinois township governments. The analysis found that employee benefits provision was positively related to service demand, which is consistent with resource-based view and organizational adaptation perspective (Barney, 1991; Daft & Weick, 1984; Lado & Wilson, 1994), which address how organizations react to external changes to maintain sustainability and efficiency. The analysis presented here suggests that township governments with a higher degree of service demand likely need to maintain sufficient staff capacity to address increasing service needs and responsibilities, and thus they may try to adjust their managerial practices (e.g., reallocating existing resources and prioritizing staff resources) by providing benefit programs to employees in order to retain current staff or recruit new staff necessary to deal with increased service demand.

While this study focused on specific demands in a local government context—Illinois township governments—to illustrate the environment-organizational adaptation perspective, there are other relevant environmental factors in the context including a variety of socio-economic, demographic, and technological variables. More attention needs to be given in future research to other factors that can increase our understanding of the effects of various environmental factors on different managerial practices. For example, it may be important to incorporate workforce de-

² The results of OLS showed that the effects of GA expansion and total services on the number of benefits provided were significantly positive: $\beta = .92$ (t value = 3.47) and $\beta = .13$ (t value = 4.18), respectively (adjusted $R^2 = .43$). For the negative binomial regression, the estimated value of the parameter alpha is .39 ($p < .001$), which is greater than zero, indicating that negative binomial regression is preferred to Poisson regression (Long, 1997). The analysis shows that although not identical, the OLS and negative binomial regression results are similar; the coefficients on GA expansion and total services are .54 (z value = 2.97) and .06 (z value = 2.86), respectively.

Table 2. Estimation Results: Leave Benefits Provision

	Model 1: Personal sick leave			Model 2: Family sick leave			Model 3: Vacation leave		
	Coefficient	z	Odds ratio	Coefficient	z	Odds ratio	Coefficient	z	Odds ratio
GA expansion	1.55*(.56)	2.74	4.73	1.15*(.46)	2.49	3.16	1.37*(.55)	2.48	3.96
Total services	.15(.09)	1.63	1.17	.24*(.07)	3.49	1.27	.01(.09)	.10	1.01
Administrator	1.08(1.08)	1.00	2.96	-.30(.72)	-.42	.74	2.25*(1.05)	2.13	9.53
Budget	.00*(.00)	4.52	1.00	.00†(.00)	1.88	1.00	.00*(.00)	4.80	1.00
Metropolitan	-.55(.50)	-1.10	.57	.17(.41)	.42	1.19	-.45(.47)	-.95	.63
Median income	.51(.81)	.63	1.67	-.22(.62)	-.36	.79	-.37(.77)	-.49	.68
Constant	-9.24(9.04)	-1.02	.00	-.10(6.83)	-.02	.90	1.27(8.48)	.15	3.57
N	220			215			220		
Log likelihood	-68.21			-97.82			-74.71		
Pseudo R ²	.53			.27			.49		

Note.

* $p < .05$; † $p < .10$. Standard errors are shown in parentheses.

Median income was transformed into the natural log.

GA = general assistance.

Table 3. Estimation Results: EAP/Wellness and Training / Education Benefits Provision

	Model 4: EAP / wellness programs			Model 5: Training / education programs		
	Coefficient	z	Odds ratio	Coefficient	z	Odds ratio
GA expansion	.33(.64)	.52	1.39	1.19*(.43)	2.74	3.29
Total services	.12*(.06)	1.95	1.13	.14*(.06)	2.33	1.15
Administrator	1.14(.73)	1.56	3.14	.54(.64)	.84	1.72
Budget	.00*(.00)	1.30	1	.00(.00)	.50	1
Metropolitan	1.07(.92)	1.17	2.94	.45(.35)	1.27	1.57
Median income	-.37(.97)	-.39	.68	-.92†(.53)	-1.73	.39
Constant	-.52(10.58)	-.05	.59	8.65(5.83)	1.48	5746.23
N	214			218		
Log likelihood	-44.59			-125.51		
Pseudo R ²	.30			.15		

Note.

* $p < .05$; † $p < .10$. Standard errors are shown in parentheses.

Median income was transformed into the natural log.

GA = general assistance; EAP = employee assistance program.

mographic characteristics (Bloom et al., 2011; Goodstein, 1995) that may have a critical influence on managerial practices and to examine such individual-level variables as age, gender, tenure, and proportion of professionals.

With regard to employee benefits provision as one type of HR practice, little attention has previously been paid to the influence of environmental factors such as increasing service demand on HR practices such as benefit programs provision in public organizations. Instead, literature has tended to focus more on the influence of benefit provision on work-related outcomes at the individual level (e.g., Bae & Goodman, 2014; Caillier, 2013; Ko et al., 2013; Lee & Hong, 2011; Mulvaney, 2014; Reilly & Thom, 2017; Sabharwal et al., 2019), which is based on theories such as social exchange theory (P. M. Blau, 1964; Cropanzano & Mitchell, 2005) and organizational support theory (Eisenberger et

al., 1990), which emphasize organizational resources (e.g., benefit program) as an exchange mechanism in the organization-employee relationship. Consequently, researchers still have a limited understanding of how, why and to what extent environmental factors affect HR practices such as employee benefits provision. Thus, the current study addresses this theoretical gap and deals specifically with how environmental factors can influence workplace benefit programs in public organizations.

In particular, this suggests that future research may extend the idea of the current study and examine such organizational outcomes as recruitment or retention; that is, benefit provision may mediate the relationship between service demand and organizational outcomes. This is an important question because it can provide practical insights regarding

retention strategies to local governments that have limited resources and low budget capacity to hire new staff.

While the current study focuses on employee benefits in general, it may also be worth examining *benefit prevalence*, which refers to employers providing benefit programs that are more prevalent or universal to employees. Benefit prevalence focuses on the degree to which a benefit is widely offered to employees (vs. benefit rarity, which means the degree to which the benefit can provide a rare or unique value). That is, while some benefits tend to be more universally provided by employers (e.g., vacation and sick leave), others tend to be less universally provided (e.g., eldercare programs, tuition reimbursement). Although the current study didn't specifically examine the degree of benefit prevalence, future research may consider using benefit prevalence / rarity³ (as an independent variable) to capture the unique nature of benefit programs, and exploring whether benefits that are considered more universal and popular have effects that are different from those that are less universal and popular. Although examining the effect of benefits on behavioral outcomes was beyond the scope of current study, considering whether benefits that are offered are more or less unique could be especially important because differential effects on employee behavioral outcomes (G. Blau et al., 2001) would suggest different policy implications. On the other hand, little is known about when and why an organization is likely to provide less universal benefits (i.e., rare benefits) or provide more universal benefits. Future research can consider the relationship between environmental demand and benefit prevalence/rarity as well.

From a practical perspective, the current study suggests that organizations should be more responsive to their contextual environment in considering HR management policies and practices to strengthen staff resources and sustainability. HR scholars note that organizations that do not adapt to their external circumstances experience failure (Dollard et al., 2013). For local governments to be effective at service delivery, they need to have a strong workforce, which suggests that they should consider the potential benefits of HR practices such as providing family-friendly benefits when deciding how to respond to external demands. While it is certainly true that there are competing demands for organizational resources, this study argues for the importance of investing in employee benefit programs. Indeed, it is possible that not considering such issues when adapting to increases in service demand could be a potential threat to organizational effectiveness.

Some limitations of this study should be mentioned. First, the results of this study are not necessarily generaliz-

able to different contexts, states, or countries; for instance, different cultural contexts might make some HRM practices more or less suitable to promote government effectiveness (Kim et al., 2022). Furthermore, some specific situations in Illinois, the state of this study, might explain the relationships between service demand and benefits provision in the analysis. Nevertheless, this study could be extended to other small local governments that seek to increase their capacity to meet increasing service needs and maintain staff resources, or compared with studies of other local governments outside the U.S. that may have similar contexts such as service scope and areas, regional geographic characteristics (e.g., metro/nonmetropolitan areas proportion and population size), and community characteristics (e.g., residents demographic diversity). Future research should have larger samples in the townships of multiple states to gain a better understanding of the relationship between external factors such as service demand and organizational adaptation in a local government context.

Second, it is important to acknowledge that large townships are somewhat overrepresented in the sample; interestingly, one reason for this is that many small or rural townships did not have an email address to send a survey link. For future research, it would be important to consider collecting data through a mail survey for those townships without email access in order to increase the representativeness of the sample.

Third, this study includes leave benefits (personal sick, family sick, and vacation), EAP/wellness programs, and training/education programs, but other important benefits were not included in the analysis because of a low variation of the variables; for example, child/elder care benefit was listed in the survey as a potential benefit, but most respondents reported that their townships didn't provide it. Furthermore, survey participants were asked about the provision of flexible work arrangements (e.g., teleworking, telecommuting), and the preliminary logistic analysis showed a significant and consistent coefficient for this variable, but it was not included in the research model because survey respondent may have interpreted flexible work arrangement differently given that the survey was administered during the COVID-19 pandemic (January to March in 2021) when working remotely was mandated by the state (that is, some townships might have allowed employees to telecommute or telework prior to the pandemic, so survey participants responded "yes," but we couldn't differentiate the benefit availability from teleworking due to the pandemic).

³ The Bureau of Labor Statistics (BLS) provides information regarding the provision of employer-sponsored benefits by worker characteristic (e.g., private industry, state, and local government workers) that tracks the percentage of workers who get various benefits by sector. For example, the access (%) value of 9 for childcare in the local government sector indicates that 9 percent of the organizations in the local government sector provide childcare benefits; and the access value of flexible work schedule is 6. On the other hand, the access value of health care for local government sector workers is 87 and dental care is 58, which indicates that health care and dental care are more prevalent benefits than are childcare or flexible work schedule benefits [see National Compensation Survey: Employee Benefits in the United States, March 2020 by Scalia & Beach (2020)].

Finally, the current study used a cross-sectional model, which makes it impossible to confirm the causal order of relationships, e.g., it is possible that the provision of certain employee benefits are antecedents of some of the independent or control variables, rather than vice versa. Thus, results from the current study should be interpreted as correlational, rather than causal.

Conclusion

The current study provides some evidence for the environment-organization relationship using a sample of township governments. Despite the increased literature focusing on challenges facing local governments, few studies have empirically examined this topic in the context of small local governments. This study represents a contribution by establishing an important theoretical foundation for un-

derstanding the environmental-organizational adaptation perspective and empirically revealing the importance of a specific environmental factor (service demand faced by township governments) that may influence employee benefits provision as one type of HR practice in local governments.

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