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DENVER

COLORADO EVALUATION  
AND ACTION LAB

## Executive Summary

Learning from the State of Colorado's  
Recent Performance Improvement  
and Efficiency Initiatives

### Report Highlights:

This six-report series reflects on the performance improvement initiatives of the Hickenlooper administration to document the experiences, elevate successes, identify challenges, and inform current and future public officials in Colorado and beyond.

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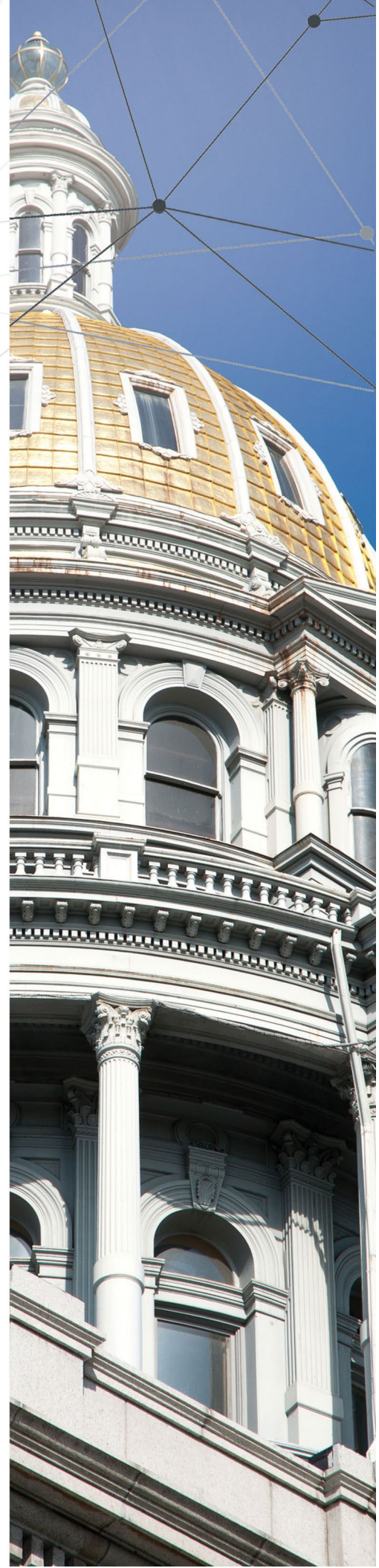
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## Related Research Reports

This Executive Summary summarizes the findings of a broader project looking at performance improvement initiatives in Colorado during the administration of Governor John Hickenlooper, 2011-2019. With this project, we play the roles of outside observers looking back on the administration's performance improvement initiatives in order to document the experiences, elevate successes, identify challenges, and inform current and future public officials in Colorado and beyond. The following reports are all available on the website of the Colorado Evaluation and Action Lab at the University of Denver, which supported this work:

**Report One:** *Looking Back, Thinking Forward: Leading Performance Improvement Initiatives in Colorado State Government*

**Report Two:** *Making it Work (Better): Implementing Performance Improvement Initiatives in Colorado State Government*

**Report Three:** *Institutionalizing Performance: Colorado's SMART Government Act*

**Report Four:** *Public Display of Performance: The Governor's Dashboard in Colorado*

**Report Five:** *Leaning In: Lean Process Improvement in Colorado State Government*

**Report Six:** *Good Government in the States: Placing Colorado in the National Landscape of Performance Improvement Initiatives*

## Note

Throughout the report, all quotations (if not cited) indicate a direct quote from an interviewee.

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## Overview

In his first State of the State Address in 2012, Governor Hickenlooper explained the “3 E’s” that would guide the state’s performance improvement initiatives during his time in office:

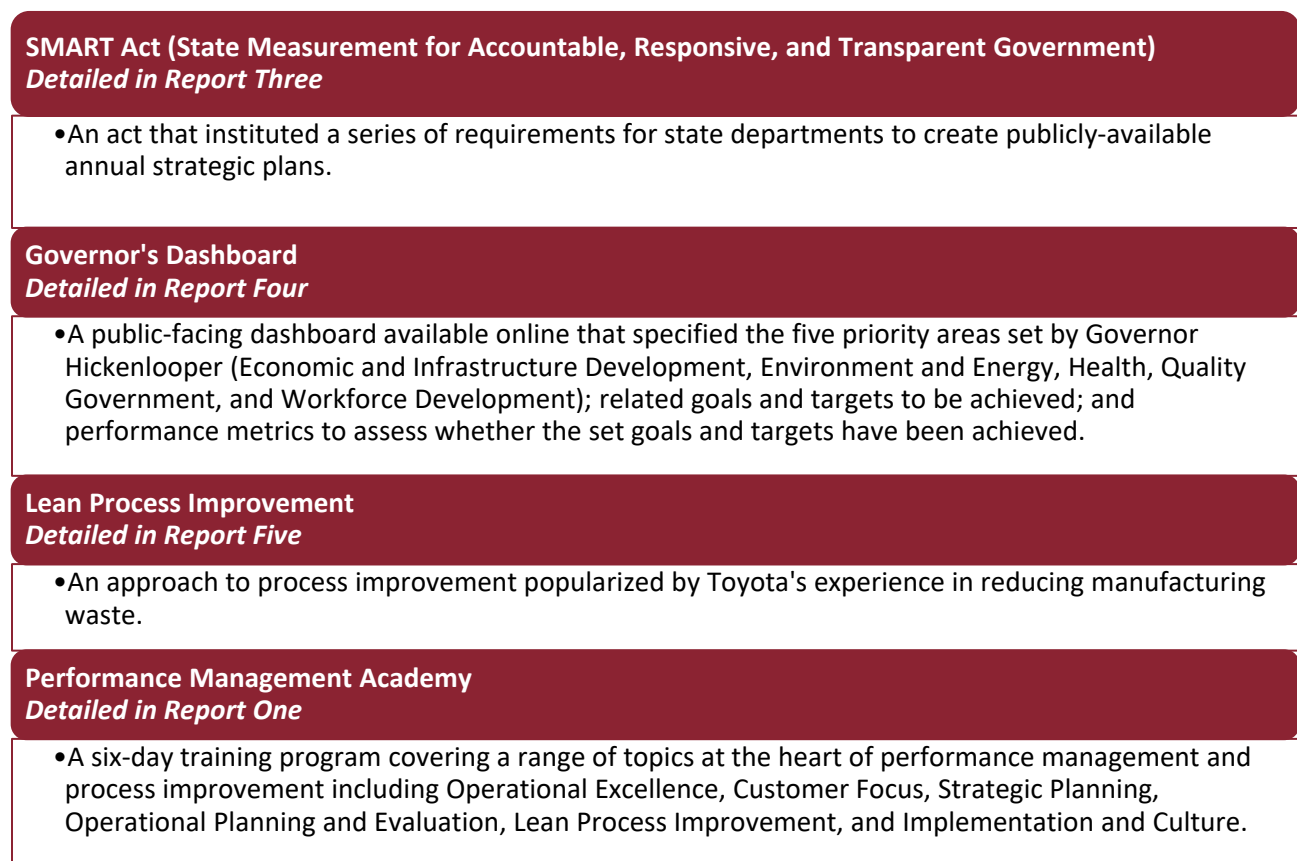
**Effective.** Let’s measure every aspect of government to be sure it’s doing what it’s supposed to do. Let’s look at outcomes to judge whether our programs are successful.

**Efficient.** Services should be delivered in ways that are timely and effective. We will review every program, identify waste and duplication and measure for efficiency.

**Elegant.** When I say elegant, I’m not talking about fashion—you can tell that, just look at me. I’m talking about the delivery of state services in a way that elevates both the state employee and the person receiving state services. When someone applies for a driver’s license or inspection they shouldn’t feel disrespected by the interaction, and neither should the state employee. This is the essence of customer service.<sup>1</sup>

Collectively, the “3 E’s” centered on performance improvement in state government, which included strategic planning to measure and communicate progress toward established goals, operational process improvement, and developing and leveraging talent, culminating in the four major initiatives in Figure 1.

Figure 1: The Hickenlooper Administration’s Major Performance Improvement Initiatives





This six-report series reflects on the performance improvement initiatives of the Hickenlooper administration to document the experiences, elevate successes, identify challenges, and inform current and future public officials in Colorado and beyond. Qualitative interviews with 13 government leaders who helped shape and guide the governor's vision, including Governor Hickenlooper himself, and with 24 staff responsible for implementing these initiatives provide the foundation for this series. The interviews are supplemented by employee engagement survey results, which average 17,680 responses per year and capture the perspectives of front-line staff (see Appendix A in each of the six reports for more details on data sources and methodology). Additional secondary sources include: SMART Government Act hearings (audio files); Joint Budget Committee hearings (audio files); annual department performance plans; Colorado's Lean project database; and public-facing materials available on state government websites for each of the 50 states.

## Report One: Leadership

For this report, 13 governmental leaders were interviewed, including Governor Hickenlooper and those who helped to shape and guide his vision for performance improvement.

Interviewees identified the administration's key successes, which included implementing Lean process improvement; investing significantly in human capital; and creating systemic alignment around strategic goals. Leaders identified effective department leadership as a primary source of differentiation in successful performance improvement outcomes across agencies.

Interviewees also noted substantial challenges, which included difficulties in measuring and quantifying governmental activities; allocating limited resources to support the initiatives; and fostering and embracing cultural change. Despite an array of measurement difficulties challenging Colorado's performance improvement efforts, leaders continue to embrace the potential value of these initiatives.

Reflecting on the State of Colorado's experience, this report offers recommendations for government leaders considering performance improvement initiatives. Primarily, governments should leverage existing expertise, systems, and activities to either start or build upon performance improvement initiatives and focus on identifying effective and committed individuals to lead and elevate the work at all organizational levels.

## Report Two: Implementation

For this report, 24 state employees representing 14 agencies and offices were interviewed regarding their roles in implementing the Hickenlooper administration's (2011-2019) performance improvement initiatives. State employee engagement survey results supplement the interviews and offer a more measured perspective on progress.

The greatest impacts of the initiatives noted by the interviewees include empowering employees and culture building, using information more effectively, focusing on plans and goal setting, aligning activities and working across traditional silos, benefitting from training opportunities, and receiving support from

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the governor's office. The challenges encountered during implementation included trying to generate buy-in and support for the initiatives, struggling to measure and utilize relevant data, and making do with limited, and sometimes unequal, dedicated resources. A fundamental barrier to the performance management work was the difficulty inherent in finding appropriate metrics to quantify some policy initiatives and goals. Interviewees' advice for succeeding with future performance improvement work included building a culture of performance, dedicating resources to the work, and ensuring that there is executive support and leadership. Employees are optimistic about the continuation of the state's performance management and process improvement activities under the succeeding administration.

**Overall, perspectives in the governor's office and among senior staff at the department level tasked with implementing the initiatives are well-aligned, but the state employee engagement surveys that supplement the interviews offer a broader and more measured perspective.**

Overall, perspectives in the governor's office and among senior staff at the department level tasked with implementing the initiatives were well-aligned, but the state employee engagement surveys that supplement the interviews offer a broader and more measured perspective. The surveys paint a general picture of stability over time with some modest improvement in Efficiency, Effectiveness, Performance Management, Innovation, Work Process, Employee Growth & Development, Involvement, and Resources. Although approximately 70% of employees reported favorable responses to a series of questions on effectiveness and performance management, aggregate measures of favorability declined for indices representing Elegance, Customer Focus, and Lean.

## Report Three: SMART Government Act

In 2010, the Colorado General Assembly altered the state's budget process with House Bill 10-1119, the State Measurements for Accountable, Responsive, and Transparent Government Act, known colloquially as the SMART Government Act or SMART Act. This report summarizes the impetus and details of the law and its 2013 revision during the Hickenlooper administration. Then, based on interviews and secondary sources, the Act's perceived value is inventoried, including the value of its associated hearings and its linkages between performance and budgeting.

The law is considered important for institutionalizing the state's performance improvement efforts by requiring the use of an established process improvement methodology and discussion between departments and the legislature about performance. The quality and utility of the Act's associated hearings are uneven, but exemplars suggest the hearings can be effective for both departments and legislators. The removal of the feedback role from the committees of reference to the Joint Budget Committee when the law was revised in 2013 essentially removed those participating in the SMART Government Act hearings from sharing what they learned and potentially influencing the budget.



## Report Four: Governor’s Dashboard

During Governor Hickenlooper’s second term in office, administration leaders developed a public-facing dashboard available online, called the Governor’s Dashboard, to communicate the state’s performance goals and metrics across key policy priority areas. Building the dashboard was not a trivial undertaking and required significant staff time at both the executive and department levels. The dashboard specified the five priority areas set by Governor Hickenlooper (Economic and Infrastructure Development, Environment and Energy, Health, Quality Government, and Workforce Development); related goals and targets to be achieved; and performance metrics to assess whether the set goals and targets have been achieved. The priorities and goals listed in the dashboard were also linked to the administration’s final budget request.

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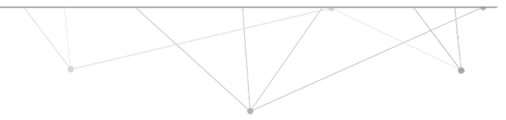
Interviews with leaders and implementers highlight how the dashboard helped them to think more intentionally about relationships between department and statewide goals, as well as priorities that overlap traditional agency silos. The dashboard data suggest that progress was made toward achieving the Hickenlooper administration’s priority goals from 2015 to 2018. Overall, Colorado’s state government developed 61 dashboard measures under the five broad categories. Eighty-five percent of these 61 showed positive changes towards the state-defined goals during the Hickenlooper administration, but outcomes showed considerable variation in performance improvement across different areas. Less clear is how and how much the dashboard was actually used by stakeholders, particularly the public.

## Report Five: Lean Process Improvement

In 2011, Colorado implemented Lean methodology to promote process improvement and customer service. Lean is an approach to process improvement popularized by Toyota’s experience in reducing manufacturing waste. Lean has helped state employees streamline work processes, define key public values, build problem-solving skills, and reduce costs. To date, Colorado has completed about 900 Lean projects across most agencies and trained more than 3,000 state workers in process improvement.

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Drawing insights from the state’s Lean project database, interviews with state leaders and implementers, and employee engagement surveys, it is clear that Colorado has actively implemented Lean on a statewide basis, attempting to reduce waste, inefficiencies, and costs in government operations. Still, there is room for improvement, especially in ensuring greater resource availability to support process improvement projects and training, increasing employee awareness about Lean, consistently tracking activities and outcomes, and pursuing more challenging Lean projects tied to performance goals. This report concludes with practical recommendations for improving process improvement efforts in Colorado.



## Report Six: National Landscape

This report examines Colorado’s position within the national landscape of state government performance improvement initiatives based on four key dimensions: (1) process improvement; (2) performance budgeting; (3) performance metrics (measurement); and (4) data dashboards. Examining public-facing materials on states’ websites, it is clear that many states utilize process improvement, performance budgeting, performance metrics, and data dashboards at a high level, while others are less engaged. Nine states (18%)—Colorado, Hawaii, Indiana, Kansas, Minnesota, North Carolina, Utah, Vermont, and Washington—appear to have a statewide data dashboard, but 39 states (78%) have at least one public-facing (and accessible) data dashboard on a state agency website.

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Interviews with governmental leaders also identified states that have served as models for the Colorado’s work, which include: Connecticut, Maryland, Michigan, Tennessee, and Washington, in alphabetical order. This report serves as both a progress report and a guide to external resources for further information and inspiration.

## Conclusion

The results of this six-report study demonstrate that a data-driven focus on goals, outcomes, and results provided the foundation for the Hickenlooper administration’s performance improvement work. It is also clear that the administration encountered challenges, which included trying to generate buy-in and support for the initiatives, struggling to measure and utilize relevant data, and making do with limited, and sometimes unequal, dedicated resources.

Overall, state leaders and staff at the end of the Hickenlooper administration were optimistic about the continuation of the state’s performance management and process improvement activities. In the spirit of continuous improvement, government leaders in Colorado and beyond can learn from the successes and challenges of the performance improvement initiatives championed under Governor Hickenlooper’s tenure.