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Making it Work (Better):

Implementing Performance Improvement Initiatives in Colorado State Government

Report Two of a six-report series exploring the performance improvement initiatives of the Hickenlooper administration

Report Highlights:

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 perspectives of the individuals responsible for implementing these initiatives in governmental departments and offices provide useful insight into the efforts' impacts, barriers, lessons learned, and prospects for continuation.

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Abstract

Colorado's state government actively instituted and expanded efforts to improve government through performance management, process improvement, and talent development during the Hickenlooper administration (2011-2019). The administration's major performance improvement initiatives included: the SMART Government Act; the Governor's Dashboard; Lean process improvement; and the Performance Management Academy, among others. The efforts to make government "effective, efficient, and elegant," the so-called "3 E's," were guided by a focus on goals and results alongside a reinvigorated desire to better serve the state's diverse customers.

For this report, Report Two in a six-report series, 24 state employees representing 14 agencies and offices were interviewed regarding their roles in implementing the Hickenlooper administration's (2011-2019) performance improvement initiatives.

Discussions with the individuals responsible for implementing the administration's performance activities in the state's departments and offices provide useful insight into the efforts' impacts, barriers, lessons learned, and prospects for continuation.

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 the governor's office. The challenges encountered during implementation include 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. Interviewees' advice for succeeding with future performance improvement work includes 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.

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. 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.

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Acknowledgements

Related Research Reports

This study is part 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 role of outside observer 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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Introduction and Background

Colorado's state government actively instituted and expanded efforts to improve government through performance management, process improvement, and talent development during the administration of Governor John Hickenlooper (2011-2019). The efforts to make government effective, efficient, and elegant, the so-called "3 E's," were guided by a focus on goals and results alongside a reinvigorated desire to better serve the state's diverse customers.

> *"When I first started, performance and process improvement was honestly pretty much nonexistent... It's that cultural change that needed to happen first."*
>
> **- Interviewee**

The administration helped revise and establish the groundwork for future state officials to embrace the performance improvement activities required under the State Measurements for Accountable, Responsive, and Transparent (SMART) Government Act, detailed in Report Three. The Governor's Dashboard, detailed in Report Four, emerged in the second term as a focal point, both internal and external, of performance improvement work with an eye toward improving transparency to the public about the state's achievements and shortfalls. Process improvement, through the Lean methodology, detailed in Report Five, entered the vernacular and skillset of many state employees, while projects proliferated.

Widespread regulatory reform literally rewrote the rules of government with an eye toward cutting the burden placed on both customers and government employees. Thousands of state employees received training on process improvement methodology, while the Performance Management Academy served as a tool to level up the skillset and network of state executives.

As described in Report One, the ambitious slate of performance-related activities was designed and directed by the offices of the governor and lieutenant governor and perceived as generally successful by leaders in Colorado's state government. But the long-term achievements of such initiatives ultimately rest with the staff housed in the state's 16 departments and eight offices, overseen by the governor, who manage and deliver a wide range of services.

For this report, Report Two in a six-report series, 24 state employees representing 14 agencies and offices were interviewed regarding their roles in implementing the Hickenlooper administration's (2011-2019) performance improvement initiatives (the data sources and methodology are detailed in Appendix A).

The questions posed to these state employees included:

- What positive impacts on government, or successes, resulted from carrying out the administration's performance management, process improvement, and talent development initiatives?

- What challenges were experienced during implementation?

- What advice, or lessons learned, can be shared with current and future state government employees to improve performance?

- Have these performance improvement efforts been institutionalized in the daily work of state government?

While this report is intended to capture a front-line perspective on implementing the administration's performance programs, the interviewees are skewed toward representing fairly senior staff with years of experience working on performance activities and strong ties to the executive team leading the statewide efforts. Our interviews were conducted primarily in late January and February 2019, shortly after the governor's office transitioned from the Hickenlooper to the Polis administration. To capture a broader perspective of state employees who were not necessarily directly engaged in the performance initiatives, we also integrate four waves of state employee engagement survey data (2011, 2013, 2015, and 2017) into this report.

The interviewees serve in a variety of roles with departmental titles including Chief Administrative Officer, Deputy Executive Director, Deputy Director, Chief of Staff, Deputy Chief Strategy Officer, Performance Management Director, Performance Management Coordinator, Performance and Asset Management Branch Manager, Performance Planner/Planning Lead, Performance Data Manager, Process Improvement Coordinator, Strategic Planner, Project Manager, and Research Analyst.

Notably, many of the interviewees carry multiple formal and informal titles capturing the varied responsibilities that accompany their primary roles. A substantial share of the interviewees identified as Lean Champions for their departments (described in Report Five).

When asked about their roles, responses typically included strategic/performance planning (for the SMART Government Act and governor's office), creating and collecting internal metrics, performance reporting, Lean/continuous process improvement including assisting staff with projects, alignment of goals with the governor's goals, change management, and supporting data dashboards.

> *"We specifically stated when we started this, and we really don't have to remind people now, that we're not using these measures to put in people's performance plans or to beat people over the head with, but just to improve how the organization is doing and see if we can improve the process."*
>
> **- Interviewee**

Successes of Performance Management and Process Improvement: Making Government Work Better

According to interviewees, the performance improvement initiatives empowered employees, resulted in more effective use of information, increased focus on goals and planning, aligned activities across departments, and enhanced training. Dedicated resources supported the initiatives, while meaningful cost savings resulted from process improvement projects.

The administration's performance initiatives were intended to improve government. Throughout the six-report series, we refer to the collective performance management and process improvement activities of a state as *performance improvement initiatives*. More narrowly, Poister, Aristigueta, and Hall (2014) define *performance management* as the "strategic daily use of performance information use by managers to correct problems before they manifest in performance deficiencies," and *performance measurement* as "the collection of data on key performance indicators."[1]

We asked the state employees to describe successes that made government work better. The interviewees' responses, in order of frequency, included big picture impacts alongside specific accomplishments as presented in Table 1. Note that our thematic coding is mutually exclusive, meaning that a single response is coded to only one theme, but the identified themes can overlap. We expand on each theme in turn below.

Table 1: Themes in Successes of Performance Management and Process Improvement

(1) Empowering all employees through performance management and process improvement/culture building	Most Common
(2) Using information more effectively to improve performance	
(3) Focusing on plans and goal setting (including the SMART Government Act)	Common
(4) Aligning and working across silos	
(5) Training and skill-building opportunities	
(6) Receiving support from governor's office	
(7) Savings from process improvement projects (Lean)	Less Common
(8) Dedicating resources to support performance	

(1) Empowering Employees and Culture Building

Change is hard in any organization and the failure of many executive-led initiatives is traced back to limited buy-in from employees. By "buy-in," we mean genuine support for the change in activities being promoted by an administration. The interviewed state employees perceived the acceptance and engagement of staff in the state's performance management and process improvement work to have a meaningful impact on government. The interviewees' responses reflected this acceptance by staff in different ways. Most frequent was the belief that the performance-oriented work has successfully reached throughout departments and offices beyond those directly engaged with the governor's and the lieutenant governor's offices:

> *Well, I think the number one success was really pushing it down to the staff level...that's where you really get the improvements, because I've got a lot of experience in the field...but I'm never going to understand it like somebody on the line, and I'm never going to be able to provide 'here's a specific thing that we should do differently', that's gonna save us time, or create a better product. That needs to come from the people who are working in the trenches day-to-day. And so I think that's the greatest success is that people have really bought into it.*

Furthermore, the empowerment of employees through outreach, listening, and collaboration was a prominent theme, with one interviewee commenting that the performance initiatives "gave a voice to employees" and another noting that the work "empowered employees to develop [performance]

measures that were meaningful to them." The belief that the engagement of staff mattered for the success of the performance initiatives is captured in the following responses:

> *As far as our performance planning and setting our goals, we try to filter that down and encourage all of our employees to participate. That's grown from, I think, when I first started this, we would maybe have 20 to 30 people participate. I just had a session like a week-and-a-half ago, I had 151 of our employees in a room helping me set our goals for the organization...So to me, that's a success, and shows that collaboration and buy-in from our employees.*

> *I mean, in government, we're limited on resources, right? So I'm trying to run process improvement with two folks for a 1,000-person organization. So we have to really empower our folks to help with that.*

Also prominent was the development of a culture of continuous improvement and customer service orientation that allows for the use of performance information ("it's continual and you can never stop, it just becomes part of your day-to-day thing").

(2) Using Information More Effectively

Using information more effectively to improve performance was a top impact of the performance work based on the interviews. Interviewees reported that successes included: improving the capability to link information to goals; creating information systems that allow for new perspectives on performance; increasing operational capacity through the use of information; identifying controllable actions to improve performance outcomes; and using frequent, often monthly, meetings at the agency level to openly review performance metrics and talk through related responses. One interviewee described how the department's performance plan goals guided a change in operations. Another described using performance information, include leading and lagging measures, to guide strategies for improvement:

> *So having that [performance plans] going on for the past four years, and being able to have specific, measurable goals has been a big success, I think, especially with being able to find the items that we can control to improve our outcomes, because we've been reporting stuff…for years and years and years. But now we can actually report on how we are doing on the stuff that can affect those outcomes.*

Sometimes new uses of information can even transform a department's understanding of its services. An example from our interviews comes from the Colorado Department of Human Services (CDHS), whose celebrated C-Stat system served as a model of metrics use under the Hickenlooper administration.[2] Like many social service organizations, about two-thirds of the services provided by CDHS are actually delivered by contractors and counties rather than the state. The creation of C-Stat included the creation of data dashboards for Colorado's 64 counties that provide monthly performance data for the state-supervised, county-administered programs. An interviewee involved in the creation of C-Stat explained that, historically:

> *[CDHS] really didn't have that ability before to understand how a county was performing across all of our programs…So that was a game changer for us, we really were able to understand the performance of an entire county…And then, alongside, provide supportive services to the counties in order to see some improvements.*

Not only could the state act strategically to address issues at the county level, but the counties became partners in improving performance with the increased awareness provided by C-Stat.

(3) Focusing on Plans and Goal Setting

The SMART Government Act requires annual agency performance plans including goals and metrics. Interviewees believe the quality of performance plans has improved as departments gained additional experience with the process.

> *Looking at agencies' performance plans since then [the inception of the annual plan requirement], I think they've come a long way. They've gotten a lot better about identifying things that are measurable, that they do have some control over to make it more relevant to their business operations.*

Goal setting has simply become more common across state government. Some interviewees described an increasingly nuanced use of goals and metrics where there is a willingness to set aspirational goals and use metrics for different purposes.

(4) Aligning and Working Across Silos

The push for performance management resulted in better alignment of department goals with those of the governor's office. The Governor's Dashboard, detailed in Report Four, provided a set of overarching goals for the state and, for some, helped develop a common mission and culture. The process of establishing statewide goals and measures and setting goals that stretched beyond a single department had a profound impact by breaking down traditional silos. For example, partnerships emerged to better address goals like reducing fatal and serious-injury crashes on Colorado's highways, which depends on both the Colorado Department of Transportation and State Patrol. The influence of talking about goals and measures within and across departments is captured in the following response that addresses the variety of government services provided even within a single department:

> *We're a large complex business and often operate in silos. And so through that performance management lens, we were really able to bring together people across different divisions and offices in ways that they never had really even known about each other.*

Another way in which the initiatives spanned department and office boundaries was through engagement in peer networks. Multiple interviewees mentioned the value of holding regular Lean Champion meetings to create and leverage a network of highly-skilled people as a community of practice in state government. Similarly, the subject matter expert (SME) meetings held to develop the Governor's Dashboard also allowed for constructive engagement beyond one's own department or office.

(5) Training and Skill-Building Opportunities

Training was highly valued by state employees. Interviewees believed the Performance Management Academy, as well as department-level training aimed at scaling up the Academy, had a meaningful impact on improving government. Interviewees also mentioned the Talent Challenge program, which provides training on process improvement with established vendors and 50% matching funds from the governor's office. The following response, describing the impetus for training through CDHS, captures the value of the training that accompanied the performance initiatives:

Reggie [Bicha, CDHS Executive Director] felt so strongly about how successful the governor's Performance Management Academy was that he then instituted our own Performance Management Academy. And that's important because you only get to allot like five people per year to go to the governor's one. And so Reggie was like, 'that's not enough, I run an organization of 5,500 people, right?' And so that's a great example of taking the good work that Governor Hickenlooper was doing and saying, 'I love when my staff come back from that feeling empowered, so educated, and I want to replicate a version of that.' I think that's a great example of an impact from the type of work the Hickenlooper administration was doing.

(6) Receiving Support from the Governor's Office

Interviewees spoke favorably about the support received from the governor's office to undertake performance improvement initiatives. Comments highlight the behaviors that were valued by implementers as contributing factors to the success of the performance management and process improvement work. First, the governor's and lieutenant governor's offices provided the "why" behind the initiatives for departments and offices. Second, the administration was supportive and engaged in their approach. Specifically, the lieutenant governor's team was available and willing to help through quarterly meetings and one-on-one meetings as needed.

The governor's office is always very hands-on. We have quarterly Lean or process improvement meetings where all state departments get together with staff from the governor's office. Performance management, they're always involved with, you know, like bouncing ideas off them and they'll tell us if one of our metrics, or one of our initiatives is something they don't like or they want to see something...I do know that if I ever need anything, I know who I contact.

(7) Savings from Process Improvement Projects

Meaningful cost savings resulting from process improvement activities were noted by a small number of interviewees. Projects conducted using Lean methodology were largely considered a success of the initiatives (see Report Five for more details).

(8) Dedicating Resources

For some interviewees, the act of dedicating resources to performance management and process improvement activities reflected the importance of the work. In particular, the act of creating an office or position focused on these activities in their organization elevated the work and signified a commitment of leadership.

Barriers to Implementation

Challenges experienced during the implementation of the performance improvement initiatives included: generating buy-in and support; measurement and data challenges; limited dedicated resources to support the work; operating within large, diverse, and dynamic organizations; and coordination issues around data management and communication.

A number of common barriers, or challenges, to implementing the performance initiatives were encountered. Interestingly, some of the reported successes also appear here as barriers. The interview

responses naturally grouped into five categories listed in order of frequency in Table 2. We expand on each theme below.

Table 2: Themes in Barriers to Implementation

(1) Generating buy-in and support for the initiatives	
(2) Measurement and data challenges	Most Common
(3) Limited dedicated resources	
(4) Large, diverse, and dynamic organizations	Common
(5) Coordination issues (data management and communication)	

(1) Generating Buy-In and Support for the Initiatives

Buy-in for the performance work from a wide range of employees is generally recognized as a success by the interviewees but also as a major challenge. Specifically, generating buy-in and support for the initiatives was made difficult by fear of punitive action resulting from the performance efforts and barriers to promoting awareness and gaining active participation throughout organizations.

Employees feared a punitive function of both performance management and process improvement. For many, it was initially unclear what the end purpose was for data collection around performance measures (both in performance plans and the Governor's Dashboard). Middle managers were singled out as a group that believed there was an explicit personnel evaluation component to the goals and metrics. Concerns over job loss resulting from the outcome of process improvement work, via Lean methodology, was a source of resistance from staff. Departments attempted to overcome these very real fears by communicating that the intent of the initiatives was not punitive.

> *However, the culture around it, there was still a lot of fear, because it wasn't really used to see how we need to improve. I mean, if something was red on a dashboard, it was more of, I don't want to say that they're yelled at, but there was fear behind it, instead of asking, how do we move forward in a collaborative effort?*

Buy-in and support require high levels of awareness and participation across the organization. Raising awareness is complicated by communication challenges. To some interviewees, the initiatives were not communicated well at the agency level with a need to make sure that managers understood the importance of the work. Departments and offices with employees spread out across the state presented a physical barrier to communicating the work regularly and in a face-to-face manner. Others believed the communications should be simplified for staff (particularly for Lean process improvement) and, in some cases, come from department leadership rather than the governor's office.

Even with awareness, there remained challenges to employee participation in the performance improvement efforts. For one, getting active buy-in is difficult when the new tasks are not a part of employees' "day jobs," despite the essential role for front-line employees to generate process improvement ideas. The lengthy learning curve to understand formal Lean methodology and maintaining support for process improvement following abandoned projects were additional barriers to participation. Moreover, the perception that these efforts were trying to get government to work like business served as another, more philosophical, barrier to participation.

(2) Measurement and Data Challenges

Challenges around data and measurement were common during implementation of many performance management activities. At a high level, an early lack of data available for meaningful performance measures results in "feed the beast" performance management, according to an interviewee, where measures are reported as required but serve no real management or performance improvement function. These empty measures are used because they are available rather than capturing the desired quality of a measure, which is being actionable for decision making. Departments frequently encountered unavailable, incomplete, or imperfect data for performance measurement purposes. In some cases, departments needed to develop new infrastructure to support data collection that could provide adequate performance measures.

> A fundamental barrier to the performance management work included difficulty finding appropriate metrics to quantify some policy initiatives and goals.

A fundamental barrier to the performance management work included difficulty finding appropriate metrics to quantify some policy initiatives and goals. When measures were identified, they sometimes represented outcomes over which departments only had limited influence. At the other end of the spectrum, some implementers reported starting off with too many metrics that quickly became meaningless measures. Moreover, those working in performance management reported the onerous need to occasionally revisit and refine performance measures and sometimes admit that the wrong measure is in place.

> *And then I think we went a little bit too crazy. So up to last year, we were tracking more than a hundred different metrics across the board. This year, we took a hard look to see which ones were truly actionable and really driving the business and scaled that back.*

The timing and frequency of data for performance measures was an especially salient challenge for some departments. For example, it takes time for data to become available for updating a metric and the frequency may not match reporting expectations or be desirable for regularly informing policy decisions. Leading indicators may simply be unavailable and lagging indicators may be far removed from the current activity of interest. While some of these challenges can be addressed with the collection of more and better data, others simply reflect the complicated nature of government services and the outcomes they support. As one interviewee stated:

> *And then you have some challenges, trying to take policy initiatives and put them into specific quantifiable, measurable metrics. And sometimes it's just not possible to do...where you want to look at quarterly or monthly updates, or on something that doesn't update for years at a time.*

(3) Limited Dedicated Resources

Resources are needed to initiate and sustain performance improvement activity. Human resources, or the time and effort of skilled employees, are the most salient resource required for performance management and process improvement work. Indeed, interviewees highlighted the limited number of staff dedicated to the performance initiatives as a key barrier. Departments mentioned "running at full capacity" with existing job demands, extensive "volunteering" for performance roles particularly during the

administration's first term, being "voluntold" to support the performance work despite already dealing with existing position responsibilities, and using interns to supplement staffing around performance improvement.

> *I think our resources are a little bit limited, mainly, because if all we did was the performance plan, that might be okay. But we have a lot of other specific items that need to come out.*

Numerous interviews from both large and small departments pointed to inequities across and within departments and offices. They commented, for example, that there are "haves and have nots" when it comes to support for performance initiatives. Individuals "wear many hats in smaller departments" and often fulfill the executive demands for performance management and process improvement alongside existing full-time responsibilities. The perceived inequity extends to resources for training, where smaller departments can less easily afford to match funds required for training through the Talent Challenge program. The importance of dedicated staff is apparent from the following interviewee response:

> *I'm a big believer in that if you don't assign somebody to do this, if not [as their] full-time job— at least a pretty significant part of it—[performance improvement] tends to fall by the wayside. It's not that nothing gets done, it just gets done pretty slowly and haphazardly as people have time, or somebody wants something, and that spurs a little activity, and then you just become inconsistent with it.*

Human capital is developed through training, but training comes with both the direct costs for participation and the indirect costs of lost work time while attending. Some respondents believed the process improvement training available through the state remained too expensive even with the executive matching funds and suggested the use of internal trainers or support for "train the trainer" type events. Others commented on the constant need for training to address losses of expertise that accompany staff turnover.

Related to staff capacity, employees mentioned the difficulty balancing the "push-and-pull" between time spent on satisfying executive demands versus internal priorities. These tradeoffs are even more pronounced where department staff are already busy trying to meet state and federal reporting demands.

Finally, a few interviewees mentioned the challenges imposed on performance initiatives by dated technology, including databases. The critical role of technology and information systems in supporting the performance work also surfaced under other themes.

> *I mean, we have, frankly, an ongoing challenge, just with our technology that, you know, we're a 21st century agency working with not even late 20th century technologies on our databases, and we have a very data intensive environment.*

(4) Large, Diverse, and Dynamic Organizations

Colorado's state government is large (with 101,808 employees including higher education, as of June 30, 2018[3]), responsible for providing a surprisingly diverse set of services, and must frequently respond to expected and unexpected shifts in policy and leadership. These characteristics of state government create challenges to implementing performance management and process improvement.

The size of state government requires a bureaucratic and hierarchical management structure. A byproduct of this approach, according to some interviewees, is that there are "lots of masters to answer to" and reframing of goals is sometimes required to satisfy the current political context. A significant challenge is to align goals and reporting cycles across the many different venues ranging from executive director goals, to master plans, to SMART Government Act compliance, to the Governor's Dashboard, and back to internal/external department and office dashboards. In addition to coordinating goals and measures for different purposes, departments are also faced with trying to tie together performance plans and process improvement activities.

> *So that was an internal process that we engaged internal stakeholders, as well as division leadership, to try and identify—what are five to six priorities of the department? So sometimes narrowing down to five or six things was challenging, we ended up doing a lot of rework, the rewriting of our mission statements.*

Even the departments and offices in state government are big, dispersed geographically, and often serve varied functions. Implementers described the challenge of effectively engaging and coordinating employees and stakeholders in this work under such circumstances. In the same vein, some interviewees recounted the struggle to narrow down their goals given their organization's wide array of activities. The charge to focus on a few Wildly Important Goals, or WIGs, artificially belied the complexity of some departments. Fairly frequent turnover in executive directors imposes additional barriers to implementing the performance work, as do shifting policy environments (e.g., recreational marijuana, natural disasters).

> *I think one challenge for us being that we are so big and so diverse and spread out across the state, is that it is hard to engage employees in the process.*

(5) Coordination Issues (Data Management and Communication)

A number of coordination issues related to data management and communication surfaced as challenges in our interviews. Although they may seem minor relative to other barriers, the examples demonstrate the importance to employees of established systems for data collection and management, as well as consistent communication of data needs. Interviewees noted that there was no consolidated state entity for aggregating performance-related data. Without a centralized data organizer, manual workarounds were needed for seemingly simple tasks. Moreover, not all departments used the applications, like Google Docs, selected for sharing documents.

> *Usually we get a lot of things last minute or [a] week out ahead of time, which makes it a little bit difficult to get things together, especially with cabinet review sessions—those we really didn't know specifically when those were going to happen until a week or two ahead of time.*

Process improvement (Lean) projects are tracked in a shared database online, but the reporting is incomplete. Some interviewees hope the system is improved so departments and offices can better learn from the project experiences of each other. Also related to coordination, the process of assembling the Governor's Dashboard included data and meeting requests with short lead times. Such requests were a challenge to meet given existing demands on implementers and resulted in "rework" when metrics changed and additional communication demands with department leadership.

Advice and Insight

The implementers of Colorado's performance improvement initiatives advise others engaged in similar efforts to intentionally build a culture of performance, dedicate adequate resources to the work, and encourage strong executive support and leadership.

Based on their experiences implementing Colorado's performance management and process improvement initiatives, interviewees provided advice and insight for others trying to do the same in government. By a wide margin, the advice to build a culture of performance was most commonly given followed by dedicating resources to the work, and providing strong executive leadership (see Table 3). We expand on each theme below.

Table 3: Themes in Advice and Insight

(1) Build a culture of performance	Most Common
(2) Dedicate resources to the work	Common
(3) Provide executive support and leadership	
(4) Other advice	Less Common

(1) Build a Culture of Performance

Efforts to improve performance depend on broad support among employees. Buy-in was represented as both a success and a barrier to implementing performance improvement initiatives, so it is no surprise that it is a focal point of advice. The interview responses related to culture and building a sustainable performance program focus on three areas. First, performance improvement initiatives are not quick fixes and take substantial time to implement. Interviewees advised to start slowly by building culture around performance management and process improvement before you try to implement the associated activities. They also serve as a reminder that such efforts are always works in progress and require flexibility.

Second, a culture of performance is established through meaningful employee engagement conducted "early and often." The engagement includes convening meetings to give employees a voice in the initiatives. Make sure that everybody is squarely behind the department or office mission and somehow linked to fulfilling the mission, even if their role is not explicit in performance plan goals. Developing trust and buy in through participation is critical, but engagement also improves the quality of performance planning when the front-line experts are convened to share ideas and provide input on goals and metrics. Once goals and metrics are in place, interviewees suggested showing respect for the employees (and departments, for that matter) by talking to the experts and stakeholders before changing metrics or data requirements. Keeping performance and process foremost in peoples' minds is essential since a department cannot expect a small, dedicated group to do all the work and be successful without broad participation at the staff level. Furthermore, buy-in and support of performance work is not only an issue for front-line employees, but also for middle-level managers and executives.

Third, interviewees commented that a culture of performance is supported by setting expectations around the objectives and consequences of performance management and process improvement efforts. Foremost, advice included alleviating employee fears about potentially punitive outcomes such as job loss

or negative evaluations. The purpose of the work should be clearly communicated as improving the organization and its services. As one interviewee described:

> *We specifically stated when we started this, and we really don't have to remind people now, that we're not using these measures to put in people's performance plans or to beat people over the head with, but just to improve how the organization is doing and see if we can improve the process.*

A productive way to communicate the work, according to some interviewees, is with consistent communications that create a safe learning environment and focus all activities on improving customer service. For example, leaders need to be clear that falling short of goals will happen. Limit the use of buzzwords and jargon and acting as if improving performance is something foreign. Instead, frame the work for individuals as answering the question, "How do I improve how I do my job?" Be sure to showcase successes and extract value (learn) from failures.

(2) Dedicate Resources to the Work

Fairly straightforward advice resulting from the interviews is to dedicate resources to the performance work or it will not get done. Responses reflected the belief that the return on such investment is positive for the state. The nuance to the advice is that attention should be paid to potential equity issues related to such resources across and within departments. Equity concerns are motivated by differences in access to training and many individuals being required to wear too many hats. An effort to integrate standardized job descriptions for performance-related tasks into position descriptions across state government was mentioned as a step toward formally recognizing the functions people are already completing at the department/office level. One interviewee also pointed to the need for dedicated resources at the executive level to support the needed infrastructure and momentum for the work.

Another interviewee pointed to the Lean Fellows program, where the expertise and skills of employees is leveraged beyond their individual departments, as an example of an initiative under-resourced by design (detailed in Report Five). Although the recognition of high achievers serves an important purpose, the expectation that already fully-committed employees could satisfy the demands of other departments in need of expertise was described like using a "bandaid on a gushing wound."

(3) Provide Executive Support and Leadership

Performance management and process improvement requires the visible support of leadership. Leadership provides guidance on how to carry out performance improvement activities and sets the expectation that it is okay to try things and learn from them to make things better. As one interviewee explained, "So, if the executive director is not interested in it, or top level management's not interested in it, nobody else is going to be."

(4) Other Advice

Some other pieces of advice stood out, despite being mentioned by only a single interviewee, and are mentioned here. Process improvement work should focus on more than simply counting completed Lean projects or, from a leadership perspective, promoting only flashy marquee projects. An important and inexpensive practice is to publicly recognize the successes achieved by process improvement projects, even the mundane ones.

An insightful comment focused on being aware of the diminishing returns of process improvement work. As the interviewee described it:

You can only squeeze an orange so much before all the juice is out. A new administration, they have so many dreams and things that they want to do. And a lot of the fat has already been cut. And so, there's not only a fear by the practitioners about what else we're going to have to cut, but number two, how is the new administration, whatever that administration is, if we start really digging in, they're going to see that maybe the past administrations that have been doing this have already done a really good job, and yet, they still need a story to tell. And that may put them in a kind of a difficult spot.

Another piece of advice is for performance improvement efforts to be thoughtful about how and why they collect data. Different data provide different stories and it is too easy to default to the use of existing data. According to one interviewee, disaggregating data fundamentally changed the conversation around performance for the department:

I always say the most important thing I learned in all of that time was that breaking out your data by meaningful units of analysis is probably one of the most critical levers you will ever pull when you are trying to improve performance.

Expectations for Continuation

Interviewees are optimistic about the continuation of the state's performance management and process improvement activities. The practices identified as supportive of the ongoing performance work come from a number of sources, including the SMART Government Act, department practices, governor's office programs, personnel and existing relationships, the nature of government work, and external funding requirements.

Performance improvement initiatives frequently fail to survive the passage of time or shifts in administrations. In our interviews, we asked whether the people who played key roles in implementing the performance work believed it would continue. In short, had the practices and mindset of continuous improvement been institutionalized in state government? The responses were optimistic that the performance orientation will persist in Colorado's state government due to multiple sources of institutionalized practices around performance improvement.

Sources of institutionalized performance improvement practices supporting the existing performance management and process improvement work fall into five categories (listed in order of prominence): state law and legislative expectations, department practices, personnel and relationships, nature of government services, and external funding requirements (see Table 4).

Table 4: Mentioned Sources of Institutionalized Performance-Oriented Practices

(1) State (SMART Government Act, legislative expectations)	Most Common
(2) Departments (standard practices, regular performance meetings, established training, internal recognition programs, dedicated staff)	
(3) Governor's office (monthly strategic planning updates, quarterly updates to the governor, technical assistance to departments, training programs)	
(4) Personnel and existing relationships (staffing continuity, peer networks)	Common
(5) Nature of government work (consistency of departments' missions and goals)	
(6) External funding requirements (federal government, professional associations, or private foundations)	

(1) At the state level, the SMART Government Act institutionalizes departmental performance plans, setting goals, tracking metrics, being accountable to the legislature through hearings, and training in a process improvement approach (detailed in Report Three). Under the Act, there is a consistent and required framework for performance improvement regardless of who sits atop the executive branch. One interviewee described the performance framework as "plug and play" based on a new administration's priorities. The centrality of the existing legislation is clear by how the requirements guide the goal-setting process:

> *Because of the SMART [Government] Act, it is institutionalized in there. Anytime we try to come up with executive directors goals, we're always reminding them that we have to make them SMART goals, and quantifiable and metrics and not just, we will do this action step at this time.*

(2) The departments continue to operate with what are now considered standard practices focused on performance management and process improvement. Examples include regular meetings focused on performance (e.g. a department-level all-hands meeting each quarter, a monthly performance management reporting forum), established training (e.g. quarterly internal training with department Lean champions, the CDHS version of the Performance Management Academy), internal recognition programs for Lean project successes (e.g. providing a gift card to a project lead, inclusion in newsletters), and having dedicated staff working on performance improvement continue with those duties.

(3) The governor's office supports continued performance work with a number of discretionary practices. These administration practices have included monthly strategic planning updates from the departments, quarterly updates to the governor, technical assistance to departments, and training programs. Our interviews took place shortly after the transition to the Polis administration, but expectations were high that performance improvement remains a focus for state government. Comments included that early activities reflect the goal-setting practices of *The 4 Disciplines of Execution* (4DX), a popular management book, and continued support for Lean process improvement.[4]

(4) Another source of persistence for the performance work is the state's personnel and their existing relationships. Continuity in personnel across administrations means there is institutional memory in place regarding what worked well and what did not work well for improving performance. The

peer networks, including the Lean Champions and their regular meetings (detailed in Report Five), are highly valued for supporting the process improvement efforts and still include many of the same people from previous years. As one interviewee remarked, "It has helped that the people doing it haven't changed much."

(5) The nature of government work was also cited as a source of institutionalization for the performance-oriented practices. The mission and primary goals for most departments and offices simply are not going to change as the core purposes are clear and stable. For example, the key component of the Colorado Department of Public Safety's mission is to safeguard the public and the department will naturally look to measures that allow them to track progress toward achieving the mission. Interviewees had a hard time imagining a scenario where new leadership would arrive and ask for less information and attention to performance.

(6) External funding requirements, whether imposed by the federal government, professional associations, or private foundations, also reinforce the active use of performance management. Requirements appear to be trending toward more performance measurement rather than less and the existence of a state system can be leveraged somewhat for these complementary needs.

Comparison of Leader and Implementer Perceptions of Performance Improvement Initiatives

Perspectives of the state's performance improvement efforts in the governor's office and among senior staff at the department level tasked with implementing the initiatives appear well-aligned.

In this section, previous interviews with leaders of the Hickenlooper administration's performance improvement initiatives, detailed in Report One, are contrasted with the responses of those who worked to implement the programs in the state's departments and offices. Overall, the responses identifying the successes and challenges of the performance improvement efforts are quite similar across the different interviews with some noted exceptions.

The successes of the performance improvement efforts on government are compared in Table 5. The top four successes identified by the leaders were also recognized by the implementers, but in a different order of importance. The exception is regulatory reform. Implementers identified the shift in culture and empowerment of employees as a broad, but key, impact of the work. They also acknowledged the support received from the governor's office and the availability of dedicated resources to support performance as successes that mattered for making government work better.

Table 5: Comparison of Successes Identified by Leaders and Implementers

Successes Identified by Leaders	Successes Identified by Implementers
Process improvement projects (using Lean)	Savings from process improvement projects (Lean)
Training and talent development	Training and skill-building opportunities
Strategic plans and the planning process	Focus on plans and goal setting (including the SMART Government Act)
	Alignment and working across silos
	Using information more effectively to improve performance
Stronger customer orientation	Empowering all employees through performance management and process improvement/culture building
Regulatory reform	-
-	Dedicated resources to support performance
-	Support from governor's office

Note: For Tables 5, 6, and 7, the term *leaders* include interviews with 13 individuals representing the governor's office, lieutenant governor's office, Office of State Planning and Budgeting, a former legislator, and department executive directors (see Report One). The term *implementers* is shorthand for the 24 department and office employees interviewed for this report who were instrumental in implementing the performance management and process improvement initiatives.

The barriers or challenges faced during the performance work overlapped for both the leader and implementer groups as seen in Table 6. All of the challenges identified by the leaders were also identified by implementers, but in a different order of importance. Culture change was the top challenge for the implementers, while leaders more frequently identified measurement and resource challenges. The implementers also recognized being large, diverse, and dynamic organizations and coordination issues as significant challenges to the initiatives.

Table 6: Comparison of Challenges Identified by Leaders and Implementers

Challenges Identified by Leaders	Challenges Identified by Implementers
Measurement of government activities	Measurement and data challenges
Limited resources	Limited dedicated resources
Culture change	Generating buy-in and support for the initiatives
-	Large, diverse, and dynamic organizations
-	Coordination issues (data management and communication)

Although the specific wording differs across interviewed groups, the advice provided from leaders and implementers overlaps completely (see Table 7). Building a culture of performance, providing dedicated resources, and the need for executive support and leadership are explicitly present for both groups' advice. For the implementers, there was an implicit presumption of the value to continuing performance management and process improvement efforts, which mirrors the leaders' admonition to engage in such work and leverage existing activities.

Table 7: Comparison of Advice Provided by Leaders and Implementers

Advice of Leaders	Advice of Implementers
"Do it" if not currently or "keep at it"	Executive support and leadership
Need for executive leadership and a clear vision	
Build on existing performance-oriented activity	Build a culture of performance
Earn employee buy-in and change culture	
Need resources to carry out	Dedicate resources to the work

State Employee Engagement Survey Results

State employee engagement 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 since 2011. However, aggregate measures of favorability declined for indices representing Elegance, Customer Focus, and Lean.

The Hickenlooper administration actively used employee engagement surveys to track perceptions of progress in areas directly related to the performance initiatives. At the highest level, employee perceptions of the administration's "3 E's" of efficiency, effectiveness, and elegance were captured by indices based on related survey questions. Separate indices measured employee perceptions on other topics central to the efforts including: Performance Management, Innovation, Work Process, Lean, Customer Focus, Growth & Development, Involvement, and Resources. Some departments and offices used the survey data for planning purposes and as measures tied to unit performance plan goals.

As shown in Table 8 and Figure 1, the survey results demonstrate stability, and even a small increase, in perceptions of efficiency and effectiveness over the course of the administration's two terms. At the same time, employee perceptions of elegance modestly declined, particularly over the second term. These findings display a disconnect between the experiences of our relatively small number of implementer interviewees and the larger number of employee engagement survey respondents. A couple of factors may be driving the seeming discrepancy between the more optimistic perspectives of the interviewees and the less optimistic perspectives evident in the employee engagement surveys. First, the individuals selected through purposeful sampling for the implementer interviews may have been more closely aligned with the optimism of leaders due to the interviewees' positions as upper-level managers, rather than front-line employees. Second, positive systems-level changes in policy and practice may not be visible to the front-line staff responding to the employee engagement surveys. Lastly, those with particularly strong feelings in either direction (optimistic or pessimistic) may have been more likely to respond to the employee engagement surveys.

The results of the state employee engagement surveys illustrate the inherent difficulty in moving the needle on employee perception in such a large and diverse organization. The average number of survey responses across the four waves is 17,680.

Table 8: Average Favorability of Efficiency, Effectiveness, and Elegance Indices (the "3 E's") by Employee Survey Year

	2011	2013	2015	2017	Difference from 2011 to 2017 (percentage points)
Efficiency Index (use of resources)	58%	60%	59%	59%	+1
Effectiveness Index (impact of our work)	70%	72%	70%	72%	+2
Elegance Index (graceful service interactions)	58%	58%	57%	54%	-4

Note: The percentages reflect the average share of employees who responded to the underlying questions with *Strongly Favorable* or *Favorable* responses. See Appendix A for more information.

Figure 1: Average Favorability of Efficiency, Effectiveness, and Elegance Indices (the "3 E's") by Employee Survey Year
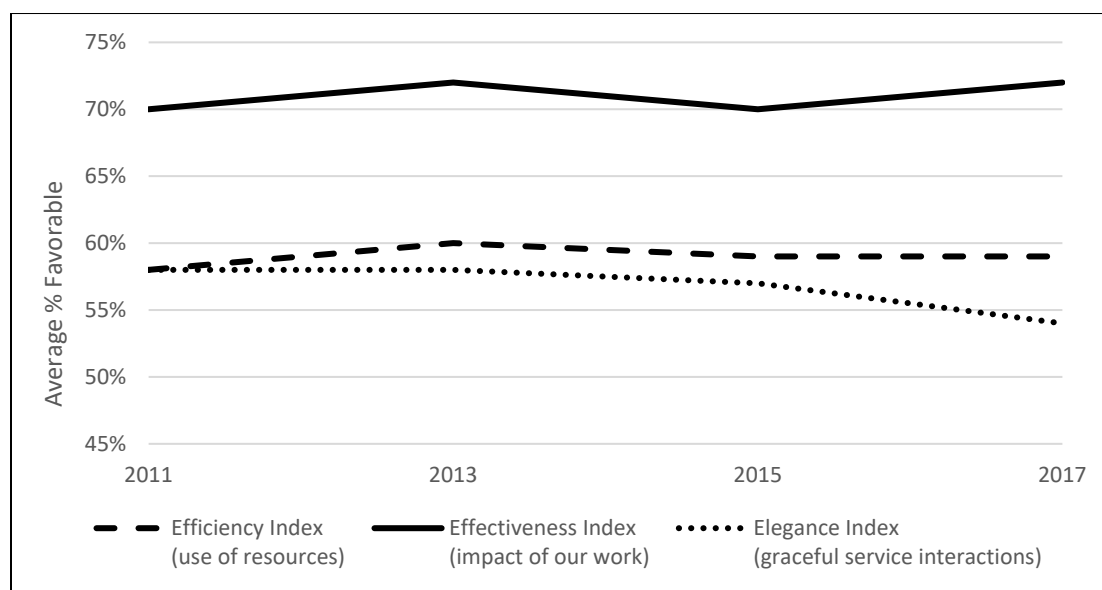

Table 9 includes indices of employee perceptions on other topics central to performance improvement efforts. More favorable impressions of each topic by state employees are represented by higher percentages. Favorability levels at the end of the administration ranged from 51% for Innovation to 69% for performance management, with most values falling around the mid-50% mark.

Table 9: Average Favorability of Survey Indices by Employee Survey Year

	2011	2013	2015	2017	Difference from 2011 to 2017 (percentage points)
Innovation	48%	50%	51%	51%	+3
Resources	51%	54%	52%	54%	+3
Performance management	66%	69%	67%	69%	+3
Involvement	52%	53%	53%	54%	+2
Growth & Development	53%	55%	55%	55%	+2
Work Process	61%	63%	61%	63%	+2
Lean	-	51%	47%	-	-4
Customer Focus	60%	59%	57%	54%	-6

Note: No statistical tests of the differences in means are conducted, since we only have summary data from the surveys. The percentage shares reported in the aggregated survey results are rounded to whole percentage points, so the calculated differences are approximate amounts. Indices are ordered by the difference between 2011 and 2017 percentages. The 2017 Customer Focus index value is originally reported as 46%, but this calculation appears to be incorrect based on the provided data. We report a revised value of 51%.

For ease of interpretation, we visually present the index results in two groups. First, the indices that experienced any level of improvement across the four surveys are grouped together in Figure 2. Of the eight indices, six experienced positive changes since the initial survey in 2011. Although very modest, the trajectory appears favorable across the different response topics. Performance Management and Work Process reflect substantially higher baseline levels of employee favorability than the other topics.

Figure 2: Average Favorability of Survey Indices by Employee Survey Year (positive trend)
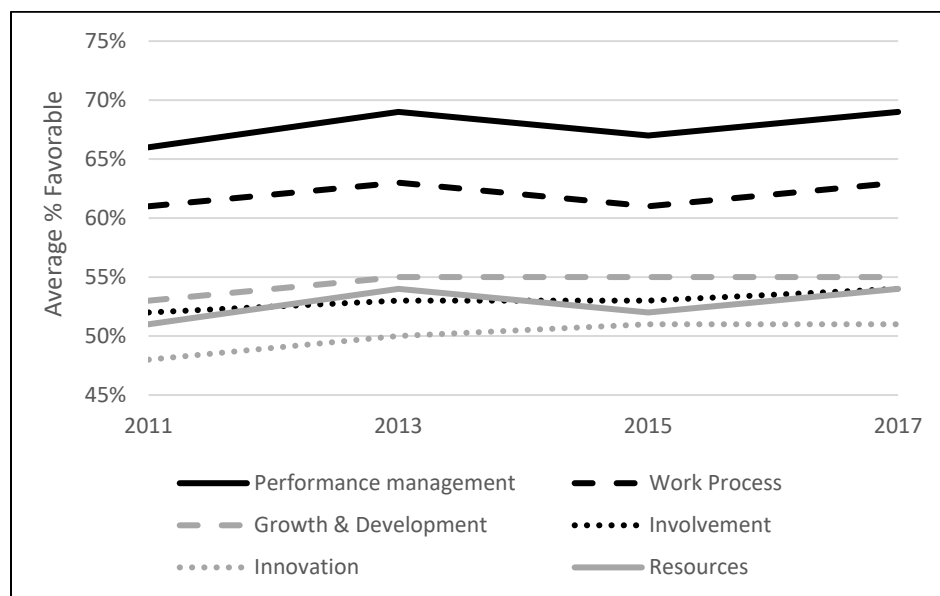
Next, we present the two indices representing Customer Focus and Lean. Both areas experienced declines in employee favorability, as seen in Figure 3. The decline in the Customer Focus measure is fairly consistent since the 2011 survey. Questions specific to Lean were first included in the 2013 survey and

additional questions were added in 2017 when the index value was no longer reported. The survey results pertaining to Lean in the 2017 survey (not represented in Figure 3) suggest further decline in familiarity with Lean, Lean project activity, and support of process improvement work by leaders. For the underlying questions contributing to each index, see the individual survey summary reports available through the State of Colorado's website.

Figure 3: Average Favorability of Survey Indices by Employee Survey Year (negative trend)
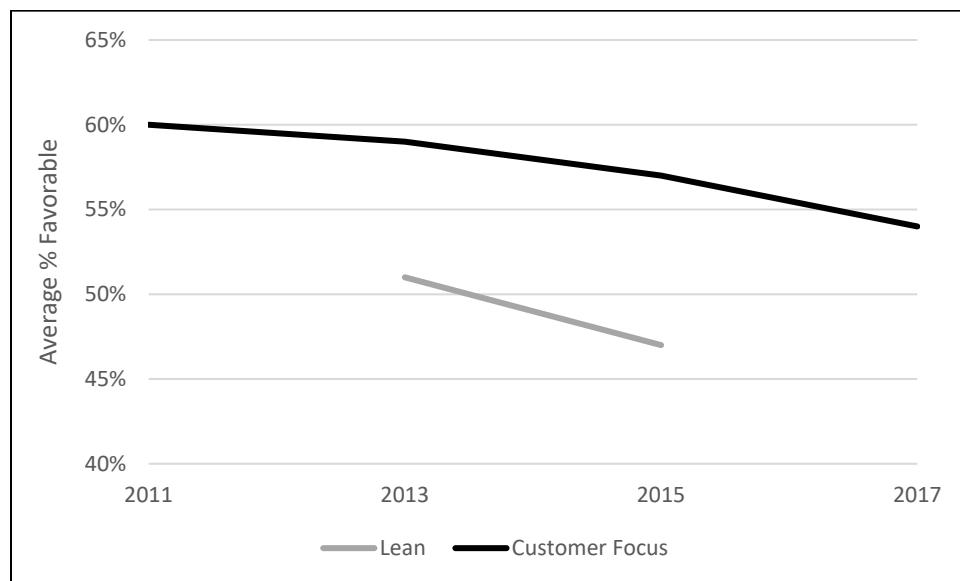
Note: A comparable Lean index is only available in the 2013 and 2015 survey results.

Given the activity around performance management and process improvement during the administration, as well as the focus on prioritizing the state's customer orientation, the modest and uneven survey results are unexpected. The use of employee engagement surveys, though, should be recognized as an important performance improvement tool in its own right. The results should not overshadow the fact that such surveys are an important tool to gauge and track employee perceptions, which relate to performance along many dimensions.

Conclusions

The long-term achievements of performance improvement initiatives depend on the staff housed in the state's departments and offices. In this report, we addressed the following questions based on interviews with more than 20 state employees engaged in the Hickenlooper administration's performance improvement efforts:

What positive impacts on government, or successes, resulted from carrying out the administration's performance management, process improvement, and talent development initiatives?

According to the interviews, the greatest impacts or successes of the initiatives included:

- Empowering all employees through performance management and process improvement/culture building

- Using information more effectively to improve performance

- Focusing on plans and goal setting (including the SMART Government Act)

- Aligning and working across silos

- Training and skill-building opportunities

- Receiving support from governor's office

- Savings from process improvement projects (Lean)

- Dedicating resources to support performance

What challenges were experienced during implementation?

A number of meaningful challenges were experienced during the implementation of the programs, including:

- Generating buy-in and support for the initiatives

- Measurement and data challenges

- Limited dedicated resources

- Large, diverse, and dynamic organizations

- Coordination issues (data management and communication)

What advice, or lessons learned, can be shared with current and future state government employees to improve performance?

Both general and specific advice was offered based on the experiences of the interviewees, including:

- Build a culture of performance

- Dedicate resources to the work

- Executive support and leadership

Have these performance improvement efforts been institutionalized in the daily work of state government?

The employees were optimistic about the continuation of the state's performance management and process improvement activities, in part based on early experiences with the Polis administration. The practices believed to support the ongoing performance work come from a number of sources, including the:

- State (SMART Government Act, legislative expectations)

- Departments (standard practices, regular performance meetings, established training, internal recognition programs, dedicated staff)

- Governor's office (monthly strategic planning updates, quarterly updates to the governor, technical assistance to departments, training programs)

- Personnel and existing relationships (staffing continuity, peer networks)

- Nature of government work (consistency of departments' missions and goals)

- External funding requirements (federal government, professional associations, or private foundations)

Perspectives of the state's performance improvement efforts 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. 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 since 2011. However, aggregate measures of favorability declined for indices representing Elegance, Customer Focus, and Lean. Having around 70% of employees with favorable responses to a series of questions on effectiveness and performance management is encouraging, but the relatively flat trends and presence of declining indicators are troubling.

Appendix A: Data Sources and Methodology

Qualitative Interviews

Officials from the lieutenant governor's office assisted in identifying an initial list of 51 individuals representing staff involved in implementing Colorado's performance improvement initiatives from a variety of state departments and offices.

Specifically, most individuals played one or more of the following roles: Lean Champion, Performance Planning Lead, or Subject Matter Expert. They were contacted via email with an initial interview request and a follow-up request if needed. We ultimately conducted interviews with 24 state employees representing 14 agencies and offices, including representatives from the Office of the State Auditor and Joint Budget Committee staff, using an interview protocol of eight open-ended questions:

1. What is/was your role related to performance improvement initiatives?

2. How did these state-level efforts translate to your specific work?

3. What were the successes from your perspective?

4. What were the challenges?

5. Were there attempts to institutionalize efforts across administrations?

6. Are these performance-related activities well known and understood throughout the department?

7. What advice and best practices for others undertaking performance improvement initiatives do you have?

8. Who else should we talk to, in or outside of government about these programs?

The team recorded and transcribed the interviews, which averaged 39 minutes in length.

Following best practices for qualitative research, two members of the research team coded the interview transcripts to ensure inter-coder reliability. Themes in the responses were identified by each coder independently, along with representative quotations. These initial themed codes were transferred into the coding forms and consolidated across coders based on team discussions. The coding generated counts of themes raised by interviewees for each question. The frequency of mentions was used to gauge the importance of the themes in our analysis.

Employee Engagement Surveys

The Hickenlooper administration instituted a biennial employee engagement survey beginning in 2011.

All employee engagement survey results come from the following sources: OrgVitality, LLC. (October 2011 & February 2014). *Results Report Employee Engagement Survey: Report for Overall State of Colorado* (001); The Gelfond Group. (November 2015). *Employee Engagement Survey Briefing Report: Report for*

Total State of Colorado; PwC. (n.d.). *2017 State of Colorado Employee Engagement Survey: Executive Results Report.*

Survey respondents averaged 17,680 in each wave. Responses totaled 20,466 for the 2011 survey; 16,061 for the 2013 survey; 16,902 for the 2015 survey; and 17,291 for the 2017 survey. Reported survey response rates were 48% in 2015 and 63% in 2017 (response rates for 2011 and 2013 were unavailable). The scale used for survey responses includes the following categories: 'Strongly Favorable', 'Favorable', 'Neutral', 'Unfavorable', and 'Strongly Unfavorable.' Reporting combines the 'Strongly Favorable' and 'Favorable' responses to represent 'Favorable' responses. The percentage shares reported in the aggregated survey results are rounded to whole percentage points, so the calculated differences presented in this report are approximate amounts.

Endnotes

[1] Poister, T. H., Aristigueta, M. P., & Hall, J. L. (2014). *Managing and measuring performance in public and nonprofit organizations: An integrated approach* (2nd ed.), p. 5. San Francisco, CA: Jossey-Bass.

[2] Wavelet, M. (2019). *A Practitioner's Framework for Measuring Results: Using "C-Stat" at the Colorado Department of Human Services*. IBM Center for The Business of Government. Retrieved from http://www.businessofgovernment.org/sites/default/files/A%20Practitioner%27s%20Framework%20for%20Measuring%20Results.pdf

[3] Colorado Department of Personnel & Administration. (n.d.). *FY 2017–18 Workforce Report: Workforce data for the State of Colorado*. Retrieved from https://www.colorado.gov/pacific/dhr/workforce-report-fy-2017-18

[4] McChesney, C., Covey, S., & Huling, J. (2012). *The 4 disciplines of execution: Achieving your wildly important goals.* New York, NY: Free Press.