

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

6-1-17

2. Department

Government Operations Agency

3. Organizational Placement (Division/Branch/Office Name)

Office of the Secretary of Government Operations

4. CEA Position Title

Director of Performance Improvement

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Government Operations Agency (GovOps) was formed in 2013 to improve government programs, modernize government business processes, improve coordination and promote accountability. GovOps oversees 15,000 employees in nine state departments. Under the direction of the Deputy Secretary for Innovation and Accountability, the Director of Performance Improvement (Director) will develop and implement a strategy for implementing data-driven performance improvement framework throughout state government that integrates various tools and training, including strategic planning, workforce and budget planning, risk management, data management and analysis, Lean process improvement and leadership development. These activities forward the agency's mission to modernize the processes of government to improve performance. In doing so, the Director will be working with training programs underway at CalHR and will develop pilots for new training. The Director will also meet with department directors both inside and beyond GovOps to introduce and help implement the data driven performance improvement framework.

6. Reports to: (Class Title/Level)

Deputy Secretary for Innovation and Accountability (exempt)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st  2nd  3rd  4th  5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

### 9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Director of Performance Improvement (Director) will develop and implement a road map to launch a data driven performance improvement framework that integrates strategic planning, workforce planning, budget planning, risk management, data management and analysis, Lean process improvement and leadership development. Adoption of these tools and data-driven management strategies will help departments achieve better results.

The Director will integrate and coordinate efforts at the Agency level, as well as training provided by CalHR and other departments, and ensure that its framework aligns with and supports related efforts, such as reporting required under the State Leadership Accountability Act. Examples of training include Lean and Lean 6 Sigma process improvement training, leadership training and Workforce Planning training offered through CalHR. Also included are data management and organization training offered through GovOps. The Director will ensure that these trainings are aligned with and support a performance improvement model.

In addition, the Director will draw upon existing training materials, best practices and other examples to develop a training package specific to California State Government for data-driven performance improvement and management as well as strategic planning that align with the state's existing Lean, Lean 6 Sigma, Leadership, Workforce Planning and Risk Management training.

In the first six months after hiring, under the direction of the Deputy Secretary for Innovation and Accountability, and in coordination with the Assistant Secretary for Innovation and Accountability and the Chief Data Officer, the Director will develop criteria for organizational readiness to assess a department's operational maturity and to determine the sequence and appropriateness of training programs to improve performance, consistent with the overall data-driven performance improvement framework.

The Director will develop metrics to track the results of Lean and Lean 6 Sigma training and evaluate ways to track outcomes of other training offered by GovOps departments. The Director will extend a current pilot on data-driven performance improvement to an organizationally mature business unit within GovOps to demonstrate how existing tools and training can be employed using data gathered from ongoing routine business operations to improve processes and performance. The Director will help with the development and refinement of metrics, data visualizations and data analysis.

Drawing on previous white papers and a recent survey of departments conducted by the Department of General Services, the Director, will create a business plan for introducing new departments to the above-mentioned framework, starting with departments that already have undergone Lean, Lean 6 Sigma and/or Open Data training.

At the completion of the pilot, the Director will start introducing the framework both in and beyond GovOps, assess the readiness of business units that want to participate and develop a work plan for implementing data-driven performance improvement tools, working with management to guide them through the process, including the discussion and selection of metrics used for measuring performance and the need to refine them as appropriate. As part of this assessment, the Director will recommend and guide departments in training that can advance departments' readiness.

In the first six months, the Director will establish a performance improvement advisory committee, that will meet at least twice a year, for the purpose of informing the Director of new developments in the field of performance improvement, data-driven decision-making and change management. Members of this committee may be drawn from government, academia, the private sector or the non-profit sector.

This position will be member of the Agency Secretary's top advisory team, who fully participates on the Secretary's management team and provides direct input on Agency decisions. Additionally, this position advises the Governor's Office, Agency Secretaries, Directors, Executive Officers, Board Members and other high-level staff regarding state training and performance improvement.

The Director will play a pivotal role in driving the GovOps mission, goals and objectives. This position will support the Agency's governance structure by developing and implementing policies, procedures and guidelines.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

**Description:** The mission of GovOps is to improve management and accountability of government programs, increase efficiency, and promote better and more coordinated operational decisions.

The Director of Performance Improvement will develop a road map for implementing a data-driven performance management framework that integrates strategic planning, workforce planning, budget planning, risk management, data management and analysis, Lean process-reengineering and leadership development. Adoption of these tools and data-driven management strategies will help departments improve performance to achieve better results. Dedicated resources are needed to ensure refinement, alignment and integration of these tools and effectively implementing them across state agencies.

State departments currently lack a systematic framework for assessing their operations to ensure that they are using their resources to get the best program results they can.

Departments traditionally focus on processes and practices that emphasize compliance, rather than processes and practices that emphasize desired program outcomes. This focus, together with the state's current structure and organizational design, contribute to:

- A myopic view of strategies, operations and risk;
- Poor integration and coordination of programs;
- Lack of prioritization;
- Redundant systems and outdated processes;
- Poor communication;
- A focus on process rather than results.

This leads to inefficiency, less-than-optimum program results and higher-than-necessary operating costs.

Achieving better results requires a data-driven strategy to improve management. This means helping departments apply proven data-driven and performance management methods and practices in a coordinated fashion, using a framework of tools and training. GovOps has prepared for this role by building training programs through which it and CalHR can disseminate performance improvement and data organization practices to state departments.

GovOps started with a "Lean" process re-engineering training program to help departments identify, analyze and modernize outdated business processes. "Lean" is a method of identifying process improvements to streamline operations for better results. GovOps partnered with CalHR Statewide Training to implement a California-specific curriculum for Lean orientation, and trained staff in departments who could train others. Additionally, GovOps teamed with the Governor's Office of Economic and Business Development to offer more rigorous Lean Six-Sigma training. As of July 1, 2016 more than 600 state employees have received some form of Lean training.

Through the Civil Service Improvement initiative, GovOps and CalHR developed and piloted new supervisor and manager training programs. This partnership led to the development of a statewide leadership training program for supervisors, managers and executive that will incorporate Lean and performance improvement principles.

GovOps also developed an open data pilot portal that is increasing department-level awareness and sophistication about program-level data generated by routine activities that can support the development of program results measures and visualization tools that can be used for data dashboards that detail results. Through the pilot, GovOps, the Department of Technology and the California Health and Human Services Agency's Office of Statewide Health Planning and Development, have trained dozens of state employees how to clean and structure data sets to make their data easier to share and analyze.

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

California state government has failed to develop and systematically integrate modern management practices into the administration, evaluation and improvement of state operations. State employees and programs are burdened by obsolete processes, many layered on top of each other in an effort to address past failures or criticisms. Though the added processes increase cost and delay, management often fails to determine whether the added processes improve service to end users of state services.

During the Great Recession, budget cuts and furloughs resulted in the elimination of jobs and the departure of experienced and skilled employees, including managers. The same budget cuts forced the virtual elimination of training, and closed the Statewide Training Center. Many new supervisors have never been trained for their new role, despite statutory requirements for 80-hours of training. Until recently, no additional training was required for people promoted into manager positions. Departments, in part due to outdated procurement processes and a lack of technology expertise, have been slow to adopt advances in technology that could improve processes as well as improve quality and accuracy in delivering services, and help employees be better at their jobs and gain greater satisfaction in serving the public.

Fear of failure has fueled risk aversion that hinders innovation and adoption of new methods. The state lacks the ability to systematically assess the embedded risk of the status quo, which prevents it from accurately weighing the relative risk of trying new approaches.

Department programs pull in vast amounts of data in the course of providing services, processing claims, issuing permits and imposing penalties using data management systems designed to collect and store rather than share or analyze. These outdated computer systems and the software they run are deteriorating and breaking down, while the staff capable of maintaining and operating these systems is retiring. Departmental cultures that allow data hoarding hinder efforts to share data, collaborate or discover patterns that fuel innovation. The state does not have a culture of analyzing data to improve processes or make data-based budgeting or program decisions to improve outcomes.

These factors have reduced government effectiveness.

At the same time, citizens have increasingly higher expectations for customer service, based in part on the technology they use in their personal and business lives. The government faces the challenge of hiring and training new employees who have different expectations about careers, the workplace and workplace technology than do the retiring state workers they replace. Governmental operating costs continue to rise, driven by rising personnel costs and the cost of maintaining and operating outdated and deteriorating buildings, systems and infrastructure.

Modern business systems since have been developed that allow governments the ability to track compliance in a transparent way as well as track and measure the performance of government activities in meeting goals. They have been implemented elsewhere, and in some states they have been integrated to create a framework of performance assessment and improvement tools.

GovOps has developed tools and trainings that can be applied to this challenge, but they need to be applied in a coordinated, thoughtful and appropriate manner. The role of the Director of Performance Improvement is to develop and implement data driven performance improvement and to integrate the state's existing performance improvement tools and trainings into a framework that is workable for department to adopt.

## C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Director of Performance Improvement will be responsible for building and implementing a framework of training and tools that have been demonstrated to help employees create more value with their time for Californians, improve the value of their jobs, improve the quality of state services, develop the next generation of leaders and allow managers to see to what degree their department's activities are delivering the outcomes to which they've committed. In broader budget terms, the data-driven performance improvement tools can allow department executives see where the next additional dollar of spending can create the most value and, if required to reduce spending, where to allocate remaining dollars to maximize the department's highest-priority goals.

Building a performance management culture that can be embraced and implemented across government will require working with department leaders within GovOps as well as department leaders in other agencies. A key role will be assessing the readiness of a department for each of the different tools and trainings GovOps can offer, and the sequencing and application of these tools and trainings within an organization that decides to use this coordinated, data-driven approach to performance improvement. This process includes:

- +Reviewing departmental data and strategic plans for overall vision and direction. The Director will be able to inform revisions and guide discussion about the inclusion of performance metrics, including process, output and outcome measures.

- +Reviewing departmental organizational health indicators and workforce plans. The Director will be able to explain how analysis of organizational health indicators can inform future workforce planning and assess opportunities to better align workforce plans and strategic plans.

- +Reviewing departmental risk assessments and strategies to identify, measure and address risk. The Director will discuss with departments how operational health indicators and workforce planning can be used to reduce risk, and how both should be used to inform recruiting and retention strategies.

- +Assessing departmental capacity for process improvement and use of data to track processes and outcomes identified by strategic plans. The Director will help departments determine what processes are appropriate for different levels of Lean training, up to and including Lean Six Sigma training, and help departments assess their operational data collection practices and how they align to broader data-driven performance improvement strategies.

- +Identify and build performance metrics and visualizations of those metrics that enable departments to gauge their progress toward desired outcomes identified by strategic plans.

- +Report and share information on a department's progress toward achieving desired outcomes.

- +Collect and analyze data and qualitative responses from departments on the effectiveness of GovOps training to provide feedback to training leads at CalHR and Department of Technology to ensure optimal curriculum and content delivery.

- +Track performance improvement best practices for states and other large governments and assess for appropriateness for California state government.

Developing metrics to measure performance is necessarily a policy discussion, forcing department leaders to identify priorities and determine how to measure progress towards achieving those priorities. The decisions made influence workforce planning and resource allocation decisions. These may include overhauling a program, training staff or supervisors, curtailing or even eliminating a program that is determined to be ineffective.

The Director will be working with department directors and division chiefs on assessing readiness and what training is appropriate and in what sequence. The results of Lean and Lean Six-Sigma projects, and the results of the analysis of open data and non-published operational data can have immense impacts on how management assigns tasks and resources.

**C. ROLE IN POLICY INFLUENCE (continued)**

13. What is the CEA position's scope and nature of decision-making authority?

The Director will work collaboratively as a member of the Agency Secretary's management team, and with the management teams of other Agencies, as well as the Directors and executive management teams of departments that agree to implement the framework and some or all of the tools and training it contains.

The decision to use the framework and the trainings and tools provided by GovOps is voluntary on the part of departments. The Director's authority will ride on the credibility of the framework and the quality of the tools and trainings it contains, as well as the Director's ability to demonstrate the framework's effectiveness.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Director will be developing and implementing new policy, specifically data-driven performance improvement, as well as building a framework to integrate and further refine existing policies related to workforce planning, leadership training, risk analysis and management, and Lean process improvement.

The Director will develop a framework for systematically improving department-level results, one that integrates the training tools GovOps already offers and shares best practices in use by other states and public agencies. Such a framework is necessary to ensure successful alignment and integration of the tools and guidance material, effective implementation across state departments and agencies, and the widespread adoption of these critical business practices.

These efforts will help departments measure and improve results, assess and ameliorate risk, and use data gathered from departments' regular activities to make smarter decisions about how to use their resources to achieve their strategic goals. This will help departments take a holistic view of their operations, strategies and risk; help them better integrate and coordinate programs; prioritize activities and eliminate redundant processes; improve communication, and focus on results.