

Level Three Government

Evolving State Operations from
Reaction Driven to Results Driven
to Social Good Driven

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Contents

Introduction	3
A Turning Point in the World of Business	4
An Opportunity for Government	6
Operational Maturity Model	8
Functioning at Level One: Reaction Driven	9
Advancing to Level Two: Results Driven	12
Level Three: Helping People Thrive	18
The Failure to Thrive	19
Cycle of Social Change	22
New Capabilities at Level Three	23
The Three Levels: And in the End	25
Appendix A: Operational Maturity Matrix	27
The Complete Model	30
Definitions	31
Assessing Your States Maturity Level	33
Appendix B: Adverse Childhood Experiences	34
About John M. Bernard	35

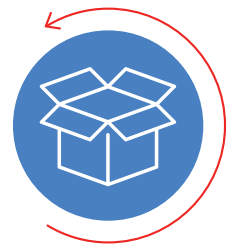
A Note of Thanks

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A NOTE ON THE COVID-19 PANDEMIC: In this paper you will learn about the three-levels of functioning in state governing, the lowest of which is “Reaction-Driven.” The scramble to meet the demands for Covid-19, the complete absence of common data sets, the intra-system disconnects between housing, hunger, poverty, jobs, substance abuse, physical and mental health – not to mention the need to ramp up and coordinate supplies and vaccines – revealed holes in government that should cause us all to pause and ask some hard questions. Reaction-driven is the lowest possible level of functioning in government where operations are held together by the sheer will and force of public servants. In this paper you will see how we got to this level of functioning, and what it will take to move beyond it to level two, and ultimately, to level three.

Introduction



Every eight years a shuffle occurs in most of our state capitols that often wreaks havoc on state operations. Out go the boxes of the old governor’s team, and in come the boxes of the new in state offices across the capital campus.

More and more governors are working to modernize state operations. Whether it’s through strategic planning, citizen-downloadable data sets and performance dashboards, business reviews, cross-department moonshot projects, customer-service training, or adding a cadre of Lean black-belts to increase process improvement capacity, these governors are committed to improving the effectiveness and efficiency of government operations.

While new laws across the spectrum of policy issues are likely to have some stickiness, operating advances from one administration to the next do not. Career staff get excited and engaged in the changes because they represent hope for better-working government. When the new team arrives and dismisses the previous administration’s efforts, the left-behind supporters often feel abandoned and disenfranchised.

But most importantly, the yo-yo effect retards the natural organizational maturation of a state as an organization – slowing the rate of overall improvement in efficiency and effectiveness.



The long-term consequence is that state government operations can function well-behind the power curve of modern best-practice management methods. That reality harms the credibility and effectiveness of government and presents a set of challenges governors and state leaders should consider addressing.

State government very likely suffers from operating waste ranging from 50 to 60 percent.

The exploration of the challenges of developing operational maturity begins with considering some serious questions:

- What is the inherent nature of progression in operating maturity in state government?
- What are the levels of maturation?
- How does a state advance through the levels of operating maturity?
- What are the implications to operational efficiency and effectiveness of these progressions?
- How steep and long is the learning curve to advance?
- How sticky are the changes in operational strategy?

A Turning Point in the World of Business

In the early 1980s, U.S. business was forced to take a hard look at its operational strategy, in no small part, because Japan started eating America's lunch in the automotive and consumer electronics categories – and clearly had its sights set on more segments. Research showed in those days that U.S. manufacturers had poor reputations for product and service quality and suffered from as much as 25 percent operating waste, with U.S. service industries closer to 40 percent waste. (Waste is defined as activities that add no value to a product or service, including moving, waiting, reworking, inventorying, inspecting, approving, overproducing, etc.) While it is not possible to eliminate all waste, most experts would agree getting waste to 10 percent would put an organization at a world-class level of efficiency. The resources released through the elimination of operating waste can enable many dreams.





The issues that caused the loss of market share had to be addressed by U.S. businesses if they wanted to survive. And of course, as we know, many didn't: American Motors. Zenith. Magnavox. Admiral. Polaroid.

Government has a whole lot of unavoidable costs driven by regulation – costs it can't ever completely eliminate. But there's plenty of waste it can eliminate, waste in the way it does its routine work as well as waste in how it works within and across departments. And certainly, there is opportunity in the waste generated by management when outcomes are unclear and employees lack the skills and the authority to make improvements.

In my experience in speaking to and working with thousands of state employees, the percent of waste public sector workers say they experience in state government processes is likely in the 50-60 percent range. This has a profoundly negative effect on many stakeholders, among them, of course, employees. Employees see the waste, discover they can't do a thing about it, and as a consequence they disengage and simply put in their time.

Waste is capacity, and its elimination frees resources. The capacity to do other higher-value work.

The nature of organizations is that they evolve, and they evolve because real change requires the development of new thinking and new actions, which necessitates developing new understanding and skills and new practices across a broad spectrum of the workforce.

While business *had* to reset its own sense of best practices, for government it's a choice. It's really a choice for leadership.



An Opportunity for Government

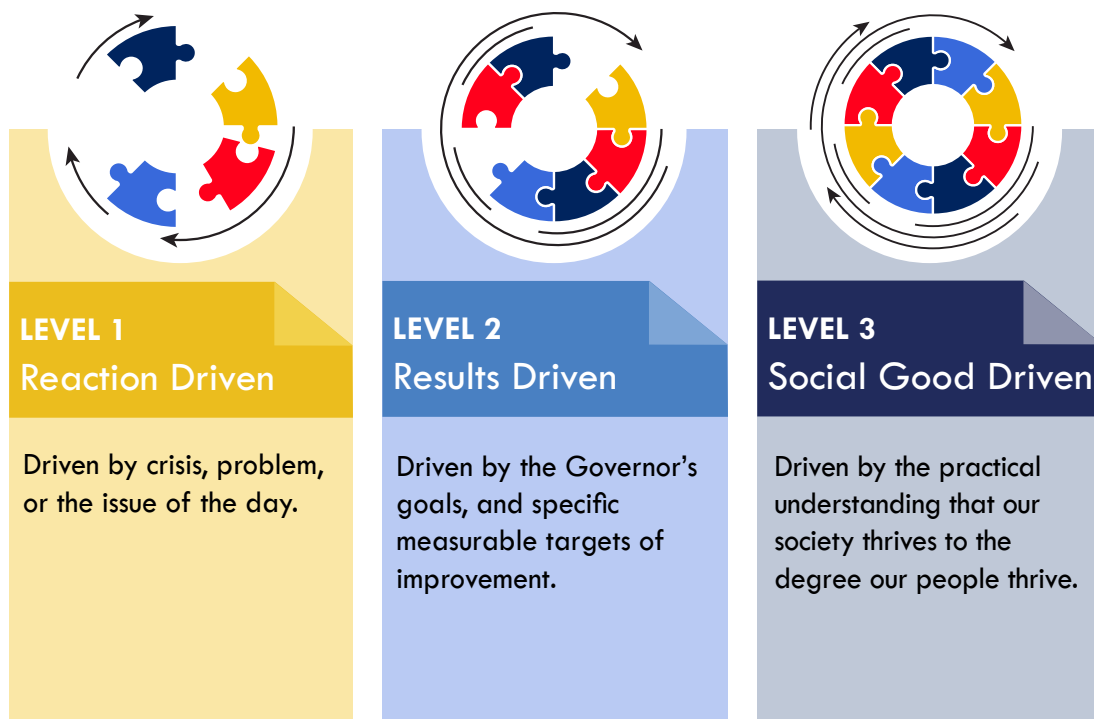
In this paper I will introduce and define the **Operating Maturity in State Government model** as a best practice framework for state governments that are committed to improving results at every level of the organization.

The first elements of this model are the **Three Levels of Operating Maturity**, levels that ultimately speak to the capability of a state to control its destiny, and to define what it works on and its impact:

Level One, Reaction Driven, are government operations in which the state functions at the stimulus/response level. Something happens, and the state responds.

Level Two are government operations that are Results Driven, focused on increasing the state’s ability to achieve targeted specific outcomes.

Level Three are government operations that are Social Good Driven and live in the world of measures, facts, and evidence-based practices. These states collaborate with stakeholders, benchmark best practices and validate new approaches that detect and prevent complex social problems.





The second element of the model is the **Best-Practice Framework**, which describes the functional state of operations, and ultimately the level at which each element of the functional state operates.

OUR DIRECTION IS ALIGNED

1. Our leadership leads from the front and see themselves as learners.
2. The Governor's goals are clear and measures in place.
3. Department goals and outcomes align with the Governor's.
4. Employees see how what they do connects to the goals of the Governor and their Departments.
5. Our goals are aligned with our community; Our community is engaged doing it's part.

WE OPERATE WITH A SHARED PHILOSOPHY

6. We respect and embrace all people of every race, background, ethnicity, gender, sexual orientation, ability, experience, and status.
7. We are customer driven, and see those we serve as our customers.
8. We take a process view and are skilled at process improvement.
9. We are committed to applied learning.
10. We are accountable and see accountability as a positive.
11. Data and analytics drive our decisions and inspire action.
12. We benchmark the world to learn about what works.
13. We model behaviors that teach those we serve.
14. Our focus is on doing what is right not proving we are right.

WE ARE DISCIPLINED AT CLOSING LOOPS

15. Scorecards are current, accessible, and transparent.
16. We hold routine business reviews to monitor progress.
17. We validate the efficacy of solutions and hold gains with measures.

WE DELIVER RESULTS

18. We routinely deliver breakthrough results from cross-agency initiatives.
19. We have improved results across the board, at every level.
20. We transform lives through prevention and detection.



Operational Maturity in State Government

Levels of Operational Maturity



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BEST PRACTICE FRAMEWORK



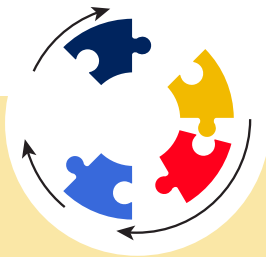
See Appendix A for details on the Operational Maturity in State Government model.



Functioning at Level One: Reaction Driven

In the following section, I will paint extremes for the sake of creating distinctions between each level and within the levels. In the real world a state may have parts of it functioning in one or all of the levels at any given time.

A scuffle occurs at a DMV office. People waiting for hours in a line that runs out the door are told they are too far from the counter to get served by closing time. The manager decides to lock the door at 4 p.m. and cut off the line at the door. A waiting customer gets angry and shoves the employee locking the door. Soon the police arrive, and a TV news crew is right behind them. A week later the governor and her secretary of transportation are holding a townhall to convince people in this city the state will fix the problem.



LEVEL 1 Reaction Driven

Driven by crisis, problem, or the issue of the day.



Level One is the functional equivalent of the “whack-a-mole” carnival game in that management addresses problems that pop up, with the primary focus being to make them go away as quickly as possible

Whether it’s a mess like the one in this true DMV story, or a child who dies tragically in foster care, a bridge that collapses, a constituent with a horrific story about the hell they went through for a permit, or a whistle-blowing employee on the verge of being fired for poor performance, or an explicit romantic text exchange between an elected official and a state executive discovered through a public information request, the nature of state government is that it is messy. Often, very messy.

In many ways, or at the very least at certain times, most states function at level one – *Reaction Driven*. This level is all about stimulus/response. Level one states are driven by crisis and problem as well as self- and special-interests – anyone who knows how to create a problem. They live in a world where the career-ending fear of ending up “above the fold” profoundly impacts behavior. That fear permeates the organization and fuels higher and higher risk as people who know something is wrong hide or run from it – because if they don’t, they might well be struck by the hammer of blame.

Making the problem go away becomes the focus. Action is what matters, not facts or an understanding of the root cause. Symptoms are the focus. The goal is to get back to the status quo. By default, this



gives **power** to people who *find* problems and know how to exploit them with narrow, often self-serving objectives. Whether it's a special interest with lots to gain, a legislator working his or her agenda to get re-elected or to gain media visibility, an ambitious reporter or a whistle blower, the state is disoriented with fear as the drama goes up one day and down the next.

Level One is driven by anecdotes because no performance data or facts exists to dispute the stories; the latest horrific story is the best and only indicator of performance.

Problems engender distrust, and states functioning at Level One are often plagued by extreme tampering on the part of the legislature.

Every state has its examples of tampering by the legislature. Ten years ago, one state's elected representatives thought overhead costs were too high, so they passed a law stipulating that for a person to have the title of "manager," they had to have at least 10 people reporting to them. You can imagine the wasted activity that resulted as state government leadership had to create new job classifications and shuffle people around to create the appearance of compliance. Anyone who knows how state government works knows this law did not eliminate waste; it caused it. Dodgeball at its best.

In the extreme, when the heat gets too high, someone gets fired and everyone acts as if *that* solved the problem. Blame is the dominant capital in the capitol. It buys time and it makes the problem – people. Get rid of the people and you get rid of the problem. And of course, the net effect is fear, and so people hide the next problem guaranteeing the cycle will repeat.

As any experienced government executive will tell you, reaction-driven government is very common, and when all else fails, it is the go-to reality of life in state government. In fact, it is *so* common it is tempting to spend time and energy simply getting operationally efficient – at reacting. A bit twisted indeed.



In summary, here's what Level One looks like:



DESIRED RESULT	Problem goes away.
FOCUS	Make it go away as quickly as possible.
WHAT DRIVES ACTION	An event, a problem, an unfortunate quote, a legislative hearing, an incident, an arrest, a death or disaster.
WHO DRIVES	Special interest, whistle-blowers, single-issue legislators, watchdogs, the media.
HALLMARKS OF THE LEVEL	Surprise, denial, blame, panic, hoping it will go away, fear, scapegoating.



Advancing to Level Two: Results Driven

Some examples in this section are represented as isolated programs, when they may have actually been a part of a larger state strategy.

Many governors are working or have worked to move their states to a second and new level – a level that could readily be called *Results Driven*. These governors are adapting business practices, embracing facts, and driving the state toward clear goals and measurable outcomes. They engage their employees in improving the state’s ability to meet its customer’s needs.

There is a wide spectrum of efforts that could fall into this category, some of which might best be described as dipping one’s toe into the results-driven world – all the way to approaches that are nothing short of diving headfirst into the deep water.

Other states commission third-party studies of efficiency, performance, and spending, including those done by Kansas and Delaware. These fall somewhere between levels one and two depending on what a state does with what it learns. (Oh, and more often than not, these studies result in little-to-no action.)



LEVEL 2 Results Driven

Driven by the Governor’s goals, and specific measurable targets of improvement.

The toe-dip approach involves using a tool or two or three and just getting something started. Many states have committed resources to a Lean educational arm, such as the impressive effort in Connecticut known as LeanCT. These programs are often focused on training in a wide range of topics including the philosophy and tools of Lean. But the most common use of Lean training is to resource process improvement activities.

Level two efforts, at minimum, contain as their core:

- Goals, measures and targets
- Scorecards
- Process improvement (fact driven)

Governor Christine Gregoire of Washington State (served from 2005-2013) required every department to complete a Lean project



one year, getting her state started experimenting with Lean. That laid some important groundwork that her successor, Governor Jay Inslee, leveraged to start the highly regarded *ResultsWashington* effort. Governor Inslee was encouraged by Washington state business leaders to leverage the Lean work and used his commitment in his campaign for governor.

All-in approaches like *ResultsWashington* are far more aggressive, usually systemic (involve all departments) and comprehensive (seeking to engage all employees), and always have a significant amount of top-down direction and Governor involvement.



Oregon took a different approach, starting with one agency, Oregon Youth Authority (OYA), and then letting the results-driven approach spread by merit to other departments with awareness and tacit support from the governor, and quiet-but-powerful support from the state's first-ever chief operating officer. A dozen agencies joined the common approach and toolset. Today the former director and deputy directors of OYA, who led those early efforts, run Oregon's largest agencies, the Department of Human Services and the Department of Corrections.

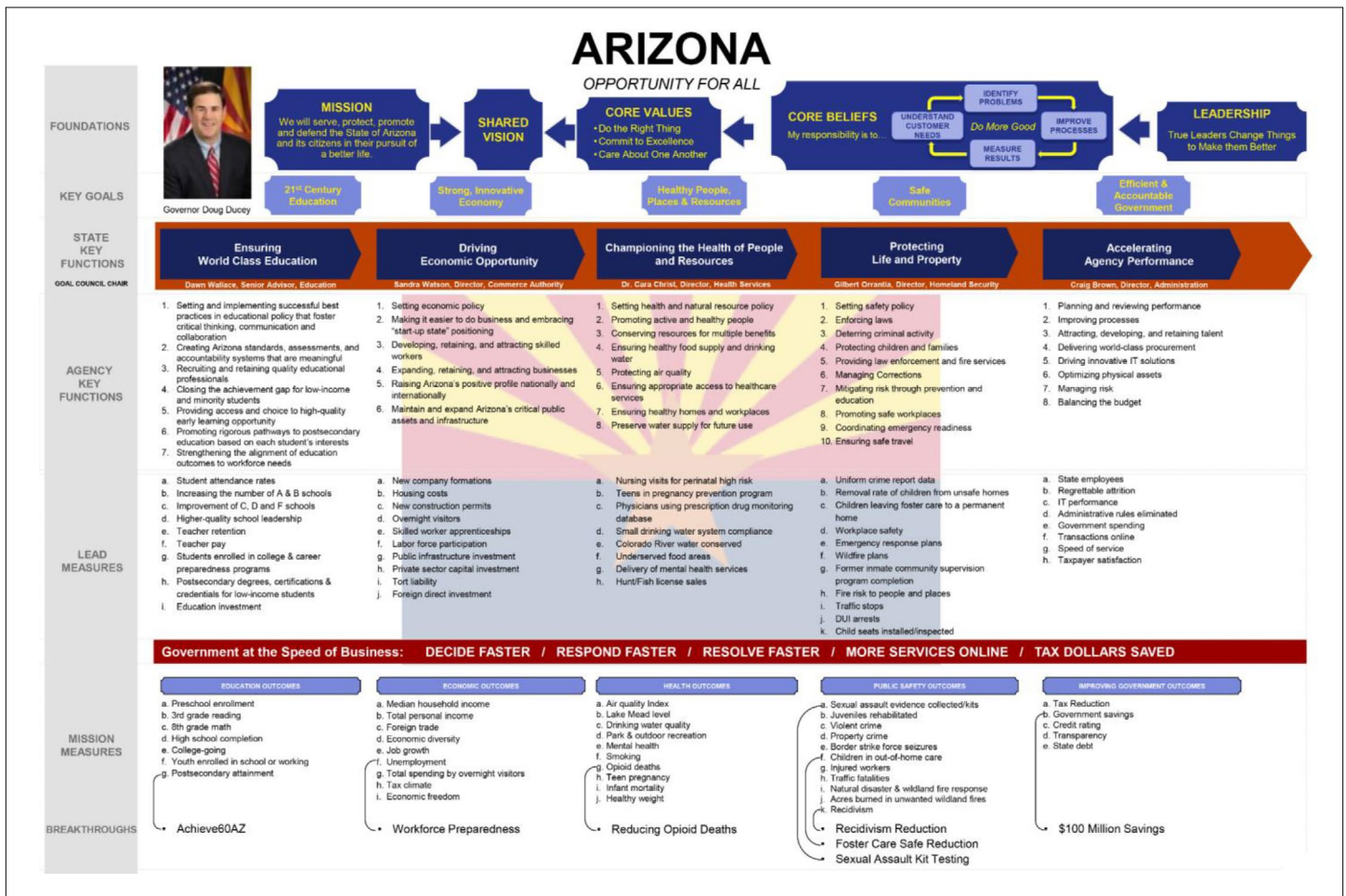


Office of the Arizona Governor Doug Ducey
Arizona Management System

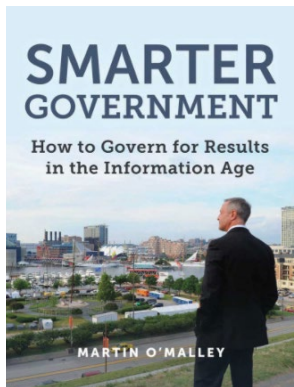
Governor Doug Ducey of Arizona, a former business executive, didn't need to be convinced that taking a results-driven approach was the right thing to do. So, he developed and implemented his *Arizona Management System*, involving his entire cabinet in his first year. He set five enduring governor's goals, established measures of success for each, set targets of improvement, formed Goal Councils to work his goals across the departments, established every-other-month business reviews, and then deployed more traditional Lean support into the departments.



The centerpiece of Governor Ducey's effort was a tool he used to capture and communicate his direction and approach, a kind of strategic plan on a page known as a Governor's Map. Governor Ducey's Map set's clear direction for the state, defining its mission, shared vision, core values, core beliefs and it's own definition of leadership. In addition his map includes his goals, measures of success and the key agency functions associated with each and who owns what.



Arizona Governor Doug Ducey's map was built with his cabinet, which created both a shared understanding of his direction and shared ownership for its desired outcomes.



Former Governor, Martin O'Malley's newly released book, **Smarter Government: How to Govern for Results in the Information Age**, shares methods, technologies, and leadership practices that worked well in Maryland. His book website is full of examples, exercises and resources: www.smartergovernment.com.

Governor and 2016 Presidential Candidate Martin O'Malley established one of the most impressive results-driven track records by any governor in modern times during his service between 2007 and 2015. He modeled his efforts after New York City's CitiStat, first as mayor of Baltimore, and then he did it again as governor, where his program was called StateStat. The governor built a reputation for the relentless pursuit of facts and the visualization of facts used to drive improvements in everything from infant mortality to the number of acres of cover crop to protect the quality of the water draining into the Chesapeake Bay. Whatever he focused on improved – and they had the facts to prove it.

Governor O'Malley drove a closed-loop, fact-centric management process using heatmaps and all forms of data to better get at root causes and discover additional opportunities to drive even better results. He had a team of analysts who helped to support and challenge the departments in search of opportunity. He used a disciplined process for letting nothing fall between the cracks. Even when he wasn't in attendance, he read meeting reports and sent back hand-written questions and direction to staff and department leadership. His team knew the governor was watching EVERYTHING they were working on, and that set a clear expectation that StateStat was serious business and that he expected follow through. Because of Governor O'Malley's results orientation, his pursuit of facts, and his doggedness, Maryland crossed the bridge into Level Three maturity on multiple fronts.

Two essential skills often in short supply in state government:

- 1) Process improvement**
- 2) Project management**



A common element of successful efforts is the creation of or existence of the position of **Chief Operating Officer** (COO) – someone who spends every day working these issues side-by-side with the governor and the chief of staff. All department leaders should report to the COO. The work of operations requires a different mindset than political work, and the commitment to make progress in operational sophistication demands a top executive’s full-time attention.



The National Governors Association has a Management Brief titled “**Overseeing State Government Operations in the Governor’s Office**”, which explores the full range of the results-driven level and includes an excellent description of the Chief Operating Officer role.

Organizational culture is built on routines, patterns and usually an unspoken set of rules established over the lifetime of an organization. The work of Level Two is intended to establish new, intentional patterns, and as a result create an intentional culture – one that is designed to support the vision of leadership. Level Two work establishes new routines and patterns and a conscious ruleset, all in order to establish a results-driven culture.

Repeating, Level Two efforts, at minimum, contain as their core:

- Goals, measures and targets
- Scorecards
- Process improvement (fact driven)

The results-driven stage is very fragile, largely owing to the reality that systems change and culture change takes time, especially in large complex government organizations. While eight years might be enough time to embed it systemically, in my experience, an administration is best off acting as if it only has four. The result in eight years will be both substantive and sustainable. With strong leadership, an effective design, and disciplined execution the ship will turn, and once it turns, it’s best to get out of its way.

The waste eliminated in Level Two is the source of capacity to advance to Level Three.

Time is short enough that there’s little room for error. In addition, the promise of the transformative effects of Level Three creates a compelling draw to make Level Two stick so the Level Three work can begin.



Achieving maturity in Level Two takes the state out of the mode of perpetual crisis management, freeing resources to do work of greater social good.

In summary, here's what Level Two looks like:



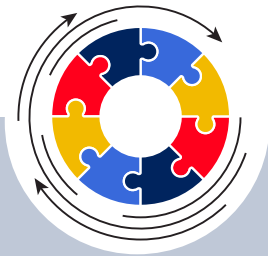
DESIRED RESULT	Results get better.
FOCUS	Drive improvement through collaboration, data, process improvement and inclusion of every employee in the work.
WHAT DRIVES ACTION	A plan turned into measures with improvement targets; quarterly target reviews; process to manage emerging issues.
WHO DRIVES	The Governor, State agency leaders.
HALLMARKS OF THE LEVEL	Application of business concepts such as Lean, customer focus, scorecards.



Level Three: Helping People Thrive

The skills, tools, thinking, and discipline developed in Level Two provide the foundation for Level Three. In fact, Level Three is Level Two that has matured to the extent it can best be described as “systemic” in addition to advancing several new capabilities.

Level Three functioning in state government is actually pretty rare and found in small pockets of government where leadership has been working through Level Two maturity for numerous years. In many ways, Level Three is the natural extension of Level Two.



LEVEL 3 Social Good Driven

Driven by the practical understanding that our society thrives to the degree our people thrive.



“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness”

- U.S. Declaration of Independence

While Level Two is all about learning how to drive results, how to use facts to identify root causes, the disciplines of process thinking and improvement *inside* the organization, and to function effectively as teams and as an organization, Level Three moves those same skills out of the building and into society, with the focus being the most complex challenges we face as a society: homelessness, opioid deaths, substance abuse, recidivism, poverty, dropping out of school or the workforce, suicide, obesity, mental health, veterans concerns, racism, child abuse and neglect, and mass violence.

Many of the functions of government can be well served by the benefits of Level Two maturity, but it is no coincidence that the largest departments in most states are the departments of human services and corrections. These departments work with people who are struggling to be productive, independent, and yes, “happy” members of society. They work with people who are not thriving in our modern society.

In Level Two we apply process thinking to improve our operating processes; in Level Three we start thinking about life as a process and use our process knowledge to better understand why people are struggling to thrive. We use data and analytics to better understand the root cause of these struggles, and states at Level Three engage their communities to help address complex social change.



While some may find this kind of thinking to overreach the role of government, the reality is when people fail to thrive in our society government is charged with picking up the pieces and trying to patch lives back together so people can function independently.

The foundation of Level Three is applying what has been learned in Level Two to social challenges.

Applying the concepts of Level Two to human happiness leads one down a path to consider root cause at a societal level. Why is our social system, in some meaningful way, failing all these people?

What's causing this failure? Where in their lives do things breakdown? And what can be done?

The Failure to Thrive

Happiness is considered by experts to be the least-understood term in our country's founding document, yet it's also often viewed as one of the document's most important words because it references what many believe to be *the* most fundamental human pursuit.

Today, one-in-four adult Americans depend on government to meet their needs. We are not talking about those who receive Social Security or Medicare Benefits, we are talking about the 77 million people who participate in needs-based programs or who are in the criminal justice system. We are talking about the \$1.2 trillion dollars spent annually to help people who are struggling to thrive.

It's worth noting that states can draw on much that is known about human development for their Level Three work, including the use of such powerful and highly regarded tools as the Adverse Childhood Experience (ACES) Questionnaire, an instrument that gauges an individual's level of childhood trauma. The answers to the questions are highly predictive of struggles in life, from eating disorders, to arrest rates for violence, to suicide, substance abuse, and even the impact on cognitive abilities.

ADVERSE CHILDHOOD EXPERIENCE

ACES is a simple, 10-item questionnaire that assesses people's exposure to 10 childhood traumas including: physical abuse, sexual abuse, emotional abuse, physical neglect, emotional neglect, mother treated violently, household substance abuse, household mental illness, parental separation or divorce, and household member incarceration.

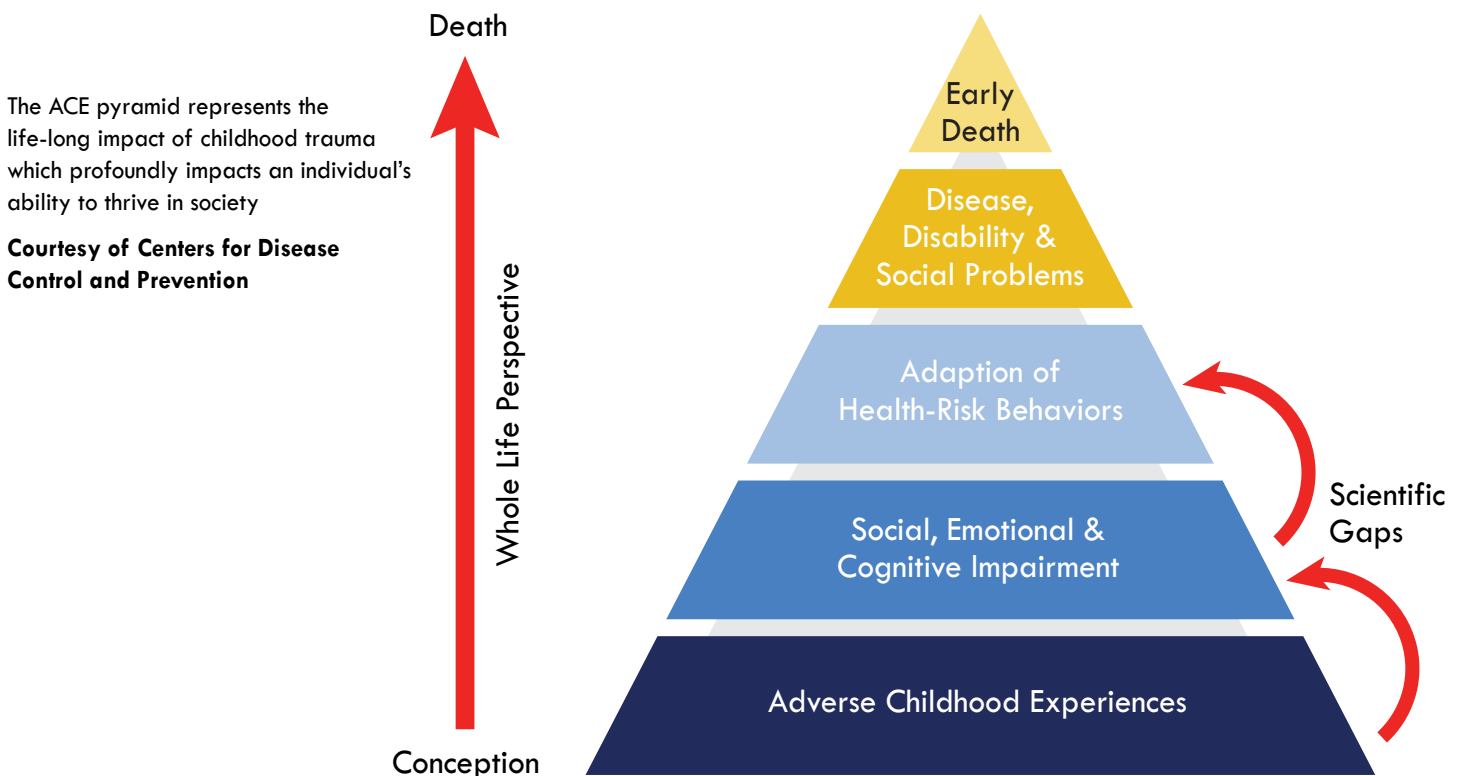
See Appendix B (page 34) for a copy of the questionnaire.



Not only does childhood trauma cause much human suffering, the data shows that the suffering has a profound cost to society.

Level Three functioning moves from understanding the root causes of the failure to thrive, to exploring how to address these causes. In our society, this is made more complex by our belief in the sanctity of the home, which puts government right in the middle between parents and their children. There is little doubt that a state cannot raise a child, and strong evidence that our foster care system is far from effective. But what we do know with great certainty is childhood trauma is connected to the ability to thrive in our society. Remarkably, our population experiences childhood trauma at the following rates:

• Physical Abuse	28%	• Emotional Neglect	15%
• Substance Abuse	27%	• Battered Mother	13%
• Parental Separation/Divorce	23%	• Psychological Abuse	11%
• Sexual Abuse	21%	• Physical Neglect	10%
• Mental Illness	17%	• Criminal Behavior	6%





The more of these events a child has experienced, the higher the ACES score and the higher the likelihood of struggles into adult life.

Level Three work seeks to understand, identify and effectively intervene at or before the point of inflection – where people’s lives get knocked off course.

“On MRI scans, we see measurable differences in the amygdala, the brain’s fear response center,” notes Pediatrician Dr. Nadine Burke Harris in her TEDMED 2014 talk about Adverse Childhood Experiences. “So, there are real neurologic reasons why folks exposed to high doses of adversity are more likely to engage in high-risk behavior, and that’s important to know.”

For many women, though, abuse has led to far more visible consequences. These are just some of the impacts on the adult lives of girls who between the ages of 7 and 12 were sexually abused:

- 4 times more likely to have eating disorders
- 2 times more likely to be arrested for a violent event
- 50 percent more likely to have cognitive abilities below the 25th percentile
- 3-4 times the risk of substance abuse and dependence
- 14 times the suicide rate
- 3-5 times the rates of delinquency
- 3 times the rate of psychiatric disorders

We also know that the rate of sexual abuse before incarceration for girls in custody in some states runs as high as 80 percent, according to a study titled, *The Sexual Abuse to Prison Pipeline: The Girls’ Story*, published by the Center for Children’s Law and Policy. In addition, research shows 86 percent of women who have spent time in jail report that they were sexually assaulted at some point in their lives.

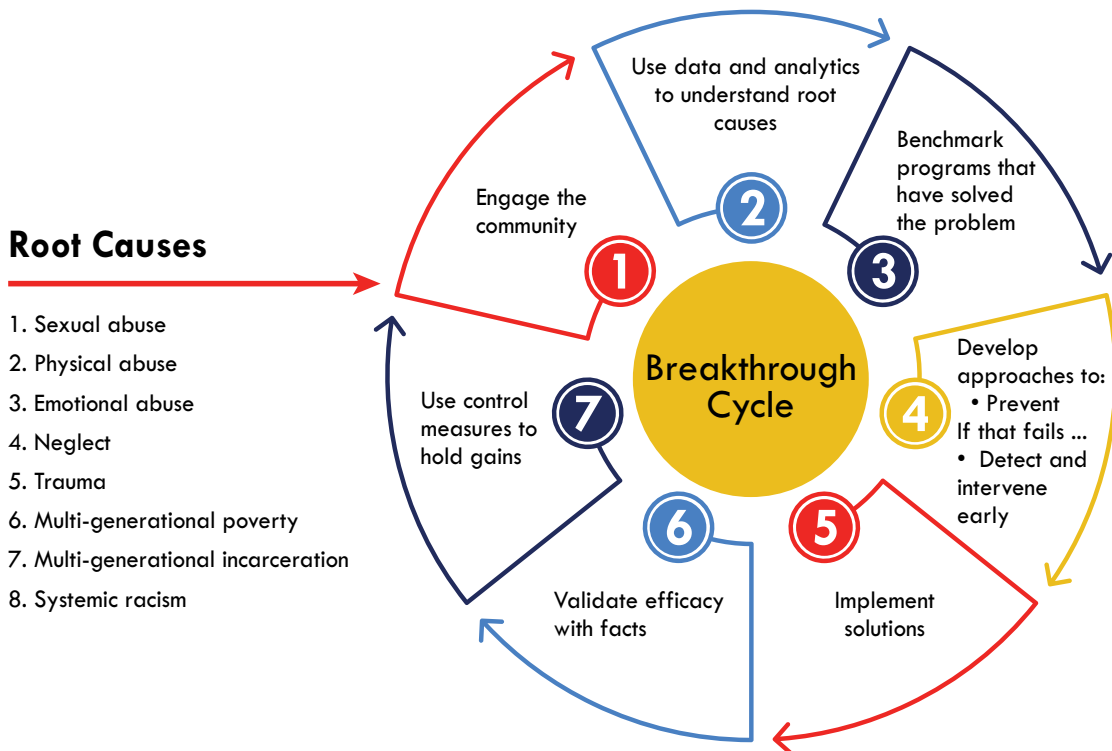
All this represents the tip of the iceberg for Level Three work, as much is to be learned. As we better understand the root cause of the failure to thrive, we have to move upstream from intervention, to early detection to prevention. A simple example is that if we know a child has an incarcerated parent, or they demonstrate serious struggles to perform in early education, there is an opportunity to provide these children targeted support through programs proven to help them thrive.



As a society we would benefit immensely if our default were to be to adopt proven approaches rather than try to invent our own and risk it will be effective.

Level Three represents a genuine opportunity to transform people's lives, and in so doing, dramatically increase the role government plays in the successful functioning of both people and society.

Friends of the Children, a proven program that assigns a professional mentor/coach to children in the first and second grade whose profiles nearly destine them to fail in school, drop out and get into trouble with the law. The program provides four hours a week of engagement with their mentor, year round, through high school graduation. These children blow away the numbers that would otherwise define their lives including areas as diverse as rates of graduation, avoidance of involvement in the juvenile justice system, teen parenting, improved sense of pride and going to college. The intervention is not inexpensive, but the economic and human costs of the failure of these





children to thrive far outweighs the benefits of productive lives. This is just one example of a proven programs that should be considered by every state, there are many more.

Much work lies ahead to eradicate racial and ethnic inequalities, to address the challenges that lead to homelessness, and of course to address the underlying mental health issues that have driven up both suicide rates and mass shootings.

As a part of Level Three thinking, we have to acknowledge that government cannot do and be everything. Instead, state government is ideally suited to lead the integration of systematic solutions in collaboration with schools, courts, non-profits, and even business.

New Capabilities at Level Three

At Level Two it is critical to get state government aligned in order to rally the resources to drive improvements. In Level Three a state has to become effective at partnering with the community to address the community's most complex social issues.

At Level Two the work involves discovering with data the best treatment or program for each individual. At Level Three it's about understanding the root cause of people's struggles and working to see if the struggles can be prevented, if not detected early and then addressed. Prevention can eliminate a life of suffering, and early detection and intervention can reduce harm.

The work is complex, in no small part because Level Three work causes us to move upstream in life and try to better answer the "why" questions at deeper and deeper levels. Some aspects of Level Three work are essentially the application of Level Two tools and methods to increasingly complex issues and require we apply process thinking to the development of human beings.

Applying the skills, knowledge and thinking it has gained in Level Two, moving toward a systematic cycle of social change becomes viable. The lesson is that developing the disciplines of Level Three makes things possible that only are possible because the capability is in place to lead effective change. One additional capability that develops is the capability to model new behaviors and skills to those



the state serves. Imagine a department of corrections involving its inmates on teams to solve problems and improve processes, often necessitating development of the very behaviors and skills they need to thrive in society.

Level Three, a summary:



DESIRED RESULT	Citizens are healthy and they thrive socially and economically.
FOCUS	Use facts to find root causes of human struggle; engage community; find and deploy evidence-based solutions.
WHAT DRIVES ACTION	Strategy to seek out the root causes of human harm. Identification of targets, insights from best-practices.
WHO DRIVES	Needs of citizens, prioritized by the Governor working with stakeholders.
HALLMARKS OF THE LEVEL	End of the need to “invent it here.” Prevention and early detection.



SUMMARY

The Three Levels: And in the end ...

The three levels of operating maturity represent a spectrum of functioning, impact, and control on the part of state government. The intention of this paper is to help make the attributes and progression through the levels more conscious in order to support state leaders who are committed to strengthening their state's and/or department's operating capability and results.

It is best to consider the levels as a progression; in other words, an organization must function well within Level Two for it to be able to fully function at Level Three. This is because of the reality that skills and disciplines take time to develop. Most people don't begin running by buying a pair of shoes and immediately attempting a marathon. Life just doesn't work that way. Of course, transformative results can on occasional emerge, but without building out the capabilities to consistently deliver, their arrival will be rare.

The Reaction-Driven nature of Level One is challenging, hazardous, and volatile. We live in a world where leaders have little control and spend their time in fire-fighting mode, trying to make problems go away. It's a no-win situation.

Level Two, Results-Driven, allows leaders to take control and demonstrate effectiveness. Using process improvement, leaders deliver improvement, drive out waste, and increase capacity through the elimination of waste.

At Level Three, leadership begins to transform lives through a rich understanding of the root causes of the failure to thrive. At this level it works to prevent the causes, and if that fails, it detects and intervenes early. It knows what works and partners to leverage proven solutions.

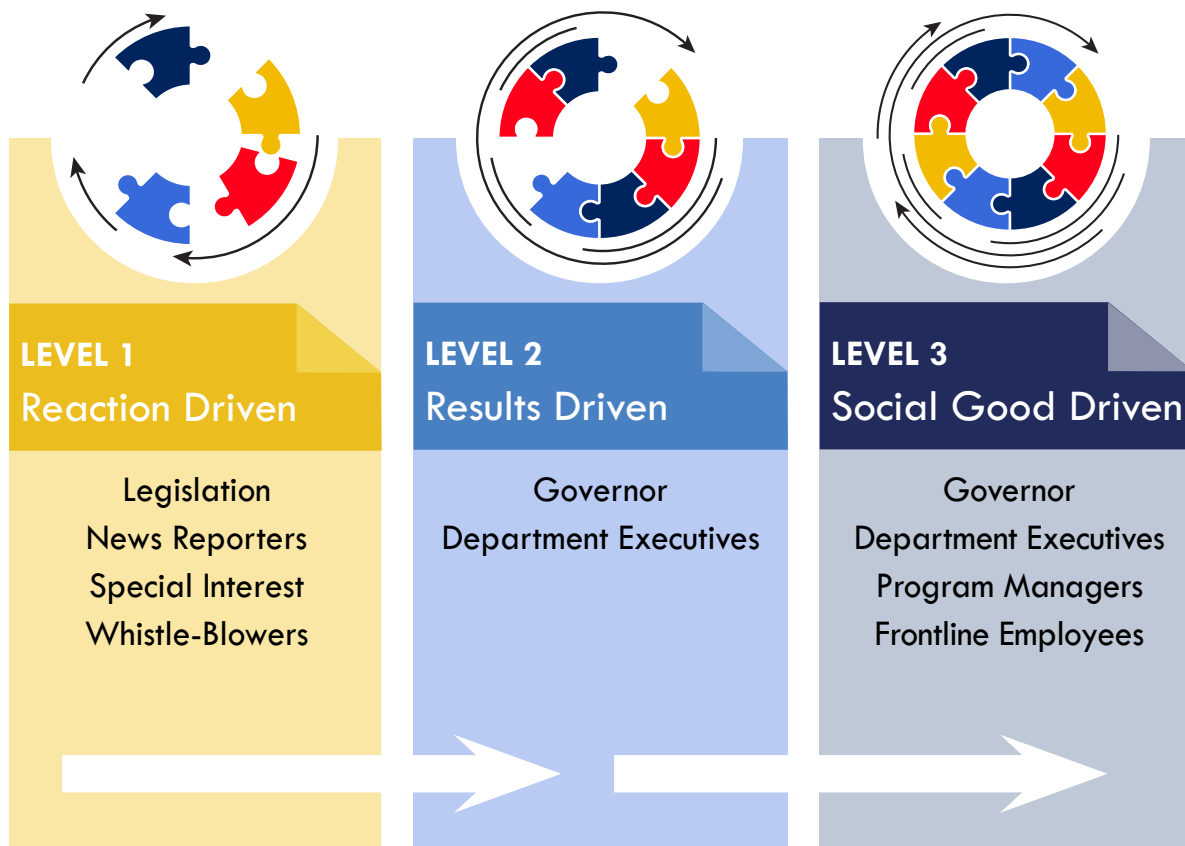
In the end, control and influence grow with credibility. Level Three functioning government spends far less time being jerked around in Level One response. And mature Level Two and certainly Level Three organizations have far more control over their resources because they have the facts, they



know their shortcomings, they have a track record of being transparent and of fixing problems, and they have the support of the communities they serve as well as those who benefit from their work. Level Two and Three leaders have far more power, power based on demonstrated leadership and competent management.

Staff assigned to help the governor develop a strategy can garner lots of insights and strategies from the experiences of others as well as from the Operational Maturity in State Government Model, but in the end the governor has to decide how aggressive he or she wants to be at building an organization that is hungry for and capable of delivering results.

The Power Shift





APPENDIX A

Understanding the Operational Maturity in State Government Model

These can be applied as general levels of routine functioning at a state or department/agency level. A state may operate, depending upon circumstances, at any of these levels at any time. The purpose of defining the levels is to make them more conscious.



LEVEL 1
Reaction Driven

Driven by crisis, problem, or the issue of the day.

DESIRED RESULT	Problem goes away.
FOCUS	Make it go away as quickly as possible.
WHAT DRIVES ACTION	An event, a problem, an unfortunate quote, a legislative hearing, an incident, an arrest, a death or disaster.
WHO DRIVES	Special interest, whistle-blowers, single-issue legislators, watchdogs, the media.
HALLMARKS OF THE LEVEL	Surprise, denial, blame, panic, hoping it will go away, fear, scapegoating.



LEVEL 2
Results Driven

Driven by the Governor's goals, and specific measurable targets of improvement.

DESIRED RESULT	Results get better.
FOCUS	Drive improvement through collaboration, data, process improvement and inclusion of every employee in the work.
WHAT DRIVES ACTION	A plan turned into measures with improvement targets; quarterly target reviews; process to manage emerging issues.
WHO DRIVES	The Governor, State agency leaders.
HALLMARKS OF THE LEVEL	Application of business concepts such as Lean, customer focus, scorecards.



Driven by the practical understanding that our society thrives to the degree our people thrive.

DESIRED RESULT

Citizens are healthy and they thrive socially and economically.

FOCUS

Use facts to find root causes of human struggle; engage community; find and deploy evidence-based solutions.

WHAT DRIVES ACTION

Strategy to seek out the root causes of human harm. Identification of targets, insights from best-practices.

WHO DRIVES

Needs of citizens, prioritized by the Governor working with stakeholders.

HALLMARKS OF THE LEVEL

End of the need to “invent it here.” Prevention and early detection.



These are elements of a system of management used by the state to defines success, align the organization as well as the community to that success, operate from a defined philosophy of management, close the loop on what it sets out to do, and finally to gauge the impact of its work.

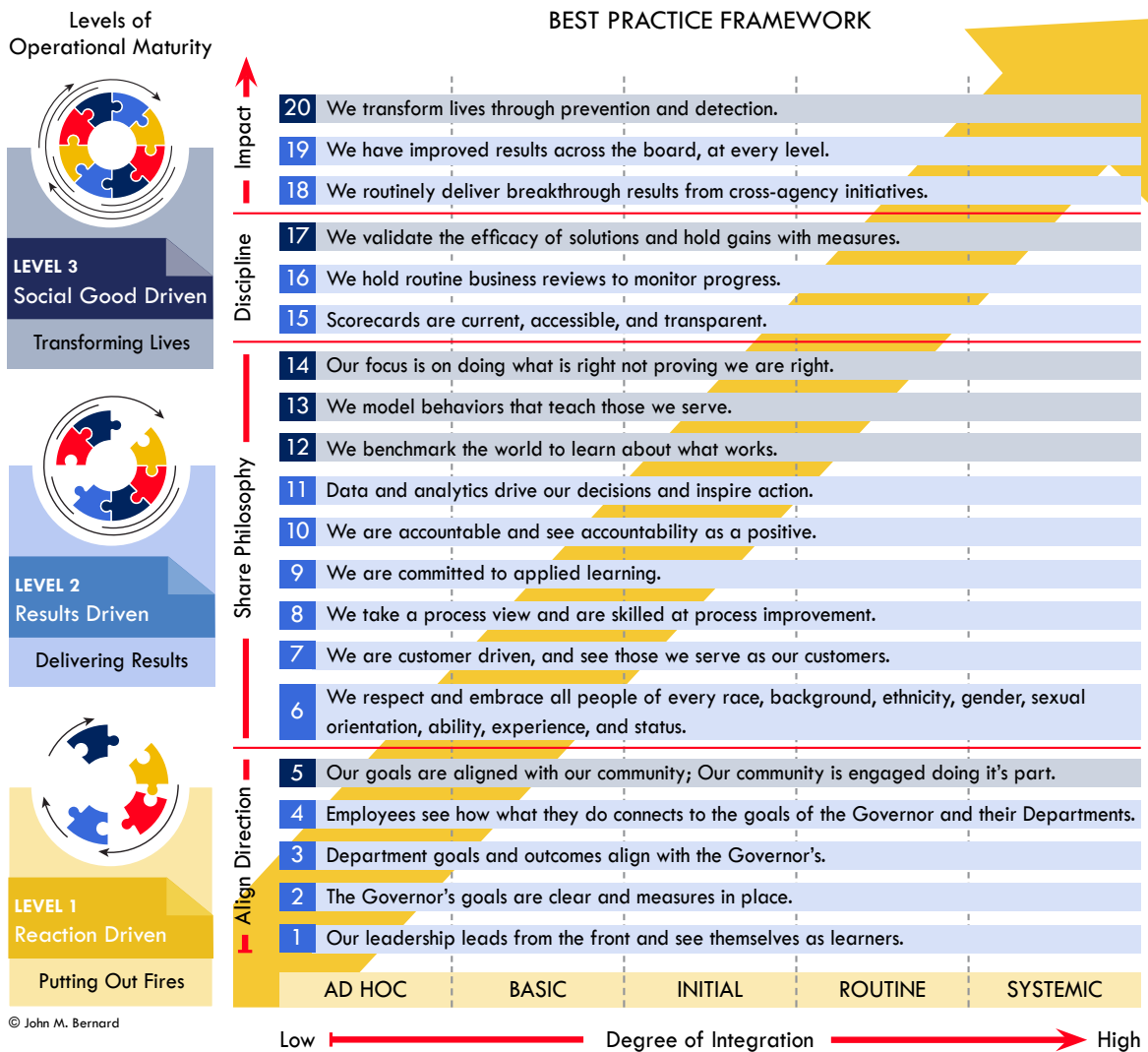
OUR DIRECTION IS ALIGNED	
1.	Our leadership leads from the front and see themselves as learners.
2.	The Governor's goals are clear and measures in place.
3.	Department goals and outcomes align with the Governor's.
4.	Employees see how what they do connects to the goals of the Governor and their Departments.
5.	Our goals are aligned with our community; Our community is engaged doing it's part.
WE OPERATE FROM A SHARED PHILOSOPHY	
6.	We respect and embrace all people of every race, background, ethnicity, gender, sexual orientation, ability, experience, and status.
7.	We are customer driven, and see all those we serve as our customers.
8.	We take a process view and are skilled at process improvement.
9.	We are committed to applied learning.
10.	We are accountable and see accountability as a positive.
11.	Data and analytics drive our decisions and inspire action.
12.	We benchmark the world to learn about what works.
13.	We model behaviors that teach those we serve.
14.	Our focus is on doing what is right not proving we are right.
WE ARE DISCIPLINE AT CLOSING THE LOOPS	
15.	Scorecards are current, accessible, and transparent.
16.	We hold routine business reviews to monitor progress.
17.	We validate the efficacy of solutions and hold gains with measures.
WE DELIVER RESULTS	
18.	We routinely deliver breakthrough results from cross-agency initiatives.
19.	We have improved results across the board, at every level.
20.	We transform lives through prevention and detection.



The Complete Model

The best-practice framework is the set of ingredients (the 20 factors of the Best-Practice Framework on the X axis) a state should consider in its work in pursuit of a level of maturity (the Three Levels of Operating Maturity on the Y axis) that best serves its ambitions.

Operational Maturity in State Government



- Numbered items in the LIGHT BLUE boxes primarily serve the development of Level Two, Results Driven.
- Numbered items in the NAVY boxes primarily serve the development of Level Three, Social Good Driven.
- The numbered items sequence from 1 going up to 20, because lower level items have to be in place in order for higher numbered items to be deployed.



DEFINITIONS

1. Our leadership leads from the front and sees themselves as learners.
Leaders are active and visible in the effort; they set the tone and the pace, and they acknowledge they are learners, too.
2. The Governor's goals are clear and measures in place.
The Governor has written goals that are visible and well know; the goals have measures designed to gauge progress.
3. Department goals and outcomes are aligned with the Governor's.
Departments have cascaded the Governors goals and outcome measures into their department, making a clear connection between the two.
4. Employees see how what they do connects to the goals of the Governor and their Department.
Employees understand the processes they own and have measures that flow up to the Governor's and department's goals.
5. Our goals are aligned with our community; Our community is engaged doing its part.
We know government can't do it all, so we engage and partner with our communities to transform people's lives.
6. We respect and embrace all people of every race, background, ethnicity, gender, sexual orientation, ability, experience and status.
We respect the unique gifts, talents, experience, and diversity of all people and design our organization to engage and serve all.
7. We are customer driven, and see those we serve as our customers.
We look at everything we do through the eyes of those we are supposed to serve, seeking to better meet their needs.
8. We take a process view and are skilled at process improvement.
We see all work as a process because that framework provides a useful logic for understanding how things get done.
9. We are committed to applied learning.
There is much to learn, but we bring learning to the point of action, teaching people just as they need the knowledge and skill.



10. We are accountable and see accountability as a positive.
We understand our part of what needs to get done, know what is expected of us and feel safe to say we need help.
11. Data and analytics drive our decisions and inspire action.
We seek facts, look for root cause, discover opportunities and implement solutions facts show will work.
12. We benchmark the world to learn about what works.
Every problem we face someone has solved, so we look for what has proven effective.
13. We model behaviors that teach those we serve.
In all we as leaders do, we act out of our commitment to these best practices.
14. Our focus is on doing what is right not proving we are right.
We no longer need to be the source of solutions; innovation begins with learning from others.
15. Scorecards are current, accessible, and transparent.
At every level of the organization we use our scorecard to run operations; results are displayed and easy to find.
16. We hold routine business reviews to monitor progress.
We stop to check progress on a scheduled basis, and take action on results that are short of targets.
17. We validate the efficacy of solutions and hold gains with measures.
Whatever we deploy, we have the discipline to implement controls.
18. We routinely deliver breakthrough results from cross-agency initiatives.
We have the capability to put teams together that can and do solve complex, multi-departmental problems.
19. We have improved results across the board at every level.
Scorecards are every level of the state show a long-term trend of improvement.
20. We transform lives through prevention and detection.
We understand adverse childhood events and use evidence-based practices to minimize the negative impact on our citizen's lives.



Assessing Your State's Maturity

The Operational Maturity in State Government Model is a useful tool for designing new programs as well as assessing existing programs. This tool is intended to help state leaders assess their current level of maturity.

		DEGREE OF INTEGRATION						
		NONE	AD HOC	BASIC	INITIAL	ROUTINE	SYSTEMIC	TOTAL
OUR DIRECTION IS ALIGNED								
1.	Our leadership leads from the front and see themselves as learners.	0	1	2	3	4	5	
2.	The Governor's goals are clear and measures in place.	0	1	2	3	4	5	
3.	Department goals and outcomes align with the Governor's.	0	1	2	3	4	5	
4.	Employees see how what they do connects to the goals of the Governor and their Departments.	0	1	2	3	4	5	
5.	Our goals are aligned with our community; Our community is engaged doing it's part.	0	1	2	3	4	5	
WE OPERATE FROM A SHARED PHILOSOPHY								
6.	We respect and embrace all people of every race, background, ethnicity, gender, sexual orientation, ability, experience, and status.	0	1	2	3	4	5	
7.	We are customer driven, and see those we serve as our customers.	0	1	2	3	4	5	
8.	We take a process view and are skilled at process improvement.	0	1	2	3	4	5	
9.	We are committed to applied learning.	0	1	2	3	4	5	
10.	We are accountable and see accountability as a positive.	0	1	2	3	4	5	
11.	Data and analytics drive our decisions and inspire action.	0	1	2	3	4	5	
12.	We benchmark the world to learn about what works.	0	1	2	3	4	5	
13.	We model behaviors that teach those we serve.	0	1	2	3	4	5	
14.	Our focus is on doing what is right not proving we are right.	0	1	2	3	4	5	
WE ARE DISCIPLINE AT CLOSING THE LOOPS								
15.	Scorecards are current, accessible, and transparent.	0	1	2	3	4	5	
16.	We hold routine business reviews to monitor progress.	0	1	2	3	4	5	
17.	We validate the efficacy of solutions & hold gains with measures.	0	1	2	3	4	5	
WE DELIVER RESULTS								
18.	We routinely deliver breakthrough results from cross-agency initiatives.	0	1	2	3	4	5	
19.	We have improved results across the board, at every level.	0	1	2	3	4	5	
20.	We transform lives through prevention and detection.	0	1	2	3	4	5	
								GRAND TOTAL

DEGREE OF MATURITY DEFINITIONS:

- NONE = Never or almost never true
- AD HOC = Shows up only when needed
- BASIC = The elements are evident but inconsistent
- INITIAL = Element current, intent is clear
- ROUTINE = Element is mature, used to run the agency
- SYSTEMIC = In our bones, the way think and act

		Best Practice Integration		
MATURITY SCORE		LOW	MEDIUM	HIGH
	Level 1: Reaction Driven	0	1-6	7-10
	Level 2: Results Driven	11-26	27-53	54-69
	Level 3: Social Good Driven	70-79	80-89	90-100



APPENDIX B

Adverse Childhood Events Questionnaire as developed by the Kaiser Permanente and adopted by the Centers for Disease Control and Prevention

Adverse Childhood Experience (ACE) Questionnaire Finding your ACE Score ra hbr 10 24 06

While you were growing up, during your first 18 years of life:

1. Did a parent or other adult in the household **often** ...
Swear at you, insult you, put you down, or humiliate you?
or
Act in a way that made you afraid that you might be physically hurt?
Yes No If yes enter 1 _____
2. Did a parent or other adult in the household **often** ...
Push, grab, slap, or throw something at you?
or
Ever hit you so hard that you had marks or were injured?
Yes No If yes enter 1 _____
3. Did an adult or person at least 5 years older than you **ever** ...
Touch or fondle you or have you touch their body in a sexual way?
or
Try to or actually have oral, anal, or vaginal sex with you?
Yes No If yes enter 1 _____
4. Did you **often** feel that ...
No one in your family loved you or thought you were important or special?
or
Your family didn't look out for each other, feel close to each other, or support each other?
Yes No If yes enter 1 _____
5. Did you **often** feel that ...
You didn't have enough to eat, had to wear dirty clothes, and had no one to protect you?
or
Your parents were too drunk or high to take care of you or take you to the doctor if you needed it?
Yes No If yes enter 1 _____
6. Were your parents **ever** separated or divorced?
Yes No If yes enter 1 _____
7. Was your mother or stepmother:
Often pushed, grabbed, slapped, or had something thrown at her?
or
Sometimes or often kicked, bitten, hit with a fist, or hit with something hard?
or
Ever repeatedly hit over at least a few minutes or threatened with a gun or knife?
Yes No If yes enter 1 _____
8. Did you live with anyone who was a problem drinker or alcoholic or who used street drugs?
Yes No If yes enter 1 _____
9. Was a household member depressed or mentally ill or did a household member attempt suicide?
Yes No If yes enter 1 _____
10. Did a household member go to prison?
Yes No If yes enter 1 _____

Now add up your "Yes" answers: _____ This is your ACE Score



About The Author

John M. Bernard is author of two books, *Government That Works*, *The Results Revolution in the States*, and *Business at the Speed of Now*. John served as advisor to Governor Jay Inslee on the design and implementation of Results Washington, to Governor Rick Snyder on Michigan’s Good Government initiative, and to Governor Doug Ducey on the Arizona Management System. He has worked with seven states and over 100 state agencies. In addition, he hosts a podcast focused on people who are transforming state government called *The New Bureaucrat* and offers an online **MasterClass** titled: *The Results-Driven Manager for State Government*. He is a columnist for *GOVERNING* and a former Senior Fellow of Governing Institute. He is the retired founder and chairman of Mass Ingenuity.

For more information, or to talk with John:

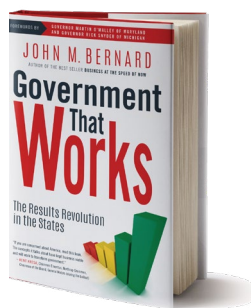
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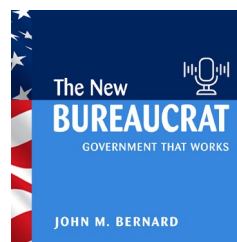
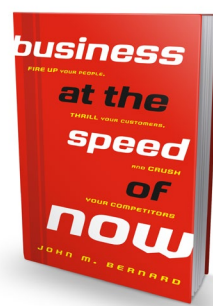
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