

March 6, 1998

MEMORANDUM

To: Director, Office of Operations

From: Inspector General

Subject: Inspection Report No. 01-98, Review of the Commission's Performance Measurement Goals

We initiated this inspection in December 1997 to evaluate the adequacy of the Commission's plans and preparations for measuring performance, its ability to accurately report on the performance measurement goals contained in the 1997 Strategic Plan, and the achievement of its goals to date. We found that some goals were not defined or expressed as tangible, measurable objectives. Responsibility for measuring the goals has not been clearly designated and, even when responsibility was accepted, office directors usually had not developed plans for collecting data. Data was available for measurement of most goals, but was not in a format that we could evaluate to determine whether the Commission was actually achieving its goals.

A draft inspection report was distributed to the Strategic Planning Committee on February 5, 1998. In response, the Chairman issued Administrative Order 98-05 on March 5, 1998, officially appointing staff members to serve on the Strategic Planning Committee. The Committee met that same day and established a working committee to begin refining the performance measurement goals.

Scope

We interviewed all members of the Strategic Planning Committee concerning the development of the Strategic Plan and their responsibility for achievement of the Commission's performance measurement goals. We also interviewed the Director of the Office of Information Systems and examined documents maintained by offices relevant to the performance measurement goals. We reviewed the Government Performance and Results Act of 1993, (the Results Act), and related correspondence from the Office of Management and Budget. We used a guide issued by the General Accounting Office (GAO) entitled *Agencies' Strategic Plans Under GPRA: Key Questions to Facilitate Congressional Review* (GAO/GGD-10.1.16, dated May 1997), and reviewed various other GAO reports on the Results Act.

Background

The Results Act required all government agencies to develop and submit a strategic plan to Congress by September 30, 1997, for the five-year period ending September 30, 2002. The strategic plans were to include objective, quantifiable, performance measurement goals. No later than March 31, 2000, and annually thereafter, agencies must prepare and submit a report on program performance for the previous fiscal year (FY). Accordingly, reporting on goals is mandated to cover the period beginning October 1, 1998.

The Commission formed a Strategic Planning Board in 1994 which developed the Commission's first Strategic Plan in 1995. A Strategic Planning Committee was convened in 1997 to update the Strategic Plan, with the Director of Operations (OP) as Committee Chairman. The Committee included most of the members of the Budget Committee and was expanded over time to include other members as determined by the Committee Chairman. The members included the Secretary, General Counsel, and the Directors of the Offices of External Relations (ER), Tariff Affairs and Trade Agreements (TATA), Industries (ID), and Administration. Occasionally, the Chairman's Chief of Staff and the Directors of the Offices of Investigations (INV) and Unfair Import Investigations (OUII) also participated.

The September 1997 Strategic Plan contains a mission statement, vision statement, and goals and objectives for five major operations that serve the Commission's external customers. For each operation, the Commission identified several critical success indicators and corresponding performance measurement goals. The 16 critical success indicators and 36 performance measurement goals are listed in the Attachment to this report. Each operation also identified the general strategies to accomplish the program goals and included a FY 1999 Annual Performance Plan.

The Commission considers the Strategic Plan to be an evolving document that will change in light of experience and changes in external circumstances. The Committee Chairman said the intent is to review the Strategic Plan and revise it as necessary. The Strategic Plan states that one of the priorities for 1998 is to concentrate on further refining the goals.

The GAO guidance *Executive Guide: Effectively Implementing the Government Performance and Results Act* (GAO/GGD-96-118, June 1996) addressed the importance of performance measures. Without clear, hierarchically linked, performance measures, managers and staff throughout an organization lack straight forward road maps showing how their daily activities can contribute to attaining organization wide strategic goals and missions. Successful performance measures should include the following four characteristics: (1) the ability to demonstrate results, (2) be limited to a vital few in order to keep the focus where it belongs and help ensure that the costs involved in collecting and analyzing the data do not become prohibitive, (3) respond to multiple priorities, and (4) be directly linked to responsible programs.

Performance Measures

The Results Act requires that each plan establish performance goals and express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form.

A performance goal is defined as a tangible, measurable objective against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

We found that eight of the performance measurement goals, as stated in the 1997 Strategic Plan, did not meet this definition. These goals, which are identified in the fourth column of the Attachment, were not tangible, measurable objectives expressed as a quantitative standard, value, or rate.

Rather than goals, we believe these statements were actually critical success indicators or general strategies to accomplish program goals. For example, the ability to respond immediately was comparable to the critical success factor on timeliness in most of the operations, and maintaining integrity was an amalgam of the critical success factors for Operation No. 1. The participation of team members, completion of plans, periodic reassessments, and development of lists were similar tasks to those identified as general strategies in several operations.

OUII and the Office of General Counsel (OGC) commented on our finding that "Improved public access to information regarding section 337 proceedings via electronic means" was not a goal. They believed this goal could be measured by the number of times the 337 booklet was accessed on the Commission's web site. As stated, we believe the pertinent action was making information available through electronic means, which was a strategy not a goal. If rephrased, e.g., "Increase information disseminated via electronic means" and quantified, this could be a directional goal.

We accepted the other goals as tangible, measurable objectives. Although they were not clearly expressed as a quantitative standard, value, or rate, they were recognizable as either directional or quantifiable in nature. As phrased in the 1997 Strategic Plan, we believe many of the quantifiable goals established a 100 percent standard. For example, the goals that stated "materials to be served in accordance with guidelines," "an appropriate record is made," "no judicial sanctions," "administrative deadlines met," and "all statutory deadlines met," allowed for no exceptions. Other quantifiable goals had qualifiers, such as "minimize holdings" or "high level of initiatives" that indicated a lesser standard.

Seven of the goals involved holdings/findings of error which the General Counsel questioned as being viable goals. In addition to a significant time lag in obtaining this data, the General Counsel does not know how the level of holdings/findings of error can be used to measure investigative quality in a meaningful way. Further, the rate of holdings/findings of error may reflect so many factors that it fails to provide an accurate measurement of investigative quality.

We also noted that one goal (Operation 1, goal 3.d.) had no related data. The General Counsel stated that, to her knowledge, the Commission has never been subject to judicial sanctions. The absence of data should be considered in deciding whether to retain this goal as a vital performance measure for the Commission.

Reducing the number of performance measurement goals would be consistent with the GAO guidance that measures be limited to a vital few in order to keep the focus where it belongs and help ensure that costs involved in collecting and analyzing the data do not become prohibitive.

Means to Measure Goals

According to the Results Act, the agency strategic plans are to provide a basis for comparing actual program results with the established performance goals and describe the means to be used to verify and validate measured values. The basis and description were not clearly addressed in the Commission's 1997 Strategic Plan. We found that responsibility for measuring the goals had not been clearly designated. Even when responsibility was accepted, office directors usually had not developed plans for collecting data and had questions about the meaning of some goals.

Responsible officials

Responsibility for measuring the goals had not been clearly defined or designated. The Committee Chairman identified one to three office directors as having responsibility for the performance measurement goals and, for eight goals, an office director identified by the Committee Chairman suggested that another office director should be responsible, usually because the data was located in that office. We found that the office directors did not agree on whether they were responsible or what their responsibilities were.

The third column of the Attachment lists the office director(s) identified by the Committee Chairman or an office director. For 8 of the 36 goals, one or more of the named officials did not agree that they were responsible, and for 4 goals, none of the named officials agreed. For example, neither OUII, identified by the Committee Chairman, nor OGC, where the data was located, accepted responsibility for monitoring achievement of four goals in Operation 2.

Comments from two office directors on the draft report support our finding:

-- The Director of OUII stated that since she had been asked to oversee the drafting of Operation 2, she could understand having a coordinating or monitoring function for the various performance goals. However, actual measurement should be performed by offices that are directly involved in the functions/activities and are privy to, or can most easily compile, the required data. Moreover, OUII could not be responsible for the measurement of every goal in Operation 2 considering its limited resources.

-- The General Counsel stated that individual office directors have received no instructions or assignments on implementing the latest edition of the Strategic Plan, and therefore have not been asked to assume responsibility for measurement. She objected that we characterized OGC as not agreeing that it has responsibility for certain goals, because they have not yet been tasked with this. The opinion of the Committee Chairman on responsibility does not reflect any discussion with the Committee, much less a formal designation of responsible officials.

Plans for measuring achievement

For 23 of the 28 quantifiable goals, we found that the office directors had not yet developed plans for collecting, tracking, and analyzing data in order to report on achievement of the goals.

We considered any thought given to what data needed to be collected in order to measure a goal and steps to begin collecting the data as planning. We did not consider knowledge that data was available and could be culled from files without any intent to do so as planning. Even with this very broad concept of planning, we found plans existed to collect data for only five goals (indicated by a "Yes" in the fifth column of the Attachment). These plans were:

Operation 1, goal 2.a.: OGC was soliciting feedback from the Commission on the quality of staff work. Feedback from investigative participants was not included.

Operation 3, goal 1.a.: ID was collecting data on numbers of requests for reports, hits to the Internet site for access to reports, and requests for assistance from the U.S. Trade Representative (USTR) and Congress for both formal investigations and technical assistance. Data available in SE files was not included in planning.

Operation 3, goal 2.a.: ID was maintaining data on the number of studies initiated per year from requests through USTR and Congress.

Operation 3, goal 3.a.: ID was maintaining data on all deadlines and whether these deadlines were met.

Operation 5, goal 1.b.: ER was maintaining data and preparing quarterly reports on technical advice provided to Congress and USTR.

For an additional 19 goals, the data was available in the Commission, but office directors had not made plans for collecting it (indicated by a "No" in the fifth column and a "Yes" in the sixth column of the attachment). The data was usually in case files or work files. Data for at least seven goals was located in two or more offices and would require a coordinated effort to collect and measure. Accordingly, collecting, tracking, and analyzing data will require planning.

The FY 1999 Annual Performance Plan for Operations 3, 4 and 5 specifically identified indicators to be explored for measuring the Commission's success in achieving its goals. For Operations 1 and 2, the FY 1999 Annual Performance Plan addressed whether the goals *can* be measured rather than the means for measuring or achieving the goals. Since by definition, a performance goal is a tangible, measurable objective, we believe the question of whether a goal can be measured preferably would be addressed in the development of the goal and not in the annual performance plans. The General Counsel disagreed with this view and stated that the Performance Plan process seems to be an appropriate vehicle for refining the agency's goals. Nevertheless, we believe the Strategic Plan issued in 1997 should have advanced to a point where indicators were at least identified for the goals.

Data Availability

Of the 28 measurable goals, some information existed within the Commission for 24 of them. Data did not exist for four goals.

The four goals for which data was not available referred to “feedback” and “customer surveys”. The office directors stated they were unclear on terminology, what to measure, and how to measure for these goals. These goals were directional in nature, which means a baseline should be established in FY 1998 in order for a measurement to be made in FY 1999. However, at the time of our review, the Commission had not developed any plans to accurately gather and measure meaningful feedback from customers and clients, whether they were members of industry, legal associations, or the general public.

The data available for 24 goals was not necessarily complete nor in a format that could be readily used for measurement. For example, Operation No. 2, goal 3.c. was “Daily updates of complaints, filings, and evidentiary records are available on the Commission’s Electronic Docket Imaging Systems.” The Secretary said that generally all records received were input on a daily basis. The system recorded the date of receipt and date of entry. However, there were no records on either a positive or exception basis to gather information that this was done. An assurance that a goal was nearly always reached is not sufficient to verify and validate the measurement. For a valid measurement, each document would have to be retrieved and reviewed and a schedule developed which would be a tremendous undertaking.

The General Counsel objected that the Commission did not have information on the seven goals relating to holdings/findings of error because of the substantial time lag between a Commission determination and the completion of court review. Although there was a significant delay in receipt from the date of determination, information on holdings/findings of error was eventually included in the OGC case files. Moreover, the Strategic Plan did not link the holdings/findings of error to the determinations made in the fiscal year being measured. If such a link was intended, it should be reflected in the Strategic Plan.

Achievement of Goals

With one exception, we were unable to evaluate whether the Commission was achieving its goals. For the most part, data was in files and not collected in a manner that allowed review of achievements. Some office directors had begun the process of collecting data, but the data was incomplete.

Data was available for Operation No. 3, goal 3.a.: Complete work on or before deadlines. The Director of Industries had a schedule showing whether 332 reports were submitted to requestors on time for 1995 through 1998 to date. The schedule showed 100 percent of reports were submitted to requestors on time.

Suggestions

We suggest that the Director of Operations, as Committee Chairman:

- Revise the current performance measurement goals to eliminate those which are not tangible, measurable objectives and express the goals in the plan as a quantitative standard, value, or rate;

-- Revise the Annual Performance Plan for each operation to establish performance indicators for each goal to be used in measurement and provide a basis for comparing actual program results; and

-- Establish which office director(s) have responsibility for data collection and tracking in order to accurately measure and report on achievement of each performance measurement goal.

Attachment

cc: Commission
Strategic Planning Committee