

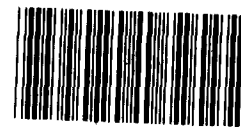
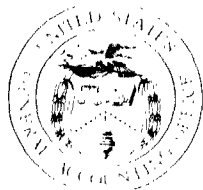
GAO

Report to the Chairman, Senate
Committee on Governmental Affairs
and the Chairman, House Committee on
Post Office and Civil Service

January 1992

OPM REVOLVING FUND

Benchmarking Could Aid OPM's Efforts to Improve Customer Service



145674

General Government Division

B-245703

January 21, 1992

The Honorable John Glenn
Chairman, Committee on Governmental
Affairs
United States Senate

The Honorable William L. Clay
Chairman, Committee on Post Office
and Civil Service
House of Representatives

We reported in June 1987 that it appeared that the Office of Personnel Management (OPM) did not have a sufficient number of investigators to handle personnel background investigations in a timely manner and reduce the backlog of uncompleted investigations to a manageable level.¹ We recommended hiring and maintaining an investigator staff at levels that would improve the timeliness of background investigations and reduce the backlog of cases. The Director of OPM subsequently provided additional full-time staff resources.

Background investigations are paid for out of a revolving fund set up by Congress. Since 1969, Congress has required that we report on the activities financed by the fund (P.L. 91-189). This report follows up on our 1987 report, which also was done to comply with P.L. 91-189, and examines the timeliness of investigations, overall customer satisfaction with OPM's performance, and OPM's efforts to improve timeliness.

Background

As a reimbursable service to other federal agencies, OPM does background investigations of employees, potential hires, and federal contractor employees. Three of these types of investigations, comprising more than 80 percent of OPM's investigations are special background (SBI), background (BI), and limited background (LBI). A customer agency can request that any of these types of background investigations be completed within 35, 75, or 120 days depending on the agency's timeliness need.

Federal agencies rely on the results of OPM investigations to determine (1) the suitability of individuals entering or being considered for positions of trust in the federal government and (2) the level of access for

¹OPM Revolving Fund: Investigation Activities During Fiscal Years 1983 Through 1986 (GAO/ GGD-87-81, June 26, 1987).

individuals to classified information, classified areas, or highly sensitive matters.

OPM background investigations consist of a check of files at OPM, the Federal Bureau of Investigation, and the Department of Defense. Investigators conduct personal interviews of the subject and sources, covering certain areas of the subject's background for specific periods of time, and make law enforcement and credit checks.

The OPM Associate Director for Investigations directs the nationwide operations of the investigations program through the Office of Federal Investigations (OFI). OFI includes (1) the Federal Investigations Processing Center in Boyers, Pennsylvania, which schedules cases and performs prereviews and other activities; and (2) the Investigations Operations Division in Washington, D.C., which coordinates the field investigations done by its six Federal Investigations Divisions (FID) located in OPM's five regional offices and the Washington Area Service Center.

Although FIDs are part of a national program coordinated by OFI under the Associate Director for Investigations, FIDs report to the Regional Directors. Regional Directors are responsible for other OPM regional functions in addition to investigations, and they report directly to the Deputy Director, OPM.

OPM started fiscal year 1990 with nearly 36,000 investigation cases on hand, completed more than 61,000 investigations during the fiscal year, and ended it with nearly 28,000 cases on hand. OPM's fiscal year 1991 budget included sufficient full-time equivalents (FTE) for 921 full-time investigators and 137 part-time contract investigators.

Objectives, Scope, and Methodology

Our objectives were to follow up on OPM's efforts to improve timeliness and to examine customer service performance. Specifically, we wanted to determine if the timeliness of investigations had improved subsequent to the actions OPM took as a result of our 1987 report, and if not, what further actions could OPM take to meet customers' needs. To achieve our objectives, we

- administered customer service surveys to 98 personnel security officers who handled requests for background investigations at 4 organizations—the Department of Energy (DOE), the National Aeronautics and Space Administration (NASA), and 2 components of the Department of

Justice (DOJ): the Bureau of Prisons (BOP) and the Immigration and Naturalization Service (INS)—that account for more than 80 percent of requests for OPM investigations;

- interviewed 15 federal program managers and government contractors at DOE, NASA, BOP, and INS;
- interviewed OPM officials and 2 field investigators;
- examined OPM reports and planning documents; and
- analyzed organizational performance data.

We also examined the potential for OPM to improve timeliness by increasing the productivity of its investigation operations. In particular, our analysis measured the variation in productivity rates among FIDs for SBIS, BIS, and LBIS—three types of background investigations done by OPM.

Our measures and analyses were based primarily on data on FID staff-time utilization contained in OPI's Resource Management and Performance Reports. We did not independently verify the accuracy of the data.

We did our review from May 1990 through April 1991 in accordance with generally accepted government auditing standards.

Results in Brief

After acquiring additional full-time staff resources, the number of cases OPM had on hand decreased, and case timeliness improved. OPM increased its investigator staff from 495 full-time investigators in fiscal year 1987 to 921 in fiscal year 1990. Over this same period, the average time OPM took to close a case went from 216 to 167 days.

During our review, OPM officials asked us to update our analysis using the latest available data. We agreed to extend our analysis to include OPM's data as of March 1991, which is the halfway point for fiscal year 1991. Our analysis showed that the average time OPM took to close a case was still lower than the 216 days spent in fiscal year 1987, but it had increased from 167 days in fiscal year 1991 to 183 days in February 1991 and 186 days in March 1991. According to OPM, timeliness temporarily declined because it was processing a large group of cases that previously had been deferred. OPM officials anticipated that by the end of fiscal year 1991 these cases would have been completed and the average time would have started to drop. OPM data on the number of cases completed and the average time it took to complete a case in fiscal year 1991 were not available in time to be included in this report.

Although OPM has been able to complete investigations in a more timely manner, it has not always provided the 35-, 75-, or 120-day service requested by its customers. The average number of days of all customer requests in fiscal year 1990 was 102. However, OPM took an average of 2 months longer than requested (i.e., 167 days), and 30 out of the 82 personnel security officers we surveyed said that such delays adversely affected their operations. Some of the adverse effects the officers mentioned were lost productivity, high employee turnover, low employee morale, and difficulty in recruiting and hiring and in carrying out personnel actions. Despite concerns about timeliness, most of OPM's customers we surveyed believed investigations were accurate to a great or very great extent.

An OPM official noted that much of the time it takes to complete a case is spent waiting for the case to be assigned to an available investigator. For example, one regional investigations branch chief estimated that cases within his region, on average, waited in FID files about 100 days or more before they were assigned to a field investigator. Once the cases were assigned, the field investigators generally completed their work in a few weeks, according to the supervisor.

OPM management has recognized the importance of improving productivity to help increase timeliness and has been automating some processes to enhance productivity. For example, OPM is currently working on supplying laptop computers for investigators, which may save up to 3 weeks' processing time according to an OPM official.

We believe OPM could also achieve productivity increases by systematically analyzing productivity data to identify the best practices among FIDs and by having lower-performing FIDs copy these practices, as appropriate. This technique is sometimes referred to as benchmarking. OPM already collects and analyzes much of the data needed to do benchmarking but does not use it to (1) compare FIDs' performance of different functions and operations with each other and (2) make improvements on the basis of these comparisons.

During fiscal year 1990, OPM's best-performing FID was 50 percent more productive than its lowest ranked FID. Some of the productivity variation among FIDs may have been attributable to conditions that were beyond the control of the FID, such as case complexity or size of geographic area to be covered. However, in discussing the detailed differences among FIDs, OPM investigation managers agreed that there were other potential causes of the differences that needed to be examined.

These causes could include operational differences, such as procedures and controls.

We found substantial productivity variation among FIDs that, on the basis of our analysis, indicated a high potential for savings. If OPM could improve the productivity of its lower-performing FIDs to the levels of its average or higher-performing FIDs, we believe OPM could potentially increase its output to a level equivalent to having had an additional 94 to 309 staff years in fiscal year 1990. These additional staff years amount to a potential savings of \$2.9 to \$9.5 million. (See app. III.)

We discuss additional details of our results in appendixes I through III. These appendixes reflect oral briefings we gave on our review to OPM in May and July 1991.

Conclusions

Subsequent to OPM's increasing its investigator staff, the timeliness of investigations improved, and the inventory of cases on hand decreased. However, the timeliness of investigations still did not meet customers' needs, and significant opportunity for additional improvement in productivity within its FIDs exists. OPM needs to take advantage of this opportunity by using a systematic approach for improving productivity, which should, in turn, help improve timeliness. More specifically, it needs to continuously analyze the productivity performance of its different FIDs, identify the FIDs with the best performance for various functions and processes, and work to adopt the best practices in all FIDs.

Recommendations to the Director, OPM

We recommend that the Director of OPM instruct the Deputy Director and the Associate Director for Investigations to jointly (1) continuously analyze the productivity performance of the various investigation processes in each FID; (2) determine reasons for productivity differences, including differences in work processes, methods, or practices among FIDs with different performance levels; and (3) have all FIDs adopt best practices, as appropriate to their individual circumstances.

If productivity increases achieved through systematic productivity improvement efforts do not result in fully meeting customers' timeliness needs, then OPM should assess the need for additional resources for doing investigations.

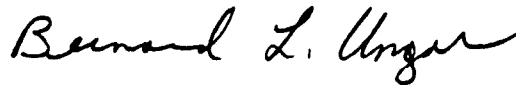
Agency Comments

OPM agreed with our findings and recommendations. (See app. V.) OPM said it will undertake detailed performance analyses of FIDs patterned after the benchmarking methodology presented in this report. OPM said it would use the results of these analyses to identify opportunities to improve the performance of its FIDs. We believe that OPM's decision to analyze the performance of its FIDs, in conjunction with establishing performance benchmarks, will further enhance its efforts to improve the timeliness of investigations. It may also result in OPM being able to avoid staff increases to improve timeliness.

OPM also said that case processing time had decreased as of September 30, 1991, and suggested some wording changes we have adopted.

We are sending copies of this report to selected Committees of Congress; the Director, OPM; the Director, Office of Management and Budget; and to other interested parties.

Major contributors to this report are listed in appendix VI. If you have any questions, please call me on (202) 275-5074.



Bernard L. Ungar
Director, Federal Human Resource
Management Issues

Contents

Letter		1
Appendix I		10
The Timeliness of	Current Customer Service	10
Investigations	Primary Concerns About Lack of Timeliness	12
Improved in FY 1990		
but Is Still Not Timely		
Enough		
Appendix II		13
Actions OPM Is Taking	OPM Is Acting to Improve Performance, but It Should	13
to Improve	Take Further Actions	
Performance		
Appendix III		17
OPM May Realize	Results of Performance Analysis	17
Substantial	Potential for Improving Performance	20
Performance		
Improvement Through		
Benchmarking		
Appendix IV		25
Summary of		
Responses to Customer		
Survey		
Appendix V		30
Comments From the		
Office of Personnel		
Management		

Appendix VI Major Contributors to This Report	32
--	----

Tables	Table III.1: Potential Staff Hour Savings	21
	Table III.2: Conversion of FY 1990 Staff Hour Savings Into Equivalent Increases in Investigator FTEs	22

Figures	Figure I.1: Customers Perceived Timeliness as Most Improved in FY 1990	10
	Figure I.2: Extent to Which Investigations Were Timely, Accurate, and Thorough in FY 1990	11
	Figure II.1: Comparison of Cases on Hand to Days Required to Complete a Case (Oct. 1987-Mar. 1991)	13
	Figure II.2: Gap Between Average Days for Requested Completion and Actual Completion	15
	Figure III.1: Productivity Variation Among FIDs-FY 1990	17
	Figure III.2: Productivity Variation Among FIDs for SBIs- FY 1990	18
	Figure III.3: Variation in Indirect Hour Charges Among FIDs-FY 1990	19

Abbreviations

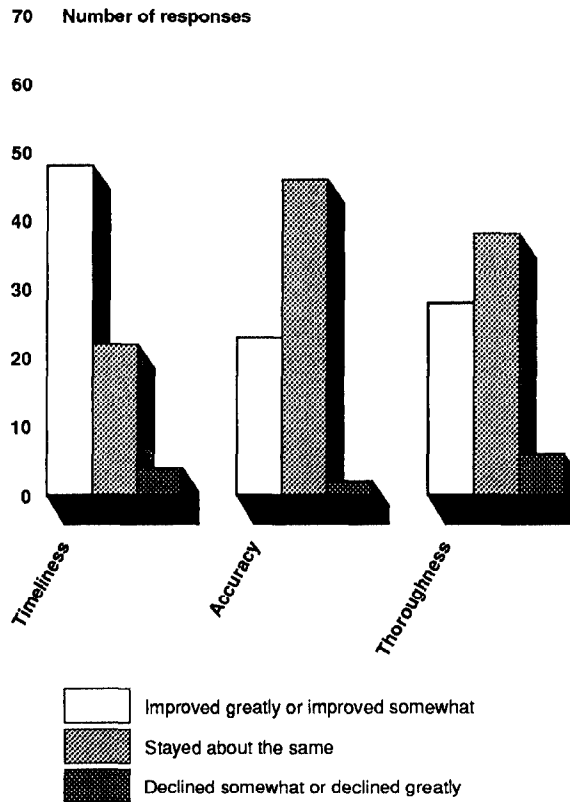
BI	background investigation
BOP	Bureau of Prisons
DOE	Department of Energy
DOJ	Department of Justice
FID	Federal Investigations Division
FIFO	First-In First-Out
FTE	full-time equivalents
INS	Immigration and Naturalization Service
LBI	limited background investigation
NASA	National Aeronautics and Space Administration
OFI	Office of Federal Investigations
OPM	Office of Personnel Management
PIPS	Personnel Investigations Processing System
SBI	special background investigation

The Timeliness of Investigations Improved in FY 1990 but Is Still Not Timely Enough

Current Customer Service

We mailed a survey to personnel security officers at agencies that used OPM to do initial background investigations of new employees and reinvestigations of current employees; and we interviewed 15 agency personnel security officers, program managers, and contractors. The organizations we surveyed were the Department of Energy (DOE), the National Aeronautics and Space Administration (NASA), the Bureau of Prisons (BOP), and the Immigration and Naturalization Service (INS). These organizations account for more than 80 percent of OPM's background investigation cases.

Figure I.1: Customers Perceived Timeliness as Most Improved in FY 1990



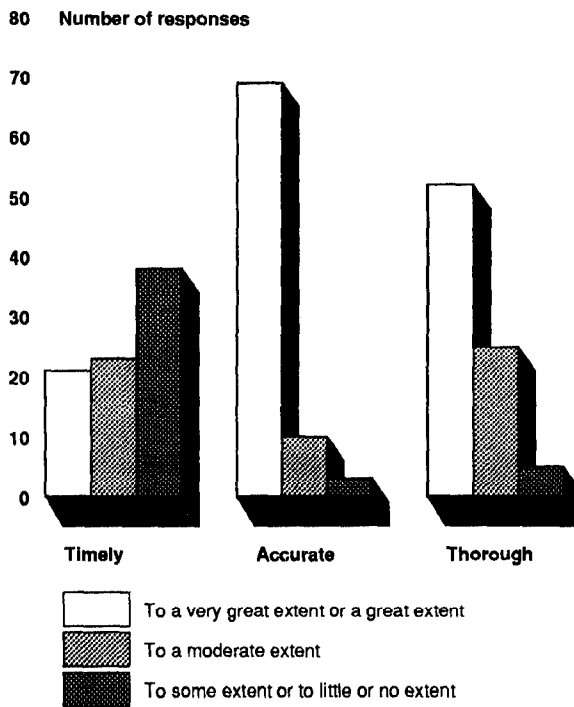
Source: We measured customer perception of timeliness, accuracy, and thoroughness in our survey. (See app. IV—questions 12, 15, and 18.)

The survey collected information on OPM's responsiveness to customer agency needs, with regard to the timeliness, accuracy, and thoroughness of investigations. Customer responses to the survey showed they believed the timeliness of investigations improved in fiscal year 1990

**Appendix I
The Timeliness of Investigations Improved in
FY 1990 but Is Still Not Timely Enough**

when compared to fiscal year 1987 through fiscal year 1989. Forty-eight of the personnel security officers responding to our survey said that OPM's timeliness improved somewhat or greatly; 23 and 28, respectively, said the same about accuracy and thoroughness. (See fig. I.1.) However, officials at the four organizations we surveyed said that the investigations were not timely.

Figure I.2: Extent to Which Investigations Were Timely, Accurate, and Thorough in FY 1990



Source: GAO survey. (See app. IV—questions 10, 13, and 16.)

Although the respondents to our mail survey said the timeliness of OPM investigations improved in fiscal year 1990 compared to fiscal year 1987 through fiscal year 1989, they ranked timeliness below accuracy and thoroughness. (See fig. I.2.) Sixty-nine out of the 82 personnel security officers who responded to our survey said background investigations were accurate to a great or very great extent in fiscal year 1990. Fifty-two of 82 gave the same rating for the thoroughness of investigations, and 21 of 82 gave timeliness this rating. Some of the customers we surveyed said they would like OPM to collect more information during background investigations.

Primary Concerns About Lack of Timeliness

Our mail survey and other interviews with federal program managers and government contractors identified several adverse effects on operations caused by untimely investigations. Individual examples of adverse effects included the following:

- a contract office technical representative at INS said its contractors have missed milestones and had program delays because of difficulties in obtaining timely security clearances for employees;
- a NASA program manager said productivity was lost because new employees were unable to work on projects they were hired to do until their investigations had been completed;
- a DOE contractor said it experienced high employee turnover because employees were unable to work at the jobs they were hired to do and low employee morale because employees were left doing clerical tasks instead of other work; and
- BOP officials said BOP had more difficulty removing employees because negative investigation results were received after the end of new hires' probationary periods.

Thirty of the personnel security officers responding to our survey said they were aware of negative impacts on their agency because of OPM's lack of timeliness. The number of respondents who said they were aware of negative impacts because of investigations not being accurate or thorough was comparatively small at 3 and 4, respectively.

Although most survey respondents were not concerned about thoroughness of investigations, some respondents and some officials considered it to be a major concern. OPM officials said they would discuss this issue with their customers.

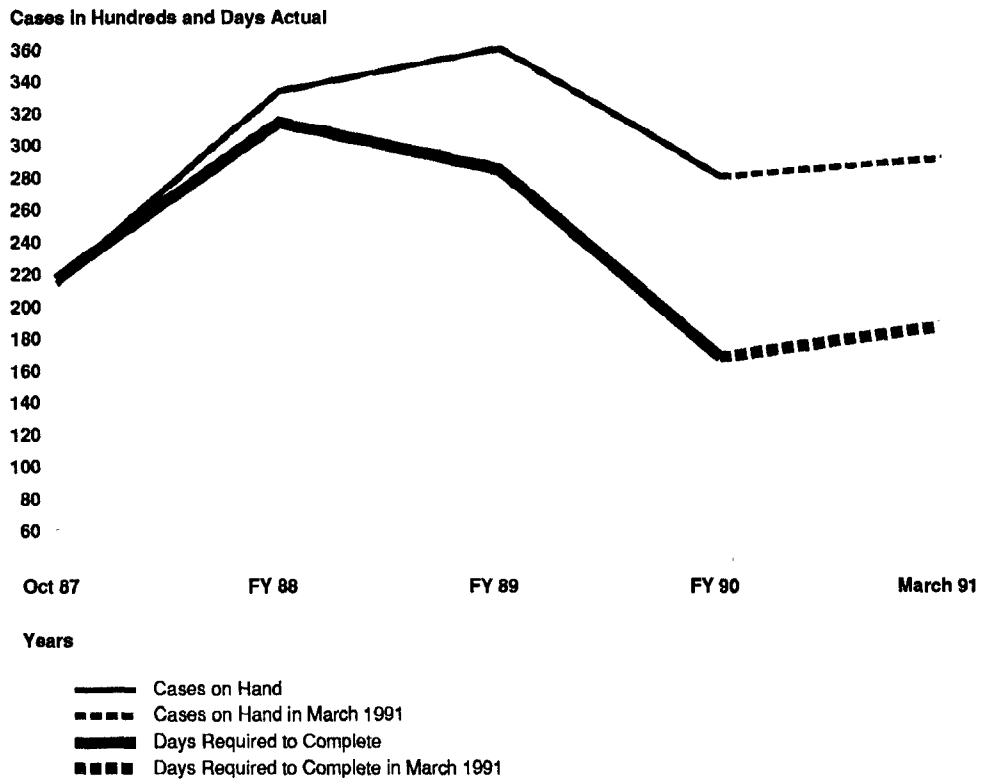
Actions OPM Is Taking to Improve Performance

OPM Is Acting to Improve Performance, but It Should Take Further Actions

OPM has taken actions to improve the timeliness of background investigations. These actions included automating production and administrative processes and, subsequent to our 1987 report, increasing the number of investigators available to do investigations.

The principal automation effort in OPM's Office of Federal Investigations (OFI) is the Personnel Investigations Processing System (PIPS) started in 1980. At the time of our review, it was not yet fully developed and refined, but OPM expected that PIPS would allow it to better schedule, track, and close cases. PIPS may also allow OPM to measure performance. In addition, OPM will be issuing laptop computers and software to investigators, which management estimates will save up to 3 weeks in the time OPM now takes to transcribe and mail reports.

Figure II.1: Comparison of Cases on Hand to Days Required to Complete a Case (Oct. 1987-Mar. 1991)



Source: OFI Workload Reports issued by OPM.

OPM hired more investigators to reduce its inventory of cases on hand and improve the timeliness of background investigations. According to

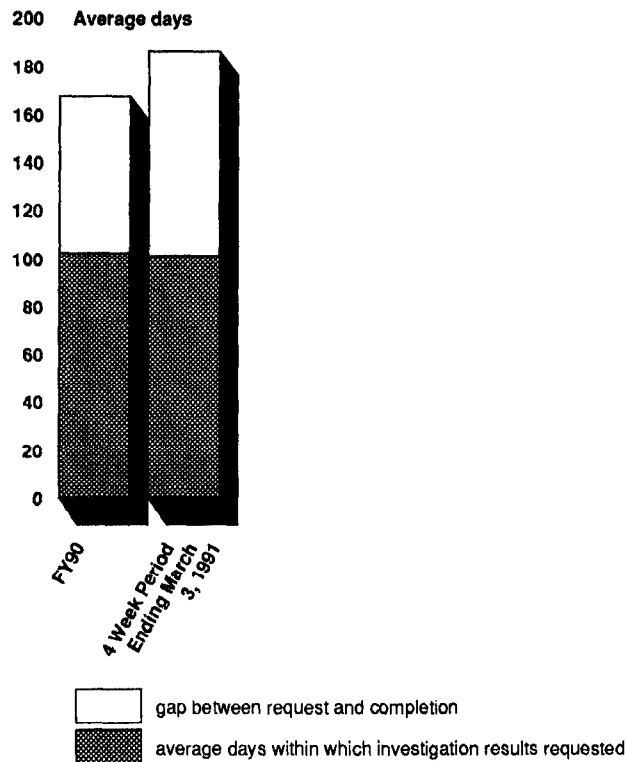
**Appendix II
Actions OPM Is Taking to
Improve Performance**

OPM officials, in fiscal year 1987 OPM employed 495 full-time investigators, plus part-time contract investigators—paid on a piece-work basis—who worked the equivalent number of hours as 140 full-time employees. By fiscal year 1990, OPM increased staffing to 921 full-time employees, plus contract investigators who worked the equivalent number of hours as 137 full-time employees. From fiscal year 1987 to fiscal year 1990, OPM (1) increased the number of cases completed annually from 35,000 to 61,000 and (2) reduced the days required to complete a case from 216 days to 167. (See fig. II.1.)

During our briefing, OPM officials asked us to include more current data on timeliness, such as data for the midyear point ending in March 1991. For the 4-week period ending March 9, 1991, the average time required to complete a case was 186 days. This average was about 2 weeks longer than the average for fiscal year 1990. OPM management investigated the cause of the increase in case completion time. It determined that because of increased production levels, certain cases (predominately reinvestigations) that, on a one-time basis, had been deferred as lower priority work were now being pulled from backlog and processed. Because OPM reports measure timeliness on the basis of the age of cases completed each period, and the measures included many of the older, previously deferred cases, OPM considered the increase in the average age of the completed cases to be temporary. OPM management expected that after the deferred cases were largely eliminated around the end of fiscal year 1991, processing time would be reduced.

Appendix II
 Actions OPM Is Taking to
 Improve Performance

Figure II.2: Gap Between Average Days for Requested Completion and Actual Completion



Source: OFI Workload Reports issued by OPM.

Although OPM has improved its timeliness since fiscal year 1987, backlog levels still prevented it from meeting its customers' stated needs for 35-, 75-, and 120-day special background (SBI), background (BI), and limited background (LBI) investigations. At the end of fiscal year 1990, the gap between the average number of days within which customers requested completed investigations and the average time OPM took to complete an investigation was 65 days. The gap widened to 85 days in March 1991. (See fig. II.2.)

According to OPM managers, their objective is to meet the timeliness goals of 35, 75, and 120 days.

To help achieve its timeliness goals, OPM could increase investigator productivity and/or staffing. While OPM managers agreed that there may be other potential causes for performance differences among FIDs, the timeliness of investigations was directly affected by the investigators'

productivity. Higher productivity resulted in reducing the inventory of cases on hand. Smaller inventories meant less waiting time for processing, thus enabling OPM to close cases nearer the time requested by customer agencies.

In order to assess whether OPM could improve the productivity of investigators, we did a detailed performance analysis using OPM data. The basic concept behind our analysis of OPM's performance data was that when similar parts of an organization have widely divergent productivity ratios, the best-performing parts of the organization can be used to establish internal goals for similar processes throughout the rest of the organization.

OPM collects data to monitor and evaluate the performance of the FIDs operating out of its regional offices. OPM feeds data on FID performance into OPM's Organizational Performance Measurement System and makes cumulative reports at 4-week intervals. These reports show (1) the variation in productivity among FIDs in terms of cases completed per investigator and (2) comparisons of overhead and support time (indirect hours) to the total time FIDs directly spend on investigations (direct hours).

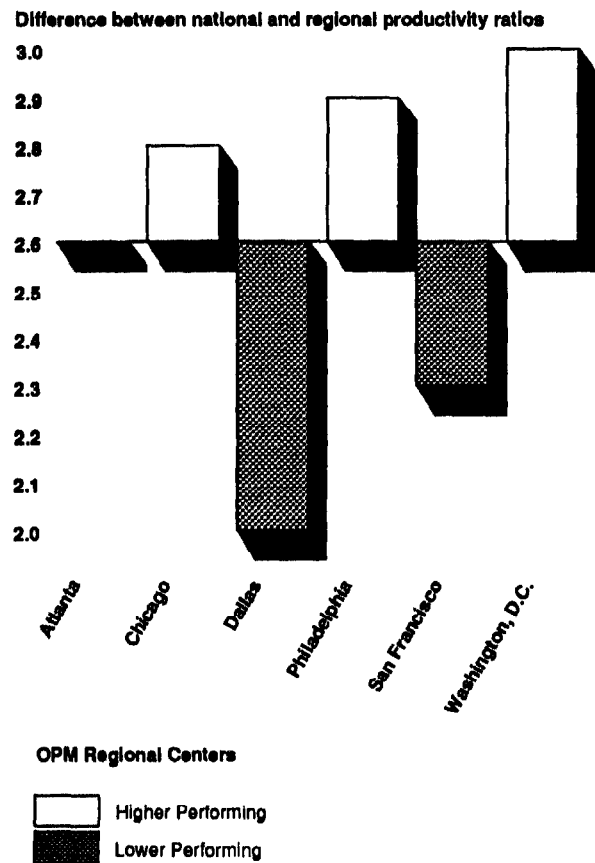
We used these and other OPM data to analyze productivity and support ratio variations in greater detail than shown in OPM's periodic reports.

OPM May Realize Substantial Performance Improvement Through Benchmarking

Results of Performance Analysis

Our analysis of OPM performance data gave us a detailed view of productivity and support ratio variations among FIDs in OPM regional offices. It did not explain reasons why the variation exists, such as case complexity and geographic coverage. However, our analysis enabled us to identify potential opportunities for improving field office productivity and support ratios.

Figure III.1: Productivity Variation Among FIDs-FY 1990

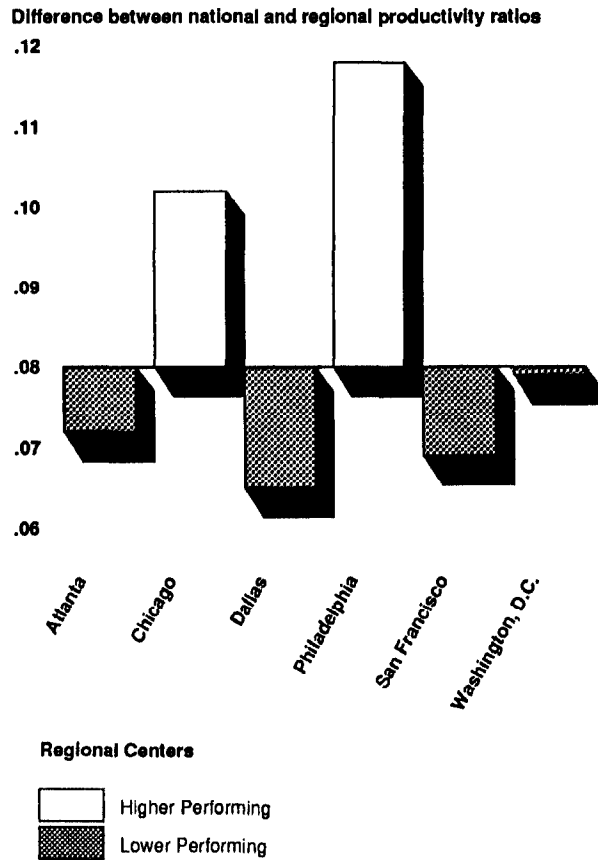


Note 1: National average equals 2.6 investigative units per full-time equivalent (FTE) week.

Note 2: The Washington Office produced 50 percent more units per investigator than the Dallas Office.

Source: Federal Investigations Program Consolidated Program and Performance Data Report.

Figure III.2: Productivity Variation Among
 FIDs for SBIs-FY 1990



Note 1. National average for SBI cases is equal to .08 investigative units per FTE hours.

Note 2. The Philadelphia Office produced 81 percent more units per investigator than the Dallas Office.

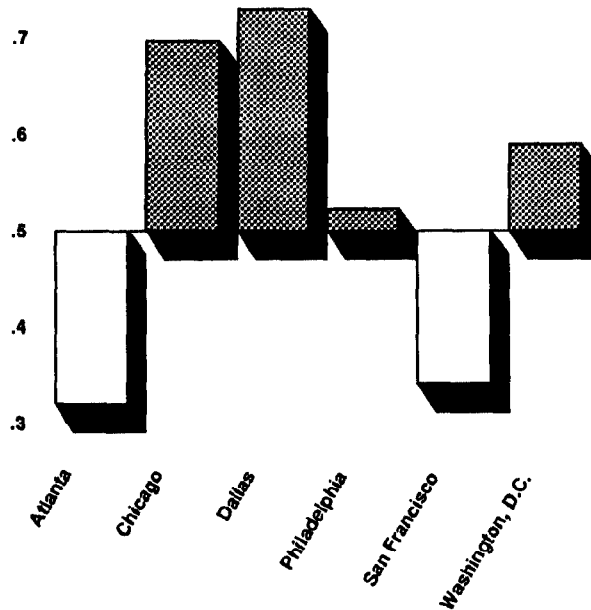
Source: OPM Resource Management and Performance Reports

In fiscal year 1990, there was a wide variation (about 50 percent) in overall investigator productivity among FIDs. The Dallas and San Francisco FIDs had total productivity rates below the national average (see fig. III.1). A detailed analysis of FIDs' productivity by the three types of background investigations—SBI, BI, and LBI—identified additional productivity variation. For example, the Atlanta, Dallas, San Francisco, and Washington, D.C., FIDs had production rates for SBIs below the national average (see fig. III.2).

**Appendix III
OPM May Realize Substantial Performance
Improvement Through Benchmarking**

Figure III.3: Variation in Indirect Hour Charges Among FIDs-FY 1990

.8 Indirect to Direct hours ratio difference among regions



OPM Regional Centers

Higher Performing
Lower Performing

Note 1: FIDs that appear above the line are lower performing because they charged more indirect hours per completed investigations than was the national average. FIDs that appear below the line are higher performing because they charged fewer indirect hours per completed investigation.

Note 2: National indirect to direct hours ratio equals 0.5.

Note 3: The Dallas office had 91 percent larger indirect to direct hour ratio than the Atlanta office.

Source: OPM Resource Management and Performance Reports.

In addition to productivity ratios, we analyzed the variation among FIDs by the number of indirect hours charged per direct hours worked on investigations. In fiscal year 1990, the Chicago, Dallas, Philadelphia, and Washington, D.C., FIDs charged more indirect hours per direct hours than the national average (see fig. III.3).

Potential for Improving Performance

Our analysis also estimated the potential savings in staff hours by improving investigations productivity and support ratios among similar FID functions. Those FIDs that have lower productivity per investigator or that have support ratios that exceed the national average have the most opportunity to save staff hours and afford the greatest potential for improvement. Those FIDs that are higher performing provide the basis for identifying potential best practices that should be copied by lower-performing FIDs to improve their productivity and timeliness.

The range of total opportunity hours is substantial and can be converted into potential savings in staff years and time. For example, in fiscal year 1990 94 staff years or \$2.9 million could have been saved by getting lower-performing field offices to match the average performance of all field offices. If all FIDs had matched the best-performing FIDs, 309 staff years, or \$9.5 million, could have been saved.

**Appendix III
OPM May Realize Substantial Performance
Improvement Through Benchmarking**

Table III.1: Potential Staff Hour Savings

Direct work	Atlanta	Chicago	Dallas	Philadelphia	San Francisco	Washington, D.C.
SBIs	1,370	0	1,355	0	1,367	0
BIs	2,682	0	34,500	0	15,126	0
LBIs	8,175	0	11,556	0	3,912	0
Total	12,227	0	47,411	0	20,405	0
Indirect work (primary)						
Supervising investigations	0	0	12,728	0	0	0
General clerical	0	7,087	8,135	4,430	0	0
Recruiting and training	0	13,403	9,926	0	0	17,922
General administration	0	0	1,207	0	0	3,299
Contracting office representative-transcription	3,015	1,286	0	0	0	0
Investigator nonoperations	0	0	4,574	0	3,230	0
Indirect work (secondary)						
Contracting office representative-investigator supplier/ record searcher	0	5,352	2,259	0	0	0
Employee training	0	3,435	0	0	0	0
Total	3,015	30,563	38,829	4,430	3,230	21,221
Total opportunity hours	15,242	30,563	86,240	4,430	23,635	21,221

Note: For the purpose of this analysis, we divided FID indirect work into primary and secondary categories. Primary work is the indirect work that is performed by every FID. Secondary work is the indirect work that is performed only by certain FIDs. We did not include potential staff-hour savings under 1,000 hours.

Source: OPM Resource Management and Performance Reports and Federal Investigations Program Consolidated Program and Performance Data Report.

Table III.1 provides a detailed breakdown by FID and by function of the number of potential opportunity hours that might have been saved in fiscal year 1990 by increasing productivity and reducing the number of indirect hours charged per direct hours worked. It shows the potential staff-hour savings achievable by type of investigation by FID if productivity rates had been increased to match the fiscal year 1990 national average. For example, the Dallas FID had the most potential for improving productivity. This FID could have produced the same number of SBIs for 34,500 fewer hours, or the same total number of investigations for 47,411 fewer hours, if its production rate had increased to match the national average for fiscal year 1990.

Table III.1 also shows the potential staff-hour savings achievable by indirect activity by FID if the number of indirect hours charged per

direct hours worked on investigations had been decreased to match the fiscal year 1990 national average. For example, if the Chicago FID had performed at the national average it could have provided the same level of general clerical support for 7,087 fewer hours or the same total level of indirect support for 30,563 fewer hours.

The opportunity hours shown in table III.1 are based on having lower performing FIDs match average national performance in fiscal year 1990. If instead of the lower performing FIDs matching the average national performance, all the FIDs matched the best national performance, the total potential staff-hour savings achievable would have more than tripled.

**Effect of Increased
Productivity on
Performance**

The potential staff-hour savings OPM could achieve are convertible into potential improvements in the productivity (cases closed per FTE) rates. Table III.2 shows the potential effect on productivity. Further, higher productivity will decrease the inventory of cases in process—assuming that the number of new cases from federal agencies does not significantly increase or change type. Lower backlogs of cases will permit OPM to be more timely, as we pointed out in our 1987 report.

We have estimated the average days required to process cases under higher productivity (case closure) rates. Actual timeliness experience would vary from this estimate during different time periods because agency case receipts vary from period to period, thus causing the case backlog to fluctuate.

**Table III.2: Conversion of FY 1990 Staff
Hour Savings Into Equivalent Increases
in Investigator FTEs**

	Cases closed per FTE	Average number of days required to complete a case
FY 1990 actual	72.5	167
National average equivalent ^a	80.6	150
Best hours equivalent ^b	99.0	122

^aThe national average equivalent represents the potential effect on cases closed and average number of days used to bring the performance of below-average FIDs up to the national average.

^bThe best hours equivalent represents the potential effect on cases closed and average number of days used to get all FIDs to match best performance.

Source: GAO.

Also, variations in timeliness can occur from period to period if OPM is not using a pure “First-In First-Out” (FIFO) system of processing cases. A

FIFO system processes cases strictly in the order in which they enter the system (our analysis assumed a FIFO system). Although OPM generally attempted to process cases in order of receipt (after separating them into 35-, 75-, and 120-day cases), in 1990 and 1991 OPM handled certain cases differently by deferring them for later processing. When the deferred cases were processed in 1991, the average timeliness for cases completed actually became worse, even though productivity had been improving. Overall, however, the long-term effect of improving productivity is to improve timeliness.

Strategy for Capturing Potential Gains

In order to successfully address improvement opportunities, OPM management needs a strategy for identifying reasons for differences in performances and for acting to improve low performance areas. Although productivity comparisons among FIDs indicated potential gains from improving productivity, simply requiring locations with low productivity to improve will not guarantee that productivity gains will be achieved. OPM needs to identify how such productivity gains can be achieved and then couple goals with a strategy for action.

One strategy used by organizations practicing Total Quality Management—a systematic process of continuous improvement that focuses an organization on satisfying its customers—appears appropriate in OPM's situation. The technique is benchmarking. Benchmarking has been defined as “measuring your performance against that of best-in-class companies, determining how the best in class achieve those performance levels, and using the information as the basis for your own company's strategies, and implementation”.¹

Organizations have successfully used benchmarking to increase productivity and quality through an understanding of what level of performance is possible and why a gap exists between current and optimum performance. Although organizations in the same business may be studied to identify what the competition is doing better, they do not have to be in the same business to compare operations. For example, managers at Xerox improved their warehousing system by adopting L. L. Bean's practices.

¹ Lawrence S. Pryor, “Benchmarking: A Self-improvement Strategy,” The Journal of Business Strategy (Nov./Dec. 1989) pp. 28-32.

OPM's managers could use benchmarking to formulate a strategy for accomplishing productivity improvement on the basis of copying best practices identified within and outside the agency. OPM can

- compare processes and practices among its field offices, with emphasis on identifying best practices;
- compare itself to processes and practices of other organizations doing investigations, such as the Defense Investigations Service; and
- compare itself to other organizations not doing investigations but performing similar functions (for example, case management).

On the basis of lessons learned from these comparisons, OPM could develop appropriate strategies for improving productivity.

Summary of Responses to Customer Survey

Agency Personnel Security Officers Responses to Close Ended Questions

1. In your current position, are you directly in contact with OPM regarding the submission of requests for initial background investigations or reinvestigations?

Agency	Yes	NO
BOP	55	0
DOE	8	1
INS	8	0
NASA	9	0

N = 81

2. In your current position, for which of the following areas or locations are you responsible for?

Agency	Head- quarters	Regions	Headquarters and Regions	Individual Institutions
BOP	16	20	0	15
DOE	2	7	0	n/a
INS	2	5	1	n/a
NASA	1	7	1	n/a

N = 77

4. During fiscal year 1990, did your organization request initial background investigations from organizations other than OPM, such as the Defense Investigative Service?

Agency	NO	YES
BOP	55	0
DOE	4	5
INS	7	1
NASA	9	0

N = 81

**Appendix IV
Summary of Responses to Customer Survey**

5. In your opinion, how would you say the quality of the initial background investigations conducted by OPM compares with those conducted by these other organizations?

Agency	Far better than the others	Somewhat better than the others	About the same as the others
BOP	0	0	0
DOE	1	2	2
INS	1	0	0
NASA	0	0	0

N = 6

6. During fiscal year 1990, how often did you communicate directly with OPM after requesting an investigation?

Agency	In all cases	In most cases	In some cases	In few cases	In no cases
BOP	3	3	23	23	3
DOE	0	2	4	2	0
INS	1	0	2	3	1
NASA	0	0	4	5	0

N = 79

8. During fiscal year 1990, did OPM respond promptly to your communication(s)?

Agency	In all cases	In most cases	About half of the time
BOP	22	13	3
DOE	5	3	0
INS	3	2	0
NASA	2	5	0

N = 58

**Appendix IV
Summary of Responses to Customer Survey**

10. Based on your experiences during fiscal year 1990, to what extent would you say that OPM completed its background investigations in a timely manner?

Agency	To a very great extent	To a great extent	To a moderate extent	To some extent	To little or no extent
BOP	2	14	15	15	10
DOE	0	1	2	3	3
INS	0	2	3	2	1
NASA	1	1	3	4	0

N = 82

11. Are you aware of any negative impacts on your agency due to OPM's lack of timeliness?

Agency	NO	YES
BOP	6	19
DOE	0	6
INS	1	2
NASA	1	3

N = 38

12. Comparing fiscal year 1990 with fiscal years 1987 through 1989, would you say that OPM's timeliness has improved, stayed about the same or has declined?

Agency	Improved greatly	Improved somewhat	Stayed about the same	Declined somewhat	Declined greatly
BOP	12	19	16	2	1
DOE	1	4	3	1	0
INS	3	3	1	0	0
NASA	2	4	2	0	0

N = 74

**Appendix IV
Summary of Responses to Customer Survey**

13. Based on your experiences during fiscal year 1990, to what extent would you say that OPM's background investigations were accurate, that is, "OPM got the facts right".

Agency	To a very great extent	To a great extent	To a moderate extent	To some extent
BOP	17	29	7	3
DOE	1	7	1	0
INS	1	6	1	0
NASA	2	6	1	0

N = 82

14. Are you aware of any negative impacts on your agency due to a problem with the accuracy of the investigation?

Agency	YES
BOP	3
DOE	0
INS	0
NASA	0

N = 3

15. Comparing fiscal year 1990 with fiscal years 1987 through 1989, would you say that the accuracy of OPM's reports has improved, stayed about the same or has declined?

Agency	Improved greatly	Improved somewhat	Stayed about the same	Declined somewhat	Declined greatly
BOP	3	11	31	1	1
DOE	0	2	7	0	0
INS	1	2	4	0	0
NASA	1	3	4	0	0

N = 71

**Appendix IV
Summary of Responses to Customer Survey**

16. Based on your experiences during fiscal year 1990, to what extent would you say that OPM's background investigations were thorough, that is, included sufficient follow-up work?

Agency	To a very great extent	To a great extent	To a moderate extent	To some extent
BOP	11	27	14	4
DOE	1	3	5	0
INS	1	3	4	0
NASA	1	5	2	1

N = 82

17. Are you aware of any negative impacts on your agency due to a problem with the thoroughness of an investigation?

Agency	NO	YES
BOP	1	3
DOE	0	0
INS	0	0
NASA	0	1

N = 5

18. Comparing fiscal year 1990 with fiscal years 1987 through 1989, would you say that OPM's thoroughness has improved, stayed about the same or has declined?

Agency	Improved greatly	Improved somewhat	Stayed about the same	Declined somewhat
BOP	5	12	27	4
DOE	0	3	5	1
INS	1	3	3	0
NASA	1	3	3	1

N = 72

Comments From the Office of Personnel Management



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

OCT 23 1991

Mr. Richard L. Fogel
Assistant Comptroller General
General Government Division
United States General Accounting Office
Washington, DC 20548

Dear Mr. Fogel:

Thank you for the opportunity to comment on the draft report entitled *OPM REVOLVING FUND: Better Management of Investigations Program Productivity Needed*. The draft report's recommendations and methodology for "benchmarking" the performance of OPM's six field investigative divisions may help us to identify opportunities to improve organizational performance. We will undertake a more detailed analysis along the lines suggested by GAO to learn what differentiates the best performing divisions, and how the others might improve performance.

We are pleased to report that OPM's expectation that "processing time will be reduced" is being realized. During FY 1991 we produced over 12,000 more cases than we received. The table below shows the median calendar days in process for cases on hand as of September 30, 1991, by type of case and level of service requested.

Type*	<u>35-Day Service</u>		<u>75-Day Service</u>		<u>120-Day Service</u>	
	<u>Cases</u>	<u>Median</u>	<u>Cases</u>	<u>Median</u>	<u>Cases</u>	<u>Median</u>
SBI	85	53	46	74	156	83
BI	687	31	2,630	53	2,084	59
LBI	101	24	786	101	10,823	83
PRI+	--	--	--	--	1,161	46
PRI	--	--	--	--	961	55
Total	873	32	3,462	64	15,185	75

* Special Background Investigation, Background Investigation, Limited Background Investigation, and Periodic Reinvestigation

See p. 6.

Mr. Richard L. Fogel

2.

We also have several specific comments on particular portions of the draft report. These are given below, keyed to the pages of the draft.

Figure I.1 on page 16 reflects that OPM's customer agencies said that our investigations are highly accurate, moderately thorough, and not timely. The headline "moderately thorough" incorrectly conveys to the reader that most respondents think we are not very thorough. The GAO opinion survey data in Appendix IV show the contrary. Respondents characterized the investigations as "thorough" either "to a very great extent" or "to a great extent" rather than "to a moderate extent" in question 16 by two to one, or 52 to 25. The unmodified word "thorough" more accurately represents the responses to your survey.

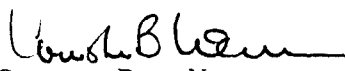
A related error appears in the last sentence on page 22: four, not five, respondents answered "Yes" to question 17; the fifth response was "No." In either case, the number identifying any negative impact related to OPM thoroughness was very small in a group of 82 respondents.

The estimated time saving in report preparation attributable to laptop computers (top of page 25) should be "up to" three weeks, rather than "about." Three weeks is the maximum we estimate can be saved; the range is one to three weeks.

The tag line under Figure III.4 on page 34 appears to have transposed the names of the Atlanta and Dallas offices.

Thank you again for the opportunity to comment on the draft report.

Sincerely,


Constance Berry Newman
Director

Now on p 10.

See p 11

Now on pp. 11 and 12.

See pp 11 and 12.

Now on p 13.

Now figure III.3 on p. 19.

Major Contributors to This Report

General Government
Division, Washington,
D.C.

John A. Leitch, Assistant Director
Domingo Nieves, Evaluator-in-Charge
Abiud Amaro, Evaluator

Ordering Information

The first copy of each GAO report is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20877**

Orders may also be placed by calling (202) 275-6241.

**United States
General Accounting Office
Washington, D.C. 20548**

**Official Business
Penalty for Private Use \$300**

**First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100**
