



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

National Security and
International Affairs Division

B-276073

February 12, 1997

The Honorable Daniel S. Goldin
Administrator, National Aeronautics
and Space Administration

Dear Mr. Goldin:

As part of an ongoing assignment, we have been reviewing the extent to which managers at the National Aeronautics and Space Administration (NASA) are using performance measurements in a number of areas, including customer satisfaction. The purpose of this letter is to (1) summarize our findings on the implementation by agency functional managers of requirements to develop and maintain measurements on customer satisfaction and (2) elicit information and your perspective on NASA managers' efforts to collect customer satisfaction data. We are asking that you or your designee respond to the questions at the end of this letter by March 14, 1997.

SUMMARY

Since 1993, NASA has required its functional managers at headquarters, in collaboration with center officials, to develop and maintain agencywide measurements on customer satisfaction.¹ Although almost all NASA functional managers were aware of this requirement, our review indicated that half of the functional areas had no formal mechanisms in place to collect data on customer satisfaction and several managers indicated that they had no plans to do so. Moreover, most managers do not receive customer satisfaction data from centers or

¹The requirements for measuring customer satisfaction are set out in NASA Management Instruction 1240.3B on Functional Management, Sept. 15, 1993. The word "customer" can refer to external or internal customers. Several functional managers at NASA said that their customers are internal, or within NASA. A functional area may be a specific managerial discipline, such as personnel or procurement; an external relationship, such as public affairs; or a significant area of specialization, such as information resources management. There are currently 18 functional areas at NASA.

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consolidate it in a systematic way to monitor agencywide levels and trends or to compare centers' performances.

The reasons managers gave for not formally collecting the required data on customer satisfaction included:

- The customer could not be identified.
- Customer satisfaction measurements cannot be developed for the type of work being performed, are inappropriate, or not useful.
- Managers were not aware of the requirement.
- Formal customer satisfaction measurements are not needed because of frequent communication with customers in person, by telephone, or electronic mail.

Some headquarters managers believe that only the centers are responsible for collecting and evaluating customer satisfaction data because the centers are responsible for executing the work. In other cases, headquarters managers indicated that customer satisfaction data was being collected at some centers, but could not identify the specific centers collecting the data.

Generally, headquarters managers in functional areas where customer satisfaction data is being collected told us that they found the data to be useful. They noted that formal feedback from customers helped them to (1) track trends in customers' satisfaction, (2) identify and correct problems, (3) improve programs, (4) revise policy, (5) focus on areas needing improvement, and (6) ensure that the agency is receiving expected benefits. Some managers stated that their customer satisfaction information had been used in self-assessment reports, program plans, annual performance reports, the National Performance Review Report, and annual operating agreements. Some managers also indicated that their customer satisfaction measurements were supplemented by data from the agencywide employee and customer satisfaction survey, which was conducted by NASA's Office of Policy and Program Planning during 1995 and 1996. Although this survey was not done specifically by functional area, it included questions related to some functional areas.

Other managers, however, questioned the cost-effectiveness and usefulness of the data they collected on customer satisfaction. One noted that such data was difficult to interpret when there was a multi-faceted customer base with competing interests. Another noted that data sent to headquarters by centers was not particularly useful since headquarters did not control the center activities on which the data is based.

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In commenting on a draft of this letter, NASA headquarters officials told us that, as part of the agency's broader strategic planning process, NASA is developing or has issued guidance² that may substantially revise or totally replace existing guidance that called for measuring customer satisfaction. Copies of the guidance provided to us by officials provides a broad framework, rather than detailed guidance, for managers to develop and maintain customer satisfaction measurements.

QUESTIONS

1. When is the proposed guidance expected to be completed? What additional steps must be taken before the proposed guidance is expected to become operational?
2. To what extent will the proposed guidance address the reasons managers gave for not formally collecting the required data on customer satisfaction?
3. What existing requirements will likely be replaced by new guidance for functional managers on developing and maintaining agencywide measurements on customer satisfaction for both internal and external customers? Why are these changes being made?
4. What does NASA consider to be relevant and useful customer satisfaction measurements? How will functional managers be held accountable for developing and maintaining these customer satisfaction measurements?
5. Does NASA have or will it develop a plan to help its managers identify customers and measures that may be used to assess customer satisfaction?

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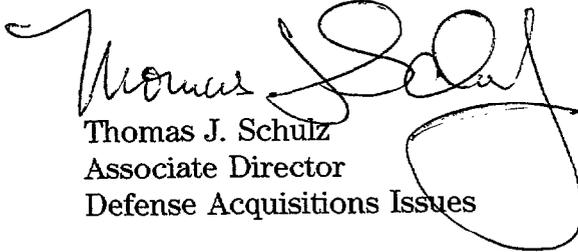
We are sending copies of this letter to the Chairmen and Ranking Minority Members of congressional committees with NASA appropriation, authorization, and oversight responsibilities. Copies will be sent to other interested parties upon request. Your response to our inquiry will be provided the same distribution. If you have any

²NASA Strategic Management Handbook, Oct. 1996.

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questions or wish to discuss matters in this report in more detail, please contact me or Mr. Frank Degnan, Assistant Director, at (202) 512-4841.

Sincerely yours,



Thomas J. Schulz
Associate Director
Defense Acquisitions Issues

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