GAO Highlights

OFFICE OF PERSONNEL MANAGEMENT

Agency Needs to Improve Outcome Measures to Demonstrate the Value of Its Innovation Lab

Why GAO Did This Study

Organizations from around the globe are emphasizing that strategies promoting innovation are vital to solving complex problems. To try to instill a culture of innovation in its agency, OPM followed the lead of a number of private sector companies, nonprofit organizations, and government bodies by creating an innovation lab. GAO was asked to examine the lab.

Specifically, GAO 1) described the lab's start-up costs, staffing and organization, activities, and policies governing the lab's use, and 2) assessed how OPM's innovation lab compares to other organizations' innovation labs, including how it uses benchmarks and metrics and how it addresses challenges to innovation. GAO reviewed cost, staffing, and performance information. GAO also reviewed relevant literature on innovation and interviewed officials from public, private, and nonprofit organizations with innovation facilities similar to OPM's lab.

What GAO Recommends

Among other things, GAO recommends that the Director of OPM should direct lab staff to 1) develop a mix of performance targets and measures to help them monitor and report on progress toward lab goals, and 2) build on existing efforts to share information with other agencies that have innovation labs. OPM generally concurred with GAO's recommendations; in addition, they described the steps being taken and planned to refine their ongoing evaluation efforts and to further leverage other federal innovation labs.

View GAO-14-306. For more information, contact Seto J. Bagdoyan at (202) 512-4749 or bagdoyans@gao.gov.

What GAO Found

In March 2012, the Office of Personnel Management (OPM) opened its innovation lab, a distinct physical space with a set of policies for engaging people and using technology in problem solving. The goals of OPM's innovation lab are to provide federal workers with 21st century skills in design-led innovation, such as intelligent risk-taking to develop new services, products, and processes. OPM's lab was built at a reported cost of $1.1 million, including facility upgrades and construction, equipment and training, and other personnel costs. The lab employs approximately 6 full-time equivalents, including a director, and in fiscal year 2013, the lab's operating costs were approximately $476,000, including salaries.

View of OPM's Innovation Lab

Source: OPM.

OPM's innovation lab is similar in mission and design to other innovation labs GAO reviewed, and OPM has incorporated some of the prevalent practices that other labs use to sustain their operations. Specifically, OPM is using its lab for a variety of projects, including as a classroom for building the capacity to innovate in the federal government. Lab staff indicated that they plan to begin long-term immersion projects—complex projects with diverse users—within a few months. OPM plans to develop and implement evaluation plans specific to each immersion project that will help them track cost benefits or performance improvement benefits associated with the projects.

Starting in March 2013, OPM lab staff began work on a program evaluation framework to more systematically measure the lab's progress toward meeting its overarching goals. In addition, lab staff members are tracking lab activities, such as classes and workshops, and are surveying lab users about the quality of their experience in the lab. However, they have not developed performance targets or measures related to project outcomes, and without a rigorous evaluation framework that can help OPM track the lab's performance, it will be hard to demonstrate that the lab is operating as originally envisioned.

While labs provide a physical space where innovators can convene, federal agencies are not fully aware of their growing community. However, OPM is taking steps to ensure work done in the lab is shared across OPM and with other federal innovators—for example, by hosting weekly training sessions in the lab on best practices. Studies show that information sharing and interorganizational networks can be a powerful driver supporting innovation.

_____ **United States Government Accountability Office**