FEDERAL LABOR RELATIONS AUTHORITY

OFFICE OF INSPECTOR GENERAL

Evaluation of the FLRA FY99 Annual Performance Plan Submission

November 2000
HISTORY OF GPRA

The 1993 Government Performance and Results Act (GPRA) is a Congressional mandate providing the institutionalization of strategic planning and performance measurement in the Federal Government. This mandate was a result of oversight findings that there was much waste and inefficiency in Federal programs which undermined the confidence of the American people in government and also reduced the ability of Government to address vital public needs. Congressional leaders concluded that Federal managers were seriously disadvantaged in their efforts to improve the efficiency and effectiveness of their programs because there was insufficient definition of ultimate program goals and insufficient data on program performance. Congress also felt that their own ability to make policy decisions, spending decisions and perform oversight was likewise hampered by inattentive attention to program performance and results.

GPRA was passed with the intention of improving public confidence in the capability of Federal Government by holding Federal agencies accountable for achieving program results. GPRA initiated a program management reform which required setting program goals, measuring the performance of these goals and making these achievements public information. GPRA was intended to improve the effectiveness of federal programs by focusing on results, service quality (or program product), and customer service and satisfaction. Ultimately, the performance measurement and progress in achieving goals by Federal Agencies would help Congress in its decision-making, by providing it with more objective information related to the achievement of statutory objectives. Thus, strategic planning and performance measurement were to become the yardsticks of improved Federal Government measurement by linking long-term strategic goals and agency missions to daily operations.

All Federal Agency Heads were required to submit a strategic plan to Congress for its program activities no later than September 30, 1997. During 1998, the first year of required federal strategic plans, the Government Accounting Office (GAO) reviewed the strategic plans of 24 agencies covered by the Chief Financial Officer’s Act which accounts for approximately 98% of government outlay. The FLRA Strategic Plan was not among those reviewed. The GAO found several weaknesses in those strategic plans reviewed. They found that the strategic plans did not provide clear definitions of agencies’ intended performance; it failed to relate strategies and resources to proposed performance and did not provide assurance that performance data was credible. Most of the strategic plans were also deficient in documenting the impact that defined limitations (such as resources, information technology systems and the absence of an internal program evaluation capacity) would have on an agency’s ability to achieve its goals. Many strategic plans failed to recognize cross-cutting efforts and failed to clearly convey in their performance plans the amount of funding needed to achieve a discrete set of performance goals or how requested funds, related
to specific program activities, would be allocated to achieve performance. Realizing that FY99 was a baseline year for the implementation of strategic plans, both congressional and executive branch attention focused heavily on the GPRA requirements and have asked agency oversight and management officials to do likewise. They hope that during the next few years, the use of strategic planning and performance plans will lead to substantial improvements in agency program performance and integrate results-oriented performance information into management decision-making, as well as Congressional budget appropriations.

ANNUAL PERFORMANCE PLAN EVALUATION METHODOLOGY

In April 1998, the FLRA Inspector General began an internal evaluation of FLRA’s compliance with the requirements of GPRA and the validity of its strategic planning process and resulting documentation. The evaluation included a comprehensive review of the GPRA, a review of relevant GAO publications, reports and OMB bulletins, and discussions with other federal Inspector General’s at meetings with Congressmen Pete Sessions, Jim Turner, Dan Burton and the Comptroller of the United States, David Walker. A complete review was made of the FLRA Strategic Plan, Component Action Plans, and randomly selected employee work plans. In addition, the FY99 Performance Plan, as depicted in the FY99 FLRA Budget Submission was also reviewed. Several principals involved in the strategic planning process were also interviewed and asked standardized questions.

The current evaluation of the FLRA FY99 Annual Performance Plan commenced June 1, 2000, and was completed July 21, 2000. The evaluation included a detailed review of the FLRA FY99 Annual Performance Plan using standards and criteria compiled from several Government Accounting Office publications (listed in references) and using a comparable evaluation to that used by the Mercator Center which was engaged by Congress to review the performance plans of 24 Federal Agencies (did not include the FLRA). The evaluation also included a review of the baseline and trend data to assess its consistency and credibility and a review of the FLRA FY2000 Performance Plan to evaluate the progress and development of the document in terms of adhering to GAO criteria, Congressional needs and management decision making.

FLRA STRATEGIC PLANNING INITIATIVES

FLRA’s compliance with the Government Performance and Results Act and initiatives in strategic planning has been developed well. The FLRA’s strategic planning process has been noted and cited as a model for small federal agencies. The FLRA strategic planning process evolved in three phases. In the first phase, which began in January 1995, a committee of 20 FLRA principals, including regional office and union representatives, developed the foundation for strategic planning by producing the FLRA mission statement. In the second phase which occurred in 1996, a second committee of Agency and Union personnel focused on creating an agency strategic plan which addressed both traditional and new goals with a distinct customer orientation and was based on Agency downsized resource realities. In phase three which occurred the 1997, this same group met and actually formulated the FLRA Strategic Plan. This Plan was implemented and became operative in
FY98. In May 2000, management began a revisititation of its Strategic Plan which is still in progress.

A. FLRA STRATEGIC PLAN

FLRA’s strategic planning ties directly to its mission which is “to exercise leadership under the Federal Service Labor-Management Relations Statute to promote stable, constructive labor-management relations that contribute to a more effective Government.”

The FLRA Strategic Plan, 1998-2002, has four main goals:

1. To provide high quality services that timely resolve disputes;
2. To use alternative methods of dispute resolution to reduce the costs of conflict;
3. To maintain internal systems that support program needs, notably information technology systems; and
4. To develop FLRA staff to ensure an effective organization with the flexibility to meet program needs.

To achieve these goals, the FLRA identified 28 performance objectives for FY 99 and successfully met most of them.

The initial Inspector General Review of FLRA’s compliance with GPRA, ascertained that the FLRA Strategic Plan was well written and related to mission critical strategies. The FLRA Strategic Plan contains four major goals. Objectives to achieve these four goals are listed as program performance goals along with assumptions and factors affecting the outcome. Those factors which are critical to achieving the objectives and goals are defined, as well as the amount of resources that are involved in carrying out the functions and tasks aligned with the goal. Each FLRA component has developed an action plan which contains the program performance goals which support, as appropriate, the four strategic goals. In a direct continuation of the pyramid, each FLRA employee develops an annual work plan which ties to his/her component’s action plan. This pyramid approach to strategic planning and performance is essential and FLRA has done a merit able job in effecting this.

The Inspector General review revealed that a projection of how a change in the assumptions, factors and critical success indicators would affect the achievement of the stated goals was absent from the FLRA Strategic Plan (and its derivative plan). Neither the effects (nor non-effects) of internal or external cross-cutting activities nor specific references to oversight vulnerabilities were discussed with respect to the four goals. A concern to the Inspector General was the validity (consistency and credibility) of the case tracking input/output data. During the Internal Review of the Case Control Office, three identical requests were made to IRM for case control data. Each time the numbers were inconsistent.
GAO ELEMENTS FOR PERFORMANCE PLANS

One of the primary goals of GPRA is to change the focus of government performance and accountability from a preoccupation with activities to a focus on the results of those activities. GPRA requires Federal Agencies to issue annual performance plans to inform the President, Congress and public of the performance goals, measures, required resources and activities used by the Agency to achieve these goals and the procedures used to verify and validate the performance information.

Congress has manifested its ongoing interest in agency strategic and performance planning to provide a basis for its Congressional decisions. At the request of several Congressmen, the Government Accounting Office (GAO) reviewed and reported on various agency performance plans, defined general strengths and weaknesses, briefed Congress on the results, and basically reinforced the envisioned objectives of the GPRA. The GAO reviews were conducted in accordance with Government auditing standards and were focused on the following elements.

1. Performance Plans should provide a clear picture of intended performance across the agency (also referred to as transparency).

2. Performance Plans should contain specific discussions of strategies, resources, and program process improvements and/or methods used to achieve results.

3. Performance Plans should contain discussions on the impact of cross cutting activities and resource increases/decreases.

4. Performance Plans should contain discussions on the credibility of the data and information, how the information and data were verified and validated, any impact that questionable data could have on the level of achievement of goals and what actions are or will be taken to correct this impact.

FLRA FY99 PERFORMANCE PLAN

The FLRA Performance Plan is directly tied to the FLRA Annual Budget Submission, thus clearly correlating the strategic planning process and performance goals to resources. Over 80% of the FLRA budget is allocated to personnel costs. Because of the pyramid, development and implementation of strategic planning, literally all human resources are dedicated to providing services that directly or indirectly support the FLRA mission. The FLRA’s FY99 performance goals were formulated with the assumption that there would be relative stability in staffing levels, caseload and budget appropriations which were already downsized significantly. The FLRA annual performance goals are both quantitative and qualitative, are tied to resources at the organizational level, and were generally conducive to performance measurement.
INSPECTOR GENERAL EVALUATION OF FLRA’S FY99 PERFORMANCE PLAN

The FLRA Inspector General reviewed the FLRA’s FY99 Performance Plan submitted to President Clinton on March 30, 2000, and noted the following:

1. The FLRA’s FY99 Annual Performance Plan focuses on the performance of tangible public benefits, namely the timely and quality processing of labor management cases. The Plan evidences that the FLRA has forward-looking leadership that uses performance information to devise program performance goals for the improvement of benefits and services to its customers. The Plan is written in basic language which makes it readable to the average person with or without knowledge of the FLRA mission and purpose. The Plan was placed on the FLRA website shortly after its issuance, thus making it available to all members of the public and private sector.

2. The FLRA’s FY99 Annual Performance Plan indicates that the overall performance for FY99 was merit able and that significant progress was made in achieving program performance goals. FLRA’s four strategic goals are results oriented and included baseline data or evaluation narrative to put their derivative program performance goals (primarily activities) in the proper context. For the majority of program performance goals for Strategic Goals 1 and 2, data had been collected since 1997 to provide a baseline for progress. However, the Plan fails to point out those program areas where data is just beginning to be tracked (many of Strategic Goal 3 and 4’s program performance goals), therefore explaining why the context was described by a narrative instead of statistics. “The FLRA met 22 of its 28 performance strategies during FY99, which is commendable. Out of the six goals not met, the FLRA substantially met three (falling 1% short of two goals) and partially met the three remaining goals.”

3. The FLRA FY99 Annual Performance Plan describes the performance accomplishments made for each program performance goal, but lacked detail on changes in the use of resources and program improvements used to meet the goals. In instances where goals were not met, the plan provides generic factors which prevented total performance, but does not relate the specific causes. The Plan did state the FLRA’s intention to focus harder on meeting these unmet program performance goals during the next year, but did not state how. The Plan provides information identifying the organization(s) which completed the program performance goals but does not indicate the individual(s) responsible for the actions. The Plan also contains appropriate discussions on program performance goals which would remain the same, or which would be revised and restructured in the future.

4. The FLRA FY99 Annual Performance Plan does include data and discussion showing that there is a cause/effect relationship between the Agency’s work and the results valued by the customer base. This is especially clear in the program performance goal measurements of all four goals. The FY99 Performance Plan
contained baseline data for Strategic Goals 1 and 2 (tracked since 1997) but did not indicate any trend data or graphic comparisons.

5. Strategic Goals 1 and 2 are directly related to the FLRA mission and comprise 22 of the 28 program performance goals (Goal 1 has 15 program performance goals and Goal 2 has 7 program performance goals.) Strategic Goals 3 and 4 are related to support activities and are comprised of three program performance goals each. Ten of the performance goals related to Goal 1 had statistical measurements verifying or negating completion of the goal. Five of Goal 1’s program performance goals were related to tangible products or services and completion was indicated by narrative. Three of Strategic Goal 2’s program performance goals were tied to statistical verification while four were measured by a narrative description. The three program performance goals of Strategic Goal 3 were evaluated by comparisons to the 1997 baseline with two of the goals based on statistics. Strategic Goal 4’s performance strategies were also evaluated by narratives. The latter are primarily human resource goals which are usually based on statistical data; however, the FLRA is just now focusing on the maintenance of administrative support program data. In instances where program performance goals were finite and totally met, the backup data sheet indicated that new program performance goals would be established.

6. The FLRA FY99 Annual Performance Plan identified internal cross-cutting activities, but does not acknowledge any external cross-cutting activities. Nor does it specifically refer to performance of corrective actions surfaced by oversight activities, although several of the program performance goals in Strategic Goals 3 and 4 relate to correcting program vulnerabilities surfaced in audits and internal reviews (the FY 2000 Performance Plan contains more of these). The Plan did not specify the impact of resource cuts; however, the FLRA Executive Director stated that if resource cuts did occur, Strategic Goals 3 & 4 (support program performance goals) would be the ones impacted first.

7. The FLRA FY99 Annual Performance Plan did not identify the sources of data. The data used for the FY 99 Annual Performance Plan and provided to the Inspector General was initially in the form of a summary containing final percentages or narrative conclusions. A request for the actual data was made to the Executive Director. Inspector General discussions with the FLRA Executive Director, Case Control Director and Information Resource Management principals verified that as a result of the Case Control Office Internal Review, FLRA systems data was being reconciled and was much more accurate than it had been one year ago.

8. A cursory review of the FY 2000 and FY 2001 program performance goals affirmed that the FLRA will continue to take measures to increase the timeliness and quality of its performance in its mission related and support program performance goals that are not restructured as well as those which are revisions or new. All of FLRA’s program performance goals are customer (internal or external) oriented. Several of Strategic Goal 1’s performance strategies were established as a direct response to an 1998 Agency Customer Service Survey.
9. The FLRA FY 99 Annual Performance Plan does not include any discussion on FLRA strategies to address known data limitations or procedures they had and will use to verify and validate performance information. A review of supporting data from the Authority, Administrative Law Judges, and Federal Service Impasse Panel revealed that each component had its own method of calculating its data for its goal achievement and there was no “standard” mathematical process. Without an explanation of the process used to determine the final supporting statistics, decision makers will have a “tainted” rather than independent view of current and future achievement of FLRA program performance goals and strategies.

The format of the FY99 Annual Performance Plan might benefit from some structure “finessing” to emphasize it’s forward looking direction, and make it more transparent and less tedious to read. Good reporting enhances good performance.

1. The “Executive Summary” is preceded by an overview and not clearly differentiated. Executive Summaries are normally the first part of documentation and are very important for documents that are lengthy. The Executive Summary should highlight accomplishments. The Plan should also contain an index to make accessibility to the various sections (strategic goals) easier.

2. Information on each program performance goal should be categorized with some analysis criteria for better understanding (i.e. Program Analysis, Results, Revision Benefits, etc.).

3. The Plan does not contain graphics. This is not a requirement; however FLRA’s statistics and progress would be enhanced by the inclusion of graphics. Graphics should also be used to demonstrate yearly progress made on each program performance goal.

4. “Management challenges (resulting from internal and external oversight activities) and their corresponding corrective actions are not clearly listed and should be included where appropriate.”

INSPECTOR GENERAL REVIEW OF FY 2000 PERFORMANCE PLAN

This Inspector General Review also included an evaluation of the FLRA’s FY 2000 Performance Plan to determine if previous recommendations were included and to note any changes or innovations. Since no midyear narrative report had been formulated (not required), the evaluation was made from a summary of component submissions as of March 31, 2000. The following was noted.

1. The FY 2000 Performance Plan contained three years of progress related to the FLRA strategic and program performance goals. Several program performance
goals related to Strategic Goal 1 were modified to further extend performance improvement, especially in those program performance goals that were met or exceeded in FY99. It was clearly evident that the FLRA has made positive performance progress and effected positive results in operational efficiency and effectiveness over the last three years.

2. The FY 2000 Performance Plan clearly noted the performance progress and the effects of performance since the baseline year. Program Performance Goals for Strategic Goals 3 and 4 were still predominantly qualitative.

3. FLRA’s Performance Plan is incorporated in FLRA’s Annual Budget Submission, but there is no integration of program performance goals with budget requests and final allocations. The FLRA does not maintain workload staffing data and, therefore, it is not possible to do a cost analysis to determine savings related to improvements in program performance.

4. The FY 2000 Performance Goal Summary did not contain FLRA recognition of cross cutting activities, complementary goals, verification of the validity of data or focus on oversight recommendations or management challenges, all of which were noted and recommended for incorporation into future strategic plans and program performance evaluations in the FY99 Inspector General GPRAG Compliance Review.

INSPECTOR GENERAL EVALUATION OF DATA CREDIBILITY

1. Data used to support goal determinations is handled differently by the different components. The Federal Service Impasses Panel generates its own data statistics which they audit and reconcile annually. The Federal Service Impasses Panel data clearly supports its program performance goal statistical summary. The data provided by the Administrative Law Judges also supported their summary statistics for their program performance goals. Statistics for the Authority are handled by an Information Resource Management individual and reconciled with the Case Control Office periodically.

2. The data collected for case processing time is measured differently by the Authority compared to the calculations of case progression by the Office of the General Counsel and Federal Service Impasse Panel (i.e. case age is determined from the date assigned to a Member (with the exception of Representation cases) and does not include Case Control Office processing time while the Office of the General Counsel and Federal Service Impasse Panel determine case processing time from the date the case is received and logged in). This difference creates a disparity in the consistency of the data for Goal I. There is no indication or explanation in the Performance Plan to indicate this to the reader.

3. When statistical summaries for program performance goals are submitted to the Office of the Executive Director for validation of progress in both strategic planning,
performance measurement, and for inclusion in the FLRA Budget Submission and now in its Annual Performance Plan, the Executive Director assumes them to be valid. The Office of the Executive Director assumes that organizational managers and component managers have verified the information before submission. No explanation of back up data or data credibility certification is currently required by the Office of the Executive Director. The Annual Performance Plan does not contain any discussion of data credibility or data verification.

CONCLUSION:

As the first submission, The FLRA’s Annual Performance Plan provides baseline and evolving information which supports performance progress for all four Strategic goals and 22 out of 28 program performance goals.

FINDINGS AND RECOMMENDATIONS

Finding 1:

The FLRA FY 99 Annual Performance Plan is a comprehensive document that clearly demonstrates a leadership commitment to strategic planning and performance, focuses on agency performance, tangible public benefits, provides sufficient explanations on accomplished strategies and strategies not totally met and clearly describes the FLRA’s performance accomplishments. However, it does not address several areas that were envisioned by GPRA to provide the Congress and public with a clear vision of meaningful results and benefits.

Recommendation 1:

1. As desired by Congress, FLRA should include discussions on the following topics in future Annual Performance Plans:

2. Impact of both external and internal cross cutting activities;

3. Impact of both increases and decreases in resources\(^1\) on achievement of program goals;

4. Data sources and credibility including methods used to validate data, and resulting impact on performance measures;

5. Correlation between performance achievements and program and cost benefits;

6. Agency capability to provide program evaluations and/or customer survey

\(^1\) This is a good place to discuss the relationship and impact of resources and goals on continuing improved performance.
7. to validate benefits of performance initiatives; and

8. Verification and validation of information (to include relevant external or internal evaluation including those of the Inspector General, and discussion on strategies used to address data limitations).

Finding 2:

Data verification is periodically performed at the component level; however, management does not certify validity. The standards for measurement of case tracking time differ in the Authority from those used in Office of General Counsel and Federal Service Impasses Panel. These differences are not explained in the data sheets or program performance goal summary.

Recommendation 2:

Data credibility and exceptions should be discussed in future FLRA Performance Plans so that decision makers can make knowledgeable (or decide not to make) decisions based on the reported data.

Finding 3:

The format of the FLRA Annual Performance Plan should be modified to ensure transparency to the reader, summarize significant information, and be more accessible and useful to the customer base.

Recommendation 3:

Reformat the Annual Plan in a manner that consolidates significant information and makes the information more accessible and useful to the Congress, decision makers, and general public. To enhance usefulness, future Annual Performance Plans should contain:

1. Index;
2. Executive summary;
3. Definition of Management oversight challenges;
4. Summary of accomplishments;
5. Summary of performance goal improvement;
6. Summary of future performance goals;
7. Cost benefits gained by performance achievement;
8. Relationship between performance goals and fiscal year budget;
9. Discussion on cross cutting activities;
10. Discussion on data credibility;
CONGRESSIONAL INTERESTS

The 106th Congress has emphasized the importance of Federal agency performance reports as a source of accurate, timely information which will facilitate Congress and the American people’s ability to assess the extent of tangible public benefits from Federal programs. Government has the same responsibilities to the public as private corporations have to their shareholders. To comply with the requirements of the Government Performance and Results Act, Federal agencies had to produce their first performance report by March 31, 2000. Congress enlisted the assistance of a research team at the Mercatus Center, George Mason University to evaluate the reports produced by the 24 agencies covered under the Chief Financial Officers’ Act. The FLRA was not included in this evaluation.

Senator Fred Thompson has asked the Inspector General Community through the Presidential Council for Integrity and Efficiency/Executive Council for Integrity and Efficiency to specifically review their agency’s Performance Plans and provide the results of this evaluation to Congress. He requested that the Inspectors General address the following questions during their reviews of Federal Agency Performance Plans.

1. What performance goals and measures from the agency’s FY1999 performance plan relate directly to each of the outcomes?

All FLRA’s performance goals and measures are all related to the four strategic goals of the agency which are derived from the mission of the Agency. Performance measurements for Strategic goals 1 and 2 are directly tied to actual, current year case load and case resolution. Goal 3 is related to internal systems that support program needs and Goal 4 is related to human capital investment and development. Component action plans contain performance goals which are directly related to the four Strategic Plan goals. Performance measures for Goals 1 and 2 are related to statistical compilation of data maintained by the agency. Goals 3 and 4 measurement was based primarily on narrative discussions of program accomplishments vice statistical data because of the lack of it. FLRA management will have to focus on acquiring ample and credible administrative support function data so that statistical validations can be made for human capital resource performance goals.

2. Do the goals and measures track performance toward the stated outcome in a meaningful way? For example, are the goals appropriately outcome-oriented and are the measures valid indicators of progress?

The FLRA implemented its Strategic Plan and began measuring performance in 1997. The FLRA performance goals are based on achievements and outcomes of performance improvement in both mission and support activity strategies. Several initial performance strategies have been noted and acknowledged as being too broad to measure. These goals have been revised in the FY 2000 and 2001 Plans. The FLRA FY99 Annual Performance Plan explicitly discusses shortfalls and the factors hindering the accomplishment of the performance strategies.
While the FY99 Annual Performance Plan contains statistical summaries, it does not contain enough data to validate the statistical conclusions.

3. According to the performance report, how did the agency perform under each of the relevant goals and measures?

The FLRA's FY99 performance was based on Strategic Plan performance goals. The FLRA's Strategic Plan is the basis for FLRA mission related work. In addition to an overarching Agency plan containing four main mission related strategies, each of the three major organizational components of the FLRA (Authority, Office of the General Counsel and Federal Service Impasses Panel) create their own internal action plans based on their individual missions but directly related to the Agency's strategic goals. Component level goals for FY99 totaled 28. The FLRA Strategic Plan, component action plans connect to individual employee work plans which are updated annually. Therefore, employee performance is directly related to the FLRA Strategic Plan.

During FY99, the FLRA met or exceeded 22 of its 28 FY 99 performance goals. One goal was exceeded by 55%. Six goals were not fully met. Significant progress was made on one of these. Two goals were just 2% short of full achievement. Actions were taken on the remaining three goals which were partially met. The FY 99 Performance Plan submission to the President, contained detailed discussion on why the six goals were not met, actions accomplished (or modifications and revisions) and actions needed to meet these goals.

4. How valid and reliable is the data by which the agency judged its performance? Where data shortcomings exist, did the agency acknowledge them and indicate what steps it will take to correct them?

5. Where an agency has not met a performance goal, does the report adequately explain why and describe a strategy to meet the goal in the future?

The FLRA FY 99 Plan explains in detail the circumstances and reasons for a goal not being achieved and discusses all revisions, modifications and future strategy to meet the goal in the future. If a goal has to be totally restructured, the reason why is clearly explained.

6. Where a goal from the FY 1999 performance plan is not covered in the performance report or has changed, did the agency adequately explain why?
Yes, the FLRA’s FY 99 Performance Plan covered all strategic and performance goals with thorough discussion on the actual performance and benefits achieved by meeting the subject goals, the conditions that prevented meeting a goal and any modifications made to the goals as a result of FY 99 performance.

7. What improvements has the agency made in its performance plan for FY 2001 that is relevant to the above issues for the key outcome areas?
REFERENCES


FLRA Annual Performance Plan Submission, March 30, 2000

FLRA FY 1999, 2000, 2001 Performance Goals


GAO/GGD/00-10, Managing for Results: Strengthening Regulatory Agencies’ Performance Management Practices.


OMB Bulletin No. 00-04, Integrating the Performance Plan and Budget