

GAO

Report to the Secretary of Labor

December 1986

**DEPARTMENT OF
LABOR**

**Assessment of
Management
Improvement Efforts**





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

Comptroller General
of the United States

B-219199

December 31, 1986

The Honorable William E. Brock III
The Secretary of Labor

Dear Mr. Secretary:

This is our follow-up report on the adequacy of the Department's responses to the recommendations in our October 1985 management report. When we noted problems during the follow-up review, we suggested actions to appropriate Labor officials to facilitate implementation of our earlier recommendations. The officials have agreed to take these actions.

We are sending copies of this report to appropriate congressional committees and members of Congress as well as to the Director, Office of Management and Budget. We will also make copies available to other interested parties.

We look forward to continuing to work with the Department as it improves its ability to effectively carry out its missions.

Sincerely yours,

A handwritten signature in cursive script that reads 'Charles A. Bowsher'.

Charles A. Bowsher
Comptroller General
of the United States

Executive Summary

Purpose

On October 21, 1985, GAO issued a report on the need for stronger leadership to improve management at the Department of Labor. The report identified management problems and made specific recommendations to the Secretary for dealing with these problems. Secretary Brock generally agreed with GAO's recommendations and acted quickly to begin implementing corrective action. The Secretary also asked GAO for a follow-up assessment of Labor's progress 1 year later.

Background

GAO's 1985 report recommended (1) strengthening Secretarial direction, (2) correcting long-standing problems, (3) obtaining better information on program operations, (4) enhancing work-force quality and efficiency, and (5) operating in a more business-like manner. Secretary Brock approved 102 actions and milestones to be completed by October 31, 1988, to implement GAO's recommendations.

To assess Labor's progress, GAO reviewed policy directives and evaluated data on the timeliness and completeness of Labor's 68 actions planned for completion by September 30, 1986. GAO also sent a questionnaire to the top managers in headquarters and four regional offices. Eighty-seven percent responded.

Results in Brief

Labor has made excellent progress in beginning to implement GAO's October 1985 recommendations. Secretary Brock has demonstrated strong leadership and has established Department-wide goals and a management system that provides a sound framework for strategic planning, operational management, and good accountability.

Additional actions by various components of the Department have also been positive—they have focused on developing appropriate policy guidance and action plans.

Full implementation of all actions over the next 2 years, however, will require considerable, sustained efforts by all Labor officials. Only then will the full benefits of their positive efforts to date be realized.

GAO's Assessment

Strengthening Secretarial Direction

Secretary Brock acted quickly to address GAO's 1985 report recommendations. In the fall of 1985, the Secretary established Department-wide goals and the Secretary's Management System, which integrates agency and Department-wide goals and provides a mechanism for monitoring progress and providing feedback to the component agencies.

Of the Department's managers who responded to GAO's follow-up questionnaire, 72 percent believed Secretary Brock has improved management at Labor, and 92 percent said the basic elements of his management system should remain in place even when there is a turnover of top Department officials.

Correcting Long-Standing Problems

Labor has developed or is developing Department-wide policies and action plans for correcting the long-standing problems discussed in the 1985 report. These plans address GAO's recommendations and provide a sound approach for beginning to (1) improve pension enforcement, (2) expedite the rulemaking process, (3) enhance the procurement process, and (4) upgrade information resources management.

To further enhance management of information resources, we suggested that Labor (1) provide more comprehensive oversight, (2) adopt a Department-wide information systems development methodology, (3) develop a directory that would identify data available in departmental systems, and (4) evaluate future staffing needs to accomplish its responsibilities.

Obtaining Better Information on Program Operations

Labor has made good progress in doing required mine inspections. Also, revised management systems have provided better information for tracking inspection activities.

Labor has taken steps toward improving job training and unemployment insurance oversight by assessing and revising the monitoring techniques used for these programs at both the federal and state levels.

Also, the Office of the Inspector General's efforts to obtain managers' input when developing its audit plans should help better focus its audits on areas needing attention.

**Enhancing Work-Force
Quality and Efficiency**

Labor's plans for improving human resource management and strengthening productivity management reflect a sound approach to help maintain a high-quality, more efficient work force.

However, we suggested that (1) the component agencies' productivity improvement plans be more specific to enable effective monitoring of progress toward meeting agency and departmental productivity goals and (2) Labor provide more technical assistance to its agencies on using available management information for developing and analyzing performance measures.

**Operating in a More
Business-Like Manner**

Labor has made progress in strengthening some financial management activities, such as tightening compliance with fund control procedures, improving financial reporting accuracy and timeliness, and better controlling financial management improvement projects and personal property inventories.

In addition, the Inspector General is working with the Department's financial managers to enhance the format for presenting Labor's financial statements and make them more useful to management.

However, major financial reporting improvements will depend on successful implementation of Department-wide accounting systems modernization efforts and completion of accounting systems reviews. To enhance reporting improvements, we suggested that Labor obtain the views of program managers on the usefulness of financial reports for managing their operations.

Recommendation

As indicated, during its follow-up GAO suggested that agency officials take certain actions to enhance the implementation of its earlier recommendations. The officials agreed to take the suggested actions.

Agency Comments

In a November 26, 1986, letter, Secretary Brock expressed his appreciation for GAO's assessment of the Department's progress in improving its management and said that he valued GAO's insights and suggestions. The Secretary said the Department will continue efforts to make Labor a well-managed organization. (See app. III.)

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Abbreviations

DIRM	Directorate of Information Resources Management
ERISA	Employee Retirement Income Security Act
FMFLA	Federal Managers' Financial Integrity Act
GAO	General Accounting Office
GSA	General Services Administration
IRM	information resources management
JTPA	Job Training Partnership Act
MSHA	Mine Safety and Health Administration
OASAM	Office of the Assistant Secretary for Administration and Management
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PWBA	Pension and Welfare Benefits Administration
UI	Unemployment Insurance

Introduction

This report is a follow-up assessment of the Labor Department's actions to address recommendations in our October 1985 report¹ on the need for stronger leadership to improve departmental management. The 1985 report assessed Labor's management, analyzed problems and determined causes, and made recommendations for improving management. These reports are part of a series we are issuing on management effectiveness at major departments and agencies.

Principal GAO Findings and Recommendations and Labor's Actions

Our 1985 report made 49 recommendations for improving the management of five major areas. The principal findings are shown in the following sections.

Insufficient Secretarial Attention to Department-Wide Management

- No key official in charge of day-to-day management.
- Key Secretarial priorities not identified or progress systematically tracked.
- No systematic Department-wide, long-range planning process.
- Department operated in a reactive rather than a proactive mode.

Long-Standing Problems Not Resolved

- ERISA (Employee Retirement Income Security Act) enforcement, procurement, and information resources management needed improvement.
- Rulemaking process slow.

Lack of Sufficient Information on Program Operations

- Some required mine inspections not made.
- Monitoring of programs operated at state and local levels may not be identifying areas vulnerable to mismanagement.
- Audits and evaluations often not perceived by managers as identifying and resolving problems.

Work-Force Management and Performance Needed Attention

- Limited identification of staff needs.
- Training programs lacked credibility.
- Managers not accountable for existing policies.
- No systematic productivity improvement effort.

¹Strong Leadership Needed to Improve Management at the Department of Labor (GAO/HRD-86-12, Oct. 21, 1985).

Need to Operate in More Business-Like Manner

- Agency fund limitation balances often exceeded.
- Financial reports not always received or used by managers.
- Ineffective departmental control over agency financial management improvement projects.
- Minimal accounting systems review effort.

In commenting on a draft of our report in September 1985, the Secretary generally agreed with 47 of 49 recommendations and later outlined 102 corrective actions and milestones to implement them. (See app. I.)

Labor did not concur with our recommendations on the need, as part of the Federal Managers' Financial Integrity Act (FMFIA) process, to assess state and local internal control systems for the Job Training Partnership Act (JTPA) and Unemployment Insurance (UI) programs. Labor continues to believe it is complying with the Office of Management and Budget's (OMB's) guidance by applying FMFIA to federal operations of these programs and using other oversight mechanisms for state operations.

Objectives, Scope, and Methodology

The overall objective of our follow-up effort was to assess Labor's progress on actions to implement our 1985 report recommendations. Our review included 13 component agencies—(1) Employment and Training Administration, (2) Employment Standards Administration, (3) Occupational Safety and Health Administration, (4) Mine Safety and Health Administration (MSHA), (5) Bureau of Labor Statistics, (6) Women's Bureau, (7) Pension and Welfare Benefits Administration (PWBA), (8) Bureau of Labor-Management Relations and Cooperative Programs, (9) Office of Labor Management Standards, (10) Office of the Assistant Secretary for Veterans Employment, (11) Office of the Solicitor, (12) Office of the Inspector General (OIG), and (13) Office of the Assistant Secretary for Administration and Management (OASAM). OASAM provides policy guidance and support on administrative functions—such as budgeting, personnel management, procurement, and information resources management—to the component agencies.

To accomplish our objective, we (1) interviewed Department officials and managers, mostly at the headquarters level, who were responsible for designing and implementing corrective actions; (2) reviewed documentation to verify Labor's actions taken and underway; (3) met frequently with top Labor officials to answer questions about the adequacy of the actions and to make recommendations for enhancing implementation of our 1985 report recommendations; and (4) using a questionnaire,

Chapter 1
Introduction

obtained the views of Labor headquarters and regional managers regarding Labor's actions to improve management.

We targeted our follow-up work to the 68 actions scheduled for completion by September 30, 1986, the cut-off date of our review work. The other 34 actions are to be completed by October 31, 1988. Because most actions have been directed toward designing policy guidance and developing detailed plans, not enough time has passed to fully assess their effectiveness. Accordingly, our assessment focused primarily on the completeness and timeliness of Labor's guidance and plans. However, we did assess the adequacy of actions that had been taken.

On August 22, 1986, we sent a questionnaire to 214 managers²—110 in headquarters and 104 in four regional offices (Atlanta, Chicago, Dallas, and San Francisco) that participated in our initial review. Of the managers surveyed, 186 were in the program agencies and the other 28 were in administrative and support functions: Office of the Solicitor, OIG, and OASAM. We received 187 responses, for an 87-percent response rate. Appendix II presents the detailed responses to the questionnaire.

In reviewing some of Labor's program and administrative activities, we used information generated by the Department's automated systems. Due to time constraints and limited staff resources, we did not verify the accuracy of this information. With this exception, we performed the review in accordance with generally accepted government audit standards. Our work was done between April and September 1986.

²Originally, we sent out 223 questionnaires, but because of 4 reported vacancies and 5 individuals who did not feel adequately qualified to respond due to lack of time in the positions, the number was reduced to 214. Agency heads identified these as being top managers at headquarters and the four regions.

Stronger Secretarial Interest in Departmental Management

The most important recommendations in our 1985 report dealt with the need to improve departmental management by showing strong Secretarial support for and interest in an effectively managed, efficiently operated, unified Department. Historically, Secretaries of Labor had not focused on managing the Department's programs but instead delegated this role to the various program assistant secretaries. Also, the Department generally operated in a reactive rather than a proactive mode and as a conglomerate of largely independent agencies rather than as a unified organization.

Specifically, we recommended (1) developing a long-range planning process, (2) identifying and tracking key Secretarial goals, and (3) designating a key official responsible for departmental management. The Secretary identified five actions to strengthen Secretarial direction that resulted in the development and implementation of the Secretary's Management System. Also, the Under Secretary was given responsibility for handling day-to-day management of the Department, including overall direction of the Secretary's Management System.

GAO Assessment

Secretary Brock has demonstrated the strong leadership needed for a well-managed organization, and his management system has established a sound framework for strategic planning and management at Labor. Our follow-up review showed that most of the Department's managers believed that Secretary Brock has significantly improved management at Labor and that the basic elements of his management system should remain in place even when there is a turnover of top Department officials.

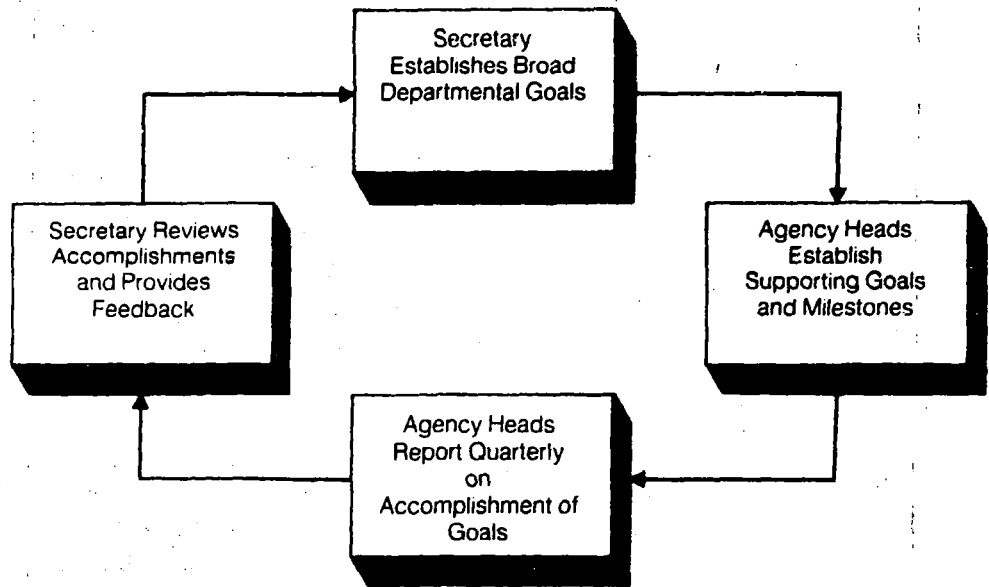
However, about half of the managers believed that the Department's ability to set realistic time frames to accomplish unit goals and to provide feedback had not improved under Secretary Brock. Also, there is concern that the basic elements of the Secretary's Management System would not remain after a change in administration.

While excellent progress has been made in strengthening Secretarial leadership at Labor, the challenge ahead is to complete the implementation of the 102 actions and sustain their impact over time.

Secretary's Management System Established

As illustrated in figure 2.1, the Secretary's Management System is a four-step approach to define goals and assess progress in accomplishing approved goals.

Figure 2.1: Secretary's Management System



To set the new management system in motion, Secretary Brock announced three priority goals for the Department in October 1985, and in December approved 37 supporting goals proposed by the agencies for fiscal year 1986. Agency milestones were approved in January 1986, and quarterly reviews of the agencies' progress were held in April and July 1986. Almost all of the quarterly milestones were met by the agencies, based on our review of the agencies' reports submitted to the Under Secretary.

Managers' Perceptions About the Secretary's Leadership and Management System

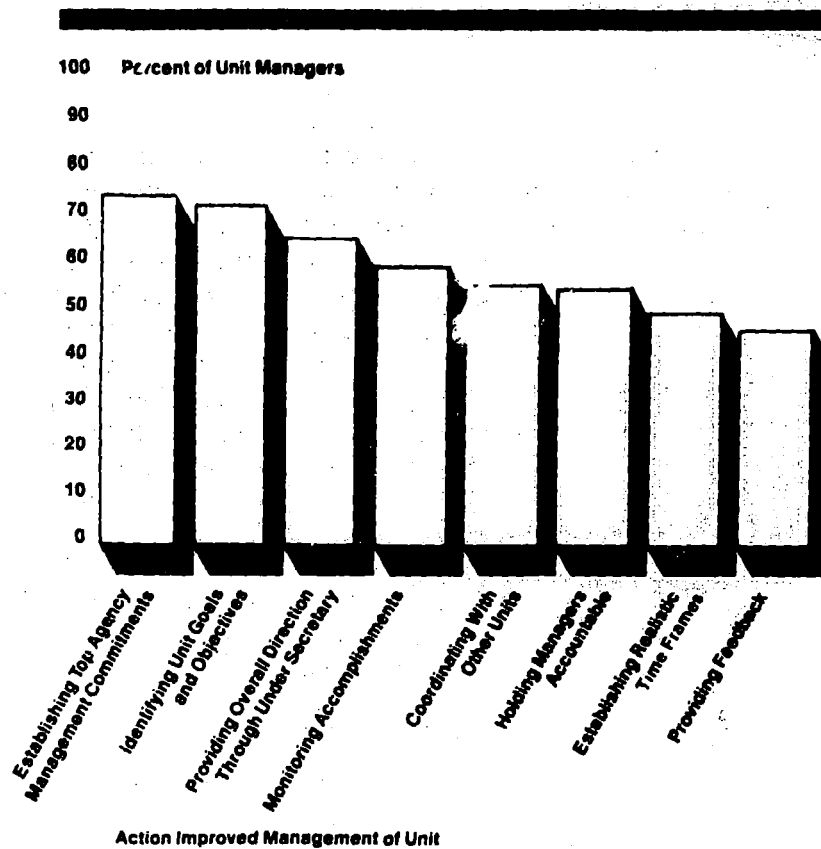
We sent a questionnaire to 214 of the Department's top managers to obtain their views on Secretary Brock's management of the Department and his impact on their programs and activities. The questionnaire also addressed the manager's perceptions about the Secretary's Management System and the likelihood of its continuance. These managers were also surveyed during our earlier review. (The results of the questionnaire are shown in app. II.)

**Chapter 2
Stronger Secretarial Interest in
Departmental Management**

Overall, Labor managers believed that Secretary Brock has significantly improved management at Labor. More than 80 percent of the managers reported that they believed the Secretary has demonstrated strong interest in the management of their units, and 72 percent said that his methods for managing the Department had improved the overall management of their units. To assess whether Secretary Brock's actions had improved unit management, we asked managers to compare the effects of specific actions taken by the Secretary with the conditions existing under the prior Secretary. Figure 2.2 shows that in six of eight areas, most managers believed that Secretary Brock had improved unit management.

However, less than half (47 percent) of the managers believed that the Department's ability to set realistic time frames to accomplish unit goals and objectives had improved. Similarly, only 45 percent of the managers believed that feedback had improved.

Figure 2.2: Effectiveness of the Secretary's Actions to Improve Unit Management

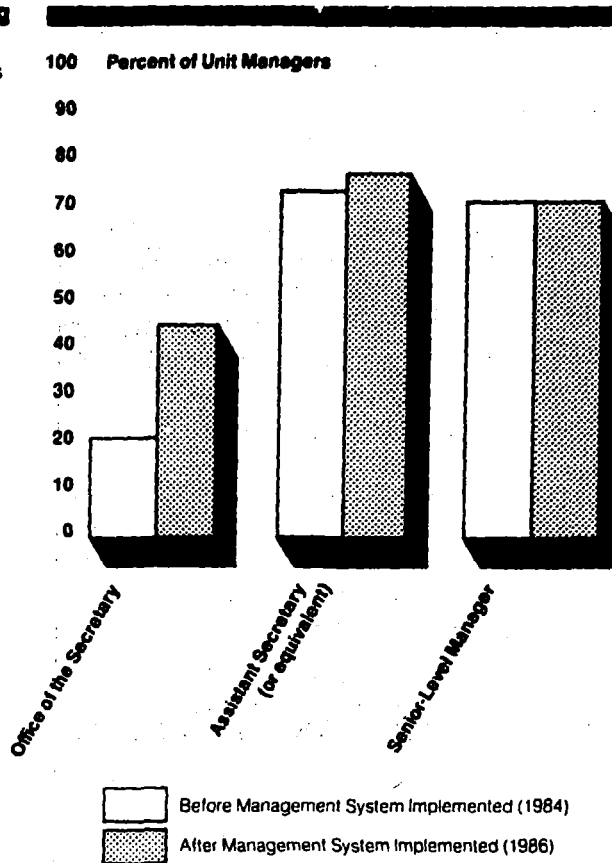


**Chapter 2
Stronger Secretarial Interest in
Departmental Management**

Our 1985 report stated that managers had not perceived the previous Secretary as significantly involved in initiating policies affecting their programs and activities. Only about 20 percent of the respondents believed the previous Secretary initiated policy to a great or very great extent. Individual agency heads and Senior Executive Service managers were cited as having the greatest role in formulating policies.

The responses to our follow-up questionnaire indicated that the managers continue to believe that the agency heads and Senior Executive Service managers play the greatest role in initiating policy, as shown in figure 2.3. However, 43 percent of the respondents said that the Secretary initiates policy to a great or very great extent—more than a two-fold increase.

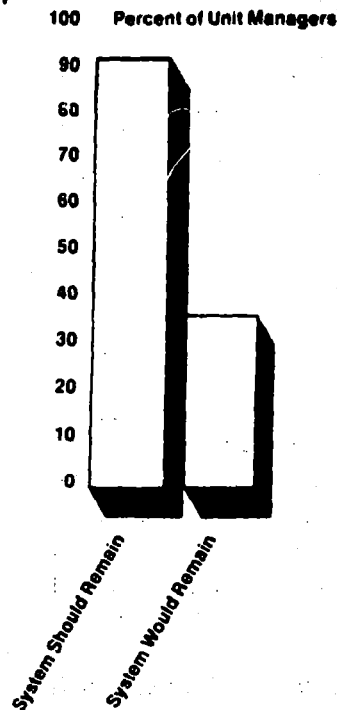
Figure 2.3: Offices Perceived as Having the Most Significant Role in Initiating Policies (Before and After the Secretary's Management System)



We asked managers who said they were aware of the Secretary's Management System (about 97 percent) whether they believed its elements

(e.g., Secretarial involvement, goal setting, and feedback) should remain in place when there is a turnover of top Labor officials at the Secretary and assistant secretary levels and whether they believed its elements would remain. As shown in figure 2.4, about 92 percent believed it should remain despite top-level turnover, whereas only about 35 percent believed it would.

Figure 2.4: Retention of the Secretary's Management System After a Change in Administration



Some respondents offered suggestions to better institutionalize the management practices that Secretary Brock has implemented. Examples include:

- Continue oversight by the Office of the Secretary to promote accountability at the agency level.
- Link the Secretary's Management System to merit pay and other rewards and incentives.
- Provide more leadership conferences to reinforce the Secretary's goals and objectives and to facilitate needed change.

Long-Standing Problems Being Addressed

Because of the shortcomings in Secretarial direction and leadership, long-standing, program-related problems received insufficient attention in the past. Program areas discussed in our 1985 report highlighted the need to improve ERISA enforcement, expedite rulemaking, enhance procurement, and upgrade information resources management (IRM). Labor's key actions to address problems in these areas focused on developing plans and strategies for implementing our recommendations.

GAO Assessment

The plans and strategies that have been or are being developed by Labor should provide a framework to improve the ERISA enforcement program, improve the timeliness and credibility of the rulemaking process, enhance the procurement function, and upgrade IRM. However, a full assessment cannot be made until the plans and strategies have been approved and the program improvements are operational.

To further enhance IRM management, we suggested that Labor (1) expand IRM oversight responsibilities, (2) adopt a Department-wide information systems development methodology, (3) develop a directory that would identify data available in departmental systems, and (4) evaluate future staffing needs to accomplish responsibilities. Labor IRM officials told us they support our views, and within staffing constraints, our suggestions will be incorporated with other IRM actions.

ERISA Enforcement Strategy Being Reviewed

ERISA was passed to ensure that participants and beneficiaries who are covered by private pension and welfare plans receive the benefits to which they are entitled. PWBA is responsible for enforcing the act's disclosure, reporting, and fiduciary requirements.

Our 1985 report recommended that the Secretary develop a comprehensive, long-term enforcement strategy and hold managers accountable for its results. The Secretary approved five actions to address our recommendations. Two of the actions were to be completed by September 30, 1986—namely, identifying the composition and characteristics of the pension and welfare plan universe (June 1986) and developing an enforcement strategy (September 1986). The other three are to be completed by November 30, 1987.

PWBA developed data and analyzed the demographics of the plan universe (e.g., plan type, funding mechanism, and size) and stratified the descriptive elements by field office jurisdiction within the approved time frame. This information should enable Labor to direct its field

office enforcement efforts to plans that are specified under the enforcement strategy, which was developed by PWBA's Office of Enforcement and was with the Secretary for approval at the completion of our work.

The associate director, Office of Enforcement, told us that, when the new strategy is implemented, managers will be held accountable for accomplishing its goals. The Office of Enforcement will review implementation progress during fiscal year 1987 and make changes where appropriate by November 1987 in accordance with the Secretary's milestones.

In addition to the actions specifically addressing our recommendations, Labor has taken other actions to improve ERISA enforcement. First, a training program was established for new auditors and investigators. Also, PWBA recently purchased microcomputers to enhance its case management system. This will allow PWBA's headquarters and area offices to improve case management through better case updating and monitoring.

Rulemaking Being Addressed

Members of Congress and organizations representing employers or workers have expressed concern about Labor's, and especially its Occupational Safety and Health Administration's, slowness in issuing regulations. As highlighted in our 1985 report, much of the slowness stemmed from the complexity of both the administrative process and the subject matter—factors over which Labor has limited control.

To improve the rulemaking process, we recommended that the Secretary establish a special committee to determine what could be done to speed up the process, develop recommendations and an implementation strategy, and focus attention on correcting the problem. We also recommended that, to improve the credibility of the process, Labor inform the public that regulations for technically complex subjects could require several years for approval.

A steering committee established to study the problems involved in issuing regulations focused on improving regulatory procedures and assuring that the target audience understood the new procedures. Within the steering committee, working groups were established to study certain areas, such as (1) procedures to expedite regulations and (2) burdensome regulations. The studies were still underway as of October 1986.

The Department has helped expedite some aspects of the rulemaking process. Specifically, it established a system for prioritizing regulations, developed quick turnaround procedures for the more routine regulations, and began tracking regulations being developed. Through tracking and public disclosure, Labor anticipates showing that slippages in regulation milestone dates are occurring less frequently, alternatives are available to expedite some regulations, and some regulations (because they are controversial or technically complex) will move slowly through the process.

Procurement Plan Developed

A sound procurement system is crucial for ensuring proper direction and control over the acquisition of goods and services. Our 1985 report showed that long-standing problems resulted in key procurement functions not always being done or being done inadequately. Also, workforce disruptions—reductions-in-force, staff downgrades, and turn-overs—had resulted in a procurement staff that lacked skills in key areas.

We recommended that Labor enhance procurement operations by (1) developing a long-range procurement plan, (2) enhancing the procurement work force, (3) maximizing procurement competition, (4) preparing more comprehensive annual advance procurement plans, (5) implementing a comprehensive automated procurement data system, and (6) more thoroughly describing problems and needed resources in the next procurement system certification.¹

The Secretary initiated 16 actions to address our recommendations. The 10 that were to be completed by September 30, 1986, were generally completed on time. The remaining actions are to be completed between October 1986 and December 1987.

To develop a long-range procurement plan, Labor initially drafted a procurement career management program to enhance the Department's procurement work force. It included work-force analysis and planning, specialized staff intake programs, training and career development, and standardized position packages, and established a procurement career management board to assist the procurement executive in carrying out these activities.

¹A 1982 executive order requires the procurement executive to certify to the Secretary the adequacy of Labor's procurement system.

During our follow-up effort we suggested to procurement officials that, while the work-force issue was a key element, the plan should be expanded to include other major procurement issues. The procurement executive agreed and expanded the plan to include such issues as contracting/grant officer delegations, procurement automation, increased competitive opportunities, policy development, and cost issues. Labor began implementing the expanded plan in September 1986. With this expanded scope, the plan should give Labor a basis to move toward a sound procurement system. Also, other actions taken included implementing the new government-wide contract specialist classification standard to ensure proper job descriptions, assessing staff skills, and developing information on available training.

To better maximize procurement competition and improve procurement planning, Labor made changes during early fiscal year 1986 to help identify multiple contracting sources earlier. OASAM instructions established a quarterly updating process requiring the agencies to monitor their planned procurement actions. Also, the Department is finalizing revisions to the Department of Labor Management Series (policy issuances), which incorporate new procedures for preaward planning. In addition, to increase competitive opportunities, OASAM instructed the Department's contracting and program officers to use presolicitation notices for market search purposes, and during fiscal year 1987 Labor will publish in the Commerce Business Daily either the agencies' annual procurement plans or a notice that the plans are available for review.

During the first half of fiscal year 1986, Labor made short-range improvements in its procurement data system. As a first step, it obtained the General Services Administration's (GSA's) Federal Procurement Data System software, which should enhance procurement management by providing contract monitoring reports for the procurement executive and the procuring offices. In the third quarter of fiscal year 1986, Labor established an automation steering committee to determine the scope of the Department's long-range procurement automation needs and to prepare initial cost estimates for the fiscal year 1988 budget.

Regarding our recommendation to more thoroughly describe problems and needed resources in the next procurement system certification, in February 1986 the procurement executive issued instructions to the agencies outlining the criteria to be used in evaluating procurement systems. The certification process, including detailed descriptions of system deficiencies and identification of the resources needed to correct the deficiencies, is to be completed by October 1987. The criteria being used

by the component agencies are based on the standards issued by the Executive Committee on Federal Procurement Reforms.

Information Resources Management Upgraded

Labor's component agencies had been buying and installing major IRM systems with little departmental oversight. Moreover, the Department and the agencies lacked integrated, long-range plans for managing their information resources.

Our 1985 report made several recommendations to improve the IRM planning, managing, and monitoring processes and hold managers accountable for IRM activities. Most important, the report recommended completing the development of an integrated Department-wide strategy and a long-range departmental IRM plan.

The Secretary approved 13 actions, of which 9 were to be completed by September 30, 1986. These nine actions were generally completed on time although the milestone for holding managers accountable for IRM slipped to the first quarter of fiscal year 1987. Final actions on the remaining four IRM improvements are to be completed by October 31, 1987.

Labor's progress in upgrading IRM includes (1) consolidating IRM functions at the Department-level into a Directorate of Information Resources Management (DIRM) within OASAM, (2) issuing a Department-wide IRM strategy, (3) preparing a departmental long-range IRM plan, (4) preparing IRM policies, (5) developing a program for IRM reviews, and (6) assessing staffing needs.

The Department-wide IRM strategy prescribes a central review and approval process for plans and acquisitions. This process will be administered by DIRM to ensure efficient resource use as the Department modernizes existing IRM systems and develops new ones. The Department also established (1) an IRM Technical Committee to advise the DIRM director on agency proposals regarding major system developments or enhancements with interagency implications and (2) an IRM Executive Steering Committee to decide interagency information sharing and automated data processing acquisition matters that cannot be resolved at the DIRM staff level.

The departmental strategy generally sets forth the Department-wide IRM guidance which, if properly implemented, should be responsive to our

1985 report recommendations. However, to further enhance its management of information resources, we suggested that the Department:

- Expand IRM oversight responsibilities to include reviewing systems development activities, such as cost-benefit analyses for proposed systems, systems testing, certifying that systems meet user needs, and technical change procedures.
- Adopt a Department-wide systems development methodology that includes standards for such activities as cost-benefit analysis, system documentation, and testing to foster consistency in systems development throughout the Department.
- Develop a Department-wide directory identifying data available in departmental systems and have a Department data administrator maintain it to minimize duplication of data and foster information sharing of critical, multiagency data.

The DIRM director agreed with our views.

Our assessment of the departmental long-range plan and supporting agency plans focused on comparing these plans with the 1984 OMB criteria² for a strategic IRM plan. The plans we reviewed substantially complied with the major characteristics defined by OMB and included such prescribed elements as (1) statement of the organization's mission, (2) definition of subordinate organization functions and their relationship to the mission, and (3) identification of resource requirements.

These plans are a vital step in providing strong leadership and direction to the IRM area. However, the agency plans had limited, detailed, quantifiable measures, such as milestones and dollars against which progress and accountability could be assessed. Departmental IRM officials acknowledged this condition and said that standards would be expanded when short-range plans are developed. These plans will be required under recently drafted planning and budgeting policies.

The Department has also developed policies for reviewing and approving agency IRM plans. The DIRM director has designated desk officers to review and track agency plans, including acquisition requests, cost studies, and information technology inventories. The desk officers are receiving training to increase their skill in reviewing information technology strategies, plans, and systems development activities.

²"A Five-Year Plan for Meeting the Automatic Data Processing and Telecommunications Needs of the Federal Government," April 1984.

In addition, the director expressed the intent to expand the desk officer role in postacquisition quality assurance activities.

As of September 30, 1986, Labor had not issued final instructions to managers on accountability for the management of information resources. DIRM officials said they needed to complete the departmental IRM policies on planning and budgeting and the acquisition of information technology resources before finalizing them. Labor plans to publish its instructions in early fiscal year 1987.

Regarding our recommendation for developing an IRM review program, the Department initiated a program that was endorsed by GSA's Federal Information Resources Management Review Program. However, because the Department had not completed any IRM reviews as of September 30, 1986, we could not assess review adequacy. Although the review program, and the scope of its first year review plan, was well received by GSA, the program may be of little value unless adequately staffed. The program has no staff dedicated specifically to it. Instead, desk officers perform reviews as an additional duty. Of the four reviews planned for fiscal year 1986, DIRM was able to start the fieldwork for only one by September 30, 1986.

While the Department agreed with our recommendation to assess staffing and training needs, DIRM assessed the training needs of its staff and initiated a training program to improve their technical expertise, but did not analyze its staffing needs.

As our 1985 report pointed out, additional staff may be necessary to fully carry out the oversight and review functions assigned to DIRM. In fact, during fiscal year 1986, DIRM had several milestones related to IRM reviews slip due to limited staff availability. Additionally, DIRM officials identified a need to provide more assistance to agency IRM staffs. DIRM officials acknowledged that to accomplish the expanded DIRM role suggested in this report, especially the quality assurance function, additional skilled technical personnel are needed.

Action Taken to Manage Certain Credibility Problems Through Better Control

Good management and oversight mechanisms are needed to ensure that staff are held accountable for achieving desired results and adhering to departmental policies. Our 1985 report recommended (1) emphasizing required mine inspections and improving information systems for controlling this activity, (2) assessing monitoring of JTPA and UI programs to better ensure identification of problem areas, and (3) addressing managers' negative perceptions about the usefulness of audits and evaluations. Labor has given attention to doing required mine inspections and improving related information systems. It has also identified and is reviewing oversight mechanisms for programs operated at the state and local levels, and obtained managers' views to enhance the usefulness of OIG audits.

GAO Assessment

Labor has made significant progress in increasing required mine inspection activities. Also, revised management systems have resulted in better information for tracking inspection activities.

Review of JTPA and UI monitoring mechanisms to determine needed changes should lead to improved oversight of these programs. In addition, use of management reviews to identify problem areas affecting good business practices should improve JTPA oversight of state fiscal controls and administration. Also, the application of the single audit approach,¹ supplemented with other audits, should meet the JTPA audit requirements and help resolve state officials' concerns about the coverage and timing of JTPA audits at the state and service delivery levels.

Some progress has also been made in ensuring that OIG audits are more useful to Department managers. Obtaining managers' input and considering it when developing its audit plans should help better focus audits on areas needing attention.

Mine Inspection Activity Increased

Labor has made significant progress in complying with the Federal Mine Safety and Health Act of 1977, which requires inspections of all underground mines four times a year and all surface mines twice a year. Our 1985 report noted that MSHA conducted about 63 percent of the required number of regular inspections during fiscal year 1984 for metal/non-metal mines. We estimated that about 78 percent of the coal mine

¹The single audit approach establishes uniform federal audit requirements (audit scope, frequency, coverage, and cost) for state and local governments receiving federal financial assistance.

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inspections were completed that fiscal year. However, MSHA coal officials told us that the number of mines shown in their information system as operating during that fiscal year was overstated and that our estimate may be low.

We recommended that Labor (1) improve information systems on mine inspections, (2) emphasize required inspections and track progress, and (3) increase inspector productivity and reallocate or secure additional staff where necessary. Labor identified 12 actions to address our recommendations, to be completed between October 1985 and October 1988. As planned, seven actions were completed by September 30, 1986.

MSHA has taken action to improve its management information systems. The coal and metal/nonmetal programs revised their information systems to report information that can be used to better manage and track progress of the inspection program. For example, reports show (1) the numbers and percentages of mines that have received all required inspections, (2) specific mines that have not received a scheduled required inspection, and (3) the current operating status of all mines, which allows managers to better schedule inspections and avoid trips to nonoperating mines.

Required inspection activity has also increased significantly. MSHA's metal/nonmetal administrator issued several directives to field managers about emphasizing required inspections and increasing inspector productivity. MSHA has also identified inspections as a priority productivity improvement project. Managers are being held accountable for success in their districts, and efforts are being made to conduct all required inspections within the current staffing level without reducing inspection quality.

As shown in table 4.1, both the metal/nonmetal and the coal programs have substantially increased the percentage of the required inspections performed from fiscal year 1985 to fiscal year 1986.

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**Table 4.1: Percent of All Required
 Inspections Performed**

	Metal/ nonmetal— fiscal year		Coal—fiscal year	
	1985	1986	1985	1986
Mines requiring inspection	11,075	11,037	5,024	4,239
Inspections required	16,028	15,766	12,481	10,748
Required inspections performed	12,804	15,366	9,911	10,460
Percent of required inspections performed	80	97	79	97

For fiscal year 1986, both the coal and the metal/nonmetal programs did 97 percent of their required inspections. Most of the mines not receiving all required inspections were surface mines operating less than full time.

Concerned about a possible decline in the quality of inspections, we reviewed some of MSHA's reports that contain possible indicators of inspection quality. These include the number and percentage of violations cited, the number of health samples taken during inspection, and the average number of hours spent on inspections. We did not find any significant change in these statistics since MSHA has increased the number of inspections.

MSHA has also placed emphasis on increasing inspector productivity. During fiscal year 1986, the metal/nonmetal program (1) eliminated some paperwork processing requirements so inspectors could spend more time on inspections, (2) established two new field offices to reduce the time spent traveling rather than inspecting, and (3) initiated a field reorganization to eliminate its subdistrict level and reallocate some staff positions to inspector positions.

**JTPA Oversight
 Improved**

Labor has authority to monitor states and local service providers that receive federal assistance under JTPA to ensure that required fiscal control and administrative systems are in place and functioning at the state level. Labor relies heavily on state and local entities to provide assurance that systems are functioning properly at the service delivery level.

Our 1985 report noted that the Department's monitoring of state fiscal control and administrative systems may not be sufficient to ensure that the systems (1) satisfy requirements imposed by JTPA and Labor and (2) are able to detect internal control problems at the service delivery level. Labor's monitoring guidance, which is designed to determine whether state systems comply with the law and regulations, does not always

require testing of transactions to ensure that these systems are working as intended.

To improve the oversight of JTPA, we recommended that the Department (1) assess JTPA monitoring mechanisms and (2) resolve state officials' concerns about the coverage and timing of JTPA audits at the state and service delivery levels.

Labor has taken the following actions to improve JTPA monitoring. First, the Department is working with the states to develop policy guidance, consult on program administration, and provide or arrange for technical assistance and training where needed. Second, management review guides are being developed to address program management issues that affect performance. The management review guides will focus on identifying good business practices, such as internal controls and financial management procedures. The new guides will be field tested during the first quarter of calendar year 1987. Finally, compliance review guides have been revised and will be used during the review cycle ending June 30, 1987. When both guides are fully implemented, the number of compliance reviews will be reduced because they will alternate with management reviews on a biennial basis.

To resolve concerns regarding JTPA audits at the state and service delivery levels, Labor adopted the single audit approach to satisfy the JTPA audit requirements. Labor will supplement these audits with other audits or monitoring mechanisms by its program staff, OIG, and GAO.

UI Oversight Mechanisms Reviewed

Our 1985 report noted that while Labor uses several monitoring mechanisms to oversee the federal/state UI program, it has not developed an oversight strategy that interrelates aspects of each monitoring mechanism and fully details the Department's responsibilities for carrying out oversight of the state programs. To enhance UI oversight, we recommended that the Department develop a comprehensive UI oversight strategy.

The Department has identified the UI oversight mechanisms being used, and it plans, within the next few months, to decide if any changes should be made. Also, Labor started monitoring states' annual operating plans quarterly to determine whether milestone dates have been met and corrective actions identified and implemented. Also, by reviewing state plans, it will be able to identify problems occurring nationally so that corrective actions can be taken.

Efforts Underway to Improve Usefulness of Audits and Evaluations

Our 1985 report recommended that Labor (1) address managers' negative perceptions about the usefulness of OIG audits and (2) reassess the emphasis given to program evaluations. The Secretary approved four actions to address our recommendations.

To address the managers' perceptions, OIG obtained their suggestions for potential audit areas for inclusion in the OIG audit planning process. To determine to what extent OIG got managers more involved with its audit planning process, we asked managers in our follow-up questionnaire whether they participated. Twenty-two percent said they provided input to OIG's planning for their unit. Of those that gave input, 52 percent said they believe OIG considered their input at least to some extent.

To reassess the degree of emphasis given to evaluation activities, Labor has identified evaluation activities within the Department and is studying whether they meet and adequately address policy matters.

Human Resource and Productivity Planning Improved

The changing nature of the Department's missions, budget cuts, and staffing reductions and reorganizations during the 1980's will require that Labor improve its human resources management as well as its productivity. Our 1985 report made recommendations to enhance the quality and effectiveness of the Department's work force and to ensure that the staff is used productively and efficiently. Labor's key actions in these areas have focused on developing departmental and component agencies' human resource and productivity improvement plans.

GAO Assessment

Labor's actions completed and underway adequately address our recommendations and establish a basis for better managing the Department's work force. An improved human resource planning process is designed to hold managers more accountable for human resource management. The Department's approach to resolving staffing and training and development problems has been thorough. Further, the strategy for addressing performance management problems should ensure that Labor's managers better use their resources.

Labor has also begun the process that, if sustained, should lead to an effective productivity improvement program. Some benefits have already been identified, and the foundation has been laid for continued benefits in the future. Departmental productivity plans generally contain the important elements of a successful improvement plan. To enhance implementation of our recommendations, however, we suggested that the plans be sufficiently detailed to enable effective monitoring of progress toward meeting agency and Department productivity goals and to hold managers accountable for achieving their goals. Also, we suggested that Labor provide more technical assistance to the agencies for using available management information to develop and analyze performance measures.

Human Resource Management Enhanced

Although Labor had taken some steps to enhance its work-force planning and staffing capabilities, major improvements were needed in human resource management. Our 1985 report recommended that the Department (1) develop comprehensive human resource planning policies and guidance that require agencies to establish work-force planning programs, (2) hold managers more accountable, (3) more systematically manage the staffing process, (4) more rigorously assess training needs and programs, and (5) conduct better oversight of performance management systems. The Secretary approved 16 actions to address our recommendations. Eight of the nine actions scheduled to be completed by

September 30, 1986, were generally completed on time. One action slipped from July 1986 to October 1986. The remaining actions are to be completed between October 1986 and April 1987.

To improve its human resource management, Labor developed a departmental human resource planning system. In April 1986, the Secretary issued an order on human resource planning that established a framework for developing and implementing component planning systems. The agencies prepared plans that were used to develop their fiscal year 1988 budget estimates, thereby accomplishing the Secretary's goal of integrating human resource planning with the budget process.

The policies and guidance adopted by Labor for human resource planning required each agency to (1) establish a process for analyzing its work-force needs and identifying the administrative support required to meet those needs, (2) include work-force planning analyses as part of annual budget submissions, (3) identify opportunities for more effective use of the work force, (4) establish systems for sharing work-force information with managers, and (5) ensure that managers' performance standards reflect human resource management responsibilities. These requirements are consistent with the generally accepted standards for human resource planning systems discussed in our 1985 report.

Departmental policy and guidance also required agency heads to hold managers accountable through existing management systems and performance standards for carrying out their responsibilities for acquiring, developing, and effectively using their human resources. To hold agency managers more accountable, OASAM's Directorate of Personnel Management drafted a more specific performance standard for managers regarding these responsibilities. This standard will be modified by component agencies to fit their particular situation and will be used in fiscal year 1988 performance contracts.

In response to our recommendation that Labor more systematically manage the staffing process, OASAM and the component agencies established interim time standards for filling vacancies. OASAM and the agencies have been collecting data for the past several months to determine what refinements, if any, are needed in the agencies' standards. Because there has not been a significant recruitment activity during this period, they will continue to collect staffing data through the early fall in order to have sufficient data upon which to base permanent standards.

Regarding the training and development area, a Department-wide working group, composed of program managers and Labor training officials, has developed a plan for addressing our recommendations. The working group focused on (1) needs assessment methodology, (2) training evaluation methodology, (3) supervisory and management training, and (4) professional and technical training.

Labor will assess the training needs for all occupational categories on a 3-year cycle. An assessment of supervisors' training needs has been completed. Assessments will be done for clerical and support employees as well as for professionals in fiscal year 1987, and for managers in fiscal year 1988. Following development and implementation of the supervisory training program, Labor will develop an evaluation system for monitoring the program's effectiveness and its contribution to the organization's needs.

To address our concerns about the need for better oversight of performance management systems in the Department and to ensure that personnel actions are performance based, Labor established a performance appraisal steering committee. This group, composed of senior-level agency officials, developed a strategy for dealing with our earlier report's recommendations. The Secretary approved the committee's recommendations for improving the Department's performance management program, and OASAM is drafting a plan to implement them.

Productivity Plans Developed

Our 1985 report also disclosed that Labor did not have an adequate system for identifying and replicating productivity improvements. We recommended that Labor implement a more systematic productivity improvement effort by:

- Holding agency managers accountable for designating focal points, demonstrating top-level support, and preparing and meeting productivity-related goals, objectives, and plans.
- Performing productivity and comparative trend analyses.
- Providing effective mechanisms and incentives for identifying productivity improvement opportunities.
- Requiring program managers to develop quantifiable measures for as many employee positions as possible.

The Secretary identified eight actions to implement our recommendations, two of which—instructing agencies to hold managers accountable for productivity improvement goals and developing incentives for

improving productivity—were completed by September 30, 1986, as planned. A third action to be completed by that date—identifying the potential for position performance measures—has slipped until November 1986. The other actions are to be completed by January 1987.

To hold agency managers accountable for productivity improvement, the Secretary and the Under Secretary, in February 1986, directed the agencies to prepare productivity improvement plans covering fiscal years 1986 and 1987. OASAM approved the agency plans although, according to OASAM officials, they were not reviewed in detail due to time and staff constraints. The plans were incorporated into a departmental plan. In July 1986, OASAM directed the agencies to submit revised plans covering fiscal year 1988.

We reviewed both sets of plans and found that they followed the Secretary's and Under Secretary's instructions. The plans contained the essential elements of a good productivity program as described in our earlier report, but most of them did not describe the elements in sufficient detail to allow OASAM to adequately monitor progress. While OASAM has no immediate plans to require more detailed data, it will ask the component agencies to evaluate their progress and report results to the Under Secretary.

To facilitate more productivity analyses, agencies were required to include, in their productivity plans, goals, objectives, and milestones related to (1) the use of performance standards as part of the formal appraisal process and (2) the development of new or improved measures of quality, timeliness, and productivity of agency functions. The plans showed that most component agencies obtained quality and timeliness data and some agencies use those data to measure individual and organizational performance. However, agency productivity officials told us that they need technical assistance in using available management information for developing and analyzing performance measures.

The Department has provided incentives for encouraging greater productivity. The employee suggestion program has been revitalized, and the agencies' 1988 productivity plans address special incentive programs and other efforts to increase employee participation in productivity improvement initiatives. Generally, the agency productivity plans specify incentives to increase employee participation. Some of the agencies have developed their own employee recognition programs in addition to the Department-wide program, and plan to renew their emphasis on these programs.

Financial Management Being Strengthened

Efficient implementation of departmental programs and activities depends on well-managed financial systems. Our 1985 report pointed out the need for Labor to strengthen its management and control over financial resources. We recommended (1) holding managers accountable for complying with fund control procedures, (2) improving financial reporting, (3) better controlling financial management improvement projects, (4) enhancing FMFIA accounting system review efforts, and (5) improving accounting for personal property.

The Secretary approved 14 actions to implement our recommendations which were to be completed by September 30, 1986. Thirteen actions were completed by that date. The remaining action will be completed as part of the Department's long-range accounting system improvement project.

GAO Assessment

Labor has strengthened management and control over its financial resources. However, major reporting improvements depend on successful implementation of the Department-wide accounting system modernization effort and completion of accounting system reviews. To further enhance reporting improvements, we suggested that Labor obtain the views of program managers on the usefulness of financial reports with respect to managing their operations.

Fund Control Procedures Emphasized

Had the Department's existing fund control procedures been followed, they could have provided effective control. However, fund control responsibilities were not always carried out; as a result, our 1985 report showed that in fiscal year 1984 numerous fund balances exceeded limitations.

Labor has taken several actions to tighten compliance with existing procedures for controlling funds. Specifically, the Assistant Secretary for Administration and Management issued a memorandum to the executive staff, giving them a copy of the fund control procedures and emphasizing the importance of adhering to them. Also, the Comptroller held discussions with agency financial managers and reemphasized monthly monitoring of fund status reports. In addition, the Comptroller's Office of Accounting reviews fund status reports monthly and requests written explanations from agencies whose fund balances exceed limitations.

Other Labor actions include (1) assessing administrative controls over funds through the Comptroller's internal reviews of component agencies' financial operations and (2) revising the fund allocation form to include a managerial certification of available funds.

Financial Reporting Being Addressed

Our 1985 report also disclosed that the Department's integrated accounting system financial reports were not always received by managers and often not used when received.

To make financial reports more useful to managers, Labor has included improved financial reporting as part of a long-range project to modernize its integrated Department-wide accounting system. In the interim, Labor revised travel document coding to improve reporting accuracy; obtained the views of financial managers (but not program managers) about the completeness, accuracy, and timeliness of the reports currently produced by the system; and experimented with using automated data processing software to improve reporting timeliness. Also, a steering committee was established to plan system improvements.

Although Labor plans to include improving financial reporting in its first-year work on the accounting system modernization project, significant reporting changes are not expected until the project progresses further. Thus, it is too soon for us to assess the project. However, we suggested that Labor obtain the views of program managers about the financial reports' completeness, accuracy, and timeliness to ensure that future reports meet their needs as well as the needs of financial managers. We discussed this matter with Department officials, and they agreed with us.

Financial Management Improvement Projects Being Reviewed

The Department lacked effective controls over agency financial management improvement projects. As a result, the Secretary established a process that requires agencies to submit planned financial management improvement projects to a Financial System Planning Committee and to the Comptroller for review. While no new projects have been initiated since our management report, we believe that this process will help to ensure that proposed projects are consistent with departmental policy, OMB guidance, and Comptroller General requirements, and will contribute to improved financial management.

Accounting Systems Reviews Underway

The Department needed to do more to ensure that its accounting systems conform with the Comptroller General's accounting principles, standards, and related requirements. In its 1985 FMFIA report to the President, Labor said that it was unable to certify system conformance because its 18 accounting systems had not been reviewed in detail.

Labor has made progress in assessing whether its accounting systems conform. It issued guidelines to the component agencies for performing system reviews that conform with OMB's guidance. As of September 30, 1986, one detailed system review was completed and five were in process. The Comptroller's Office is monitoring progress; it expects to participate in some detailed reviews and will prepare a revised review schedule after determining OIG's plans for systems reviews.

Personal Property Accounting Improved

Our 1985 report also discussed the need to improve the Property Management System to ensure adequate control and accurate reporting of property inventories on the Department's end-of-year financial statements.

Labor took short-term corrective actions that require reconciliation of records and improved recording and reporting procedures to ensure that property will be accurately reported on the Department's fiscal year 1986 financial statements. In addition, a policy was issued on December 31, 1985, providing for the separation of duties in the physical inventory process. Our follow-up work showed, however, that some problems in recording and reporting property—similar to those noted in our 1985 report—continue. For example, the net value (after depreciation allowances) of capitalized equipment inventory reported to the Treasury on the Department's fiscal year 1985 Statement of Financial Condition was overstated by \$70 million. This figure consisted of a \$78 million overstatement of one component agency's equipment and an \$8 million understatement of the Departmental Property Management System equipment caused by recording errors.

After we discussed this with OASAM officials, a working group was established to improve communication between the property and accounting offices. Also, OASAM expects to reconcile the property inventory and general ledger reports in time for preparation of the fiscal year 1986 financial statements, and future reconciliations are to be made quarterly.

In addition to the actions addressing our 1985 report recommendations, the Inspector General is working with OASAM officials to develop

improved formats for presenting the Department's financial statements. The objective of this effort is to make the financial statements more useful to management while ensuring that they conform to GAO's generally accepted accounting principles and the Treasury Department's recently (June 1986) revised financial reporting requirements.

Labor's Planned Corrective Actions by Fiscal Year

Key Theme/Recommendations in Brief	Corrective actions by year					
	Total	1985	1986	1987	1988	1989
Strengthen Secretarial Direction:						
1. Develop long-range departmental planning process	2	2				
2. Identify and monitor key Secretarial goals and objectives	2	2				
3. Designate key management official	1	1				
Resolve Long-Standing Problems:						
A. Improve ERISA Enforcement:						
4. Develop long-term ERISA strategy	3		2	1		
5. Hold ERISA managers accountable for results	2				2	
B. Rulemaking Process:						
6. Establish a committee to expedite rulemaking	2		1	1		
7. Educate public about rulemaking process	2		2			
C. Procurement:						
8. Develop long-range procurement plan	2		1	1		
9. Improve procurement work force's skills	4		3		1	
10. Maximize procurement competition	2	1		1		
11. Implement comprehensive automated procurement data system	4		3		1	
12. More thoroughly describe procurement problems	2	1			1	
13. Prepare annual advance procurement plans	2	1			1	
D. Information Resources Management:						
14. Develop departmental IRM plan	4	1	3			
15. Improve guidance on conducting inventories	2	1		1		
16. Review systems acquisition plans	2		1	1		
17. Conduct periodic IRM reviews	1	1				
18. Assess IRM staffing needs	2	1		1		
19. Hold managers accountable for implementing IRM policies	2		1		1	
Better Control Programs:						
A. Increase MSHA Inspections:						
20. Revise MSHA's information systems	2	1		1		
21. Emphasize mandatory inspections	2	1		1		
22. Improve inspector productivity	2	1	1			
23. Reallocate MSHA staff	2	1				1
24. Secure additional MSHA staff	2	1			1	
25. Periodically track MSHA progress	2		1	1		
B. Job Training Partnership Act:						
26. Assess JTPA monitoring mechanisms	2	1		1		
27. Improve JTPA vulnerability assessment process	0					
28. Resolve concerns about state JTPA audits	1	1				

**Appendix I
Labor's Planned Corrective Actions by
Fiscal Year**

Key Theme/Recommendations in Brief	Corrective actions by year					
	Total	1985	1986	1987	1988	1989
C. Unemployment Insurance:						
29. Develop comprehensive UI oversight strategy	2	1		1		
30. Evaluate UI vulnerability assessment instrument	0					
D. Audits and Evaluations:						
31. Address managers' negative perceptions about audits	1	1				
32. Reassess emphasis given to program evaluations	3		2	1		
Work-Force Management:						
33. Develop work-force planning policies	2		2			
34. Hold managers accountable for work-force management	2		1	1		
35. Develop standards for filling vacancies	3		1	2		
36. Establish procedures for developing employees	2		1	1		
37. Assess training needs	2		1	1		
38. Review appraisal systems	3		2	1		
39. Assess supervisory training needs	2		1	1		
Productivity:						
40. Hold managers accountable for productivity goals	2		1	1		
41. Develop position measures	2		1	1		
42. Perform comparative trend and productivity analyses	2			2		
43. Provide incentives and mechanisms for improving productivity	2		1	1		
Financial Management:						
44. Hold managers accountable for complying with administrative control of funds procedures	2	1	1			
45. Improve financial reporting	3	1	2			
46. Hold managers accountable for implementing financial management improvement projects	2	1	1			
47. Adequately control OSHA accounts receivable	2	1	1			
48. Assess accounting systems conformity to GAO principles and standards	3	2	1			
49. Improve accounting for personal property	2		2			
Total	102	27	41	25	8	1

Follow-Up Survey of the Department of Labor's Management Improvement Efforts

GAO

United States
General Accounting Office

Follow-up Survey of the Department of Labor's Management Improvement Efforts

Questionnaire Summary			
	Number Sent	Responded as of 9-30-86	
Headquarters	112	94	(85%)
Field	104	93	(89%)
TOTAL	214	187	(87%)

This questionnaire should be filled out by the manager of the organizational unit specified on the above label. The label should specify the name and agency of this manager. If NOT, please make corrections below.

Name: _____

Agency: _____

Please provide your organizational title. In addition, please provide your telephone number so that we can contact you if we need clarification of your responses.

Organizational Title : _____

Telephone Number: _____ () _____

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

In completing the questionnaire please relate all responses to the organizational unit which you manage.

1. Do you believe Secretary Brock has demonstrated a strong or weak interest in the management of your unit? [Check ONE.]

- 1. Very strong interest (35%)
- 2. Strong interest (46%)
- 3. Neither strong nor weak interest (17%)
- 4. Weak interest (1%)
- 5. Very weak interest (1%)

For the purpose of questions 2 and 3 Secretarial management is the method used by the Secretary to manage the Department such as developing a Secretarial Management System; holding team-building conferences; and communicating with managers through newsletters, etc.

2. To date, how has Secretary Brock's management affected the overall management of your unit? [Check ONE.]

- 1. Greatly improved (23%)
- 2. Somewhat improved (49%)
- 3. Neither improved nor worsened (No impact) (21%)
- 4. Somewhat worsened (1%)
- 5. Greatly worsened (0%)
- 6. Don't know (1%)
- 7. Too early to judge (5%)

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

3 Listed below are a number of actions that could be taken by a Secretary. In comparing the management in your unit now with the management of your unit under the prior Secretary, to what extent has each action improved or worsened the management of your unit?

[Check ONE for each Action.]

Action	Greatly Improved ----- 1	Somewhat Improved ----- 2	Neither Improved Nor Worsened ----- 3	Somewhat Worsened ----- 4	Greatly Worsened ----- 5	Don't Know ----- 6	Too Early To Judge ----- 7
1 Establishing top agency management commitments within your agency	30%	43%	17%	0%	0%	6%	4%
2 Providing overall direction to your unit through the Under Secretary	24%	38%	23%	1%	0%	11%	3%
3 Addressing long-term problems in your unit such as procurement, information resource management, and the rule making process	15%	32%	34%	3%	1%	7%	8%
4 Identifying goals and objectives for your unit	30%	41%	23%	1%	0%	3%	2%
5 Establishing realistic timeframes to accomplish goals and objectives for your unit	15%	32%	42%	2%	0%	5%	4%
6 Holding managers accountable for your unit's established goals and objectives	17%	35%	37%	1%	0%	5%	5%
7 Monitoring agency accomplishments against agreed upon goals for your unit	18%	39%	29%	0%	1%	7%	6%
8 Providing feedback on your unit	15%	30%	39%	1%	2%	10%	3%
9 Coordinating your unit with other units or agencies	16%	37%	33%	1%	1%	9%	3%
10 Other <i>[Specify.]</i> _____ _____							

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

4. Are you aware of the Secretary's Management System of January 1986 which established Secretarial and supporting goals? [Check ONE.]

1 Yes (97%) [Go To Question 5.]

2 No (3%) [Go To Question 12.]

5. Are you involved in implementing your agency's supporting goals included in the Secretary's Management System? [Check ONE.]

1 Yes (89%)

2 No (11%)

6. Do you believe the elements (i.e. Secretarial involvement, goal setting, human resource planning, feedback) of the Secretary's Management System should or would remain despite turnover of top Labor officials at the Secretary and Assistant Secretary levels?

[Check ONE for Each Question.]

Question	Definitely Yes ----- 1	Probably Yes ----- 2	Neither Yes Nor No ----- 3	Probably Not ----- 4	Definitely Not ----- 5
1 Do you believe the elements of the Secretary's Management System <i>should</i> remain despite turnover of top Labor officials at the Secretary and Assistant Secretary levels?	56%	36%	6%	1%	1%
2 Do you believe the elements of the Secretary's Management System <i>would</i> remain despite turnover of top Labor officials at the Secretary and Assistant Secretary levels?	3%	32%	26%	38%	1%

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

7. Did you attend the Secretary's Leadership Conference held during the week of May 12, 1986, in Leesburg, Virginia? **[Check ONE.]**

- 1. Yes (48%) **[Go Question 8.]**
- 2. No (52%) **[Go Question 9.]**

8. To what extent do you believe the following objectives were achieved at the Secretary's Leadership Conference?

[Check ONE for Each Objective.]

Objective	Very Great Extent	Great Extent	Moderate Extent	Some Extent	Little or No Extent	Don't Know
	1	2	3	4	5	6
1. Communicating the Secretary's policy agenda	48%	44%	6%	2%	0%	0%
2. Improving intra-departmental coordination	24%	28%	29%	12%	3%	4%
3. Building a sense of teamwork	40%	29%	19%	6%	3%	3%

9. To what extent do you believe that human resource management has become a higher priority since the Secretary's Management System established a supporting goal to enhance the quality, productivity, and efficiency of Labor's work-force? **[Check ONE.]**

- 1. Very great extent (11%) **[Go To Question 10.]**
- 2. Great extent (25%) **[Go To Question 10.]**
- 3. Moderate extent (33%) **[Go To Question 10.]**
- 4. Some extent (14%) **[Go To Question 10.]**
- 5. Little or no extent (12%) **[Go To Question 11.]**
- 6. Don't know (5%) **[Go To Question 11.]**

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

10. Since implementing the Secretary's Management System, to what extent do you believe emphasis by the following entities has contributed to making human resource management a higher priority?

[Check ONE for Each.]

Emphasis by	Very Great Extent ----- 1	Great Extent ----- 2	Moderate Extent ----- 3	Some Extent ----- 4	Little or No Extent ----- 5	Don't Know ----- 6
1 Office of the Secretary	34%	39%	18%	3%	1%	5%
2 Office of the Assistant Secretary for Administration and Management (OASAM) Directorate for Personnel Management	4%	22%	29%	13%	17%	15%
3 Assistant Secretary or equivalent	14%	36%	27%	10%	6%	7%
4 Your immediate supervisor	17%	37%	28%	7%	11%	0%
5 Other (Specify) _____ _____						

11. Have the fiscal year 1986 budget reductions resulting from the Gramm-Rudman-Hollings Act affected any goals or objectives set forth in the Secretary's Management System as it pertains to your program(s)?

[Check ONE.]

1. No (67%)
2. Yes (33%) **[Please Give Examples.]**

Respondents most often cited the following as adversely impacting their programs:

- Reduction of staff (9 of 13 agencies)
- Limitation of training funds (6 of 13 agencies)
- Reduction in travel funds (9 of 13 agencies)

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

12. To what extent are policies which affect your programs and activities initiated by each of the following entities? (For the purpose of this question, policy is defined as a decision or set of decisions which provide direction and guidance for an organization.)

(This table compares the results of our earlier questionnaire with this questionnaire. The top number is the response to the initial survey and the bottom number is the response to our follow up.)

(Check ONE for Each Entity.)

Entity	Very Great Extent	Great Extent	Moderate Extent	Some Extent	Little or No Extent	Don't Know
	1	2	3	4	5	6
1 Office of the Secretary	9% 18%	11% 25%	18% 22%	27% 18%	25% 11%	10% 6%
2 Assistant Secretary or equivalent	42% 42%	31% 35%	13% 10%	9% 8%	2% 3%	3% 2%
3 Senior-level manager (i.e., person between program managers and Assistant Secretary or Deputy Under Secretary or equivalent)	31% 33%	30% 36%	17% 17%	5% 4%	7% 7%	2% 3%
4 Your program unit	22% 27%	31% 35%	21% 21%	14% 8%	9% 8%	3% 1%
5 Field offices	11% 5%	14% 16%	21% 21%	22% 21%	31% 35%	1% 2%
6 White House	9% 8%	3% 9%	10% 19%	16% 22%	40% 30%	22% 12%
7 Congress	14% 13%	17% 23%	12% 25%	27% 25%	20% 9%	10% 5%
8 Other federal organizations (i.e., OMB, OPM, GSA)	6% 9%	12% 22%	24% 23%	33% 25%	18% 15%	7% 6%
9 Labor unions and interest groups	1% 2%	3% 9%	18% 29%	40% 32%	33% 24%	5% 4%
10 Other [Specify] _____ _____						

**Appendix II
Follow-Up Survey of the Department of
Labor's Management Improvement Efforts**

13 Since the GAO report on Labor management (October 1985) was issued, the OIG has begun eliciting manager's views on how the OIG can improve the usefulness of its reports. Did you provide input into the OIG's overall annual planning for potential audits of your unit's operations during the coming year? [Check ONE.]

- 1 Yes (22%) [Go To Question 14.]
2 No (71%) [Go To Question 15.]
3 Don't know (7%) [Go To Question 15.]

14 To what extent do you believe your input was considered in the OIG's overall annual planning for potential audits of your unit's operations during the coming year? [Check ONE.]

- 1 Very great extent (5%)
2 Great extent (10%)
3 Moderate extent (22%)
4 Some extent (15%)
5 Little or no extent (19%)
6 Don't know (22%)
7 Didn't receive feedback from OIG (7%)

15 Do you have any suggestions to better institutionalize the management practices which the Secretary has implemented? [Check ONE.]

- 1 No (72%)
2 Yes (28%) [Please Specify.]

- Continue oversight by Secretary and his staff to promote accountability at agency level.
- Provide more Leesburg-type conferences to reinforce Secretary's goals and objectives and facilitate needed change.
- Link Secretary Management System to Merit Pay and other rewards and incentives.
- Promote the most talented and highly motivated individuals in OASAM and agency administration offices because these units can institutionalize better management practices.
- Continue GAO practice of conducting this type of review so new policy officials have a notion of what practices are desirable.

Comments From the Department of Labor

SECRETARY OF LABOR
WASHINGTON

November 26, 1986

The Honorable Charles A. Bowsher
Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Chuck:

Thank you for providing me with a follow-up assessment of the progress that has been made over the past year to improve management at the Department of Labor. I appreciate the time and work that was devoted to this review, and value the insights and suggestions that were made as a result.

I would like to continue to work with GAO as the Department further implements the actions you have suggested and we have begun. I look forward to future reviews by your staff.

Our objective is to make the Department of Labor one of the best managed organizations in the Federal government. We will continue to work toward that goal in the coming year.

Very truly yours,



WILLIAM E. BROCK

WEB:keb

10-1-24

END