

United States Department of State  
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**The Personnel Security/Suitability Division (PSS)**  
**Performance Measurement Pilot Project**

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## EXECUTIVE SUMMARY

In 1994, the Personnel Security/Suitability Division (PSS), within the Diplomatic Security Service at the Department of State, volunteered to serve as a pilot project for performance measurement under P.L. 103-62, the Government Performance and Results Act of 1993 (GPRA). Within PSS, no effort prior to this pilot project had been attempted to develop information on productivity and performance based outcome measurements.

### Lessons Learned:

- Neophytes in performance measurement need active mentors who thoroughly understand the exercise and can provide active guidance on adapting goals, objectives and indicators appropriate to the program.
- While stretch objectives are appropriate once the project is stabilized, initial goals and objectives must be realistic rather than ideal. Unrealistic expectations position the program for defeat and demoralize efforts.
- Commitment by management at all levels, but the senior level in particular, is vital both for validation of goals and objectives as well as commitment of resources required to meet them.
- Professional assistance, such as outside consultants, are critical to utilizing reliable statistical tools and performing valid statistical analysis.
- Technical expertise is vital to purchasing state-of-the-art hardware and software package combinations which will deliver the means to gather required program data and to obtain results appropriate to measurement indicators.
- The ultimate success of this exercise is dependent on the motivation and willingness of employees. The very real budget reductions and potential RIFs must be counterbalanced by equally intense efforts to assure employees that they are valued and full performance is their best assurance of job retention.

### Agencies/Programs that may find case study relevant:

The Personnel Security/Suitability Division Case Study is an example of a small-scale pilot project.

### **Context:**

Over the course of 1994, 27 departments and agencies volunteered to serve as pilot projects for performance measurement under the Government Performance and Results Act of 1993, P.L. 103-62, (GPRA). Within the Department of State, the Diplomatic Security Service selected the Personnel Security/Suitability Division (PSS) to be one of two pilot projects at the Department of State. The Personnel Security/Suitability Division is an office that employs approximately 65 individuals and operates on an annual budget of approximately \$171,000. The other pilot project was to be conducted within the Bureau of East Asian and Pacific Affairs. Pursuant to designation as a pilot project, each area chosen was instructed to prepare performance plans and goals for FY'94, FY'95, and FY'96. A full performance report reflecting the overall progress made during the entire three year period was submitted to OMB in March 1996. No waiver requests were submitted on behalf of PSS at any time during the project.

Within PSS, no effort prior to this pilot project had been attempted to develop information on productivity and performance based outcome measurements. The impetus for our effort originated from our status as a Pilot Project, but was also fueled by the strategic management initiatives undertaken throughout the Department of State since 1994. Within such an atmosphere, PSS set about the task of establishing performance based outcome measurement by first developing an internal strategic planning process, defining the program mission, and identifying program objectives to be accomplished. Quantifiable goals or measures, such as those preferred by OMB, were especially difficult to develop due to our unfamiliarity with such an exercise and insufficient instructional support.

Basic, simple questions had to be asked: Who are we? What do we do? For whom do we do it? Why do we do it? Many of the answers came from analyzing our program from the customer's point of view, but some answers also came from examination of our stakeholders and their priorities. After the initial strategic planning stage, creating indicators and developing a data measurement system were the next steps. Formulating a customer survey and utilizing the feedback eventually provided insight to our customer's needs and expectations. Accomplishing these steps took approximately the first two years of this pilot. The quality and scope of the initial plans submitted to OMB by

PSS were probably lacking in many regards, but served PSS by creating stretch objectives and by helping us focus on improvement.

## **Development of Indicators:**

The initial effort in undertaking development of a performance plan in PSS was confusing and frustrating due to difficulty in setting realistic goals and indicators. But as the process of developing performance measurement indicators was initiated, PSS Program elements were examined and "stakeholders" identified. These were the first elementary steps taken, followed by identifying stakeholder requirements and PSS products and services. Key stakeholders were identified as the U.S. Government and the Department of State wherein the integrity of our personnel security/suitability program is paramount. The next part of the exercise involved identifying our specific customers and their requirements. In referring to PSS "customers," Bureau personnel representatives were identified as PSS primary customers due to the fact they actually originate the request for a security clearance for applicants to the Department of State. The applicants actually receiving the clearances were designated as a second tier of customers, but secondary to the employing bureau.

All PSS performance indicators were developed in consultation with customers, stakeholders, and staff. While we relied on our customers to provide us with the input necessary for goal setting, our stakeholders provided incentives and limitations, while PSS staff gave much needed 'reality checks' along the way in terms of what was realistic given our resources and known limitations. We now continually reassess and improve PSS processes and products with a focus on determining and meeting customer/stakeholder needs without compromising investigative or adjudicative standards. Some of the performance indicators were also developed in conjunction with the DS operational planning system that requires program managers to report on their activity progress and funding projections on a quarterly basis.

One performance indicator PSS established in FY '96, was to improve productivity by 10%, adding on to a 10% productivity increase goal established in our FY'95 plan. In FY'93, our average number of days to complete SECRET cases was 107 days; with a 10% improvement target of 97 days. Unfortunately, in FY'96 the average processing time for SECRET clearances was 135 days, reflecting a reduction in time service of 26%. However, it should be noted here that the total number of SECRET clearances processed has increased since FY'93, and that the Department of State has a more comprehensive investigative standard for a SECRET clearance than most agencies. With respect to TOP SECRET clearances, our average processing time in FY'93 was 140 days. In FY'96, the average time to complete these cases was 139 days, an improvement of 1 day. We have not yet begun to approach the goals originally per case set forth as 55 days for a TOP SECRET clearance, and 45 days for a SECRET clearance by September 1997.

PSS made a decision early on in the pilot program to survey our primary customers and ask them to rate PSS on its present performance. Timely service was identified as the critical issue for all Bureau representatives, followed by complaints that some processes were too cumbersome in terms of

paperwork. Once the results of the survey were compiled, a customer service plan was created to set forth our mission to our customers, and the service standards PSS intended to pursue. These standards, listed below, represent meaningful results in having attained the PSS performance goal of increasing customer satisfaction by 10%:

- Work with Bureau customers to clear their prospective employees or identify clearance problems within 65 days from the date of their request.
- Continue to streamline security clearance procedures, including work on common clearance standards across government agency lines.
- Provide information on personnel security programs regularly to all State employees.
- Establish Foreign Affairs Reserve Corps security clearance process
- Establish American Family Member Association security clearance process
- Extending length of contract clearances from 2-5 yrs.
- Provide clearance information on-line to Bureau customers

### **Performance Indicators:**

A measurement system which uses accurate efficiency and outcome indicators applicable to all branches of PSS -- and that will be useful to managers, agency heads and other stakeholders in assessing accomplishments -- is just becoming a reality in PSS. But to give a general idea of the workload within PSS over the course of FY'93, and FY'94, we have come up with the following tables:

#### **FY-93**

1,874 Employee Updates

193 Presidential Appointees

481 Contractors

2,418 Applicants

1,980 Liaison cases

460 Nonsensitive cases

3,386 Miscellaneous cases.

10,792 cases closed during FY-93

#### **FY-94**

1,382 Employee Updates  
118 Presidential Appointees  
2,211 Contractors  
2,487 Applicants  
1,733 Liaison cases  
153 Nonsensitive cases  
6,072 Miscellaneous cases  
14,156 cases closed during FY-94

To increase our productivity by an additional 10% as set forth in our performance plan for FY'95, PSS needed to reflect a time savings of at least 5 working days on SECRET and TOP SECRET clearances. This affected largely the categories of Applicants and Presidential Employees in the tables noted above. Our data shows that in FY'93 for example, it took an average of 160 days to process TOP SECRET and SECRET clearances. In FY'96, our results place our average current rate at 117 days to process TOP SECRET and SECRET clearances, thus reflecting an overall outcome improvement of 27%.

In view of the overall increase in the PSS workload, one consideration affecting our results is the fact that many of our measures are interrelated and cannot be viewed in isolation. Timeliness, quality, and cost are always in competition with each other, and the impact of improving any one or two must be weighed in relation to the expense of the third, as in "risk management." In this regard, PSS was determined not to let adjudicative standards suffer in favor of a "rubber stamp" review, and one of our more significant outcomes has been the continued application of stringent security standards, while improving our time-service.

Another significant outcome for PSS has been the reduction in cost per unit of investigation. Efficiency and economy have become paramount in accomplishing policy and mission objectives and PSS has worked to reduce the costs where it has control of the investigative process. For example, an outcome in this regard was for PSS to begin to conduct investigative record checks it previously paid another agency to conduct. At first, the responsibility for conducting the checks was given to all the field offices. Then procedures were changed so that only the Washington Field office conducted them, subsequently forwarding their results to PSS. On the one hand, cost and time savings were quickly realized when PSS began conducting these checks directly.

Nevertheless, the additional responsibility for PSS staff must be measured in terms of its impact on labor hours. However, in this specific instance, the overall gains in time service outweigh the additional effort spent on conducting the checks.

Performance indicators in PSS are overall productivity, Branch and individual performance, and employee satisfaction. Process variables, with which PSS is equally concerned, involve the nature of human relationships and interactions within an organization such as the Diplomatic Security Service, and the State Department. This effort has not just simply been about making PSS more productive and efficient, but making the work place satisfying and pleasant -- a significant performance indicator. But backlogs of employee update investigations are an indicator that PSS has much work to do in achieving more efficiency in labor hours.

#### **Use and Impact of Performance Information:**

Some examples of the uses that PSS has made of performance information are:

The use of performance information had led to a reprioritization of PSS resource allocation. From a budget, human resource, and performance improvement standpoint, PSS is in the midst of significant change. With respect to budget, PSS has sought to save money by reducing our handling of costly credit checks, and reprogramming funds towards more effective computer hardware and software. Funds traditionally spent on supplies have been stringently tightened to allow for expenditures on continued training opportunities for staff. In terms of human resources and performance improvement, outcome information has disclosed our need to redistribute and reorganize the workflow of the entire division. Although still in a conceptual stage, we anticipate significant organizational alteration by the end of FY'96.

An important aspect of the PSS pilot project experience has been the input of line managers in developing all aspects of our performance measurement, and their subsequent use of performance indicators. Each manager suggested processes in their own areas requiring improvement. Senior management did not identify or dictate where improvements should be made, although all parties involved were aware of customer interest in improved time service for obtaining security clearances. As performance indicators



became available, managers began to use the information in setting production quotas and work priorities to meet specific goals in consultation with our customers.

Some performance indicators, such as the need for work redistribution and a reorganization of PSS, will be formally communicated within the State Department as soon as it is effected. Other performance indicators, such as the reduction in our time service of 26% for SECRET clearances, is already recognized by the various bureaus within State as a result of our actual service to them. Outside the agency, PSS has communicated some of our performance indicators on an informal basis through out participation at interagency meetings.

### **Costs:**

As one of two pilot projects originally designated at the Department of State, there was considerable pressure to begin to show some degree of performance measurement. From a management standpoint, the costs of volunteering PSS as a pilot project placed the Diplomatic Security Service's overall handling of background investigations under extremely close scrutiny. Additional resources had to be redirected and reprioritized for PSS to accomplish Quality Workplace activities and training, and operational requirements, in addition to technological acquisitions. DS management elected to be particularly supportive of PSS goals and priorities, thus facilitating our pilot project goals, but perhaps at the expense of resources that may have been utilized in other areas within the Bureau.

The training costs associated with our efforts were significant. For instance, the labor hours consumed under the auspices of education that took people away from their regular duties for frequent and extended periods was considerable. We estimate that approximately 3.4 staff years were expended on Division training relative to the QW effort within the actual 18-month calendar period QW has been in place within the Personnel Security/Suitability Division. This is an investment that was costly to short-term productivity, but absolutely critical in obtaining the high level of morale and enthusiasm required to launch a successful QW program.

### **Lessons Learned:**

Perhaps the most significant lesson we have learned is not to get

discouraged when stretch objectives are not fully achieved. While increases in productivity of 25% or more would be wonderful, current hardware and processes in PSS and the Department simply haven't permitted this kind of improvement within a three year period. Identifying candid expectations has become as important to the PSS GPRA effort as recognizing those areas where real improvements can be made.

Another particularly important lesson learned was the identification of appropriate performance based indicators. Much confusion was initially experienced in defining what was an acceptable indicator. OMB provided PSS with limited written guidance and PSS was largely left to ascertain for itself what was appropriate in context from this guidance. Indeed, whether or not PSS performance indicators are entirely valid still remains to be seen.

A sustained, continuous effort to improve in all areas requires a commitment from managers. After the initial fanfare of the introduction of the pilot, early frustrations occurred in identifying accurate performance indicators and baseline statistics. These frustrations diminished momentum which in turn amplified other lapses in achieving goals and deadlines. Additionally, PSS managers had to contend with the reality that organizational and budget priorities limit outcomes. PSS as an operational Division can be measured on its performance, but it cannot sustain full performance with diminished resources.

Another real challenge appeared when establishing realistic goals necessitated the generation of reliable baseline information. The lesson learned here, of course, is that had the baseline information been in place, the process would have been much easier in the initial stages. Existing computer systems with dated hardware and software can hinder meaningful performance measurement unless statistical measurements of the workflow are readily extractable from that system. It is extremely important for managers to assess their technological requirements with measurement capability in mind.

Significantly, much of our success with respect to GPRA is owed to beginning TQM/QW and the willingness of the PSS staff to take on these extra challenges. The specific lesson learned in this regard is that morale does play a significant role to build willingness among the staff, just as the continuous support and funding of management, is critical to actual improvement in times of

uncertainty and downsizing.

### **Next Steps:**

#### **Systems Improvement:**

The tools and methods selected by a given organization must be closely related to the functions it serves and the goals it seeks to attain. The selection of the correct set of methods and processes make it more likely that an organization using them will also adopt a particular type of internal structure favorable to achieving a positive outcome. Accordingly, we have learned that technological enhancements such as automated scoping and tickler systems, automated receipt of case papers and transmission of BI assignments, and most importantly, statistical reporting, are sorely needed in PSS to measure future advances in time savings and paperwork reduction.

#### **Quality Workplace:**

Implementing and maintaining a Quality Workplace requires an effective and continuous marketing effort. PSS finds that increased employee participation brings a sense of ownership and commitment. QW cultivates a belief that employees are empowered and that PSS is advancing toward shared goals. This perception needs to be marketed continually through shared definition of both medium and long term goals. This represents our next step. Sustaining an effort and periodically renewing our original excitement will remain our challenge.

#### **PSS Organizational Design -- Planning for effectiveness:**

PSS has a staff of highly specialized employees and from an efficiency standpoint, this approach has been historically useful in terms of performance measurement. As this case outline report is being written, the workflow is being studied with plans to adjust the organizational structure accordingly. No one has any idea of what PSS may look like organizationally a year from now. Our experience has shown that PSS organizational structure affects productivity indirectly rather than directly, but plays an extremely important role in determining PSS effectiveness.

#### **Continuous Improvement:**

PSS is already in a continuous improvement mode by virtue of its status as a pilot project, but we are not an "agile" organization yet. Our processes are not yet fully efficient or automated, and management has not yet delayed all of our workflow. PSS is determined to reach its full potential which we define as a, nimble rapid-response stewardship of national security clearance and employment through continuous assessment of our stakeholder/customer perceptions and detailed analysis of internal operations.

Performance measurement by other federal organizations can also suggest process refinements for our program output. PSS is eager to appropriately apply other agency successes where we can. An example of this would include a review of DOD's practice of issuing SECRET clearances without conducting a personal interview which we do for Departmental suitability reasons. With organizations as large as DOD operating successfully on less stringent standards by assuming a risk management posture, PSS will likely soon weigh the very real cost-saving benefits of such a paradigm shift.

We have many challenges ahead which we can neither plan for nor predict. But with the current strong commitment in both Congress and the Executive Branch to fundamentally rethink the business of government, the PSS experience as a Pilot Project has forced us to meet challenges the rest of government will tackle in the next few years. From this revitalized platform, PSS can take on radical redesign, and meet the objectives set by the year 2000.

Attachments (not included in this version) :

FY '96 Performance Plan

Customer Survey