

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**U.S. Census Bureau**  
**Management and Organizational Practices Survey (MOPS)**  
**OMB Control No. 0607-XXXX**

**Part A - Justification**

**Question 1. Necessity of the Information Collection**

The Census Bureau plans to conduct the Management and Organizational Practices Survey (MOPS) as a one time inquiry with possible future annual data collection pending funding. This survey will utilize the Annual Survey of Manufactures (ASM) survey panel collecting information on management and organizational practices at the establishment level. Data obtained from the survey will allow us to estimate a firm's stock of management and organizational assets, specifically the use of decentralized decision rights and greater investments in human capital. The results will provide information on investments in organizational practices thus allowing us to gain a better understanding of the benefits from these investments when measured in terms of firm productivity or firm market value. A manufacturing sector establishment based survey on management and organizational practices would provide information on the dimensions of organizational capital for this sector that is not currently available.

The Census Bureau will conduct the Management and Organizational Practices Survey on a mandatory basis under authority of Title 13, United States Code, Sections 131, 182, 193, and 224.

**Question 2. Needs and Uses**

Understanding the determinants of productivity growth is essential to understanding the dynamics of the U.S. economy. The Management and Organizational Practices Survey (MOPS) will provide information on whether the large and persistent differences in productivity across establishments (even within the same industry) are partly driven by differences in management and organizational practices. In addition to increasing our understanding of the dynamics of the economy, the MOPS will provide policy makers with some guidance in attempts to raise aggregate productivity levels. Policymakers, such as the Federal Reserve Board, can use the MOPS to understand the current state and evolution of management and organizational practices which can in turn aid the policymakers in forecasting future productivity growth.

Management data will also be particularly important for understanding what policymakers can do to assist US manufacturing companies hit particularly hard by the recent recession. There has been renewed policy interest in approaches to support the manufacturing industry. For example, some policymakers have suggested extending programs like the Manufacturing Extension Program (MEP). The MEP is a nationwide system of resources, transforming manufactures to compete globally by making use of modern manufacturing equipment, innovative methodologies, and management practices to improve/increase the productivity in the manufacturing sector. The MOPS would provide information on differences in manufacturing management and organizational practices by region, industry and firm size which would directly aid policy discussions about the potential impact of programs like the MEP. Researchers for this proposed survey have discussed with members of the Council of Economic Advisors the potential impact of management practices on manufacturing performance and the evaluation of the MEP. In a similar vein, researchers on this proposal have had discussions with members of the current administration about measuring and evaluating differences in healthcare management and its links to patient outcomes. The MOPS could also provide information in this area.

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau, fully described in the Census Bureau's Information Quality Guidelines at: [http://www.census.gov/quality/quality\\_guidelines.htm](http://www.census.gov/quality/quality_guidelines.htm). Information quality is also integral to information collections conducted by the Census Bureau and incorporated into the clearance process required by the Paperwork Reduction Act.

### **Question 3. Use of Information Technology**

Companies may satisfy their reporting requirement for this information collection via the Internet through use of a secure Internet data exchange system, CENTURION (previously known as Census Taker Internet Reporting System). CENTURION is designed to provide respondents a secure means to respond over the Internet. The system contains information and functionality to aid respondents in completing their forms such as special instructions, content specific help, file transfer capabilities, and contact information. Respondents select a link on our web page or type the URL to allow them to enter data. Data received online is converted to an ASCII file then downloaded to a database. This method of data collection is cost-effective as it reduces the number forms mailed and data keying costs. As further use of improved information technology continues, the Census Bureau will offer additional options in the field of electronic data reporting.

### **Question 4. Efforts to Identify Duplication**

The Census Bureau makes a concentrated effort on a continuing basis to investigate possible duplications both within the agency and outside the agency and to eliminate them whenever possible. The MP-10002 will be the only source of management organizational practices data for manufactures. There is no other source for this data collection.

#### **Question 5. Minimizing Burden**

This survey will utilize the mail panel from the ASM that excludes small and medium-sized single-location companies from the mail portion of the survey. As a result, the sampling frame excludes approximately 218,000 establishments, 63 percent of the manufacturing universe used to select the ASM mail panel. No sample will be selected from the nonmail stratum.

#### **Question 6. Consequences of Less Frequent Collection**

The manufacturing sector is of vital importance to the Nation's well being. Consequently, current information regarding the changing structure of manufacturing is extremely important to our economic growth. This clearance involves a one-time questionnaire development and collection with future data collection pending funding.

#### **Question 7. Special Circumstances**

There are no special circumstances.

#### **Question 8. Consultations Outside the Agency**

The Response Improvement Research Staff (RIRS) of the Census Bureau's Office of Economic Planning and Innovation (OEPI) provided an expert review of the questions and prepared a list of suggestions. Staff reviewed and incorporated many of the suggested changes. Pre-testing of the instrument was conducted consisting of multiple rounds of cognitive and usability testing with up to 30 or more businesses in randomly selected locations across the country.

Further, we published a notice in the Federal Register (74FR, page 50,163) on September 30, 2009 inviting public comment on our plans to submit this request. We received no comments.

#### **Question 9. Paying Respondents**

The Census Bureau does not pay respondents or provide gifts in return for complying with the Management and Organizational Practices Survey (MOPS).

### **Question 10. Assurance of Confidentiality**

The report forms for this information collection will give respondents the following assurance of confidentiality:

**YOUR RESPONSE IS REQUIRED BY LAW.** Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau. By the same law, **YOUR CENSUS REPORT IS CONFIDENTIAL.** It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Similar guarantees will be included in the cover letter (Attachment A) that accompanies the report forms (Attachment B). The statutory basis for these assurances of confidentiality is Title 13, USC, Section 9.

### **Question 11. Justification for Sensitive Questions**

This information collection asks no questions of a sensitive nature.

### **Question 12. Estimate of Hour Burden**

The estimate of respondent burden is 25,000 work hours. The survey will involve approximately 50,000 respondents with an average response time of one-half hour. We based the estimate of one-half hour on our knowledge and previous time estimates used to complete similar checkbox inquiries on the ASM and Economic Census.

The estimated cost to respondents is approximately \$662,750. We based the annual cost on an average hourly wage of \$26.51 times the annual burden hours 25,000. The average hourly wage is that of Managers of Production and Operating Workers.

**Question 13. Estimate of Cost Burden**

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

**Question 14. Cost to Federal Government**

The total estimated cost for this jointly sponsored survey in fiscal year 2010 and 2011 is \$1.5 million of which the Manufacturing and Construction Division and the Center for Economic Studies is providing in-kind services estimated at \$539,500 and \$300,000 respectively, and \$660,500 is borne by the National Bureau of Economic Research (NBER).

**Question 15. Reason for Change in Burden**

The increase in burden is attributed to the information collection being submitted is new.

**Question 16. Project Schedule**

We will mail the report forms during the spring of 2011, with the collection phase completed by the end of the same year. Analytical review of the data will take place in the winter. Dissemination of the survey results by the Census Bureau will consist of a press release accompanied by one or two summary level tables. In addition, we plan to make the data available through the Census Bureau's Research Data Center (RDC) locations and a website hosted by the Massachusetts Institute of Technology (MIT) within 10 to 15 months after the end of the survey reporting period.

## Management and Organizational Practices Survey (MOPS) MP-10002

	Activity	Start Date*	Finish Date*
1	Submitted to OMB for Review & Approval	30-Nov-10	28-Feb-11
2	Prep mail materials	4-Apr 11	22-Apr-11
3	Mail MP-10002	25-Apr-11	25-Apr-11
4	1 <sup>st</sup> Telephone Follow-up	25-May-11	TBD
5	2 <sup>nd</sup> Telephone Follow-up	25-Jun-11	TBD

\* All dates estimated.

### **Question 17. Request to Not Display Expiration Date**

The assigned expiration date will be displayed on all report forms used in this information collection.

### **Question 18. Exceptions to the Certification**

There are no exceptions to the certification.

### **Question 19. NAICS Codes Affected**

The 2010 Management and Organizational Practices Survey will provide data for 471 6-digit manufacturing industries as defined in the North American Industry Classification System (NAICS) and limited geographical data.