

**Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
2021 Management and Organizational Practices Survey (MOPS)
OMB Control Number 0607-0963**

Part A - Justification

Question 1. Necessity of the Information Collection

The Census Bureau is requesting a reinstatement, with change, of a previously approved collection for which approval has expired for the 2021 Management and Organizational Practices Survey (MOPS). The survey will be conducted as a joint project by the Census Bureau, the University of Chicago Booth School of Business, Stanford School of Humanities and Sciences, and the Stanford Institute for Human-Centered Artificial Intelligence. The MOPS will utilize the Annual Survey of Manufactures (ASM) sample and collect information on management and organizational practices at the establishment level. Data obtained from the survey will allow the Census Bureau to estimate a firm's stock of management and organizational assets, specifically the use of establishment performance data, such as production targets in decision-making and the prevalence of decentralized decision rights. The results will provide information on investments in management and organizational practices thus providing a better understanding of the benefits from these investments when measured in terms of firm productivity or firm market value.

The MOPS has been conducted periodically since 2010 and provides a linkage to the Census Bureau's data sets on plant level outcomes. Since every establishment in the MOPS sample is also in the ASM, the results of MOPS 2015 were linked with certainty to annual performance data at the plant level, including outcomes on sales, shipments, payroll, employment, inventories, capital expenditure, and more for the period 2014-2018. There is no other source for the MOPS data collection.

The 2021 MOPS will be a one-time data collection conducted under authority of Title 13, United States Code, Sections 131 and 182. The collection is mandatory under the provisions of Title 13, United States Code, Sections 224 and 225 (Attachment H).

Question 2. Needs and Uses

Understanding the determinants of productivity growth is essential to understanding the dynamics of the U.S. economy. The MOPS provides information to assist in determining 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 the understanding of the dynamics of the economy, MOPS data can

provide insight to policymakers interested in productivity growth or other metrics of business performance into the current state of management and organizational practices in the U.S. manufacturing sector. This insight could inform economic forecasts or policies.

The MOPS provides information on differences in manufacturing management and organizational practices by region, industry, and firm size. These results can be used by U.S. manufacturing businesses to benchmark their own management and organizational practices relative to their peers and inform changes in those practices. The survey sponsors have used the published tables and methodology documentation to set up a self-scoring tool for benchmarking purposes. Similarly, interested businesses can use the published tables to examine how their implementation of specific practices compares to national rates of adoption or use published tables in conjunction with the methodology documentation to evaluate how their use of structured management practices compares to subsector, state, establishment size class, and establishment age class. Industry trade organizations may also wish to communicate this information to their members. For example, a printing industry publication communicated the results of the 2015 MOPS (<https://whattheythink.com/data/85108-printing-industry-defined-managemen/>), and economic development agencies in Wisconsin cited the state's ranking in the 2015 MOPS when announcing a program aimed at increasing manufacturing productivity in the state (<https://biztimes.com/new-initiative-aimed-at-addressing-manufacturing-productivity/>). Since the MOPS data are also connected with annual performance data, the MOPS results can directly aid policy discussions regarding what policymakers can do to assist U.S. manufacturing companies as they react to a changing economy.

The 2021 MOPS includes a new purchased services module on the establishment's use of its own employees, contractors, temporary staff, or leased workers for select business expenses. These data will help the Census Bureau, businesses, and policymakers understand the relationship between an important organizational decision – what activities are the responsibility of the business's own employees and what activities are contracted to other businesses – and business outcomes such as growth and survivorship when linked with the ASM, Economic Census, and Business Register.

For the 2021 MOPS, the Data and Decision Making module has been modified to remove some existing components and expanded to include questions focused on the frontier uses of data to inform artificial intelligence. As such, the module has been re-titled “Data, Decision Making, and Artificial Intelligence.” Understanding the characteristics of businesses that rely upon data in making decisions helps businesses and policymakers understand the role that data collection and analysis play in business outcomes. By producing statistics on the use of frontier technologies for decision making, the Census Bureau can help businesses and policymakers identify potential use cases for these technologies. In addition, the Census Bureau can better plan future collections and reduce respondent burden if it understands how businesses retain and analyze their own data.

Additionally, the 2021 MOPS includes three questions added to the background characteristics module inquiring about an establishment's use of an external Certified Public Accountant. Use of

an external Certified Public Accountant affects how businesses retain and review their own data, which can have implications for management practices and can help the Census Bureau plan future collections and reduce respondent burden.

The 2021 MOPS simplified questions on the location of decision-making in multi-location firms in the organization module by combining them into a single table and removing write-in responses, removed some forecasting questions in the uncertainty module, removed two background characteristic questions, and removed all questions regarding a five-year recall period.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

Question 3. Use of Information Technology

The MOPS will be collected electronically through the Census Bureau's Centurion online reporting system. Respondents will be sent an initial letter with instructions detailing how to log into the collection instrument and report their information. This letter can be viewed in Attachment C. This process follows the same model that the ASM uses to collect its data.

Respondents will utilize a portal to register for their account and create their own User ID and Password. They can then add the MOPS to their account using the 'Authentication Code' provided in the initial and follow-up mailings and share access with others. This same account can be used to manage all Census Bureau surveys.

Once inside the portal, respondents can perform several self-service options and communicate more easily with Census Bureau staff. They can also view their survey and company information and begin reporting. Menu options allow respondents to request extensions, share survey access, check their filing status, view survey FAQs, communicate securely with survey representatives, and view the survey toll-free contact number if further assistance is needed.

After respondents select "Report Now", they will be in the Centurion system and can begin completing their form(s). Respondents have the option of printing out a worksheet, which they can use as a guide for completing the electronic instrument.

The Centurion system is designed to be secure and user friendly. Respondent burden will be reduced because of the fully electronic collection strategy. This system will allow respondents to complete and file in one session or to save and return over multiple sessions. The instrument will also remove questions and response options for respondents when they are irrelevant based on

the respondent's selections to previous questions. This will prevent the respondent from reading and attempting to answer questions that are not applicable to them. The nightly loading of the electronic responses allows for timelier identification of completed questionnaires and fewer follow-ups to respondents.

Question 4. Efforts to Identify Duplication

The Census Bureau makes a concerted effort on a continuing basis to investigate possible duplications both within the agency and outside the agency to eliminate duplication when possible. The MP-10002 will be the only source of management and organizational practices data for manufacturers. 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 187,000 establishments, or 64 percent of the manufacturing universe used to select the ASM mail panel. No sample will be selected from the non-mail stratum.

Respondent burden is reduced because of the fully electronic collection strategy. The Respondent Portal will give the respondent the ability to easily communicate with survey representatives as well as perform other actions such as requesting an extension to the due date. The Centurion instrument will allow respondents to complete and file in one session or to save and return over multiple sessions. The instrument will also remove questions and response options for respondents when they are irrelevant based on the respondent's selections to previous questions. This will prevent the respondent from reading and attempting to answer questions that are not applicable to them.

Question 6. Consequences of Less Frequent Collection

The MOPS provides information on the dimensions of organizational capital that is not currently available and assists in the understanding of the drivers of productivity growth that is essential to informing economic forecasts and policies. It will also provide information on how the management of firms plays a central role in setting these policies.

Due to the relative infrequency of changes to management practices, we have determined that approximately a 5-year survey cycle is appropriate for this collection.

Question 7. Special Circumstances

The MOPS will not have any special circumstances.

Question 8. Consultations Outside the Agency

The 2021 MOPS was developed as a partnership between the Census Bureau and an external research team that includes John Barrios (Washington University in St. Louis), Nicholas Bloom (Stanford University), Erik Brynjolfsson (Stanford Institute for Human-Centered Artificial Intelligence), Steven Davis (University of Chicago Booth School of Business), Kristina McElheran (University of Toronto), Michael Minnis (University of Chicago Booth School of Business), John Van Reenen (Massachusetts Institute of Technology) and Raffaella Sadun (Harvard Business School). The external research team provided their expert feedback and input regarding the modifications made to the MOPS.

Further, the Census Bureau published a 60-day notice for comment in the *Federal Register* on July 29, 2021 (Vol 86, pg. 40807-40808).

One comment was received from the National Federation of Independent Business (NFIB). The letter raised concerns regarding the necessity of the collection, the burden imposed on respondents, and the legal authority to collect this data. As discussed elsewhere in this Supporting Statement, we have considered the value of both the time and the effort required to fulfill a collection along with the financial cost to businesses that will be asked to respond. We have balanced this burden with the practical utility and public benefit of the information to be collected. As discussed above, the data collected have utility and value to policymakers and to the businesses themselves. For example, U.S. manufacturing businesses can use this data to benchmark their own management and organizational practices relative to their peers and inform changes in those practices. As mentioned in Question 5 the Census Bureau is taking all actions possible to minimize respondent burden. The Census Bureau has authority under 13 U.S.C. §§ 131 and 182 to collect this information. The collection is mandatory under the provisions of 13 U.S.C. §§ 224 and 225. The Census Bureau is directed to determine the content of surveys and censuses under 13 U.S.C. § 5. Pursuant to its constitutional authority to make all laws necessary and proper to carry out its constitutional duties, Congress explicitly has directed the Census Bureau to conduct an economic census since 1810. The direction to collect such a census originated and remained in the Congressional Acts authorizing decennial censuses and continued into current codification at 13 U.S.C. § 131 (e.g., Act of May 1, 1810; Census Act of 1820; Census Act of 1839; Census Act of 1850; Census Act of 1870; Census Act of 1879; Census Act of 1899; Census Act of 1902; Census Act of 1909; Census Act of 1920; Census Act of 1920; Census Act of 1929). The courts have upheld Congress' and the Census Bureau's exercise of these authorities in the face of several statutory and constitutional challenges (e.g, *Morales v. Daley*, 116 F. Supp. 2d 801 (S.D. Tex. 2000); *United States v. Moriarity*, 106 F. 886 (C.C.S.D.N.Y 1901)). See Attachment A for The National Federation of Independent Business letter and the Census Bureau's response.

Question 9. Paying Respondents

The Census Bureau will not pay respondents or provide gifts in return for complying with the MOPS.

Question 10. Assurance of Confidentiality

Data collected in this survey are maintained in strictest confidence under the authority of an Act of Congress, Title 13, United States Code, Section 9. An assurance of confidentiality and the fact that response is required is conveyed to the respondent via the Centurion welcome screen (Attachment G) and the initial letter (Attachment C) that they receive to provide them with important information regarding the MOPS. The letters that are attached to this package are drafts; however, we do not expect any substantial changes.

Question 11. Justification for Sensitive Questions

The MOPS does not ask any sensitive questions.

Question 12. Estimate of Hour Burden

The estimate of respondent burden is 38,250 hours. The survey will involve approximately 51,000 respondents with an average response time of three-quarters of an hour. We based the estimate of three-quarters of an hour on previous time estimates for completing similar checkbox inquiries on the ASM, Economic Census, and the 2015 MOPS. The number of respondents and annual burden have been adjusted upward slightly from the numbers presented in the July 29, 2021 *Federal Register* notice.

Number of Respondents	Average Time Per Response	Annual Burden
51,000	45 min.	38,250

The estimated annual cost to respondents is approximately \$1,501,695. We base the annual cost on an average hourly wage of \$39.26 times the annual burden estimate of 38,250 hours. The average hourly wage is that of an accountant according to the 2020 BLS Occupational Employment Statistics (OES) data, published by BLS https://www.bls.gov/oes/current/oes_nat.htm.

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 is \$1.58 million of which the Census Bureau provides contributions including in-kind services estimated at \$158,419. The University of Chicago Booth School of Business, Stanford School of Humanities and Sciences, and the Stanford Institute for Human-Centered Artificial Intelligence provide contributions including in-kind services estimated at \$1,425,769.

Question 15. Reason for Change in Burden

The increase in burden is attributed to this collection being submitted as a reinstatement, with change, of a previously approved collection for which approval has expired.

Question 16. Project Schedule

The planned schedule for the entire MOPS project is as follows:

Initial mail out	May 2022
Respondent follow-ups	May 2022 – September 2022
Data collection instrument closeout	October 2022
Data analysis and tabulation	November 2022 – April 2023
Publication data release	May 2023

All dates are approximate and subject to change.

Question 17. Request to Not Display Expiration Date

The assigned expiration date will be displayed on the information collection instrument.

Question 18. Exceptions to the Certification

There are no exceptions to the certification.

Question 19. NAICS Codes Affected

The 2021 MOPS is a one-time collection to provide data for two-through six-digit manufacturing industries as defined in the North American Industry Classification System (NAICS).