Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Administrative - Internal Use Only

DD/A 74-4649

25 November 1974

DD/A Registry
File Reports

MEMORANDUM FOR: All Office Directors

SUBJECT : Report of Directorate Management Conference

STAT

1. It has been a little over a month since we met together at [redacted] to discuss this Directorate and its functions and our approach to its management, particularly as it relates to planning. It appears worthwhile to review for our mutual benefit some of the things we talked about.

2. Mr. McMahon, in opening the first session of the Conference, addressed long-range planning, indicating that the report, Perspectives for Intelligence, 1975 - 1980, should be used as a backdrop to our own planning -- a kind of road map of where we are going. At the same time, he stressed that, rather than lock ourselves into five-year projections, the planning mechanism we devise must have built-in flexibility. He noted that we are eager to establish a planning mechanism that looks outward to the individual Office impact upon other Offices and upon the other Directorates. For this reason, there is a need to create a planning mechanism for the visibility of common problems. Such a mechanism would not involve itself in all items of day-to-day operation but select major programs and track those against the five-year plan. To do this, there must be a personal involvement of the Office Directors in the planning process.

3. After Mr. McMahon's remarks, four responsibilities in the planning process were noted:

a. identify the need;

b. determine how we will work together;

c. define the structure of the planning mechanism; and

d. establish a general frame of reference to tie together problems.

In this regard, there are four keys on which to base planning: (1) empirical evidence; (2) experience factors; (3) general guidance; and (4) observation of trends. As a result of the implementation of a planning mechanism, we will have the means to better evaluate the competition for priority of resources.

MORI/CDF

Administrative - Internal Use Only

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Accordingly, when more than one Office is involved in a resource problem, we will be better able to relate the activities and roles of the subsidiary Office to those of the primary Office.

4. Planning can be viewed as an exercise in validating a need. We should proceed on the assumption that the Agency is not going to give us a detailed planning document -- nor will such specific details come from the other Directorates. We must develop our own guidelines, a requirement involving the formulation of assumptions and the development of contingencies.

5. Planning is basically a line-command responsibility, not a staff responsibility. It does, however, require coordination: an individual Office cannot come up with extensive planning documents without involving related Offices; instead, that Office can develop the concepts, in the most general sense, and then go to the planning mechanism, where there are representatives from the other Offices. The establishment of the planning mechanism has the highest priority, and it will be established and functioning by 1 January 1975.

6. In his examination of Management by Objectives (MBO), the Assistant for Resources, Mr. [redacted] indicated that the technique seems to be working STAT well: there is a good dialogue, and we are changing the format as we go along. The Annual Personnel Plan (APP) is being incorporated into the MBO process, and there will be a report on APP at each bi-monthly MBO session. Another new feature will be Joint Objectives (that is, the cooperation of Offices, primary and secondary, working on a similar objective), with horizontal tracking on alternative months. The MBO system does provide the Directorate with an opportunity for early warning, but we have been tracking too many objectives in the past; we need instead to identify and concentrate on the key objectives.

7. In the discussion that followed, the consensus was one of general approval: some Offices felt that MBO was useful primarily because it kept the DD/A informed of what was going on, others felt it more useful within their own Offices. The greatest advantage of MBO seems to be the improvement in communications and the involvement of the DD/A. The biggest problem appears to be the development of the objectives themselves: some have been improperly defined and there have been too many.

8. In concert with the discussion of MBO, the Director of Training described a new graphic-type format for bi-monthly reporting on MBO progress. He stated that the procedure is simple, with less clerical workload, and reduces paperwork 10 to 15 percent. An advantage of this new format is its provision for flexibility in changing milestones or restating objectives. In the ensuing discussion, one Office Director expressed a preference for his own graphic format. There was a comment that it is MBO that is important and that there is something to be said for having uniformity throughout the

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Directorate. Should the technique work well, we might spearhead its use throughout the Agency, at this point reviewing alternate formats. It was concluded that the Assistant for Resources should meet with various Office planning officers to develop a uniform approach.

9. The Director of Logistics then pointed out some factors which complicate staffing of overseas positions. He noted that a number of employees have had several overseas tours, and some have just returned from an extended stay in the field. There are often family reasons why the employee wants to remain in the Headquarters area. Other problems concern the rapidly disappearing "fringe benefits" of overseas living; schooling; medical restrictions; and the impact of inflation: more wives of employees in the GS-07 to GS-11 range are working to augment the family budget and do not want to give up their jobs and the extra income for an overseas assignment.

10. In trying to resolve the problem of staffing overseas positions, the Office of Logistics is publishing an internal notice entitled "Good and Valid Reasons for Not Accepting an Overseas Assignment". During the discussion of the problem, the Director of Security indicated that he had lost so many of his overseas positions that he has difficulty offering his careerists overseas experience. It developed that the Office of Logistics may be able to use Security careerists in some of its overseas assignments after appropriate training. The Directorate Career Management Officer will explore this possibility.

11. The Director of Joint Computer Support then outlined the way his Office is attempting to work out a costing system so that customers will get some appreciation of the costs necessary to fill their requirements. The objective of the program is to provide information for evaluation and control. It therefore serves as a planning aid and will increase cost consciousness. The system is primarily external: it seeks to understand the user's requirements and provides the user with data and support charge-back. Different rates are established for normal and priority requirements. Rate schedules indicate that costs are going down because of increased efficiency, maximum use of equipment, and a better measurement of costs. Several observations were made on the overall costing question: in developing our costing methodology, all Offices will have to come up with two sets of figures - the developmental costs and the yearly recurring operational costs.

12. In the discussion of EEO, led by the Deputy Director of Personnel, the point was made that the payoff is obviously on the number of EOD's. He stated that the Office of Personnel is very optimistic about the program: there is movement, commitment, interest, and concern, to the extent that the Director of the Agency EEO Program is now willing to concede that there is no longer a "recruitment" problem in terms of black applicants. One Office took some exception to the sanguine picture of the Office of Personnel and

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

related its efforts in attempting, without much success, to recruit qualified blacks. It is a tough market: not many applicants have been placed in process, but a strong effort has been made. It was noted that at this time there are in the Directorate 55 blacks and 257 women above the GS-09 level.

13. In the concluding remarks of the Conference, the DD/A emphasized his commitment to planning. The documents dealing with perspectives for the next five years and the MBO objectives are the stepping stones for planning. To start to equip Office Directors to play their part in planning, it was decided that each would have access to all MBO's in the Directorate. In the initial stages of developing a planning mechanism, all will be going through a learning curve; during this period, representation should not go below the Deputy Office Director who would be assisted by a staff planning officer. They would work together on common problems, developing a better working relationship which would tend to assist the need for collective action.

14. It was then proposed by the DD/A that a planning mechanism consisting of two groups be established under the title of Planning Council. Group 1 would be formed with the Offices of Communications, Joint Computer Support, Logistics and Finance, and Group 2 with the Offices of Personnel, Security, Medical Services and Training. Both groups would be chaired by the ADD/A and supported by the Plans Staff and the Assistant for Resources, who may in the future assume the chairmanship. Each group would meet once a month and both groups would meet together every other month. The groups would involve themselves in APP, PDP, MBO, Program Calls, and operating budgets, and the planning cycle would be developed so that these matters would go through the planning mechanism for validation and projection. The two groups should serve a catalytic function in general plans, ideas, and concepts, but should not become involved in the detailed work of planning. The overall Directorate plan would consist of a coherent prioritized presentation of the inputs of the eight Offices plus the Directorate. The planning mechanism would be aimed at more interaction within the Directorate and would be targeted toward developing, by the spring of 1975, a Directorate five-year plan.

15. The following points were also made in the discussion covering the necessity for a new Directorate approach to planning:

a. The Agency has been very successful in the past, but this was much easier because there were few constraints on resources. Those days are gone, it is now 1974 and a different era.

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

b. The DCI has his own particular style of management as reflected in his use of the financial deviation report. In his meetings with the Deputy Directors, he asks specific questions on management, and there are more reporting requirements to the DCI than in years past.

c. We have to get away from the "boss says" syndrome and get eight minds working on one problem rather than one man working on eight. This is an opportunity for the Office Directors to participate in decision making and to get a piece of the action; it certainly is in the best interest of the Offices to participate in the overall Directorate planning.

d. There are two obvious benefits associated with the proposed Planning Council: (1) the opportunity for contact with planning officers of other Directorates and (2) improved vertical communications with Division Chiefs, who are being caught with unnecessarily short deadlines.

e. We cannot start immediately to write plans - it would be unfair to any group -- until we build up a level of equal knowledge. We must not get locked into a structured mechanism where we have no flexibility.

16. Throughout the Conference the point was stressed with some regularity that we must focus on problems as a Directorate, and apply a team effort in developing coordinated solutions. Whether we are addressing long-range planning, MBO, overseas slotting, EEO, or costing of services, there is a continuing need for increased cohesiveness and collegiality at all levels. This theme is important. I think it appropriate to close on this point, and you are urged to communicate the basic message to all of your employees.

STAT

John F. Blake
Deputy Director
for
Administration

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

DD/A 74-4649

25 November 1974

DD/A Registry
File Reports

MEMORANDUM FOR: All Office Directors

SUBJECT : Report of Directorate Management Conference

1. It has been a little over a month since we met together [redacted] STAT to discuss this Directorate and its functions and our approach to its management, particularly as it relates to planning. It appears worthwhile to review for our mutual benefit some of the things we talked about.

2. Mr. McMahon, in opening the first session of the Conference, addressed long-range planning, indicating that the report, Perspectives for Intelligence, 1975 - 1980, should be used as a backdrop to our own planning -- a kind of road map of where we are going. At the same time, he stressed that, rather than lock ourselves into five-year projections, the planning mechanism we devise must have built-in flexibility. He noted that we are eager to establish a planning mechanism that looks outward to the individual Office impact upon other Offices and upon the other Directorates. For this reason, there is a need to create a planning mechanism for the visibility of common problems. Such a mechanism would not involve itself in all items of day-to-day operation but select major programs and track those against the five-year plan. To do this, there must be a personal involvement of the Office Directors in the planning process.

3. After Mr. McMahon's remarks, four responsibilities in the planning process were noted:

a. identify the need;

b. determine how we will work together;

c. define the structure of the planning mechanism; and

d. establish a general frame of reference to tie together problems.

In this regard, there are four keys on which to base planning: (1) empirical evidence; (2) experience factors; (3) general guidance; and (4) observation of trends. As a result of the implementation of a planning mechanism, we will have the means to better evaluate the competition for priority of resources.

Administrative - Internal Use Only

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Accordingly, when more than one Office is involved in a resource problem, we will be better able to relate the activities and roles of the subsidiary Office to those of the primary Office.

4. Planning can be viewed as an exercise in validating a need. We should proceed on the assumption that the Agency is not going to give us a detailed planning document -- nor will such specific details come from the other Directorates. We must develop our own guidelines, a requirement involving the formulation of assumptions and the development of contingencies.

5. Planning is basically a line-command responsibility, not a staff responsibility. It does, however, require coordination: an individual Office cannot come up with extensive planning documents without involving related Offices; instead, that Office can develop the concepts, in the most general sense, and then go to the planning mechanism, where there are representatives from the other Offices. The establishment of the planning mechanism has the highest priority, and it will be established and functioning by 1 January 1975.

6. In his examination of Management by Objectives (MBO), the Assistant for Resources, Mr. [redacted] indicated that the technique seems to be working well: there is a good dialogue, and we are changing the format as we go along. The Annual Personnel Plan (APP) is being incorporated into the MBO process, and there will be a report on APP at each bi-monthly MBO session. Another new feature will be Joint Objectives (that is, the cooperation of Offices, primary and secondary, working on a similar objective), with horizontal tracking on alternative months. The MBO system does provide the Directorate with an opportunity for early warning, but we have been tracking too many objectives in the past; we need instead to identify and concentrate on the key objectives. STAT

7. In the discussion that followed, the consensus was one of general approval: some Offices felt that MBO was useful primarily because it kept the DD/A informed of what was going on, others felt it more useful within their own Offices. The greatest advantage of MBO seems to be the improvement in communications and the involvement of the DD/A. The biggest problem appears to be the development of the objectives themselves: some have been improperly defined and there have been too many.

8. In concert with the discussion of MBO, the Director of Training described a new graphic-type format for bi-monthly reporting on MBO progress. He stated that the procedure is simple, with less clerical workload, and reduces paperwork 10 to 15 percent. An advantage of this new format is its provision for flexibility in changing milestones or restating objectives. In the ensuing discussion, one Office Director expressed a preference for his own graphic format. There was a comment that it is MBO that is important and that there is something to be said for having uniformity throughout the

Administrative - Internal Use Only

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Directorate. Should the technique work well, we might spearhead its use throughout the Agency, at this point reviewing alternate formats. It was concluded that the Assistant for Resources should meet with various Office planning officers to develop a uniform approach.

9. The Director of Logistics then pointed out some factors which complicate staffing of overseas positions. He noted that a number of employees have had several overseas tours, and some have just returned from an extended stay in the field. There are often family reasons why the employee wants to remain in the Headquarters area. Other problems concern the rapidly disappearing "fringe benefits" of overseas living; schooling; medical restrictions; and the impact of inflation: more wives of employees in the GS-07 to GS-11 range are working to augment the family budget and do not want to give up their jobs and the extra income for an overseas assignment.

10. In trying to resolve the problem of staffing overseas positions, the Office of Logistics is publishing an internal notice entitled "Good and Valid Reasons for Not Accepting an Overseas Assignment". During the discussion of the problem, the Director of Security indicated that he had lost so many of his overseas positions that he has difficulty offering his careerists overseas experience. It developed that the Office of Logistics may be able to use Security careerists in some of its overseas assignments after appropriate training. The Directorate Career Management Officer will explore this possibility.

11. The Director of Joint Computer Support then outlined the way his Office is attempting to work out a costing system so that customers will get some appreciation of the costs necessary to fill their requirements. The objective of the program is to provide information for evaluation and control. It therefore serves as a planning aid and will increase cost consciousness. The system is primarily external: it seeks to understand the user's requirements and provides the user with data and support charge-back. Different rates are established for normal and priority requirements. Rate schedules indicate that costs are going down because of increased efficiency, maximum use of equipment, and a better measurement of costs. Several observations were made on the overall costing question: in developing our costing methodology, all Offices will have to come up with two sets of figures - the developmental costs and the yearly recurring operational costs.

12. In the discussion of EEO, led by the Deputy Director of Personnel, the point was made that the payoff is obviously on the number of EOD's. He stated that the Office of Personnel is very optimistic about the program: there is movement, commitment, interest, and concern, to the extent that the Director of the Agency EEO Program is now willing to concede that there is no longer a "recruitment" problem in terms of black applicants. One Office took some exception to the sanguine picture of the Office of Personnel and

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

related its efforts in attempting, without much success, to recruit qualified blacks. It is a tough market: not many applicants have been placed in process, but a strong effort has been made. It was noted that at this time there are in the Directorate 55 blacks and 257 women above the GS-09 level.

13. In the concluding remarks of the Conference, the DD/A emphasized his commitment to planning. The documents dealing with perspectives for the next five years and the MBO objectives are the stepping stones for planning. To start to equip Office Directors to play their part in planning, it was decided that each would have access to all MBO's in the Directorate. In the initial stages of developing a planning mechanism, all will be going through a learning curve; during this period, representation should not go below the Deputy Office Director who would be assisted by a staff planning officer. They would work together on common problems, developing a better working relationship which would tend to assist the need for collective action.

14. It was then proposed by the DD/A that a planning mechanism consisting of two groups be established under the title of Planning Council. Group 1 would be formed with the Offices of Communications, Joint Computer Support, Logistics and Finance, and Group 2 with the Offices of Personnel, Security, Medical Services and Training. Both groups would be chaired by the ADD/A and supported by the Plans Staff and the Assistant for Resources, who may in the future assume the chairmanship. Each group would meet once a month and both groups would meet together every other month. The groups would involve themselves in APP, PDP, MBO, Program Calls, and operating budgets, and the planning cycle would be developed so that these matters would go through the planning mechanism for validation and projection. The two groups should serve a catalytic function in general plans, ideas, and concepts, but should not become involved in the detailed work of planning. The overall Directorate plan would consist of a coherent prioritized presentation of the inputs of the eight Offices plus the Directorate. The planning mechanism would be aimed at more interaction within the Directorate and would be targeted toward developing, by the spring of 1975, a Directorate five-year plan.

15. The following points were also made in the discussion covering the necessity for a new Directorate approach to planning:

a. The Agency has been very successful in the past, but this was much easier because there were few constraints on resources. Those days are gone, it is now 1974 and a different era.

Administrative - Internal Use Only

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

b. The DCI has his own particular style of management as reflected in his use of the financial deviation report. In his meetings with the Deputy Directors, he asks specific questions on management, and there are more reporting requirements to the DCI than in years past.

c. We have to get away from the "boss says" syndrome and get eight minds working on one problem rather than one man working on eight. This is an opportunity for the Office Directors to participate in decision making and to get a piece of the action; it certainly is in the best interest of the Offices to participate in the overall Directorate planning.

d. There are two obvious benefits associated with the proposed Planning Council: (1) the opportunity for contact with planning officers of other Directorates and (2) improved vertical communications with Division Chiefs, who are being caught with unnecessarily short deadlines.

e. We cannot start immediately to write plans - it would be unfair to any group -- until we build up a level of equal knowledge. We must not get locked into a structured mechanism where we have no flexibility.

16. Throughout the Conference the point was stressed with some regularity that we must focus on problems as a Directorate, and apply a team effort in developing coordinated solutions. Whether we are addressing long-range planning, MBO, overseas slotting, EEO, or costing of services, there is a continuing need for increased cohesiveness and collegiality at all levels. This theme is important. I think it appropriate to close on this point, and you are urged to communicate the basic message to all of your employees.

STAT

John F. Blake
Deputy Director
for
Administration

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7

Distribution: All DD/A Office Directors
1 - DD/A Chrono
1 - DD/A Subject
1 - JFB Chrono

1 - Comptroller
[redacted] STAT
1 - Chairman/ADMAG
1 - SSA/DDA

EO-DD/A [redacted] der (STAT

Approved For Release 2006/09/29 : CIA-RDP84-00780R006100090010-7