D/PPPM
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24 MAR 1981

Executive Registry
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MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater
Director of Personnel Policy, Planning, and Management

SUBJECT: Annual Personnel Plan and Report

1. Action Requested: A recommendation for your approval is contained in paragraph 4.

2. Background:

a. The Annual Personnel Plan and Report were instituted by former Director Colby in 1973 as a result of a major review of Agency personnel management and a study of new management approaches.

b. The Annual Personnel Plan (APP) is designed to focus attention of senior managers on the development of personnel management plans in their respective areas of responsibility. It is prepared on a fiscal year basis and deals with goal setting on important areas of concern to the manager, including but not limited to expected separations, goals for accessions and promotions, and various facets of the EEO program. The Annual Personnel Report (APR) also prepared by each of the Career Services provides an evaluation of accomplishments toward goals previously established and posted in the APP.

c. Mr. Colby personally reviewed the APP and the APR with the Deputy Directors each year. Subsequent Agency Directors retained them but did not pursue them in quite the same manner as Mr. Colby. They reviewed an annual overview report of a consolidated APR prepared by this Office and responded by expressing their particular interests or concerns in individual memorandums to each of the Deputies. Unfortunately, there were only infrequent follow-up discussions on these concerns with the Deputies. The overview report for FY 1980 is contained in Attachment A.

UNCLASSIFIED WHEN
DETACHED FROM ATTACHMENTS

3. Discussion:

a. There has been a lack of enthusiasm among managers for the APP and APR process. Many are inclined to think of it as a burden and in particular do not feel disposed to set forth an action plan specifically anticipating how a set of goals or objectives will be accomplished. In early 1979 the National Academy of Public Administration (NAPA) while engaged in reviewing Agency personnel management practices noted this lack of interest among Agency managers. They observed that the APP and APR, although useful management tools, "...had lost much of their utility to top management while imposing an unnecessary workload on those involved in their preparation." This Office helped to reduce the workload involved this year in producing the Career Service APRs by providing the preparers with statistical information compiled centrally from the Office of Personnel Policy, Planning, and Management data base.

b. We believe that much of this lack of interest stems from problems relating to the annual planning cycle. For the past several years internal reorganizations frequently have resulted in the movement of major Agency elements from one Career Service (Directorate) to another or in the creation of new and the discontinuance of old Agency components. This has not only interfered with Career Service personnel planning and goal setting but upsets the data base and complicates data retrieval and analysis. In addition, the impact of externally imposed periodic hiring freezes, cuts in authorized personnel ceiling, and pay "caps" on many of our senior officers has made valid goal setting on an annual basis unrealistic. Much of what Agency managers are trying to accomplish in the way of personnel objectives, e.g., increased minority representation, improved employee and managerial development, and a more efficient and effective workforce is more reliably measured over a longer term.

c. This year in preparing their Annual Personnel Report for FY 1980, Agency managers were encouraged to look back and view in retrospect how things have been going. Their reports represent an improved product as well as increased interest in the subject. The individual Career Service Annual Personnel Reports are contained in Attachment B. Our experience with the APP and APR since their introduction as management tools verifies their value but also verifies that without the active participation of senior management at both the Office and Directorate level, and appropriate accountability by top management they will not be effective.

Regardless of the difficulties, we recommend continuing the APP and APR process on an annual basis if you believe these programs could serve to provide the emphasis and direction you wish to exercise over Agency-wide personnel management programs. As an alternative, we would support an approach that would be favorably viewed by Agency managers, would be considerably less expensive to prepare and still be useful; i.e., require Career Services to submit their plans and reports periodically rather than annually, perhaps every three to five years. This is not to say that managerial responsibility will be lessened or in any way changed, but rather that managerial accountability would be measured over a longer time frame. This Office, of course, would continue to serve as the central control point for assuring uniformity in the application of Agency personnel policy.

4. Recommendations: It is recommended that you approve one of two alternative proposals regarding the use of the APP and the APR as a management tool. I recommend paragraph 4a.

a. The APP and APR should continue to be prepared by the Career Services each fiscal year.

( ) APPROVED ( ) DISAPPROVED

b. The APP and APR should be prepared on a periodic basis at the call of the DDCI.

( ) APPROVED ( ) DISAPPROVED

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Harry E. Fitzwater

Atts

The recommendations contained in paragraph 4 are approved/disapproved as indicated.

See ER-81-9006 (Excomm Minutes of 15 April 81)

Deputy Director of Central Intelligence Date

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ANNUAL PERSONNEL REPORT (APR)

- PROVIDES FEEDBACK ON MANAGERIAL GOAL ACHIEVEMENT IN PERSONNEL MANAGEMENT
- REFLECTS OFFICIAL FACTUAL DATA RELATIVE TO MAJOR PERSONNEL PROGRAMS SUCH AS EEO, EMPLOYEE PROMOTIONS, PERSONAL RANK ASSIGNMENTS, ETC.
- CONSTITUTES A RECORD FOR MANAGEMENT AT ALL LEVELS TO DETERMINE THE EFFECTIVENESS OF AGENCY PERSONNEL PLANNING
- OFFERS MANAGERS A BASIS FOR MODIFYING AND REVISING THEIR CURRENT PERSONNEL MANAGEMENT PRACTICES

ANNUAL PERSONNEL PLAN (APP)

- REQUIRES THE HEAD OF EACH CAREER SERVICE TO RELATE PERSONNEL PLANNING DIRECTLY TO PROGRAM PLANNING
- FORCES MANAGERS TO FOCUS ON THE DEVELOPMENT OF SPECIFIC PERSONNEL GOALS
- IS A "BOTTOM-UP" PROGRAM WHICH PROVIDES A MECHANISM FOR SENIOR MANAGERS TO ASSESS THE PLANNING ABILITY OF SUBORDINATE MANAGERS
- ENABLES MANAGERS TO CONTROL BETTER THEIR PERSONNEL MANAGEMENT ACTIVITIES DURING THE COURSE OF EACH FISCAL YEAR

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PERSONNEL MANAGEMENT EVALUATION STAFF
(PMES)

Its Role in the Agency

Personnel Management Evaluation I

Excerpts and Summary of PME Staff authorities and Responsibilities

1. Memo for DDCI, Subject: Need for a Cross-Cutting Management Tool to Monitor Agency-Wide Personnel Practices and Procedures, approved by DDCI 26 April 1978.

   "(b) establish a new staff element (initially four professionals and one clerical) as the Personnel Management Evaluation Staff in the Office of Personnel to engage in fact-finding, evaluation, sampling, data analysis, reporting, recommendations for action on uniform personnel policies and procedures as established, and identify further areas susceptible to improvement."

2. NAPA Project Group, Subject: Personnel Management Evaluation Program (recommendations approved by DDCI 18 December 1979).

   "A. Executive Order 9830... requires the head of each Federal Agency to review the Federal Agency's personnel programs and specify the minimum requirement for each Federal Agency's personnel management evaluation system. The rationale is that Federal Agency managers cannot fulfill their personnel management responsibilities unless they know how well personnel management activities are contributing to mission accomplishment, productivity, and overall organization effectiveness; and whether they are being carried out in compliance with law, regulation and other public policies."

   "B. A personnel management evaluation (PME) program is the means to accomplish this periodic assessment of personnel management effectiveness. The goal of the program is to review the programs, systems, procedures and techniques by which managers accomplish objectives through the use of people. It is not a review of personnel administration but rather a review of personnel management."

   "H. In contrast to the Inspector General who performs mission performance evaluation, the Office of Personnel as directed by [redacted] will evaluate specific personnel management programs. The PME Staff of OP will, when fully operational, use surveys and audits of Career Service and component personnel operations to evaluate personnel management implementation, adherence to applicable law, Executive Orders and Agency regulations and policy. In addition, this staff will provide guidance, advice and assistance to line managers in improving the effectiveness of personnel management."

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   "V. Recommendations

   A. Have the Director of Personnel, in consultation with line managers, in consultation with Director of EEO, develop evaluation tools for use by line managers in assessing the effectiveness of their personnel management programs.*

   B. Require line managers to annually report on the effectiveness of their personnel management programs. This report will take into consideration findings on the effectiveness of their personnel management programs done by other components of the Agency, and the line managers' review of personnel goals and accomplishments.

   *The EXCOM agreed that D/Pers will be responsible for Agency-wide personnel management evaluation. The Heads of the Career Services will evaluate their own systems--within the context of a revised APP as much as possible--and report to the DDCI through D/Pers. (12/21/79)"

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3. [redacted] "The Director of Personnel will... Advise and assist Heads of Career Services and Operating Officials on matters of personnel management. Evaluate the personnel and career management programs and activities of the Career Services and periodically submit reports of the evaluations to the DDCI."

Personnel Management Evaluation II

The major duties currently reflected on the position description of PME Staff members are:

1. Identifies needs, problems, and interrelationships in striving for increased Agency effectiveness in the major program areas of personnel management such as personnel planning, career management and development, employee evaluations, etc.

2. Selects the methodology and instruments to be used in personnel program evaluations and endeavors to develop new methods as may be warranted. Maintains currency in PME approaches.

3. Collects and analyzes data and prepares oral and written evaluation reports for senior managers. Analyzes data statistically and interprets both quantifiable and non-quantifiable data in the often ambiguous context of policy and regulations. Proposes change where necessary to effect improved personnel management.

4. Assists managers in the conduct and analysis of their own PME activities and persuades managers as appropriate to accept PME findings and recommended corrective action.

Personnel Management Evaluation III

The PME process involves the "measurement" of important areas of organization performance. The basic targets or aspects of organization performance usually surveyed under the traditional PME methodology are:

1. Fairness of Management
2. Delegation of Authority
3. Supervisory Effectiveness
4. Planning and Administrative Efficiency
5. Climate for Creativity
6. Work Satisfaction
7. Workload
8. Performance Appraisal
9. Equal Opportunity for Minorities
10. Equal Opportunity for Women
11. Opportunity for Promotions
12. Downward Communication
13. Upward Communication
14. Satisfaction with Pay
15. Morale
16. Physical Working Conditions and Equipment
17. Co-worker Cooperation
18. Training Effectiveness
19. Organization Effectiveness

This listing (taken from OPM) is not exhaustive and means only to demonstrate the breadth of the PME mission and function.

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is schematic shows
e primary challenge
PME activity.
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d being able to
entify basic causes
r problems which have
adverse impact on
organization
his is an OPM
del used for train-
g purposes).

CAUSE-EFFECT NETWORK OF MAJOR PERSONNEL MANAGEMENT PROBLEMS

APPENDIX B