

COMPT 88-1455

FILE: AG

NEW COMPENSATION  
SYSTEM

MEMORANDUM FOR: Deputy Director for Administration  
Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science and Technology  
Chairman, E Career Service

FROM: Royal E. Elmendorf  
Director of Personnel

SUBJECT: Human Resource Task Force Recommendations

REFERENCE: Memorandum for D/OP from ExDIR, dtd 24 Aug 88, Same Subject

1. The Executive Director has approved our proposal to put into place a more flexible and responsive system for position classification and management (Attachment). The key aspects of this proposal that warrant your immediate attention are the simplification and decentralization of position classification, and the distribution of grade points to the directorates.

2. It is anticipated that the revised system will be implemented methodically over a period of at least 15 months. Decentralization, which requires that generic benchmark descriptions be written for virtually all occupations in the Agency, will begin on 1 October with one or two occupations per directorate. Generic benchmarks already have been developed and coordinated for Project Management Engineer, Attorney, Intelligence Analyst, Operations Officer, and Finance Officer. Managers will have authority to classify positions up to the established grade level for each of the generic benchmarks. In addition, benchmarks for Intelligence Assistant, Personnel Officer, Intelligence Officer-Foreign Media, and Reports and Requirements Officer are now under development or being coordinated with directorate personnel officers and occupation focal points. Once these benchmarks are finalized, managers will be authorized to classify positions in these occupations. The Planning and Component Support Division (PCSD) will work with you and your staff to draft and coordinate new generic position descriptions and provide guidance on the interpretation of those benchmarks already developed.

SUBJECT: Human Resource Task Force Recommendations

3. Grade points for FY 1989 and those remaining from FY 1988 will be distributed to the directorates at the beginning of the new fiscal year. The distribution scenario is to be discussed at a Comptroller's meeting later this month, and you will be provided background material on point usage, as well as a breakdown of remaining FY 1988 points, prior to that meeting.

5. Undoubtedly, there will be some growing pains with the new system as managers adjust to their roles in this area. However, the phased nature of the implementation should give managers time to adjust to the new system. In this regard, the Executive Director has asked for quarterly progress reviews by the Executive Committee, the first of which will be held in March 1989. Any questions on the mechanics and operations of the new system can be directed to [redacted] Chief, Organizational Development Branch, on [redacted]

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Royal E. Elmendorf

Attachment:  
As stated

31 MAY 1988

MEMORANDUM FOR: Executive Director

FROM: Human Resource Modernization and  
Compensation Task Force

SUBJECT: Agency Position Classification System

1. ACTION REQUESTED: That you approve the recommendations contained in paragraph 3.

2. BACKGROUND: The system now used by the Agency for position classification is essentially the same as that used by most federal agencies. Each General Schedule position is classified using nine evaluation factors to determine the appropriate grade and title for the position. The process is, time consuming and must be repeated each time a position is established, transferred, upgraded, downgraded or retitled. The nine factors used by the Office of Personnel Management (OPM) do not fit our needs very well, and they are followed more in the breach than the observance. More often than not, the process results in serious disagreement between managers who do not fully understand the system, and position classifiers who are responsible for implementation. Even more questionable is that it is the Office of Personnel and not management which distributes promotion headroom or grade points, and it does so basically on a first-come first-serve basis.

To overcome these deficiencies, the Office of Personnel has developed a new process designed to improve, expedite, and bring more direct line management involvement to our position classification process. This process, which we have reviewed and support, includes the following significant changes:

a. Distribution of grade points in line with the allocation of new positions and SIS ceiling for use at Deputy Directors' discretion.

b. Development of generic position classification standards or benchmarks at the full performance level, the senior/expert level, and the manager level in a written style that permits easy use by Agency managers. The Office of Personnel, in conjunction with Agency managers, has tested this process by developing benchmarks for one occupation in each Career Service: Operations Officer in the Directorate of Operations, Analyst in the Directorate of Intelligence, Budget and Finance Officer in the Directorate of Administration, Project Management Engineer in the

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SUBJECT: Agency Position Classification System

Directorate of Science and Technology, and Attorney in the E Career Service. In developing these benchmarks we have used an Agency-unique five factor position classification system rather than the OPM nine factor system. As a result of our work on these five occupations, totalling almost 5,000 positions, we are encouraged that the feasibility and utility of this approach has been established.

c. Decentralize position classification authority to operating officials as soon as classification standards are developed for an occupation. Average grade constraints will continue to assure necessary central control. New employees are generally hired below the full performance level in an occupation where they are expected to reach a full performance level after appropriate training and experience. Accordingly, the practice of classifying positions below the full performance grade level is deemed unnecessary and would be discontinued.

The Office of Personnel would continue to work with components on a consultative basis, maintaining the currency of occupational standards, and would retain responsibility for random audits to ensure the system is administered equitably and that the general principle of equal pay for equal work is followed.

d. While the three features above will foster efficiency and economy in our position classification program by giving Agency managers direct accountability for their positions, grade points, and job classification actions, more can and should be done. Therefore, it is recommended that the Office of Personnel continue to develop a payroll budget control system that eventually will give operating officials the tools they need to manage their personal services budget. When one prototype has been completed, we recommend it be provided to operating officials to use experimentally, in tandem with existing controls, to refine the model prior to proceeding with further development and possible Agency-wide implementation. We also recommend that one or two components be selected as test beds and manage their personal services budgets using this tool.

3. RECOMMENDATIONS:

a. Grade points be distributed by the EXCOM to each Deputy Director and controlled at the Directorate-level.

APPROVED ( / )

DISAPPROVED ( )

SUBJECT: Agency Position Classification System

b. Simplify and decentralize the Agency position classification system by adopting generic position classification standards for each occupation only at the full performance, senior/expert, and manager levels. Once these standards or benchmarks have been developed, allow operating officials to create, upgrade, downgrade, move, and retitle positions so long as the component remains within the approved average grade and ceiling.

APPROVED ( / )

DISAPPROVED ( )

c. Employ the Agency-unique five factor position classification standards rather than the OPM nine factor position classification standards.

APPROVED ( / )

DISAPPROVED ( )

d. Under the direction of the Office of Personnel, continue to develop a budget control system to replace average grade constraints, and identify one or two components to use the tool on a test bed basis as their principal mechanism to control positions and payroll.

APPROVED ( / )

DISAPPROVED ( )



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Human Resource Modernization  
and Compensation Task Force

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24 August 1988

MEMORANDUM FOR: Director of Personnel  
FROM: Executive Director  
SUBJECT: Human Resource Task Force Recommendations

1. The four specific Human Resource Task Force recommendations designed to bring about more flexible job classification assignments are approved.
2. One caveat: Let's be sure that our managers' enthusiasm to take advantage of this new flexibility doesn't get ahead of Personnel's ability to inform component managers not only of their opportunities under the new arrangements, but of their responsibilities. Please work with each of the Deputy Directors to identify one or two specific occupations per directorate for implementation of the revised approach over the next 15 months. Implementation can be extended to other occupations when you and I and the Deputy Directors are assured that all of us understand all the implications of the new approach.
3. I would also like you to make arrangements for an Executive Committee review of progress to date during March 1989.

STAT

  
James H. Taylor

Attachment:  
Human Resource Task Force Memorandum  
of 31 May 1988

cc: DDA  
DDI  
DDO  
DDS&T

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