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DDA 76-1907

15 APR 1976

MEMORANDUM FOR: Director of Joint Computer Support
FROM : John N. McMahon, Associate Deputy
Director for Administration
SUBJECT : Inspector General Survey of the
Office of Personnel

During the course of his survey of the Office of Personnel, the Inspector General made several observations and recommendations regarding the relationship of Office of Personnel and OJCS. We have attached (in four sections) those observations. Please be prepared to discuss them during our MAP systems meeting on 19 April 1976.

/s/ JOHN N. McMAHON

John N. McMahon

Atts

Distribution:

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- 1 - DDA Chrono
- 1 - JNM Chrono

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Computer Program Development

20. The 13-year history of Agency attempts to develop a comprehensive human resources computer program is not a happy one. First conceived in 1963, the program was intended to amalgamate all the key data elements in a central interlocking and mutually supporting system. It was to include a capability for both the current and historical recall of data for the proper management of job-related activities of our employees. It was a very ambitious undertaking, though by no means beyond the limits of then available computer technology or significantly ahead of several other similar efforts being undertaken by private industry.

21. In 1973, after nearly ten frustrating years of effort on this so-called Support Information Processing System (SIPS), a decision was made to take a new approach-- one that would still weave together the various aspects of human resource data management (personnel, financial, contract and security) but would be built in step-by-step fashion, rather than altogether. The new effort, called Management Assistance Program (MAPS), was placed under the Office of Joint Computer Services (OJCS) in 1974 where it continues to be developed. For the Office of Personnel, the program will culminate in the Persign II system. This will combine current and historical data from most of the now-separate systems on a wide range of personnel matters

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and will provide managers a readily available means of information consolidation and recall.

22. At the present time matters stand thus: An intermediate stage program (Persign I) is nearing completion which, using the IBM 360, will permit the accession of personnel information now being fed--via paper tapes--into the obsolete RCA 501. Persign I will also include, for the first time, a consolidation of both staff and contract employee information. It does not have a memory bank which would permit analysis of historical trends in personnel matters. This latter feature will be tackled under a program called GAP (General Archive Program) which is only now on the drawing board. The "official" deadline for Persign II (Persign I and GAP and other programs) completion is mid-1977. ←

*FASTER!
PCS*

23. Everyone we talked to, both in the Office of Personnel and OJCS, were enthusiastic about the goals planned for Persign II. One analyst, well acquainted with the program, said: "It will be the millenium for personnel management." More to the point, the same analyst, when asked whether the new program would work, replied: "That's the wrong question--it simply has to work, because the old programs on RCA 501 will simply not carry the Agency along--they cannot do the job that must be done." We would go even a few steps further. Without a new computer approach, Agency initiatives in human resource management will continue

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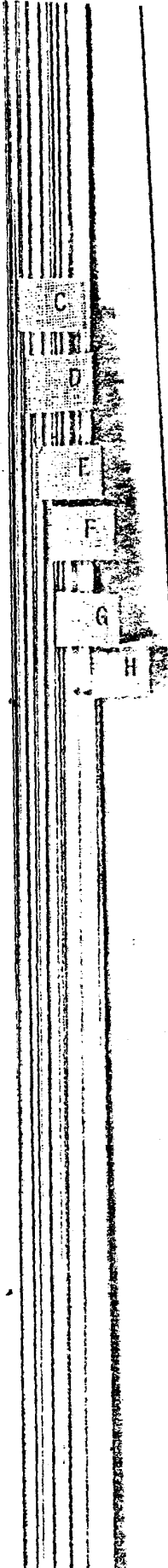
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to be hampered by inadequate and often misleading data. Basic personnel compilations provided by the present computer systems are limited in scope, often out of date, and some probably contain significant errors which can neither be identified nor corrected with the present system. For example, both the CIARDS retirement data and the insurance data for the FEGLI program now filed in the current computer system is acknowledged by Chief, Automated Data Resources Staff, to be in error. This situation has arisen because the computer has been unable to handle the workload required for appropriate updating. Persign II will pick up much information from the old system and to the extent it is in error, it will continue to be so. However, Chief, Automated Data Resources Staff, feels confident that most of the major problem areas are known and can be corrected in due course--given the increased capacity and speed of the system.

24. Our inspection of the computer issue raised for us some disconcerting danger signals. Most persons directly involved with planning for and managing Persign II do not believe the deadlines will be met (the sole exception of those we talked to was the Director, OJCS). Estimates of slippage range from a few months, to never. We are in no position to verify these statements, but we feel that it is important to report on the symptoms of possible difficulties

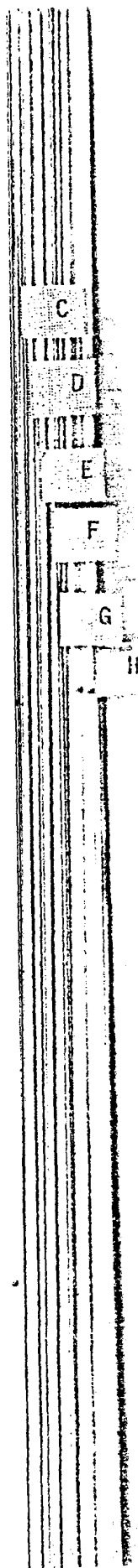
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which came to our attention.

25. Persign II has a very high priority in the Office of Personnel's planning. Likewise, OJCS, the other major component involved with Persign II, considers it to be a very important project. OJCS, however, faces many demanding customers and must tailor its work program accordingly. Thus, the original target date set by OJCS for completion of the Persign II project proposal was initially well behind the date set by OP; this discrepancy was resolved through joint committee action but even now Persign II, though in the so-called "Category I" priority on the OJCS work roster, is about 20th in priority in a listing of 25 or 26 other projects (from all Directorates).

26. There is apparently considerable confusion about how many analysts are actually working on the program. We heard estimates from responsible Office of Personnel officials ranging from two to eight. We were told that three persons (the Automated Data Resource Staff) provided the main Office of Personnel support and liaison for the effort. We were told, incidentally, that a prospective move of the Automated Data Resources Staff later this year might cause serious delays. We visited the Staff, housed in OJCS working quarters, and found the quarters very inadequate and the work force poorly supported by OJCS. The Staff Chief put the best face on her



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situation, but she could not erase our feeling that she enjoyed very little authority in her position, either with her own office or with her host, the OJCS. Further, we learned that only two of the three persons on her staff worked on Persign II; the other analyst has been and is at work on a computerized locator system which is quite ancillary to the main system.

27. We learned that there are monthly meetings to chart the progress of Persign II and other MAPS efforts. These are inter-Directorate meetings attended by senior working-level officers as well as the Directors of several Offices, including OP and OJCS. One senior officer who attends some of these meetings, when asked whether the meetings come to grips with real issues, replied, "Mostly, they lie a lot to each other." Again, we can only report symptoms: conflicting priorities, working-level concern that things are not going as planned, organizational confusion, and just possibly, a certain amount of self-deception.

28. The current concern with Persign II stems, according to many, from the many partial personnel data systems which are being created on request by OJCS to meet special needs of particular Offices. Some of these are probably quite necessary, but we think that each one should be scrutinized very carefully for its possible impact in scheduling for Persign II.

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29. The importance of avoiding unnecessary further delay in the development and implementation of Persign II is difficult to overstate. Both the currently unsatisfiable need for accurate and complete management information and the fragilities, inadequacies and costs of the patchwork of systems now performing vital personnel functions argue for a very high priority. This, and our concern about the symptoms we encountered, lead to the following recommendations.

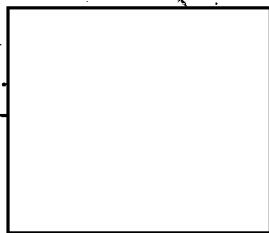
Recommendation No. 3. That the Director of Personnel, working with the Director of OJCS, review the priorities for Persign II in terms of manpower assigned and the physical arrangements allotted to staffs.

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Recommendation No. 4. That the Director of Personnel, working with other Offices concerned with the MAPS program, review the elements of Persign II and assign subsidiary priorities to those which do not represent key elements of personnel data urgently needed for managerial decisions or for provisions of personnel services.

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Recommendation No. 5. That the Director of Personnel request that the Director, OJCS obtain his concurrence before undertaking personnel-related jobs for other organizations that are likely to impact unfavorably on early completion of Persign II.



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Agency personnel management system and of the Office's role in that system. That role, for more than twenty years, has been primarily one of service and support--activities for which the Office generally received high marks from component managers.

3. The Office also has various "approval" functions which usually amount to review of decisions made elsewhere to insure their consistency with general Agency policy guidelines and with current or threatened restrictions imposed by outside authorities--law, Congress, OMB, CSC and the like. This function undoubtedly accounts for much of the perception that the Office is negative about personnel initiatives developed elsewhere. It certainly accounts for the attitude about the most-cited recent example--the negative response to efforts supported by many to raise the grades of many senior secretaries. Our investigation of that issue, reported in Tab F, led us to support what others view as the Office's "negative" position.

4. The Director of Personnel is also assigned responsibility for conducting research, for making statistical and analytical studies pertinent to Agency personnel management and for developing and recommending policies, standards and procedures for personnel management in the Agency. In the light of managers "no innovation" complaints, we investigated each aspect of this assignment.

5. Our findings on "statistical and analytical studies" (i.e. management information) are discussed in Tab A. Current achievements cannot be regarded as impressive, but lack of inno-

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ation is not a primary cause for the limited progress. The real culprit has been the excessively long delay in implementing computer approaches conceived many years ago--thirteen to be exact.

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6. Turning to research, we found a small but significant research effort underway in the Plans Staff of the Office of Personnel. This Staff consists of a supergrade chief and three analysts. It has already played a useful role in helping the Career Services meet the challenges posed by the introduction of the DCI's innovations in personnel management. This assistance has included written guidance, surveys of personnel practices in the Directorates as requested, reviews of personnel handbooks, and preparation of status reports and analyses for the Management Committee and the DCI. These efforts cannot be judged as outstandingly successful--given the continued lack of Agency-wide appreciation for what the "New Approaches to Personnel Management" is intended to do. But, still, the Staff must be given credit for playing a useful role during a difficult transitional period in its publicizing of new programs and, more particularly, in backstopping them with useful research.

7. The Staff is presently engaged in research which should have excellent payoff for the Agency personnel system in the future. Together with the Staff Personnel Division, the Staff is playing a prominent role in the newly-created Careers Committee, established in response to several of the policy recommendations

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Office of Personnel. Moreover, the current recognition that the differences between contract and staff employees are diminishing supports such consolidation and Headquarters component managers were found to favor this idea, first advanced to the Inspection Team by the DDA. Therefore, a recommendation (No. 2) that contract personnel records be so consolidated has been included on page A-15 of Tab A.

Employee Personnel Records and Management Information

22. The personnel records system is the child (perhaps the victim) of the decentralized type of operation that has characterized Agency management for over two decades. This, and the complications introduced over the years by cover, compartmentalization, multiple employment categories and the like, provide ample explanation for the Agency's current patchwork of records and record systems, none of which entirely fail to do their job but none of which seem wholly adequate. The Office of Personnel deserves high credit for somehow maintaining and satisfying most needs from a mixture of non-interlocking hand and computer operated records systems, while embarked on a 13-year long effort (to date) to develop and insert data into a modern, integrated, computerized replacement. The Inspectors were very favorably impressed with the abilities, attitudes and accomplishments of the people working at these often unappreciated tasks.

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16. Considering this background, it is unsurprising that numerous complaints about records and record compilations were voiced during the customer survey. The more serious of these, concerning official personnel folders, biographic profiles, and the "skills bank" of data on employee qualifications, were examined in detail. These are discussed in appropriately labelled portions of Tab B. A recommendation (No. 1, appearing in Tab A) concerning official personnel folders has already been mentioned. Although some more minor suggestions about biographic profiles and the "skills bank" are offered in Tab B, none seem to warrant a formal recommendation. The major issue is not how to make present systems more workable, but rather to ensure that the Agency successfully and soon makes the move to an integrated, computerized personnel records management system.

17. The 13-year history of Agency attempts to develop a comprehensive human resources computer program is not a happy one. First conceived in 1963, the program was intended to amalgamate all the key data elements in a central interlocking and mutually supporting system. In 1973, after nearly ten frustrating years of effort on this so-called Support Information Processing System (SIPS), a decision was made to take a new approach--one that would still weave together the various aspects of human resource data management (personnel, financial, contract and security) but would be built in step-by-step fashion, rather

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than altogether. The new effort, called Management Assistance Program (MAPS), was placed under the Office of Joint Computer Services (OJCS) in 1974 where it continues to be developed. For the Office of Personnel, the program will culminate in the Persign II system. This will combine current and historical data from most of the now-separate systems on a wide range of personnel matters and will provide managers a readily available means of information consolidation and recall.

18. The goals of this new system appear realistic and, as stated above, we believe the early achievement of these goals to be essential. The present mix of records systems cannot satisfy current needs for accurate and complete management information. Moreover, vital functions, such as getting paychecks out on schedule, now depend on slow, costly and redundant personnel records systems which have undergone almost no modernization while awaiting the advent of a faster, more reliable, more effective, and cheaper integrated computer system.

19. While the Inspectors did not attempt to check in detail the varied efforts of the several offices concerned with the MAPS program to develop an independent estimate of its likely completion date, they found many indications that it, like its predecessor, is falling behind schedule. These symptoms, discussed in Tab B, indicate inconsistent and conflicting priorities among the Offices concerned, working-level concern that things are not going as

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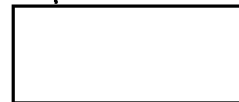
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planned, some organization confusion, and, possibly a certain amount of self-deception. Actions designed to improve the apparent situation, or at least establish that it is only apparent and not real, are suggested for the Director of Personnel in Recommendation Nos. 3, 4 and 5, on page B-16 of Tab B.

20. The chorus of complaints by component managers about the management information reports initiated by the DCI in 1973 were also not unexpected. The DCI's prediction that five years would pass before the Annual Personnel Plan (APP) and the Personnel Development Program (PDP) were fully developed, accepted and effectively employed appears distressingly true. Of the two reports, the APP causes component managers the greatest distress; as a result it became a focus of investigation.

21. The Inspectors found that the more serious factors inhibiting earlier acceptance of the APP are not those of report content and complexity. Although simplification of the report and its preparation procedures would help, a more important barrier to overcoming natural inertia seems to be inadequate communications between Office of Personnel and other proponents of the concept and component managers who must do the work of this Management-by-Objectives effort. This problem has been recognized by the Office of Personnel and efforts have been made to exploit available opportunities to improve communication.



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plug of many efforts is a product of the decentralized Agency personnel management system and of the Office's role in that system. That role, for more than twenty years, has been primarily one of service and support--activities for which the Office generally received high marks from component managers.

52. The Director of Personnel is also assigned responsibility for conducting research, for making statistical and analytical studies pertinent to Agency personnel management and for developing and recommending policies, standards and procedures for personnel management in the Agency. In the light of complaints that the Office of Personnel was not innovative, we investigated each aspect of this assignment. We found a small but ambitious, important and innovative research effort. Although current achievements in statistical and analytical studies cannot be regarded as impressive, delays in computer program development rather than lack of innovations appears to bear the principal blame.

53. Development and implementation of innovations in personnel management within CIA has been and must be a joint effort of management at many levels and of the experts from the Office of Personnel. This approach is required by the complexities, variabilities, and unique aspects of the many-sided intelligence profession. It is also a product of the Agency's organization into semi-autonomous Directorates. We therefore

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INSPECTOR GENERAL
76-0803

30 MAR 1976

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Office of Personnel Survey Report

1. Two copies of the subject report are attached; one for your information and another for forwarding to the Director of Personnel. I have also attached copies of my memorandum to the DCI about this report.

2. I would appreciate receiving within 60 days your comments on this report and word of your concurrence--or reasons for non-concurrence--with its recommendations.

[Redacted Signature Box]

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Donald F. Chamberlain
Inspector General

Attachments:
As Stated

[Redacted Box]

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INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF PERSONNEL/DDA
MARCH 1976

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INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF PERSONNEL/DDA
MARCH 1976

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Review and Comments on Recommendations
Contained in IG Survey of the Office of Personnel

1. Recommendation No. 1 (Tab A - Page A-12)

"That the Office of Personnel implement a means by which the condition of active Official Personnel Folders can be assessed in terms of the presence of misfiled or unauthorized documents and the absence of documents that should be included. If widespread serious inadequacies are found to exist, review and correction of all active folders should be undertaken."

Comment:

The Office of Personnel has long had procedures for continuous sampling of the Official Personnel Folders to identify the presence of misfiled or unauthorized documents. On the basis of the statements and recommendation of the Inspector General, we will develop and institute additional surveys by inviting an appropriate number of employees from various components to personally review their own Official Personnel Folders to determine the presence (and extent) of misfiled or unauthorized documents and the absence of documents that should be included in accord with Agency policy. The results of this survey will be studied to determine the need for a review and correction of all active Folders. The Office of Personnel Central File Room receives and files some 112,000 documents in an average year. Under improved procedures instituted in March 1975 and the addition of two part-time employees in January 1976, filing backlogs were eliminated. All documents received in a current week are filed in the OPF prior to the end of the following week.

2. Recommendation No. 2 (Tab A - Page A-15)

"That the Director of Personnel assume custody and responsibility for all Official Personnel Records on contract employees."

Comment:

The Office of Personnel supports this recommendation. We propose that the IG should recommend to the DCI that he issue instructions to the Deputy Directors that this program will be implemented. There are space and manpower problems, however, which must be resolved in

order to do so. At present there are approximately [] active contract employee files for full-time permanent, part-time and intermittent employees, requiring 41 cubic feet of storage space. At least twice that amount of space will be required to accommodate the records which make up official personnel files. This would include the redesign of the files with dividers and the inclusion of new material such as PHS forms and Fitness Reports which will soon be required for all contract employees in any case. The establishment of these official files and the day to day maintenance thereafter will require the services of additional file clerks.

3. Recommendation No. 3 (Tab B - Page B-16)

"That the Director of Personnel, working with the Director of OJCS, review the priorities for PERSIGN II in terms of manpower assigned and the physical arrangements allotted to staffs."

Comment:

We concur with this recommendation. The DDA has recently established a MAPS Review Committee, made up of representatives from each of the primary user offices who are meeting to reaffirm the relative priorities of all of the MAPS related projects to assure adequate OJCS manpower coverage on first priority tasks. The number of OJCS personnel reported as "assigned" to PERSIGN tended to create impressions of fuller coverage than was in fact the case. Other priorities imposed on OJCS continuously tended to drain manpower resources from PERSIGN and other related MAPS projects. Maintenance of PERSIGN I, the RCA 501 system and the PERCON program, the enlargement of the data base to permit interface of PERSIGN with CENBAD, CENCO, the PAYROLL system, etc. have all contributed to the staffing problems. The physical work space of the OP staff (i.e., ADRS) analysts had been very poor in the Headquarters location but is much improved in their new location with OJCS in [] Building but still leaves something to be desired in terms of "quiet" areas necessary to further design of specifications for the PERSIGN II system.

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4. Recommendation No. 4 (Tab B - Page B-16)

"That the Director of Personnel, working with other Offices concerned with the MAPS program, review the elements of PERSIGN II and assign subsidiary priorities to those which do not represent key elements of personnel data urgently needed for managerial decisions or for provisions of personnel services."

Comment:

This is a valid recommendation. Priorities, emphasis, statutory requirements and Agency policies have and will continue to change as PERSIGN II is developed, requiring continuous updating of the system to assure its future responsiveness to Agency requirements when fully implemented. Basically, the elements in PERSIGN II are those appearing on the Notification of Personnel Action which conform with Civil Service standards and Payroll system requirements plus a certain amount of Fitness Report and overseas service data for CIARDS. Some items peculiar to the Agency were added, such as PRA, development complement and sub-category data, but these are necessary to service reporting requirements levied by Agency regulation on the Director of Personnel to support Heads of Career Services and operating components. Questionnaires were sent to all users of reports several years ago requesting suggestions for changes and additions. Some of the suggested additions were included in the design of PERSIGN II but most were rejected as being too specialized or inapplicable to the Agency as a whole; for example, health problems of wife or children, projected rotational assignments or training, special work related skills, etc. It has always been envisioned that PERSIGN II would provide the basic personnel data for subsidiary systems which could be tailored to meet individual Office and Career Service specialized requirements.

5. Recommendation No. 5 (Tab B - Page B-16)

"That the Director of Personnel request that the Director, OJCS obtain his concurrence before undertaking personnel-related jobs for other organizations that are likely to impact unfavorably on early completion of PERSIGN II."

Comment:

We concur. There is a mutual understanding that OJCS will not undertake personnel-related projects without the approval of the Director of Personnel but this point should be reemphasized because pressure is building up again for individual manning tables for all of the Offices in the DDO. Many of the Agency's component managers are not fully appreciative of the current state of development of the MAPS systems and the limited resources that OJCS has available to bring up the primary project (PERSIGN II). Diversion of OJCS resources immediately creates slippage in progress toward completion of PERSIGN II.

6. Recommendation No. 6 (Tab D - Page D-8)

"That the Director of Personnel find means as soon as possible of conveying to component managers a more accurate view of the capabilities and achievements of RAD's outplacement assistance program."

ADMINISTRATIVE - INTERNAL USE ONLY

Comment:

We support this recommendation and will take the following actions to effect accomplishment:

- a. Include appropriate information on the official bulletin boards under the category "Did You Know."
 - b. Prepare an article on this subject for the DDA publication, "The Exchange."
 - c. Consider the issuance of a Headquarters Notice.
 - d. Have C/RAD contact the various Career Services and offer a briefing to their staffs concerning the services of RAD.
 - e. Insure that OP officials in addressing various groups include comments regarding outplacement activities.
7. Recommendation No. 10 (Tab H - Page H-9)

"That the Director of Personnel, in collaboration with the Director of Training, develop a one-week training course for Office-level managers and their deputies on CIA Personnel Administration and Management and that the Director of Personnel join with the Inspector General in recommending to the Management Committee that all Washington-area Office-level managers and their deputies be required to attend a running of this course within a year of its initiation."

Comment:

In our comments relative to the IG's Recommendation No. 7, we included the proposal that the Office of Personnel establish a position management and classification orientation program to educate Agency managers on the objectives and responsibilities of these managerial elements. In addition to that proposal, we concur with the intent of Recommendation No. 10 and will explore the matter with the Director of Training. We propose, however, the following alternative recommendations:

- a. That required attendance at this course be directed at all current Division and Branch-level managers and in the future, all newly assigned officers at these levels within three months of their assignments.

ADMINISTRATIVE - INTERNAL USE ONLY

- b. That the Inspector General recommend to the DCI that he issue implementing instructions to the Deputy Directors stressing mandatory attendance at this course by their appropriate level managers.
- c. That pertinent subject material be covered in a three-day course rather than a full week-long program.

The Office of Personnel presently has an hour at the IWA, an hour, plus an evening session shared with EEO and the Office of Security, at the Midcareer, and two hours at the Management Seminar to cover certain aspects of the Agency's personnel management system. The time allotted in these courses is barely sufficient to cover the specific topic and allows no time to review the functions and the responsibilities of OP as a whole. We have been discussing within OP the need for a greater segment of time in these courses to permit a "whole picture" presentation, and will be taking the matter up with the Director of Training. We feel that understanding and comprehension of OP's role in the Agency's management system is essential for supervisors and managers at all levels, and believe, in addition to the course for "Office-level managers," improvement can be made by expanding the current presentations.

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Response to the Inspector General
Survey Report as Related to the Position
Management and Classification Functions
of the Office of Personnel

1. Introduction

a. The Agency's position management and classification function is sufficiently important to warrant a separate response and specific recommendations by the Office of Personnel.

b. The position management and classification function of CIA, other Federal agencies and organizations in private industry is acknowledged by managerial "experts" as one of the most vital and significant elements of any large and complex organization's personnel function that permits top management of an organization to translate raw personnel ceiling and manpower budgetary allocations into organizational and graded position structures as a basis for the recruitment, assignment, retention, and promotion of the workforce to accomplish the missions of the Agency. Inherent in the position management and classification program is the need to maintain pay equity for comparable positions throughout the total organization, reasonable comparability with similar jobs outside the organization (to assure competitive status in the recruitment of qualified applicants and the retention of the onboard workforce), permit Agency control over average grade levels and preclude unjustifiable upward creep in payroll costs. It is essential that a centralized control mechanism be maintained overseeing and fulfilling Agency position management and classification functions so as to provide the Director with an effective means to carry out his responsibilities in this vital area of Agency management.

c. We believe that the Inspector General team was seriously limited in terms of the time available to research fully such a technically complicated professional function and, therefore, based many of their conclusions on "customer" reactions, some quite valid but many quite superficial and parochial. Nevertheless, the IG team did explore the PMCD function and developed a number of conclusions and recommendations worthy of consideration and action.

2. Background

a. One of the dynamic factors central to the evolving scope and structure of the Federal Compensation System has been the changing nature of the workforce needed by the Federal Government to perform its mission. The growing complexity of the Federal mission has led to a parallel growth in the variety of skills required in the Federal workforce, as reflected in the great number of distinct occupations and jobs found today in the Federal Government. It is the task of the classification and pay system to keep pace with these developments in order to establish fair and equitable salary distinctions among the

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myriad occupations and jobs in the Federal service. The need to establish and maintain this appropriate internal alignment of pay rates within the Federal service has been a continuing problem for Congress and the Executive Branch.

b. Over the years, the Federal compensation system has developed from a simple, almost ad hoc, process to the current highly structured and intricate system. According to legislation passed by Congress in 1795, agency heads could use their own discretion to determine how many clerks to hire and how much to pay them, provided that the agencies did not exceed either their appropriations for salaries or the maximum salaries established by Congress. From 1818 to 1830, Congress used what came to be called the "Statutory Role" system of appropriating money for Federal salaries. A specific number of clerks was allocated to each agency, and a ceiling was placed on salaries paid to "principal clerks." Such wide discretion on the part of agency heads to manipulate salaries was the seed of inequity in Federal salaries, not only among but within agencies. With the growth of Federal service and proliferation of agencies, Federal employees began voicing concern about the lack of systematic internal alignment in the Federal service. For almost a hundred years, Congress recognized the need for some means of attaining this goal but it was not until the Classification Act of 1923 that Congress established a formal policy of systematic internal alignment. Such a policy was expressed in that Act as requiring "equal pay for equal work" for all employees subject to the Act. This policy was reaffirmed in the Classification Act of 1949 which created the present General Schedule (GS) system. Although CIA was exempted from the Classification Act of 1949, the Agency is on record that it would follow the basic philosophy and principles of the Act.

c. During the past eighteen months there have been voiced a number of additional concerns regarding the rising costs of Federal compensation and particular concern over the escalation of position grade levels. Emphasis toward curbing this escalation is focusing an increased centralization of responsibility with top Agency management. In early 1975, President Ford expressed his concern over rising personnel costs and asked the help of heads of Departments and Agencies in slowing the upward trend. CIA's support for these efforts was reaffirmed in May 1975 in a letter from Director William E. Colby to the Director of OMB in which the Agency's scheduled position management and classification surveys were listed as a significant means of insuring maximum efficiency and economy in the use of personnel. The Civil Service Commission, in its "Report to the President on Cost Reduction Initiatives in Personnel Management" in November 1975, listed position management and classification as one of the areas offering significant cost reduction opportunities. Additionally, the Comptroller General submitted a "Report to Congress" in December 1975 expressing in the strongest terms that the classification of Federal white-collar jobs should be better controlled. Specifically, the report stated that "Maintaining the integrity of the classification system is agency management's direct responsibility. But some manager's attitudes are not conducive to

making the classification process work: managers have inflated position descriptions, pressured classifiers to overgrade positions and have been reluctant to downgrade overgraded positions," and "because of some agencies' weak controls and pressures exerted on classification, the problem warrants considerably more management attention." Finally, the recent institution of a new Senate Oversight Committee on Intelligence makes it imperative that the Director be supported and protected by a strong personnel management system assuring maximum effectiveness in the manpower resources area.

3. General

a. The IG Report identified many of the problems encountered in the current operation of PMCD's position management and classification program. As noted in the IG Report, PMCD has recognized these problems and has been taking a number of corrective measures to improve PMCD staffing and develop clearer, more precise position standards and evaluation systems. Unfortunately, the IG Report contained what we consider to be a number of misconceptions concerning the operations, methodology, and goals of PMCD's position management and classification program. The Report relies heavily on Agency component customer reaction and interpretation of PMCD's program, and it is possible that this factor led to many of the apparent inconsistencies and misunderstandings which we find in the Report. The lack of a clear definition of authorities and an appeal and enforcement system identified in the Report are certainly valid and critical elements relating to the improvement of performance of the program. However, the recommendations and conclusions made by the IG in its Report do not fully address the resolution of these problem areas within the context of job/pay equality.

b. As cited in the IG Report, there is a fundamental requirement to establish and maintain an Agency job/pay equality system, and PMCD is now the heart of the Agency system which represents to OMB and CSC an active, demonstrable effort to enforce CIA's policy of general conformance to the concepts and principles of the Classification Act of 1949. PMCD performs these functions through a program which includes a combination of periodic entire component surveys; surveys and reviews of component partial reorganizations as required; and individual position reviews requested by components. All of these methods involve similar elements of evaluation such as comparisons with established CSC and Agency standards, comparisons with other organizations and positions within the Agency, and comparisons with organizations and positions in other Government agencies and, in some cases, private industry. Since the Agency is committed to follow the basic philosophy and principles of the Classification Act of 1949, any departure from these norms would make the Agency vulnerable to external questions concerning the validity and equity of its position and pay structure.

c. Although CSC position standards are utilized as an integral part of the Agency classification system, PMCD has long recognized that these standards cannot be applied rigidly in evaluating Agency positions. The mission of the Agency and the environment in which it

operates necessitate the consideration of unique functions in many CIA positions that are not found in positions elsewhere in Government. Because of this, PMCD has used the CSC standards only as general guidelines in evaluating occupations and positions according to such factors as the skills, knowledges, and responsibilities incorporated at various grade levels, and as a basis from which to evaluate the additional unique functions found in many Agency positions. In addition to these general guidelines, position audits are conducted to clarify the specific responsibilities, functions and peculiarities of the positions being reviewed, as well as the incumbent's involvement in the component's programs. Position evaluations based on comparisons without detailed knowledge of the functions, responsibilities, and program involvement would result in a superficial and unacceptable allocation by title and pattern.

d. The classification of positions cannot involve merely the review of the specific position in question without some understanding of its relation to other positions within the organization in which it functions. Many organizations can effectively utilize the traditional hierarchial structure, while others can more effectively utilize a less structured or team concept. The type, level, and fluctuations of workload requirements must be considered to insure that the position allocations not only meet the principles of proper job/pay equality, but are also responsive to the needs of the organization concerned. Because the methodology of PMCD's position management and classification program incorporates all of these factors in the allocation process, it is difficult to understand the IG comment that "PMCD considers only hierarchial organizational structures, makes position comparisons by title and grade rather than by specific factors and responsibilities, and does not consider workloads when recommending professional-to-clerical ratios." It is precisely the manager's constant need to restructure his resources and adapt positions to the talents of available personnel that underlies the basic function of position management and classification as performed by PMCD. For these reasons, the role of PMCD has for several years included not only classifying, or pricing positions, but also the function of position management which incorporates considerations of organizational structure and position relationships.

e. An important part of PMCD's position management and classification program is the periodic survey program instituted approximately five years ago. This program was designed to include a complete organizational and position review of each Agency component by PMCD once every three years. It was instituted to address many of the areas in which the IG noted component criticisms and does in fact provide feedback to component management concerning the overall structure and organization of the component. This feedback usually involves comments regarding under-utilized manpower, duplication of work effort, unclear supervisory channels and other related items. It is provided with the full recognition that it is the manager's prerogative to accept or reject the organizational and management related recommendations.

Such recommendations, however, are based on total component survey audits in which the employees themselves have provided much of the information concerning the problem areas. The conduct of these surveys, either in terms of evaluating position levels and structures or in terms of providing feedback to management concerning apparent organizational anomalies, is entirely within the capabilities of a professionally trained GS-12 or GS-13 Position Management Officer who functions as a specialist in evaluating positions and position structures.

f. Criticisms relating to the delays in obtaining and completing PMCD reviews are valid in many cases. In terms of workload, the Position Management Officers in PMCD are presently responsible for approximately three times the number of positions handled by classifiers in most other Government organizations. This workload has been further compounded by the need to allocate considerable time and resources to develop an Agency variation of the new Federal Factor Evaluation system. Additionally the unexpected and extensive revisions of the Federal guidelines and rules for implementation of the Fair Labor Standards Act imposed severe workload pressures on the Division. To meet these problems, PMCD has increased its staffing through the recent assignment of several trainees and is attempting to retaylor its component survey program to reduce the number of surveys to those in particularly critical areas.

g. In addition to these suggested areas of possible improvement in the current position management and classification program in the Agency, the IG Report has validly identified several fundamental issues which greatly impact on the effectiveness of the program. The issues of unclear control authorities, and the need for an effective formal appeal and enforcement system, have a direct bearing on PMCD's effectiveness, and therefore on the Agency's position management and classification program. However, the IG recommendation that these issues be resolved by delegating to Deputy Directors the authority to establish positions and to hear and decide classification appeals would likely result in a large sacrifice of position/grade equality and overall program quality. In addition to a loss of equity, experience has shown that a decentralized system usually requires greater manpower to accomplish the same tasks than would a centralized system. Decentralized classification systems have already been tried in the State Department and other Governmental organizations with distressing results. The State Department's experiment with decentralized classification is particularly worth noting, as summarized in a Department of State Newsletter (May 73):

"The Department is implementing recommendations that resulted from a worldwide classification study of all Foreign Service officer positions.

This study, which is the outgrowth of Management Reform Recommendations and work of Task Force 1 in September-October 1970, has sought to establish a valid position classification structure for the Foreign Service. All officer positions, regardless of their location (U.S. or abroad) and pay plan (FSO, FSR, FSRU, FSSO), were individually reviewed by a professional staff of classification analysts to determine their appropriate level.

To recount briefly the reasons for this study, it will be recalled that from June 1962 until February 1971 position classification authority was delegated to major organizations of the Department.

A general escalation of grade/class levels took place during this period. This is attributable to several causes, primarily (a) pressures by management within the bureaus, (b) in some cases, the inexperience of the personnel technician responsible for position classification, (c) a tendency to project future programs or shifts in program emphasis which later failed to materialize, and/or (d) the competition between the bureaus to obtain and retain the best qualified officers which sometimes involved placing artificially higher grades on positions to induce an officer to take an assignment."

"The following illustrates the overall changes resulting from this study:

FSO - 1 and 2	Reduced by 23%
FSO - 3	Reduced by 6%"

To insure that the Agency is not subject to such criticism, the principle of equal pay for equal work must be assured. Such equity must be maintained not only within individual components, but also within the Agency as a whole with an additional relationship to Government-wide pay patterns. Unfortunately, experiments with decentralized classification have demonstrated that managers are much too close to their programs and their personnel to maintain an objective approach to classification. The results generally have been the creation of disparities and a massive escalation in grade levels followed by a return to a centralized classification system in those cases where position classification systems were subsequently audited by an authoritative and objective body. The damage is not easily or quickly corrected, however. Nevertheless, there is indeed a critical need for more direct participation and substantive contributions by operating component

representatives, clearly defined authorities, and the institution of a definitive appeal and enforcement system in the Agency. Although it has been stated that appeal mechanisms outside the Directorate involved would be unworkable because of the lack of subject expertise of the appeal body, such a system under the Executive Director was successful in the 1960's and similar mechanisms are broadly and satisfactorily applied in other areas of our society such as those involving judges and arbitrators where the prime requirement is the weighing of the presentations of opposing substantive experts. There is no reason to believe that it could not again work in Agency classification.

4. Specific Response to IG Introductory Remarks Concerning
PMCD (Tab G)

a. Page G-3, para 4d.

"PMCD's contributions toward establishing and monitoring job/pay equity are relatively ineffective at grades GS-14 and above . . . its downgrading recommendations sometimes restrict future headroom but have little effect in the sense of causing transfers or demotions of incumbents. As one senior manager puts it, the outcome depends on how well the Office 'snows' PMCD."

Comment:

Concern for establishing appropriate and equitable position grade levels must be a joint responsibility of component managers and PMCD. It is not PMCD's intent to cause a demotion nor require the transfer of incumbents when positions are downgraded. The flexibility of the Agency's staffing system (flexible positions, PRA's etc.) could easily preclude such results in any event. The PMCD objective is to properly grade each position; in terms of managing the Agency's resources, there is reason to expect that managers should have the same objective. The phrase "how well the Office 'snows' PMCD" implies that managers do not want positions properly graded.

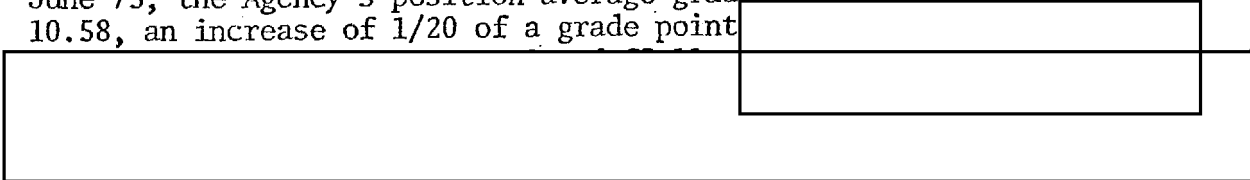
b. Page G-4, para 5.

". . . it is important to note that upward grade creep in CIA is not significantly different from that experienced in most other Federal agencies."

Comment:

A more dramatic and costly increase in the position grade pattern of the Agency has not been experienced only as a result of continuous and positive monitoring by the Office of Personnel whereby

unjustifiable increases in position grades have not been authorized. In recent months, the President, the Director of OMB and the Comptroller General of the United States have expressed concern over the need for Agency top management to institute measures to reduce the escalation of manpower costs and can be expected to take direct action if the upward grade creep is not contained. Some time ago the Secretary of the Navy decentralized authority to Navy and Marine commands for position classification of civilian positions at the grade GS-15 level. In July 1975, Navy withdrew this delegation of authority because of the unjustified continual increase in the number of positions graded at the GS-15 level. In 1973, the Department of State discontinued its decentralized classification system when internal audits confirmed massive escalation in the number of FSO-1 and FSO-2 positions. From June 74 to June 75, the Agency's position average grade increased from 10.53 to 10.58, an increase of 1/20 of a grade point



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c. Pages G-5 through G-7, paras 6, 7 and 9.

"Agency managers . . . allege that PMCD personnel do not understand Agency functions and positions, much less their importance and uniqueness, and insist on using Civil Service standards of position classification which many think are not applicable to the Agency."

"CIA follows the Civil Service wage and grade structure, but the dynamic nature of the Agency's unique role has resulted in management innovations which are not typical of the Civil Service tradition."

"In reviewing a number of PMCD surveys, we find some validity to the frequently voiced assertion that PMCD bases its judgment too closely on Civil Service precepts . . . It goes to some lengths to correlate CIA positions (which are frequently unique to CIA) with positions elsewhere in the Government, e.g., an NSA journeyman computer programmer is a GS-12; therefore, a CIA programmer, who may in actuality work with a much more complex system and set of problems, should be comparably graded. We find many examples where PMCD used comparisons which we judge to be invalid, e.g., we do not think a DCD contact officer should be compared with a DDO case officer to establish grade equity."

Comment:

While we recognize the need to continuously strive to improve our knowledge and understanding, we do not agree with the allegation that PMCD does not understand Agency functions and positions. Regardless of the classifier's level of experience or the extent of prior knowledge of a component, he can call upon the knowledge and experience of a number of other PMCD officers who have previously surveyed the component, and he also has at his disposal a wealth of previously acquired mission and function data together with specific position information which is maintained by PMCD relative to the particular component. There is little chance that the PMCD officer, in conducting a complete component survey, will not have a clear understanding of the component's mission and functions.

PMCD does not rely on CSC standards for allocating positions. Although PMCD utilizes CSC standards and external comparisons as applicable, grade allocations in general are made on the basis of comparisons with other positions within the CIA. If, in fact, PMCD evaluated positions strictly by CSC standards, many of the Agency's positions would be found to be overgraded by one to three grades. By the same token, it is doubtful that GAO auditors would accept the view that standards which apply to nearly 2 million civil employees have little or no application to the [] employees in CIA. While there are positions and functions in the Agency which are unique to the Federal structure, the uniqueness is not all-encompassing of all positions and functions.

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The Office of Personnel recognizes the value and need for greater substantive participation by representatives for the operating components in the position classification function and strongly recommends formal representation, both as rotating members of the PMCD team organization and within the component under classification survey. The validity of judgments in position grade adjudication actions can only be enhanced by such direct participation.

d. Page G-7, para 8.

"There is an inherent incompatibility between PMCD's preoccupation with fixed, unchanging positions and managers' preoccupations with adjusting positions to fit changing people."

Comment:

The inherent nature of the PMCD function precludes pre-occupation with fixed, unchanging positions. Indeed, one of the primary objectives in conducting position management and classification surveys is that of determining whether position duties and responsibilities have changed and making any necessary adjustments in the position grades (upward or downward) to maintain grade equity within the Agency.

e. Page G-8, para 10.

"We feel there is some confusion in PMCD as to its appropriate role, i.e., whether to ensure job/pay equity or to control the rise in average grade and the like."

Comment:

The primary orientation of PMCD in its classification role is to objectively evaluate positions so as to establish proper position/grade structures and levels throughout the Agency. The Agency's average position grade limitations, like authorized ceiling, is a reality externally imposed by OMB and must be considered in the classification process. We do not feel that job/pay equity and control of average grade are contradictory concepts.

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f. Page G-10, para 14.

"... Prior to the initiation of the OIG survey, [redacted], a retired employee, was given a contract to conduct a study of PMCD and to make recommendations designed to improve position management and classification in CIA. The Inspection Team found [redacted] study of considerable value in its own deliberations."

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Comment:

Prior to the recent Inspector General survey, the Agency's position management and classification function, historically a centralized responsibility and authority of the Director of Personnel, had been the subject of an extensive and in-depth study (Report of Survey by [redacted] dated September 1975). The primary purpose of this study was to determine the feasibility of some decentralization of responsibility and authority for these important and essential functions to the Deputy Directors. The IG's statement as presented could lead to the impression that the conclusions and recommendations contained in the [redacted] paralleled those put forward by the Inspector General. Nothing could be further from fact. Entirely opposite conclusions on centralization were reached in the two surveys.

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g. Pages G-11 and G-12, para 17.

"We suggest that the [PMCD] permanent staff be given periodic personnel officer rotational assignments to other Agency components (perhaps two or three during a career) to obtain a different perspective and to gain more experience with the problems of other components."

Comment:

Approximately 70% of the current PMCD staff has served in other Agency components for one or more tours and more than one-third have served tours overseas. The Office of Personnel (as stated before) strongly recommends augmentation of the regular PMCD staff by rotations of substantive career officers from each of the Directorates.

h. Pages G-12 and G-13, paras 18 and 19.

"Some managers argue for decentralized position management and classification. They suggest that professional job classifiers be assigned to Directorates, or even to large components, and that job classification be done wholly within such units. They feel that existing constraints on numbers of positions, senior slots and average grade are adequate to prevent empire building and that, within these constraints, they are best able to decide how to organize their components and assign grade values to positions."

"Such a decentralized system is in effect at the Energy Research and Development Administration (ERDA) and it reportedly works effectively. However ERDA uses a standardized system for evaluating its relatively homogeneous positions and managers have been trained in and are involved in the application of this system, thus ensuring a certain amount of job/pay equity within ERDA. From this and other examples, it appears that a decentralized system can work satisfactorily in some organizations if systematic position standards have been developed and managers understand those standards and are willing to devote time to their application."

Comment:

As noted earlier, the results of decentralization in other agencies have ranged from unsatisfactory to disastrous in terms of maintaining agency-wide grade equity and controlling grade escalation. With reference to ERDA, it is correct that their classification system is decentralized and utilizes a Benchmark/Factor Evaluation and Standards program in their position classification process. ERDA's system was last revised in 1958, does not include benchmarks for all occupations and is considered by their management to need updating. At this time Benchmark/Factor Evaluation and Standards systems are valuable in facilitating the classification process and assure participation by

substantive component officials in their formulation and application. The system by itself, however, by no means assures job/pay equity within an agency at large and requires a formal oversight mechanism to monitor its proper application in all elements of an organization. ERDA does not have such an oversight control element and no certainty that internal grade equity prevails. Although supervisors classify their own positions, there is no formalized manager training in classification. ERDA is currently planning to develop a five-day course for supervisors which will be administered by a training team visiting the field offices. The effectiveness of the ERDA system in terms of job/pay equity for comparable positions within the organization is questionable. We do not share the IG's view that "From this and other examples, it appears that a decentralized system can work satisfactorily." We are not cognizant of the "other examples" that they are referring to. We do agree, however, that the establishment of valid standards and management participation are necessary.

i. Pages G-13 and G-14, paras 20 and 21

"The Civil Service Commission is developing a position classification methodology called the Factor Ranking/Benchmark System . . . Those who are familiar with the system are enthusiastic over its potential and cite as its advantages that it is easy to understand (and) . . . is a more accurate way to grade positions . . . PMCD has established a separate Branch to develop this system for Agency use."

"The Inspection Team was impressed with the potential of this system and urges the early development and use of an Agency version to improve both position classification and communication on that subject between PMCD and components."

Comment:

As noted, PMCD has already realigned its organization and staff assignments to develop the Federal Factor Ranking/Benchmark System for application within the Agency. The Civil Service Commission is charged with developing the primary guidance for this Government-wide system through the Job Evaluation Policy Act of 1970. In this statute it is stated that "Title II - Statement of Policy, Sec 201: It is the sense of Congress that -

"(1) the executive branch shall, in the interest of equity, efficiency, and good administration, operate under a coordinated job evaluation and ranking system for all civilian positions, to the greatest extent practicable;

"(2) the system shall be designed so as to utilize such methods of job evaluation and ranking as are appropriate for use in the executive branch, taking into account the various occupational categories of positions therein; and

"(3) the United States Civil Service Commission shall be authorized to exercise general supervision and control over such a system."

We support the IG's views that our efforts on this system be continued.

j. Page G-14, page 14.

"Although most authority in CIA is delegated to the Deputy Directors who supervise the four semi-autonomous Directorates, the Agency must operate as a single organization in its relations with the rest of Government, including its conformance with manning and staffing rules and restrictions. These require that job/pay equity be maintained and monitored throughout the Agency, not just within the Directorates . . . We question, however, whether the Director of Personnel needs to retain authentication control of official Staffing Complements."

Comment:

The "authentication control" of the Director of Personnel is synonymous with final approving authority for an action. The monitoring function to assure that job/pay equity is maintained throughout the Agency would require some form of final "authentication" authority if it is to be meaningful.

k. Page G-17, para 25.

". . . We also question the infallibility of PMCD's judgment. This is not intended as criticism of PMCD or its personnel. They are not and cannot be specialists in all the organizations or position fields they are analyzing; therefore, they will make errors in judgment and their decisions should be subject to review and; if necessary, reversal."

Comment:

PMCD has never claimed infallibility in its judgments. They are, however, professionally accountable in terms of developing the best possible data on which they render judgments. More participation

and input by knowledgeable substantive officials is essential and necessary in the position adjudication effort. A formal appeal mechanism for final review and decision of unresolved disagreements should be installed.

1. Pages G-18 through G-21, paras 27, 29 and 31.

"The main problem with the Director of Personnel/ DDA appeal route lies in the number and complexities of the disputes. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates . . . would face the same set of problems."

"We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved . . . but . . . most of the fundamental problems would remain. The other choice is . . . to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions."

"No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent. We are persuaded, however, that the risks of serious degradation are not great . . . and return to the present system should be possible if we are proven wrong."

Comment:

In the course of any given year, several hundreds of positions are surveyed and adjudicated without serious disagreement between PMCD and the operating officials concerned. There are nonetheless, some honest differences of opinion which cannot easily be resolved. Many such "issues" originate from the operating manager's view that PMCD is intruding in his area of authority and has no "right" to render opinions let alone judgments on these matters. These managers are strong advocates of decentralization of classification authority to their jurisdiction.

The IG maintains that "creation of an appeal authority outside the four Directorates" would not resolve the inherent problems, and concludes that "there are only two solutions available." It is worth noting that the Executive Director in the 1960's acted as just such an outside appeal authority and decided on solutions to any problems with great success. In any case, the Office of Personnel believes a "third" alternative must be established that will assure maximum objectivity for the Agency's position management and classification function; provide for more extensive substantive office participation in arriving at judgments, and finally, provide a formal and impartial appeal mechanism to resolve differences.

Organizations that have experimented with decentralization of the position classification function have experienced serious problems as regards deteriorating job/pay equity and grade escalation. A return to the present system does not easily or quickly correct the damage done.

m. Pages G-21 and G-22, paras 32, 34, and 35.

"Headquarters Notice 7 January 1972, established the Position Survey Program with the aim of scheduling and conducting position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. PMCD is charged with conducting the Position Survey Program."

"Most component managers are extremely critical of the PMCD periodic survey program, however."

"One often-mentioned problem is that PMCD's manning and priority system does not permit an early response to a request for a reorganization-generated survey, or rapid accomplishment of the survey after it starts."

Comment:

The criticism cited by the IG are valid in terms of early response or rapid accomplishment of the surveys after they have been started. PMCD staffing authorization simply has been inadequate in terms of the scope of requirements imposed. Additional allowances have been reallocated within the Office of Personnel's limited ceiling to permit additional staffing in PMCD. Augmentation from the Directorate would further assist to remedy this and other concerns.

n. Pages G-24 and G-25, para 38a.

"Unresolved differences with PMCD periodic survey findings are sometimes never formally settled . . ."

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Therefore, we believe the expenditure of three-six months of component and PMCD efforts at three year intervals for periodic position surveys to be excessive when compared with the specific end results achieved."

"We believe that static organizations should be subject to . . . reviews . . . but at intervals considerably longer than three years."

Comment:

It is true that unresolved differences are sometimes never settled. Here again, a formal appeals mechanism would eliminate unresolved differences. Nevertheless, in almost every survey the large majority of existing grade allocations are reaffirmed by PMCD. This, to a considerable degree, insures that position grade equity is being maintained throughout the Agency. We agree, however, that certain organizations need not be surveyed as frequently as others.

5. Specific Response to IG Conclusions (Tab G, Pages G-26 through G-30)

The conclusions (Conclusions G-1 through G-7) are incorporated in the IG's Recommendations Nos. 7, 8 and 9. Our comments will be addressed to the recommendations.

6. Recommendation No. 7 (Tab G - Page G-30)

"That the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before effecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade."

Comment:

In their survey of the PMCD function, the Inspection Team reached a conclusion that only two viable solutions are available - reaffirmation of the current system (with continued effort to improve effectiveness) - an option which they reject as lacking real enforcement authority, and the option contained in this specific recommendation that the authority to approve position structures and grade levels be delegated to the Deputy Directors within only the constraints of their manpower ceilings, senior slots and average grade. It is worth noting that [] after an extensive and in-depth study of

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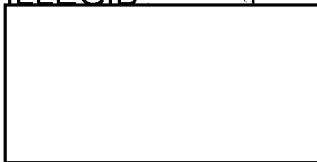
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the PMCD role and function, arrived at quite different conclusions and recommendations. (See attached copy of the summary of this report submitted by in September 1975. - Attachment #1)

We believe that reaffirmation of the present system, as currently constituted - even with some improvement - is not the solution in meeting the needs of the Agency in today's environment but we also foresee different but comparable problems were the Agency to adopt the IG's preferred option cited in their Recommendation No. 7. We have strong convictions that the needs and best interests of the Agency at large would be best served in a third alternative approach and propose the following recommendations:

- a. That the Director of Personnel continue to retain responsibility for conducting the position management and classification function and basic authentication authority for staffing complements.
- b. That the Deputy Directors and Heads of Independent Offices, or a designated senior officer within their components, meet with and jointly review and discuss with the Director of Personnel any unresolved differences pertinent to PMCD findings and/or recommendations prior to final authentication of those portions of the staffing complements involved.
- c. That any unresolved differences between a Deputy Director or Head of Independent Office and the Director of Personnel be fully documented and referred by the Director of Personnel, together with all pertinent documents, to the Deputy Director of Central Intelligence for final decision.
- d. That the regular staff of PMCD be augmented with the rotation of an officer, grade GS-13/14 level, selected by each of the four Deputy Directors and a representative from the DCI Group, for a two-year tour with PMCD to participate in position management and classification surveys of components within his parent Directorate.
- e. That the Director of Personnel establish an Agency position management and classification orientation program to educate management at all levels as to the objectives and responsibilities of this essential element of personnel management. (NOTE: This is in addition to our concurrence relative to the IG's Recommendation No. 10.)

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7. Recommendation No. 8 (Tab G - Page G-31)

"That the Director of Personnel monitor Directorate and DCI Area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned."

Comment:

We agree that the Director of Personnel retain monitoring responsibility but in the context of the alternative recommendations we have made in our response to Recommendation No. 7.

8. Recommendation No. 9 (Tab G - Page G-31)

"That the Director of Personnel revise PMCD procedures, position surveys, scheduling, and manpower as indicated in Conclusions G-3 through G-7 above."

a. Conclusion G-3:

In the area of position grade evaluations, PMCD should:

- (a) Develop and maintain standards for position evaluation use.
- (b) Participate in and advise on all position evaluation use.
- (c) Insure that unresolved differences with component managers over position evaluations are brought to the responsible Deputy Directors for decision.
- (d) Inform the Director of Personnel in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies, e.g., pay scales for senior secretaries.

Comment:

Conclusions (a), (b) and (d) are consistent with current responsibilities of PMCD. As regards G-3(c), the recommendations proposed by the Director of Personnel in response to the IG's Recommendation No. 7 would insure that the Deputy Directors had the opportunity to discuss unresolved differences directly with the Director of Personnel and the institution of formal appeal to the DDCI for final decisions if necessary.

b. Conclusion G-4:

With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- (a) Establish staffing complement formats.
- (b) Compile, produce and disseminate staffing complements authenticated by the Deputy Directors and produce and disseminate related management information reports.
- (c) Report to the Deputy Director concerned and to the Director of Personnel any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorate's allocations of manning, senior slots or average grade.

Comment:

These conclusions essentially reflect current responsibility and procedures with the exception that staffing complements are not authenticated nor implemented without the prior approval of the component concerned.

c. Conclusion G-5:

PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

- (a) PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.
- (b) The Director of Personnel should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.
- (c) Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service or reorganization or other more immediate needs for PMCD assistance.
- (d) During all surveys, PMCD should restrict its recommendations regarding the organization and management

of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.

- (e) PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

Comment:

We agree with conclusions (b), (c) and (e). As regards conclusion (a), retention of the current three year survey cycle is preferred over a five year cycle in terms of more timely recognition of the need for adjustments to the position structures, etc. The continuing press of ad hoc and priority special surveys and the need to address other priorities with a limited number of staffers in PMCD may temporarily require adaptation of the five year cycle as proposed by the IG. We are not in agreement with conclusion (d). In their surveys, PMCD's observations and recommendations relative to the organization and management within a component are directed at manpower resource considerations such as effective utilization of personnel, skill mix, duplication of work effort, clarification of supervisory channels, internal communications, and the like. This information is provided to component managers as "feedback" for his consideration in carrying out his managerial responsibilities. Feedback from the majority of managers of surveyed components last year indicated affirmative attitudes toward the usefulness of this type of information.

d. Conclusion G-6:

PMCD should accelerate the development and trial implementation of improved position evaluation standards and methods similar to the Factor/Benchmark system now being developed by CSC for Government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

Comment:

We are in full agreement with this conclusion.

e. Conclusion G-7:

The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

- (a) It is important to note that PMCD manning must permit prompt and rapid service of component needs.
- (b) A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.
- (c) Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the tours can be long enough for the rotating personnel to develop and use job classification expertise.

Comment:

We agree that PMCD manning must permit prompt and rapid service. With respect to the rotation of Office of Personnel people in and out of PMCD, this practice is already being followed to some extent. The rotation of officers from other Agency components is strongly supported by the Office of Personnel.

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OFFICE OF PERSONNEL SURVEY REPORT

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OFFICE OF PERSONNEL SURVEY REPORT

MARCH 1976

Office of Personnel

1. The Office of Personnel is one of the Agency's largest organizations though only about two-thirds of its careerists work in the central office itself. Its FY 1976 budget amounts to a little over [] As of late last year the Office had a staffing complement of [] full-time employees and some [] additional full and part-time workers assigned mainly to budgetary functions and related duties such as Insurance Program Management and the Credit Union. Twelve of the Office of Personnel staffers served []

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[] while 18 were in some form of training and as such were charged to the so-called Development Complement.

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2. The remaining one-third of Office careerists serve mainly as personnel officers detailed to other components in the Agency. As of late last year some [] were so assigned within the Agency, with an additional six at NPIC. These Office of Personnel careerists are assigned to and paid by the components they serve. The DDO makes by far the most use of such employees. The Directorate of Administration also makes much use of Office of Personnel staffers. They are also placed through the Directorate of Intelligence and the Directorate of Science and Technology, though not in such large numbers.

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3. The Office is organized in standard pyramidal fashion, so far as the main personnel functions are concerned. A chart of its organization and key personnel appears on the next page. The Director, Frederick Janney, has a broad intelligence and management background, having served at various times in his career in three of CIA's four Directorates. His Deputy, [redacted] has served in a number of key positions in the Office of Personnel for many years, and through his work has been associated with most important personnel activities of the Agency. Because of the particular sensitivity of adverse personnel actions on the well-being of the Agency there is a senior officer assigned directly to the Director of Personnel (Special Activities Staff) who serves as an advisor and manager of difficult personnel problems. His work cuts across all Branches within OP and, in fact, serves to support the personnel work of most offices throughout the Agency.

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Survey Objectives and Methodology

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4. This survey was accomplished by a team headed by [redacted]

[redacted] The survey was an issue-oriented inspection rather than a general study of management aspects of the Office. The objective was to develop, for the Director of Personnel and higher authority, information on the effectiveness of the major services provided by his Office and on the extent, if any, to which Office of Personnel activities could raise

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questions regarding CIA involvement in illegal or inappropriate domestic actions; to identify the sources of problems thus raised and to make recommendations for solutions wherever feasible. It was intended that the inspection develop answers to the following questions:

- a. How well does the Office of Personnel meet its customers' principal needs for personnel services?
- b. Why are major customer-perceived needs for Office of Personnel services less than fully satisfied?
- c. What should be done to reduce or eliminate customer's problems with services of the Office of Personnel?
- d. Could any Office of Personnel domestic activities be regarded as illegal or inconsistent with CIA's charter and, if so, what should be done to reduce or eliminate the possibility that they might be so regarded?

5. The inspection was guided throughout by these key questions. As a first step, the Inspection Team received briefings on the functions of the Office of Personnel by its senior executives. This provided a brief introductory look inside the Office as well as a chance to become conversant with the programs now underway, the players involved and the terminology used. We then reviewed the grievance files in the Office of the Inspector General and, concurrent with this, carried out extensive interviews with nearly all the key Agency executives in the Washington

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area. In all, the heads or deputies of 40 Offices, or the equivalent, were interviewed. The objective of this phase-- which we feel was realized--was to become oriented with the Office of Personnel as perceived by others.

6. Having catalogued the problems--and the kudo's--which arose in the initial investigation, a set of hypotheses were developed which were to be tested through an in-depth survey of the Office of Personnel itself. At this point eight areas of special concern had been identified--either because they figured frequently in customer complaints, or because recommendations set forth in the Rockefeller report identified these as areas of special public concern. Some of the work duties represented by these areas of concern are handled entirely within a single component of Office of Personnel--for example, outplacement service. Other areas, however, not only cut across components within the Office of Personnel but also required further study outside that Office--for example, the human resources computer program. Once underway, the Inspection Team interviewed over members of the Office of Personnel, studied the files in most major components of these Offices and, in many cases, studied collateral academic and professional research on such issues as the trends in personnel research in private industry, the scope and duties of the modern personnel office, and so on.

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7. It must be emphasized that the inspection did not make a major effort to examine, report or recommend on the internal

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organization and management of the Office of Personnel itself. Nor did it delve deeply into services provided by the Office which are generally perceived by Agency managers to be thoroughly satisfactory. Most of the activities of Benefits and Services Division, the Credit Union, the Special Activities Staff (adverse personnel actions), and the Contract Personnel Division came in that category. In general, the survey did not attempt to interview all personnel in any unit, nor sub-components below the Branch level. The fact of the survey was widely known throughout the Office of Personnel, however, and Inspectors were available for consultation with anyone.

8. Several areas were initially thought by the Team to require extensive study but were later dropped as not having the problems originally thought. In that category was the CIA Retirement System (CIARDS) which is generally regarded as well managed and serving Agency needs in an appropriate fashion. Conversely, initially we considered that the Position Management and Compensation Division (PMCD), having just undergone a review conducted under contract by a very senior former employee, should not be scrutinized intensively. However, a rather universal chorus of complaints by Agency managers about PMCD compelled us to revise this decision. While we by no means found evidence that all such complaints were valid, some of the more significant recommendations of the survey concern that component.

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9. This report offers a number of suggestions for enhancing the value of the Office of Personnel's services to the rest of the Agency and a few specific recommendations for effecting what we believe to be necessary changes. It also reflects throughout our judgment that the Office of Personnel is made up of highly dedicated employees who carry out their work in a professional manner in less than ideal circumstances. It is a good organization and one which is carrying its weight with the rest of the Agency.

10. The balance of this paper is divided into two major parts: summary sections and supporting Tabs, both arranged according to the key topics. Specific recommendations are mentioned in the summaries, but are spelled out only in the Tabs.

Legality and Propriety

11. An important part of this survey was the examination of practices followed in the Office of Personnel to ascertain their compatibility with the CIA charter and with U.S. law and custom. Activities that might be construed by outsiders as lacking such compatibility were scrutinized very carefully. The Office of the General Counsel was consulted in the few cases where the Inspectors had any misgivings on questions of legality. A more detailed discussion of these investigations is provided in Tab A. In all cases the charter and legal justifications for Office of Personnel activities were found to be valid. In addition, the financial practices followed by the Office were

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found to include all the normal precautions against misuse of such funds.

12. The Inspectors had particular misgivings about the permanent retention of records on job applicants for reference and use, primarily by the Operations Directorate, after staff employment efforts are abandoned. These records, under nominal Office of Personnel sponsorship, are not needed by the Office of Personnel for its own uses. This practice was determined to be legal by the Office of the General Counsel, to be technically compatible with the published description of CIA retention policy for such files, and to be justifiable under the unusual requirements of the CIA mission. These conclusions do not eliminate the possibility of adverse public reaction to the practice if its existence becomes known, however. Many CIA activities necessarily involve risk of adverse publicity and the value of this one may justify the risk. The Inspector General will bring the problem to the attention of the DDO and request a specific examination of the current usefulness of this practice. A recommendation concerning its continuation or termination will be made after consideration of the DDO response.

13. The Inspectors found that some official personnel folders contain misfiled or unauthorized materials, or fail to include some documents that are supposed to be there. Determination of the frequency and importance of such problems was not possible during this survey. Current efforts to review and improve folder

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contents were found to be very limited and no means exists to assess the completeness and accuracy of CIA folders in general.

let's do something about it

14. It is not clear that inadequacies in official personnel folders, even if widespread, constitute a legal problem for the Agency. If, however, a significant proportion were found to contain unauthorized adverse information or to exclude important favorable materials, and Agency efforts to improve the situation remain very limited, accusations of unfair practices might receive favorable consideration by a court. In any case, even without legal incentives the Agency would want to correct such a situation. Therefore, a suggestion as to how the condition of the files might be assessed and a recommendation (No. 1) that the Director of Personnel take action to obtain such an assessment, followed by correction of the folders if found necessary, has been included on page A-12 of Tab A.

How about MANAGEMENT

YES

15. Official personnel records on contract employees are now divided between the Office of Personnel and Operating Components. Although inspection of the component portions of these files was not attempted in this survey, there is reason to believe that they suffer from at least as many inadequacies in content as do some of the staff employee records. As discussed above, it is not clear that such inadequacies constitute a legal problem, but they should be corrected if widespread and important. This could best be accomplished if the files were consolidated in the

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Office of Personnel. Moreover, the current recognition that the differences between contract and staff employees are diminishing supports such consolidation and Headquarters component managers were found to favor this idea, first advanced to the Inspection Team by the DDA. Therefore, a recommendation (No. 2) that contract personnel records be so consolidated has been included on page A-15 of Tab A.

Employee Personnel Records and Management Information

22. The personnel records system is the child (perhaps the victim) of the decentralized type of operation that has characterized Agency management for over two decades. This, and the complications introduced over the years by cover, compartmentalization, multiple employment categories and the like, provide ample explanation for the Agency's current patchwork of records and record systems, none of which entirely fail to do their job but none of which seem wholly adequate. The Office of Personnel deserves high credit for somehow maintaining and satisfying most needs from a mixture of non-interlocking hand and computer operated records systems, while embarked on a 13-year long effort (to date) to develop and insert data into a modern, integrated, computerized replacement. The Inspectors were very favorably impressed with the abilities, attitudes and accomplishments of the people working at these often unappreciated tasks.

OCS Precedence

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16. Considering this background, it is unsurprising that numerous complaints about records and record compilations were voiced during the customer survey. The more serious of these, concerning official personnel folders, biographic profiles, and the "skills bank" of data on employee qualifications, were examined in detail. These are discussed in appropriately labelled portions of Tab B. A recommendation (No. 1, appearing in Tab A) concerning official personnel folders has already been mentioned. Although some more minor suggestions about biographic profiles and the "skills bank" are offered in Tab B, none seem to warrant a formal recommendation. The major issue is not how to make present systems more workable, but rather to ensure that the Agency successfully and soon makes the move to an integrated, computerized personnel records management system.

17. The 13-year history of Agency attempts to develop a comprehensive human resources computer program is not a happy one. First conceived in 1963, the program was intended to amalgamate all the key data elements in a central interlocking and mutually supporting system. In 1973, after nearly ten frustrating years of effort on this so-called Support Information Processing System (SIPS), a decision was made to take a new approach--one that would still weave together the various aspects of human resource data management (personnel, financial, contract and security) but would be built in step-by-step fashion, rather

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than altogether. The new effort, called Management Assistance Program (MAPS), was placed under the Office of Joint Computer Services (OJCS) in 1974 where it continues to be developed. For the Office of Personnel, the program will culminate in the Persign II system. This will combine current and historical data from most of the now-separate systems on a wide range of personnel matters and will provide managers a readily available means of information consolidation and recall.

18. The goals of this new system appear realistic and, as stated above, we believe the early achievement of these goals to be essential. The present mix of records systems cannot satisfy current needs for accurate and complete management information. Moreover, vital functions, such as getting paychecks out on schedule, now depend on slow, costly and redundant personnel records systems which have undergone almost no modernization while awaiting the advent of a faster, more reliable, more effective, and cheaper integrated computer system.

19. While the Inspectors did not attempt to check in detail the varied efforts of the several offices concerned with the MAPS program to develop an independent estimate of its likely completion date, they found many indications that it, like its predecessor, is falling behind schedule. These symptoms, discussed in Tab B, indicate inconsistent and conflicting priorities among the Offices concerned, working-level concern that things are not going as

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planned, some organization confusion, and, possibly a certain amount of self-deception. Actions designed to improve the apparent situation, or at least establish that it is only apparent and not real, are suggested for the Director of Personnel in Recommendation Nos. 3, 4 and 5, on page B-16 of Tab B.

20. The chorus of complaints by component managers about the management information reports initiated by the DCI in 1973 were also not unexpected. The DCI's prediction that five years would pass before the Annual Personnel Plan (APP) and the Personnel Development Program (PDP) were fully developed, accepted and effectively employed appears distressingly true. Of the two reports, the APP causes component managers the greatest distress; as a result it became a focus of investigation.

21. The Inspectors found that the more serious factors inhibiting earlier acceptance of the APP are not those of report content and complexity. Although simplification of the report and its preparation procedures would help, a more important barrier to overcoming natural inertia seems to be inadequate communications between Office of Personnel and other proponents of the concept and component managers who must do the work of this Management-by-Objectives effort. This problem has been recognized by the Office of Personnel and efforts have been made to exploit available opportunities to improve communication.

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*Became they didn't
propose it as they
should*

22. Some of the APP's negative image comes from data base inadequacies and statistical discrepancies, the results of which are obvious to line managers. They must themselves gather considerable data they know to exist in the Office of Personnel; they do not realize, however, that it is not readily accessible there. Moreover, their organizations simply differ from the way they are made to appear from the data that is provided by the Office of Personnel. Data base difficulties will continue to impede acceptance of the APP and, to a lesser extent, the PDP, until the new human resources computer programs become available.

23. By definition, communications involve two or more parties and all share the blame for failures. Discussion of Office of Personnel actions and attitudes related to improving their side of the problem are provided in Tab B. Although some minor suggestions for change are included, the discussion reflects a general endorsement of efforts now underway. Therefore, no specific recommendations have been made.

Internal Placement and Movement of Personnel

24. Many aspects of CIA functions and activities inhibit internal movement of personnel. Some, such as cover considerations and the lengthy training and experience required for success in many activities, create inherent limits on movement opportunities that can be overcome in only a very few cases. It has long been recognized, however, that some inhibitions are the unnecessary product of Agency culture.

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25. Because the need for improved means for effecting personnel movements--particularly between Directorates--was expressed in principle by many managers during the customer survey, this topic became an issue for examination. A more detailed description of this investigation is provided in Tab C.

26. We found the problem, although serious, to be less severe than perceived by some managers. Encouraging trends exist, particularly in the movement of senior personnel and of relatively junior personnel with outstanding talents. Office of Personnel activities to further these trends are well-conceived and useful. The sincere and extensive efforts by the Office to solve difficult relocation problems are less effective than one would like, but we believe there is little more that the Office could do. We believe the prime responsibility and action for improvement must remain with line management, including the Career Services. The commendable Office of Personnel activity is about as it should be.

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records
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on
this*

Outplacement

27. Outplacement is a key element among those services designed to reduce the uncertainties, income interruptions, and other financial and emotional disturbances associated with leaving Agency employment. It is useful as a service for retirees, but could have greater value as a means of encouraging and expediting the departure of those employees who are no

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longer needed by the Agency because of manning reductions, less than complete suitability for available positions, irreparable stagnation in place, or combinations of these factors.

28. During our investigation of this issue, discussed in greater detail in Tab D, we found general agreement among component managers that the Agency needs an effective outplacement service. Almost all component managers believe the present services to be essentially ineffective; however, although more could be accomplished with a larger budget and staff, we found the success rate of present job-placement assistance efforts to be quite respectable.

NUTS

29. We believe outplacement to be a valuable and necessary part of the Agency's personnel program. We found disturbing remarks by Office of Personnel officials suggesting that the function of outplacement might be the first effort cut if Office resources are curtailed further. We question the validity of thinking behind this attitude, judging the activity as an integral part of modern management in a changing Agency. Our suggestions in Tab D envision some improvement at little cost; they do not reflect the judgment that significant improvement is required, but only that some is possible.

30. Probably our most important finding is that the outplacement effort is apparently having few of the desired effects on Agency staffing because managers, and undoubtedly their subordinates, are unaware of its success. We have recommended

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(No. 6, page D-8, Tab D), therefore, that the Director of Personnel take prompt steps to correct this misunderstanding.

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Recruitment and Applicant Processing

31. Office of Personnel recruiters are located in certain principal cities throughout the country. As in the past, the thrust of their recruitment activities is geared to the academic community. We have been advised that in the future more time and effort will be spent recruiting in a non-academic environment. In years gone by, recruiters have served as public spokesmen for the Agency in the areas where they are; however, more recently they have maintained a low profile and only on rare occasions will they officially represent or speak for the Agency.

WHY??

32. The current quality of work by the recruiters is high. This can be attributed to, among other things, their professionalism and their supervision. The adverse publicity which the Agency has received during the past year has actually stimulated interest and applications. The buyers market created by the state of the national economy has also helped. Regardless of the cause, the recruiters are coming up with many truly outstanding candidates.

33. All personnel, both in the field and at Headquarters, who are involved in recruitment and applicant processing, were keenly aware of the inordinate amount of time that it takes for an applicant to enter on duty. Some of this time is irreducible; some, however, is of questionable necessity. We believe that

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requirements for field administration of the Professional Aptitude Test Battery (PATB) is a principal cause of processing delays. Another cause is the time required at Headquarters for the components to decide whether or not to request processing for an applicant. This is a particularly bad problem in the case of some minority applicants, where the conflict between their sometimes inferior qualifications and the need to improve the Agency's EEO record leads to protracted indecision.

WOW!!

34. We believe the Office of Personnel is taking all steps open to it to hold applicant processing time to a minimum. Action relating to PATB and component review delays is the responsibility of the Agency components seeking new employees. Some suggestions about conveying the need for action on these questions to component managers have been included in Tab E. That Tab also includes discussion of the apparently excessive level of recruiting effort expended in obtaining a few tens of people for the Agency's Career Training Program (CTP). The problem, which involves the components whose requirements generate the recruiting effort and the Office of Training (OTR), which manages the CTP, will be investigated further during an OIG survey of OTR scheduled to start in two to three months. Recommendations for corrective action, if still indicated, will be included in the report of that survey.

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Clerical Career Management

35. The Office of Personnel's responsibility in clerical career management is focused on establishing clerical General Schedule (GS) pay standards. The topic, discussed in more detail in Tab F, is treated separately from the Position Management and Compensation Division (PMCD) discussion in the following Tab because managers express considerable concern over Agency clerical, particularly senior secretary, grade policies.

36. The senior secretary grade subject was the topic of several Management Committee discussions in 1974/75. At Management Committee direction, PMCD surveyed 62 senior secretary positions for possible upgrading. PMCD concluded that CIA secretaries receive salaries comparable to or better than secretaries in private industry and other government agencies who perform similar duties. The PMCD survey also highlighted other problems, unrelated to salary, which cause secretarial dissatisfaction, e.g., underutilization, management attitudes, etc. RIGHT

37. The IG Survey Team concurs in the PMCD findings and suggests that the management course recommended in Tab H include a section on clerical career management to better inform managers about the rationale behind clerical pay scales and about work-related problems which cause clerical dissatisfactions unrelated to salaries.

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Position Management and Compensation

39. There should be no question of the need for some system to establish and monitor job/pay equity--the equal pay for equal work principle. The Position Management and Compensation Division (PMCD), which represents to OMB and CSC an active, demonstrable effort to enforce CIA's policy of general conformance with the Classification Act, is now the heart of that system. In a broad sense, the system is fairly effective in achieving its objective; however, PMCD's contributions vary by grade and type of position. It is very effective in its influence on secretarial and clerical positions, but relatively ineffective on positions at grade GS-14 and above. This does not mean that job/pay equity is necessarily out of balance at higher grades, but only that PMCD, despite determined and sometimes irritating efforts, has little real voice in such determinations. u

40. The Agency is also required by OMB to prevent escalation in its average grade and in its numbers of senior and supergrade positions. PMCD's responsibilities and authority in enforcing adherence to limits on average grade, senior slots (i.e. positions at grades of GS-14 and above) and supergrade positions are unclear. The Director of Personnel monitors the Directorates' adherence to these limits and tries to prevent excesses through use of PMCD and his formal authority to refuse authentication of Directorate-developed staffing complements--sometimes called Tables of

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Organization (T/O's). His real authority is somewhat ambiguous, however. He is empowered to monitor Directorate adherence to average grade limits, for example, but only to advise on where compensating changes may be made. Deputy Directors bear the primary responsibility for adherence to this and other limits and have most of the decision authority involved. PMCD's influence on their decisions is limited and its share of blame or credit for Agency performance is uncertain. It is important to note, however, that upward grade creep in CIA has not been significantly different from that experienced in most other Federal agencies.

41. The fact that PMCD is, among Agency managers, the least popular organization in the Office of Personnel should be no surprise; PMCD's functions and its influence on official staffing complements tend to restrict a manager's flexibility in organizing his component and providing incentives and rewards for his people. The nature and consistency of comments about PMCD by component managers point up, however, the existence of more fundamental problems than those created by this adversary relationship. These problems are discussed and analyzed in more detail in Tab G. They include managers reservations, which we share, about the comparisons used by PMCD to classify positions, PMCD's ability to understand the unique character of some component positions, the time spent in negotiating differences in how a few positions should be classified and the fact that unresolved

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differences are apt to stay unresolved. Moreover, PMCD's manpower is limited--at least in relation to its assigned responsibilities--and its scheduling is relatively inflexible. This leads to long delays--sometimes a year or more--in obtaining PMCD reviews of component reorganizations. These delays, and the unresolved differences mentioned above, lead to the existence of numerous conflicting de facto and official T/O's.

42. PMCD conducts self-initiated periodic surveys of Agency components to review position classifications and to advise managers on how their organizational structures could be improved. Component managers are usually unimpressed with such advice from reviewers lacking both managerial experience and substantive knowledge of the component. Our investigations of several recent periodic surveys indicated that few changes were really effected in individual position grades and few important PMCD-originated improvements in organization structures occurred. We concluded that the time and effort required by the surveys, at least on the three-year cycle now being attempted, is not justified by their results. We also believe that PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in evaluating position grades. POW

43. In practice, managers are not now unduly restricted by PMCD's recommendations or by its influence on their staffing

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complements. Undesired recommendations are frequently negotiated away or ignored. No effective system of enforcement or appeal has been formalized to deal with outstanding differences, and various mechanisms, necessary for other reasons, provide means of avoiding many of the restrictions in an unsatisfactory Table of Organization. If a controversy attracts the attention and support of a Deputy Director, his decision usually governs the actual outcome, although not necessarily the official staffing complement.

44. It has been argued that PMCD, as a component of the Office of Personnel, is buried in the Agency management hierarchy and does not have enough clout to operate effectively and to enforce its decisions (assuming it has come to rational decisions which should be enforced). It has been suggested that the function be attached to the Office of the Comptroller. We do not think the placement of the function is a significant factor in improving its accomplishment. If the function were performed competently with a greater degree of management understanding, if PMCD's authority were understood and spelled out in Agency regulations, and if its decisions could be appealed and reviewed by higher authority, then we believe it could function effectively where it is. Pow!

45. The main problem with the present Director of Personnel/DDA appeal route lies in the number and complexities of the dis-

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puts. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates--e.g., the Comptroller or the Inspector General--would face the same set of problems.

46. Efforts are being made, as they have been for years, to reduce the number of differences by improving the quality of PMCD's judgments, improving managers confidence in those judgments and, through negotiations at various levels, to reduce unresolved differences to those few critical cases perhaps worthy of Management Committee action. We applaud the efforts to improve the quality, and thereby the acceptability of PMCD judgments. We find little new in these efforts, however, and little in the outcome of similar efforts in the past to justify an expectation that achievable improvement, however desirable, will solve the problems by itself.

47. We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved by better, semi-rotational PMCD staffing and development and implementation of better, more understandable classification standards. We believe these steps would help, but that most of the fundamental problems would remain.

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The other choice is--in addition to these steps--to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions.

48. Whether transfer of staffing complement authenticating authority to the Deputy Directors would degrade, improve or leave unchanged the Agency's performance in job/pay equity and adherence to average grade and other manning restrictions is bound to be a controversial question. Some would regard it as setting the fox to guard the chickens. Others would contend that this, in many cases, describes the present system, and, if coupled with active and adequate monitoring by the Director of Personnel, degradation in performance is by no means an inevitable result. The more optimistic would even contend that providing control of staffing complements to those now responsible for holding average grade, senior slots and supergrades within their allocations would remove any ambiguities that may now exist as to where that responsibility lies; would provide them unambiguous decision authority over a tool important in carrying out these responsibilities, and would improve the relationship between staffing complements and reality by insuring that disputes are decided. PMCD influence on component managers during negotiated settlements might even be increased and managers might become a little less defensive and a little less inclined to employ "snow" tactics.

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49. No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent. We are persuaded, however, that the risks of serious degradation are not great--and return to the present system would be possible if we are proven wrong. The shift could be an improvement, perhaps an important one, over the present system. We believe other possible changes in the system, such as total decentralization or creation of a supra Directorate appeal authority to be undesirable, impracticable, or both. We therefore conclude that the transfer of authority should be made. The details of our proposals are provided in the Conclusions and Recommendations (Nos. 7, 8 and 9) starting on page G-26 of Tab G.

Customer Perceptions of Agency Personnel Policy Development

50. There is a widespread perception among Agency managers that the Office of Personnel, although a very responsive and generally effective service organization, lacks initiative and innovation in developing solutions to long-standing Agency personnel problems. The more important of these perceived problems were selected as issues for examination in this survey and have been discussed in preceding sections of this report. It is evident, however, that the fact of the perception, itself, is a serious problem.

51. The perception is neither without validity nor wholly accurate. That the Office is not the initial, apparent spark-

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plug of many efforts is a product of the decentralized Agency personnel management system and of the Office's role in that system. That role, for more than twenty years, has been primarily one of service and support--activities for which the Office generally received high marks from component managers.

52. The Director of Personnel is also assigned responsibility for conducting research, for making statistical and analytical studies pertinent to Agency personnel management and for developing and recommending policies, standards and procedures for personnel management in the Agency. In the light of complaints that the Office of Personnel was not innovative, we investigated each aspect of this assignment. We found a small but ambitious, important and innovative research effort. Although current achievements in statistical and analytical studies cannot be regarded as impressive, delays in computer program development rather than lack of innovations appears to bear the principal blame.

53. Development and implementation of innovations in personnel management within CIA has been and must be a joint effort of management at many levels and of the experts from the Office of Personnel. This approach is required by the complexities, variabilities, and unique aspects of the many-sided intelligence profession. It is also a product of the Agency's organization into semi-autonomous Directorates. We therefore

found it laudable, not blameworthy, that the Office works through and with others in its innovative efforts to improve CIA personnel administration.

54. Office of Personnel histories proved to be invaluable source documents, some eminently readable. One in particular, entitled "How We Got Where We Are;...", which digests a period ending in 1968, but from a current prospective--it was published in January 1975--should be required reading for all component managers. We believe that an understanding of how and why the Agency personnel management system developed as it did, and a resulting comprehension of how it operates today, would have stilled many, perhaps most of the "no innovation" comments.

55. Another important point emerging from the history is the length of time typically required for Agency-wide adoption of and adaption to important personnel policy developments. Six years appears to be a typical, perhaps even minimum time. Mr. Colby, as a strong and powerful proponent of one such effort, estimated a lead time of five years before the program would be fully accepted and implemented.

56. We believe that lead times such as these can and must be shortened. We share the view of component managers that our personnel management could and probably should become more innovative--but we place responsibility more on them than on the Office of Personnel for such shortcomings as exist. We

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find their misconceptions about the role and activities of the Office of Personnel to be strong evidence that they do not understand, and are therefore neglecting, their own responsibilities in the joint efforts required. The problem is primarily one of communication, compounded by the difficulty of attracting the attention of managers, busy with problems needing answers today, to equally important but more abstract issues. This communication problem involves many more personnel-related subjects than that discussed in this section of our report.

57. We propose that communication be improved through a compulsory, short, one-week training course for Washington-area Office-level managers and their deputies. The course could be presented fairly frequently, over perhaps a year, to speed the communication flow and permit attendance by all without unduly disrupting other activities. A recommendation for action in this regard is presented on page H-9 of Tab H.

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TAB A

LEGALITY AND PROPRIETY

1. The legality and charter compatibility aspect of the survey addressed particularly those Office of Personnel activities that involve the creation and maintenance of files on American citizens, that involve American organizations and Americans who are not CIA employees in CIA activities, that involve personnel policies or actions that differ significantly from normal Federal Government practice, and that involve financial transactions. These activities are discussed under suitable headings in the following paragraphs.

Files on American Citizens

2. The Office of Personnel maintains files or records on Americans who are or have been employed by the Agency and on many applicants who are seeking or have sought such employment. These records fall within the four categories of such files for which the Director of Personnel is responsible. These file categories are numbered and described in the Federal Register of August 28, 1975. The Office of Personnel also maintains "soft" files on its own personnel, which are part of the CIA-26, DDA "soft" personnel records system.

3. Manpower Files. File CIA-29, Manpower Control System, includes various computer and hand-maintained

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compilations of data about CIA personnel. Retention of these files is listed as permanent for currently operating subsystems. The Federal Register indicates that a record system, including disposal, will be implemented when the system is fully operational. The Director of Personnel is aware of this obligation. This system, designed to meet internal management needs, presents no problems from a legality or charter compatibility viewpoint.

4. Applicant Files. Retention of File CIA-30, Applicant Files, is limited to two years in the case of applicant files "placed in process for employment but subsequently cancelled." The practices actually followed vary, depending on the stage at which the application becomes inactive. If a security investigation has been requested, the Office of Security will retain information on the applicant indefinitely in its security investigation file. In such cases Office of Personnel files are destroyed within the two year limit.* After such destruction the Office of Personnel will also, in most cases, destroy the file cards used to identify an applicant and locate his file. File cards are retained by the Office of Personnel only on those applicants who were "panel cases" or were rejected for security or medical reasons.

*At present, OP in response to Congressional requests, is destroying no files.

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5. The retention policy for the CIA-30 file system includes a statement that "Files on applicants who may be of interest at a later date are retained indefinitely." In fact, essentially all applicant files reaching Headquarters which are not put in process are stored for three years under Office of Personnel auspices and then are microfilmed for indefinite retention, still under nominal Office of Personnel control, in an ISG/DDO microfilm copy file. This practice was initiated many years ago in response to a CI Staff requirement and, according to the General Counsel, is justified as needed to verify possible reports from outside sources of attempts to penetrate CIA.

6. The ISG/DDO applicant system is separate from other DDO-maintained files on personalities and individual files can be located only if the applicant's name is known. The number of files in this system is approaching 200,000. During most of the last half of 1975 about six queries a month were addressed to this system by various DDO Divisions. The records immediately available in ISG do not indicate either the reasons for the requests or the frequency with which the system was able to provide positive information in response to them. This rate doubled in December 1975. The reason for the increase is unknown, but the time of occurrence suggests it relates to Privacy Act searches. A memorandum from the Chief, Counterintelligence Staff, states that

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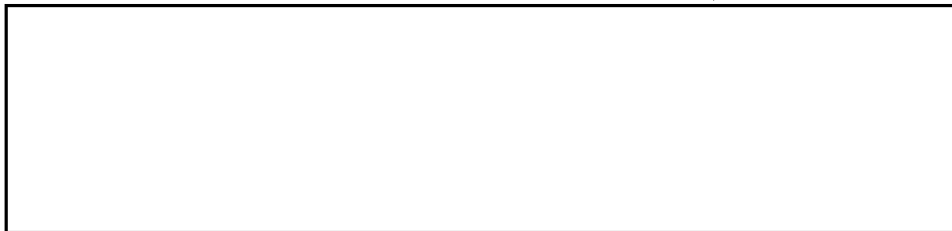
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". . .there has been a substantial increase in the use of these files in the past two years, although we are not aware whether this use has resulted in significant information being derived from the files."

?

7. The permanent retention of a very large number of applicant files is within the letter but not the implications of CIA's stated file retention practice. Public exposure of this practice (perhaps through FOIA or Privacy Act requests) could generate adverse reactions and perhaps challenge of the stated file retention policy. Although CIA must be prepared to risk adverse publicity if necessary to fulfill the requirements of its mission, it is desirable that such risks be justified by the value of the potentially unpopular activity. The Inspector General will bring the risks of adverse publicity inherent in the ISG/DDO retention of applicant files to the attention of the DDO and request a more specific examination of the current usefulness of the practice. The Inspector General's recommendation concerning continuation or termination of the practice will be made after consideration of the DDO response.

8. Certain applicants who are unsuited for available staff employment vacancies have contacts or capabilities



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11. Many records on applicants received by field recruiters are never furnished to Headquarters. These records range from notes made by the recruiter during a single telephone contact to almost complete sets of application forms. They pertain to applicants rejected by the recruiter and to applicants with desirable qualifications who cancel their application or fail for other reasons to complete the paperwork or testing required for consideration by Headquarters components. Most recruiters also maintain file cards on applicants they have been concerned with. Except for the file cards, the

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recruiter-held records are destroyed, usually six months to a year after the application has become inactive. Practices on file card preparation, content and retention have varied widely among recruiters. A few retain the cards indefinitely while some do not prepare such cards at all. Recently the Office of Personnel has obtained copies of existing file cards for use in researching Privacy Act and FOIA requests in Headquarters. Policy is still being evolved in the Office with regard to whether or not future development and retention of such cards or other records is needed to respond to such requests.

12. In summary, no problems involving legality or propriety were found with the applicant files maintained by recruiters at their Field Offices. There may be a need to standardize somewhat the record-keeping practices of the several recruiters and a retention policy for file cards will also be needed. These problems are under active consideration in the Office of Personnel now.

13. There are some minor exceptions to normal Office of Personnel practices in dealing with applicant files. Certain applicants are "crank" cases in that they reapply very frequently, attempt repetitively to obtain employment by the use of outside pressures, or take other actions requiring fairly frequent reference to their file. Records on such applicants are maintained separately until it is

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clear that the files have become inactive.

14. A special applicant file exists in the Qualifications Branch of the Office of Personnel. This file, which contains only about names, resulted from a short-lived attempt to code the records of rejected applicants according to their skills for use if unanticipated needs for these skills develop. The coding practice has been abandoned and presumably the file will be discarded when it has outlived its usefulness.

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15. Files on Current and Former Employees. Official Personnel Folders are maintained in general accordance with the Federal Personnel Manual (FPM). In some cases CIA practices differ from those specified in the Manual, however. For example, photographs of employees are included in their folders although this practice is forbidden by the FPM. Some types of documentation, such as requests for personnel actions, are permanently maintained in CIA employee folders after retirement when the usual government practice is to discard such papers. In each such case there has been a positive management decision to depart from the FPM procedures. The CIA is not required either by law or the Civil Service Commission to follow those procedures in detail.

16. Various additional changes in the contents of folders are being developed and authorized as a result of

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suggestions from employees who have reviewed their own records. One such change, for example, is the removal of a cross reference in the folder that indicated, without explanation, the existence of additional records in the Special Activity Staff, an organization normally concerned with disciplinary actions. Effecting these changes is nearly [] ctive folders is a very slow process which is carried out only during summer months when temporary employees are available for the job. At present there are no efforts to modify the roughly [] inactive folders to reflect these changes in view as to what information such records should contain.

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17. The contents of these folders also suffer occasionally from misfiling by inexperienced clerical personnel in the Transactions and Records Branch and by the occasional unauthorized addition of materials to the folders by components during times the components are using the files. The Inspectors were unable to assess the magnitude of these problems, however. They lacked the knowledge to judge whether all required information pertaining to an individual employee was included and the time to examine a sufficient number of files to determine the frequency with which unauthorized or misfiled materials were present. They similarly lacked a means of telling whether most misfilings were relatively unimportant or involved career-damaging

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omissions or commissions. The sampling done by the Inspectors confirmed the existence, if not the prevalence and significance, of filing problems, however.

18. It is not clear that inadequacies in Official Personnel Folders constitute a legal problem for the Agency and it is unlikely that feasible actions could correct all such inadequacies. If, however, a significant proportion of folders were found to contain unauthorized or inappropriate damaging material, or to exclude important positive material, and if Agency activity to improve the situation were to remain as limited as it now appears to be, accusations of unfair practices might receive favorable consideration by a court. In any case, even without legal incentives the Agency would want to correct such a condition.

25X1A 19. Review by an employee of his own Official Personnel Folder has been authorized since 1955 but was rarely done until the recent publication of a [redacted] [redacted] of 26 September 1975) calling attention to this authority. The system developed for handling the resulting influx of employees wishing to review their folders could be used on a sampling basis to obtain measures of how frequently filing inaccuracies exist and how frequently inclusions and omissions are of a career-damaging nature. As a side benefit, the sampling could also provide employee suggestions regarding document inclusion policies.

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Personnel could be randomly selected from the various major

components in numbers sufficient to provide a reasonable statistical sample of their organization. "Soft" component files on these people could be borrowed. Such files can contain important information not duplicated in official folders. The selected personnel could then be required to review their own records in the presence of an Office of Personnel representative (as is now done for employee-initiated reviews). The employee could determine the presence of misfiled records, if any, and the absence, if true, of documents he knows to exist that should be included. The personnel specialist could determine whether unauthorized material is present and whether additional documents in "soft" files should be included in official folders. He could also grade the importance of the misfiled or missing material. Tabulation and statistical analysis of these results could provide a reliable indication of the condition of active Agency Official Personnel Folders and a compilation of employee suggestions about changes in file policy. The Director of Personnel would then be in a position to make well-informed judgments about whether and when a major effort to improve the folders should be undertaken.

20. The suggestion above is only one approach to the problem. Whether this or an alternative effective method is used is unimportant. The Inspectors believe, however, that a reliable measure of the condition of CIA Official Personnel

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Folders is needed and they found no evidence that an effective system now exists to provide this information.

Therefore:

Recommendation No. 1. That the Director of Personnel implement a means by which the condition of active Official Personnel Folders can be assessed in terms of the presence of misfiled or unauthorized documents and the absence of documents that should be included. If widespread serious inadequacies are found to exist, review and correction of all active folders should be undertaken.

21. The recently published retention policy for CIA Official Personnel Folders specified destruction 75 years after the birth of the employee or 60 years after the date of the earliest document. This FPB-based policy has not been followed during the time that records destruction has been restricted at the request of Congressional investigators and, in fact, was not practiced before that restriction. It is also understood that some consideration is now being given to permanent retention of Official Personnel Folders on former Directors and other senior officials, perhaps including all supergrades. Decisions on such proposals, changes as necessary in published policy, and implementation of the published destruction criteria will be required in the near future when the pro-

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hibition against records destruction is lifted. The Director of Personnel is aware of this question.

22. The Chief of the Special Activity Staff maintains some records on personnel with whom he has dealt in adverse or unfavorable personnel actions. The content and retention periods for these records varies widely, depending on the nature of the action and whether or not the SAS records are the primary source of information on the case. The rule of reason apparently followed in maintaining this system appears appropriate and does not appear to conflict with the rules laid down for the Official Personnel Folders of which these SAS records are sometimes a separated part.

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24. Contract Personnel Files. The CIA-31 Official Personnel Records system includes contract as well as staff employees. Files maintained by the Office of Personnel on contract employees include little more than contract and financial information, however. The Operating Components have

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traditionally maintained the principal parts of the personnel records--the career and performance evaluation data. The portions of the records maintained in the Office of Personnel present no problems from a legality or charter compatibility viewpoint.

25. Examination of the contract personnel records maintained by Operating Components was not attempted during this survey. The Inspectors did obtain general information to the effect that the quality of these records and even the file content policies and practices vary significantly among the responsible components. The Inspectors believe that this inconsistency might generate future problems in somewhat the same sense as discussed above for staff employee records.

26. The change to a single personnel ceiling for contract and staff personnel, and the resulting conversions of many contract personnel to staff employee status, expressed the Agency's recognition of the fact that these employment categories are increasingly similar to each other. Therefore there seems to be little justification for continuing the very different handling of Official Personnel Records. Inclusion of such records in Office of Personnel holdings would permit greater standardization of the records, probably improve the quality of some of them, and give the Office of Personnel better access to data needed to generate information compilations for management use. At the request of the DDA,

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the Inspectors, during their customer survey, sought the reactions of component heads to such consolidation. Many welcomed the suggestion and the very limited opposition dealt with special security situations which, if necessary, could be handled specially.

Recommendation No. 2. That the Director of Personnel assume custody and responsibility for all Official Personnel Records on contract employees.

27. Consultant and Independent Contractor Records.

These records, included in File CIA-32, are also divided between the Office of Personnel and responsible Operating Components. Few of the reasons for consolidation mentioned above apply in this case. Improved definitions of the distinct differences between personnel in these categories and staff and contract employees are now being developed jointly by the Office of Personnel and the Office of the General Counsel. The objective is to prevent misuse of these categories to evade single-ceiling restrictions on staff and contract personnel manning. Continuing Office of Personnel participation in Consultant and Independent Contractor activities is necessary for a variety of reasons, including monitoring potentials for misuse, but no changes in present systems appeared to be needed. The Office of Personnel activities appear to be completely

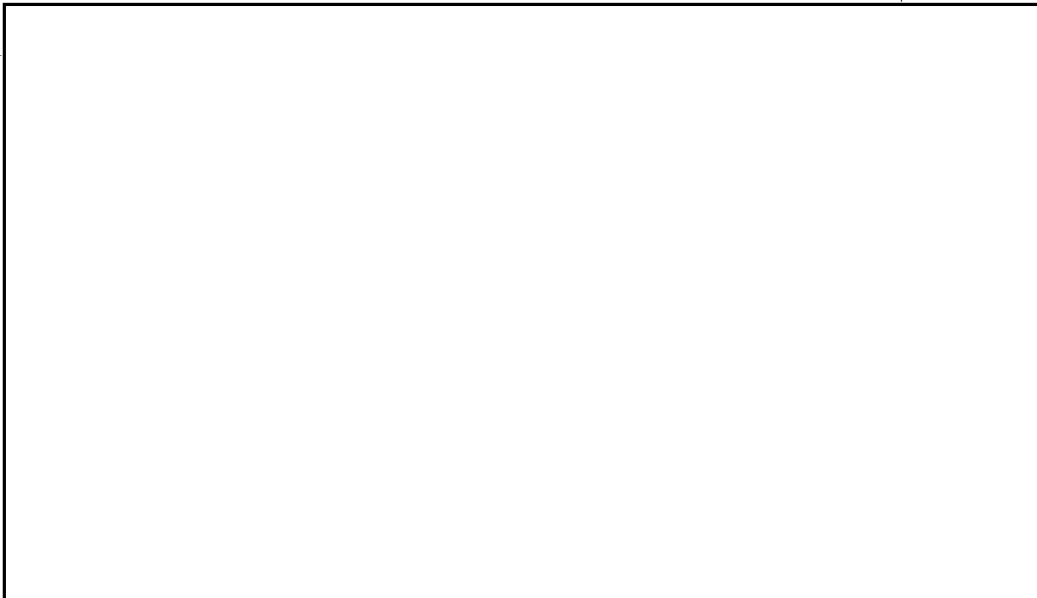
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consistent with legal and charter requirements.

28. Privacy Act Conformance. The Inspectors were very favorably impressed with the attention given by all Office of Personnel components to privacy protection. Procedures for handling requests from outside the Agency for information on CIA personnel are well understood and followed, as are the rules restricting inside access to private information. M

29. Recruitment. All field recruiters were visited during this survey and the investigations included practices followed in dealing with applicants and with governmental and private organizations. Although dealings with applicants are not always completely frank--a rejected applicant may be given an erroneous impression of the rejection cause if the real one is uncomplimentary, for example--recruiters were found to be as specific and forthcoming with applicants as possible under restrictions imposed by security and common sense. ?

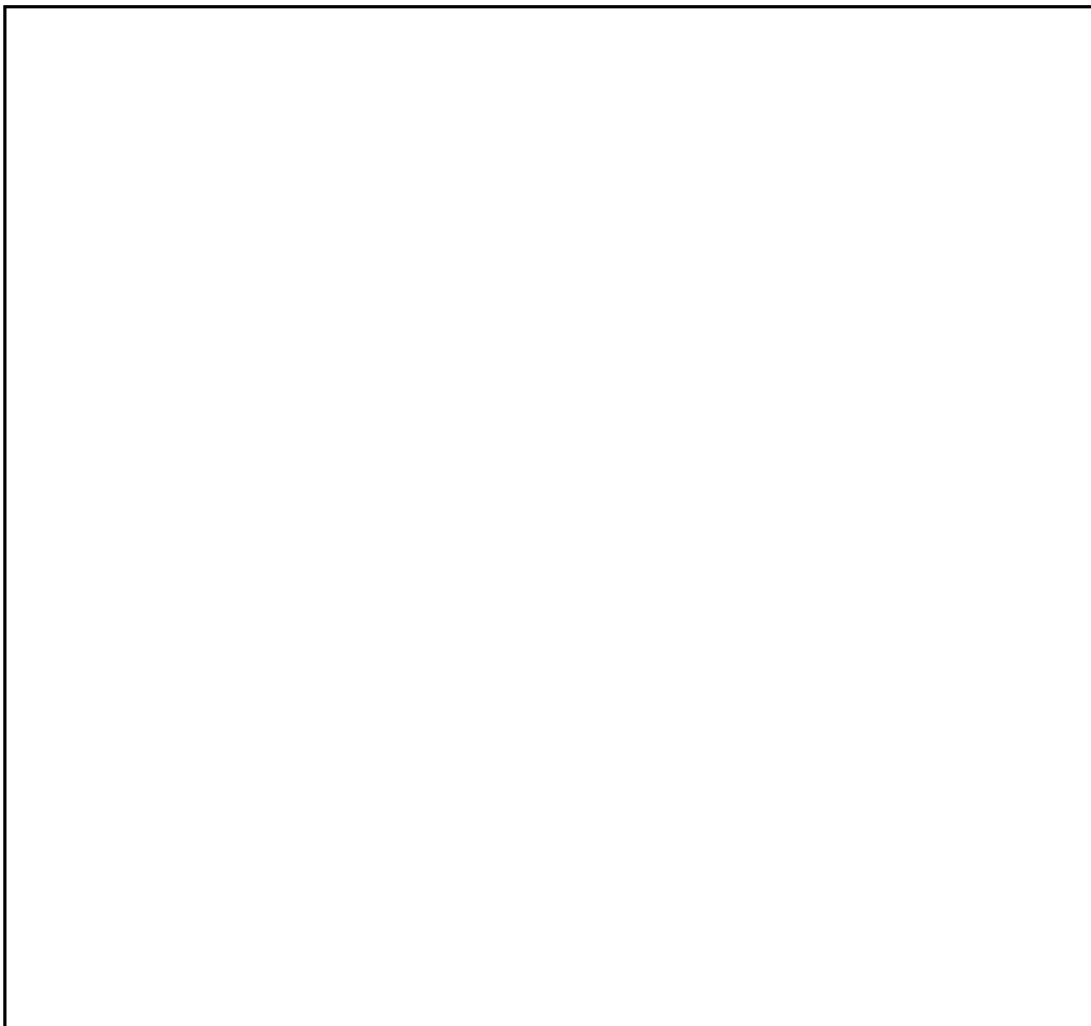


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32. Upon review of these various activities, the Inspectors found no reason to suspect illegality. The activities appear to be well justified by the unusual characteristics of CIA's mission.

33. Other External Relations. The Inspectors examined the Office of Personnel's employment assistance for departing employees, and its assistance in employee emergencies, to determine if these activities involve inappropriate relationships with organizations such as CIA

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contractors, proprietary firms or police departments. No
such problems were found.

34. Financial Transactions. The Office of Personnel participates in many activities where significant amounts of money are involved. The Inspectors confined their investigations of these activities to examination of the auditing practices and financial controls employed. Similarly, the Inspectors investigated the methods by which transportation arrangements are made to insure that the systems used preclude favoritism in vendor selection or opportunities for illicit financial gain by Agency employees. No evidence was found in any case to raise concerns. The Inspectors believe that the Office of Personnel's financial transactions are well managed and thoroughly audited.

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TAB B

EMPLOYEE PERSONNEL RECORDS
AND MANAGEMENT INFORMATION

Introduction

1. A comprehensive investigation of this subject would take in virtually every Office in the Agency. This is not only a fair statement of the magnitude of the subject--it also highlights a fundamental Agency-wide problem which transcends the scope of this survey, that of scattered data and duplicated filing resources.

2. Within the Office of Personnel the Deputy Director for Plans and Control bears the major responsibility for personnel records management--though both of the other Office Deputy Directors also have important records-intensive duties to perform in verifying personnel actions, maintaining records on contractual relationships both within and outside the Agency, managing the insurance program and recording the extensive financial transactions centering on the Credit Union. The Agency repository for central personnel records resides in three units: the Qualifications Analysis Branch, the Statistical Reporting Branch and the Transactions and Records Branch. Somewhat oversimplifying, the Qualifications Analysis Branch maintains the biographic profile listing and the skills

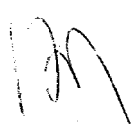
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inventory. The Statistical Reporting Branch is on call for any type of statistical compilations on Agency personnel matters, and is the managing authority for the monthly Staffing Complement (who is working for us and where). It also provides an important OP interface with the computer programs devoted to personnel listings. The Transactions and Records Branch manages the file room where are kept all current Official Personnel Folders, it maintains a current locate roster of Agency personnel, and, central to all of this, has the responsibility for ensuring that personnel actions are properly recorded in the various information repositories, including the computer banks.

3. Because our customer survey, as well as some of the remarks which follow, have a negative cast, it is important to say at the outset that the personnel records management system is the child (perhaps, the victim) of the decentralized type of operation which has characterized Agency management for over two decades. That it is not a neat unitary system is understandable, for it was pieced together over the years, sometimes in response to genuine needs but more than once out of the duplicative efforts of a bureaucracy highly compartmentalized for security reasons. Add to this the security problems associated with complicated cover arrangements and the many different types of employment categories and one has no difficulty in understanding why the Agency is faced



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with a patchwork of systems, none of which entirely fails to do its job, but none of which seems wholly adequate.

4. Given this background, we have nothing but praise for the records managers in the Office of Personnel for their work attitudes and their enthusiasm under much less than ideal circumstances. We were impressed by the key people we met in [redacted] the Control Division, including its Chief. Much of their [redacted] work, however essential, is by its nature routine and potentially enervating. They appear to approach it with a positive attitude, have been able to maintain a good perspective on the importance of what they do--neither downgrading it or attaching unrealistic value to it--and they face a processing workload comparable to that in many of the Agency's busiest production offices.

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5. The faults and difficulties of the present patchwork system are well recognized by all who work with it. They equally recognize that computerization, now in the planning stage, has the potential for making major--some say even quantum--improvements. The issue is not so much how to make the present system more workable, but rather to ensure that we, as an Agency, successfully and soon make the move to an integrated computerized personnel records management system.

Official Personnel Records

6. A number of customers are critical of the Official Personnel Folders maintained by the Office of Personnel. The customers refer to the presence of misfiled materials,

Get to OCS for attention

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to incomplete contents, slow inclusion of new material, and to the presence of multiple copies and trivia. It is important to note that in many cases these complaints appear to reflect irritations more than very fundamental problems. Supervisors have learned to locate the items usually of interest to them in the overly thick folders and to skip the excessive and redundant materials. Misfiling and incomplete contents can be a serious problem, however, since these folders serve as the source reference for an individual's career record. As discussed in Tab A, the Inspectors confirmed the existence of these problems but were unable to obtain a reliable measure of their prevalence. Recommendation No. 1 that the prevalence be measured and corrective action be taken if indicated is included in Tab A.

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7. Official Personnel Folders are maintained by the Transactions and Records Branch, a large unit with a staff varying from The Branch Chief manages her unit with dedication, enthusiasm and long hours of hard work. Because every Office of Personnel staffer must spend a few weeks orientation in the Branch, she has a heavy training responsibility. She is also responsible for maintaining the Agency locator file and performs various important ad hoc duties as well.

8. Chief, TRB acknowledges that in years gone by Official Personnel Folders were often incorrectly maintained

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and out-of-date. She claims that the folders are now kept current within a very few days of receipt of any new information. She says that the chief culprits in the misfiled information problem are the components who borrow the folders, then frequently misfile or add material which doesn't belong and, on more than one occasion, lose files. We doubt that the blame rests entirely or even primarily with the customers, but are satisfied that they are important contributors to the problem.

9. TRB processes all Agency personnel actions. This means simply that these actions, originating in components, come to the Branch for verification (as to accuracy) and are then filed in several repositories, including current and forthcoming computer systems. There are means for cross-checking these procedures within TRB and we were told that they are adequate to the purpose. However, Chief, TRB faces a rather continual problem of monitoring errors. She acknowledges that her own junior clerks make many mistakes, which she must be ever alert to correct. She also feels that there are entirely too many mistakes being made by Office of Personnel assignees to the components. According to a recent memo she directed to the Chief, Control Division, during a single week she received 209 personnel actions with over 100 errors in them. These errors have to be corrected before the information can be accepted by and recorded in

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*lets get after those who
made poor choices*

the computer. All personnel actions must be correct and up-to-date in the computer bank before the pay program will operate--there is more at stake here than most of us realized!

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10. The TRB staff consists almost entirely of low-graded clerks, some from other Offices. Such manning contrasts with the heavy amount of responsibility represented by its many tasks, the Branch Chief takes much of this on her own shoulders--perhaps more than she would like to ideally--but she also has very junior clerks engaged in tasks important to Agency management that must be done right. We had the uncomfortable impression that a great number of information activities were tacked together within the Branch and that, except for the unusual energies of its chief, things could easily go awry. We feel that even now she probably needs more senior assistance in her management tasks--she complained that her Deputy was not carrying his weight. Considering her key role, it is obviously important that a well-qualified successor be available.

11. Whether or not individual personnel shifts are needed is a problem best left for decision by Office of Personnel management. A more significant reorganization of TRB seems unnecessary and inappropriate at this time, however. The advent of new computer systems, Persign I,

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now nearing completion, and Persign II, "officially" scheduled for completion by mid-1977, will lead to many changes in Office of Personnel procedures and organization, including changes in TRB. It is probably best to defer all essential changes until then. But until new information storage technology is developed to a form acceptable to government Archivists the basic hard-file personnel record will remain a standard repository of such information in the Agency.

Biographic Profiles

12. The Qualifications Analysis Branch maintains employee biographic profiles for management use. Almost all of the component managers interviewed were critical of these profiles, considering them too incomplete and out of date for their needs. A widely perceived need for such summary information is apparently less than fully satisfied.

13. Three analysts now work full time on these Agency biographic profiles. According to Chief, Control Division, it is impossible under the present system to keep all files current. The staff will update files on request, and works on a rotational system for routine updating of all others. There continues to be a steady demand for biographic profiles--as many as 1,000 have been requested in one week (though usual demand averages only about 150). It would

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seem, therefore, that despite customer complaints this service is found useful.

14. An MBO for the Control Division calls for a feasibility study on producing the biographic profiles by computer. This evidently is possible, but not with the present system. As with so much of what was observed in OP data management, progress must await the advanced Persign II computer system.

15. We think that the present effort is sufficiently worthwhile to continue without much change. We doubt that additional personnel would return benefits comparable to their cost. We would, however, suggest that line managers be made more fully aware of their part in maintaining current profiles. If their need for current information is an important one, they should specify to the Control Division that they desire an updating. Also they should urge that their personnel officers never return to the Office of Personnel a requested biographic profile without themselves bringing it up-to-date on the basis of "soft" files and other data available only in the components.

Qualifications Files ("Skills Bank"*)

16. The Qualifications Analysis Branch maintains a data bank of the skills and training backgrounds of Agency

*Not to be confused with the recruitment listing, with the same nickname, of applicants for CIA employment.

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employees. The file is maintained in accordance with criteria established by the Civil Service Commission. In most government agencies such a file is required to insure that qualified aspirants are considered for appointment (and subsequent mandatory promotion) to vacancies in higher ranked positions. In CIA, where promotions are decided in the competitive career services with more attention to overall headroom than to vacancies in positions involving specifically defined qualifications, this "skills bank" is intended primarily for use in locating employees with qualifications appropriate to specialized jobs. It also provides compilations useful for planning personnel acquisition and training.

17. Seven employees are engaged in maintaining the Agency's qualification files. The work is tedious--to insure validity, entries must be supported by data in Official Personnel Folders or by other documentary evidence. Although these people and their supervisors believe that the files are kept up-to-date, their assessment is not shared by most of the component managers interviewed, who cite incompleteness in the files, particularly with regard to training accomplished, and slow inclusion of recent data as reasons for discontent.

18. Resolution of this apparent contradiction becomes relatively unimportant in the light of general customer reactions that the maintenance of the "skills bank", at

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least in its current state, is a waste of time. Most component supervisors do not feel a need for general qualifications data. Where specific needs exist, such as the need for data on foreign language capabilities in the DDO, organizations tend to maintain their own data banks. More senior Agency managers do make use of compilations drawn from the qualifications data banks, and wider use would be made of the system if movement of people within and between Directorates becomes more common. We believe, therefore, that the capability should be maintained. We question, however, whether an urgent need exists for its improvement. We also suspect that, in modeling the system on Civil Service Commission practices, complexities and verification requirements superfluous to CIA needs have been included.

19. As in many Office of Personnel activities, the Qualifications Analysis people are looking forward to improved computerization. At the present time a program called CENQUAL is being developed which would produce 5x8 cards containing an employee's name and job qualifications. This program is a subsidiary of Persign II and Chief, Control Division is not optimistic about its completion date. We suggest that completion of CENQUAL could be delayed without serious loss, particularly if such a delay could free significant program resources for the more important Persign II effort.

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Computer Program Development

20. The 13-year history of Agency attempts to develop a comprehensive human resources computer program is not a happy one. First conceived in 1963, the program was intended to amalgamate all the key data elements in a central interlocking and mutually supporting system. It was to include a capability for both the current and historical recall of data for the proper management of job-related activities of our employees. It was a very ambitious undertaking, though by no means beyond the limits of then available computer technology or significantly ahead of several other similar efforts being undertaken by private industry. //

21. In 1973, after nearly ten frustrating years of effort on this so-called Support Information Processing System (SIPS), a decision was made to take a new approach-- one that would still weave together the various aspects of human resource data management (personnel, financial, contract and security) but would be built in step-by-step fashion, rather than altogether. The new effort, called Management Assistance Program (MAPS), was placed under the Office of Joint Computer Services (OJCS) in 1974 where it continues to be developed. For the Office of Personnel, the program will culminate in the Persign II system. This will combine current and historical data from most of the now-separate systems on a wide range of personnel matters

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and will provide managers a readily available means of information consolidation and recall.

22. At the present time matters stand thus: An intermediate stage program (Persign I) is nearing completion which, using the IBM 360, will permit the accession of personnel information now being fed--via paper tapes--into the obsolete RCA 501. Persign I will also include, for the first time, a consolidation of both staff and contract employee information. It does not have a memory bank which would permit analysis of historical trends in personnel matters. This latter feature will be tackled under a program called GAP (General Archive Program) which is only now on the drawing board. The "official" deadline for Persign II (Persign I and GAP and other programs) completion is mid-1977. ←

*FASTER
PLS*

23. Everyone we talked to, both in the Office of Personnel and OJCS, were enthusiastic about the goals planned for Persign II. One analyst, well acquainted with the program, said: "It will be the millenium for personnel management." More to the point, the same analyst, when asked whether the new program would work, replied: "That's the wrong question--it simply has to work, because the old programs on RCA 501 will simply not carry the Agency along--they cannot do the job that must be done." We would go even a few steps further. Without a new computer approach, Agency initiatives in human resource management will continue

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to be hampered by inadequate and often misleading data.

Basic personnel compilations provided by the present computer systems are limited in scope, often out of date, and some probably contain significant errors which can neither be identified nor corrected with the present system. For example, both the CIARDS retirement data and the insurance data for the FEGLI program now filed in the current computer system is acknowledged by Chief, Automated Data Resources Staff, to be in error. This situation has arisen because the computer has been unable to handle the workload required for appropriate updating. Persign II will pick up much information from the old system and to the extent it is in error, it will continue to be so. However, Chief, Automated Data Resources Staff, feels confident that most of the major problem areas are known and can be corrected in due course--given the increased capacity and speed of the system.

24. Our inspection of the computer issue raised for us some disconcerting danger signals. Most persons directly involved with planning for and managing Persign II do not believe the deadlines will be met (the sole exception of those we talked to was the Director, OJCS). Estimates of slippage range from a few months, to never. We are in no position to verify these statements, but we feel that it is important to report on the symptoms of possible difficulties

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25. Persign II has a very high priority in the Office of Personnel's planning. Likewise, OJCS, the other major component involved with Persign II, considers it to be a very important project. OJCS, however, faces many demanding customers and must tailor its work program accordingly. Thus, the original target date set by OJCS for completion of the Persign II project proposal was initially well behind the date set by OP; this discrepancy was resolved through joint committee action but even now Persign II, though in the so-called "Category I" priority on the OJCS work roster, is about 20th in priority in a listing of 25 or 26 other projects (from all Directorates).

26. There is apparently considerable confusion about how many analysts are actually working on the program. We heard estimates from responsible Office of Personnel officials ranging from two to eight. We were told that three persons (the Automated Data Resource Staff) provided the main Office of Personnel support and liaison for the effort. We were told, incidentally, that a prospective move of the Automated Data Resources Staff later this year might cause serious delays. We visited the Staff, housed in OJCS working quarters, and found the quarters very inadequate and the work force poorly supported by OJCS. The Staff Chief put the best face on her

situation, but she could not erase our feeling that she enjoyed very little authority in her position, either with her own office or with her host, the OJCS. Further, we learned that only two of the three persons on her staff worked on Persign II; the other analyst has been and is at work on a computerized locator system which is quite ancillary to the main system.

27. We learned that there are monthly meetings to chart the progress of Persign II and other MAPS efforts. These are inter-Directorate meetings attended by senior working-level officers as well as the Directors of several Offices, including OP and OJCS. One senior officer who attends some of these meetings, when asked whether the meetings come to grips with real issues, replied, "Mostly, they lie a lot to each other." Again, we can only report symptoms: conflicting priorities, working-level concern that things are not going as planned, organizational confusion, and just possibly, a certain amount of self-deception.

28. The current concern with Persign II stems, according to many, from the many partial personnel data systems which are being created on request by OJCS to meet special needs of particular Offices. Some of these are probably quite necessary, but we think that each one should be scrutinized very carefully for its possible impact in the scheduling for Persign II.

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29. The importance of avoiding unnecessary further delay in the development and implementation of Persign II is difficult to overstate. Both the currently unsatisfiable need for accurate and complete management information and the fragilities, inadequacies and costs of the patchwork of systems now performing vital personnel functions argue for a very high priority. This, and our concern about the symptoms we encountered, lead to the following recommendations.

Recommendation No. 3. That the Director of Personnel, working with the Director of OJCS, review the priorities for Persign II in terms of manpower assigned and the physical arrangements allotted to staffs.

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Recommendation No. 4. That the Director of Personnel, working with other Offices concerned with the MAPS program, review the elements of Persign II and assign subsidiary priorities to those which do not represent key elements of personnel data urgently needed for managerial decisions or for provisions of personnel services.

Recommendation No. 5. That the Director of Personnel request that the Director, OJCS obtain his concurrence before undertaking personnel-related jobs for other organizations that are likely to impact unfavorably on early completion of Persign II.

Hmmm!

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30. Increased top-level awareness of the importance of understanding and guiding the development of Agency human resources, coupled with adoption of the Management-by-Objective technique, have generated needs for compilations and analyses of historical, current and projected personnel data. The Annual Personnel Plan (APP) and Personnel Development Program (PDP) are major vehicles designed to meet these needs. Other consolidations, such as OTR projections, Recruitment Division projections, and a few separate component compilations and projections also exist. Compilations of current information are also needed for day-to-day management decisions. Chief among such is the Staffing Complement, which combines information on authorized Table of Organization positions and the names and some data about incumbents. Comments on this last compilation are included in Tab G.

31. Both the Annual Personnel Plan (APP) and the Personnel Development Program (PDP) were launched in early 1973. They provide a common structured system for Deputy Directors and Senior Operation Officials to present their personnel management plans in a format which permits top management to review these plans, monitor patterns of progress and finally to evaluate the effectiveness of implementation. In terms of Agency culture, these efforts, principally inspired by the then DCI's own views of what was

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needed, are an attempt to make the Agency's guided but delegated system of management more effective. The APP provides for the forward planning and reporting on a number of personnel management goals (e.g., inter-Directorate transfers, training, EEO). The PDP places special emphasis on the responsibility of managers to develop people--most especially focusing on the employees in grades GS-13 through GS-15 who have been selected as having the potential for assignment to executive level positions. In instituting these innovations, the DCI predicted that five years would pass before the concepts were fully developed, accepted, and effectively employed. His prediction appears to be distressingly valid.

32. The kindest reactions to the APP found during our customer survey describe it as a good idea, badly done. Some customers understand the need for the report at the highest Agency level, but essentially none make use themselves of the compilations they develop for the APP. Many describe the effort required to assemble the APP as excessive and complicated by late delivery of instructions for its preparation and by still later changes in these instructions. Moreover, they believe, with reason, that the accuracy of the compilations is subject to serious doubt. For example, an effort to use the document to

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provide gross historical and projected Agency manning information to OMB was abandoned recently because only in the DDI submission did the historical data prove to be correct.

YAH! 33

33. In contrast to the APP, the PDP is liked by some components and seriously disliked by few. It is simpler to prepare. Some customers make direct use of the product. They consider the effect of being compelled to consider and follow-up on specific plans for development of replacements for senior people beneficial. Many other managers are neutral in their views of the PDP. A few component chiefs believe that both personnel and needs change too rapidly to permit long-term planning to meet future needs, and that the PDP is therefore unrealistic.

34. After listening to the chorus of complaints about the APP during the customer survey, the Inspection Team was prepared to be mystified by its complexities and to find it well beyond the simple understanding of laymen. We actually found the APP to be far less formidable, less complicated and less statistically demanding than represented by its critics. This is not to say that customer perceptions are without merit--criticisms were far too prevalent to be ignored. What we do believe, however, is that some relatively low-cost adjustments, some further publicity and training efforts and some very serious attention to the

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data base problem (and associated computer support), will go far toward improving general Agency acceptance of this new management tool, and its companion the PDP.

35. Our investigations of this subject were focused primarily on the APP. There were relatively few adverse comments about the PDP elicited during our customer survey. Thus, we studied it only briefly--mainly to acquaint ourselves with its format and suitability to the tasks it is to accomplish. In our more intensive look at the APP, we were concerned primarily with how the Office of Personnel figures in its development, preparation, dissemination and use.

36. As mentioned above, DCI Colby was the principal instigator of the APP. His staff for this effort has been provided in considerable part by the Office of Personnel, specifically, by the Review Staff. This Staff, consisting of a supervisor and three analysts, has other functions, but clearly considers its support for APP to be most important. Both the Chief, Review Staff and her supervisor, the Deputy for Plans and Control, are articulate and knowledgeable proponents. Both give periodic lectures on APP to management seminars and the mid-career course. They believe these talks are useful--they emphasize that there has been considerable improvement in managerial acceptance during the past year and look to

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further progress.

37. Nevertheless, there is still much misunderstanding of what APP is all about and the publicity given it has been inadequate to the need. Moreover, the Office of Personnel has contributed to poor acceptance of the report through inadequacies in its early presentations of the plan to senior management, with excessively complicated preparation guidelines, belated modifications of instructions and failures to provide adequate briefing to the middle and lower-level line managers who must fill in the forms. Some of the phenomenon of poor acceptance is the understandable result of a new program being imposed on a fairly static personnel system. Some of it, in our opinion, is the result of communications gap between line management and Office of Personnel staff.

YAP -

38. We believe that the Office of Personnel should continue to exploit available opportunities for briefing Agency managers on the APP and PDP. One senior officer has said that the wrong people are being briefed on the report; the Deputy Directors know about it but they make "terrible spokesmen" for it. Seldom do Office chiefs become involved except through their own contributions-- and it is the impression of Chief, Review Staff that feedback seldom filters back to them. We think there is need for these briefings to include both Office chiefs

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and their principal administrative officers. Such

briefings should include concrete suggestions for the use of APP compilations by component management in addition to emphasizing the positive values to top Agency management which have been realized from the program thus far.

39. We found the detailed analysis done on the current APP for the Director unnecessarily prolix and complicated. We suspect that instructions to line management for the completion of the forms from which this analysis was done could be simplified and thus made more palatable. Moreover, we perceive a view of line management, in our discussion with Chief, Review Staff, that is not conducive to solving the communication problem--namely, her view that line managers are unnecessarily sloppy, lack logic, and exhibit general indifference, all of which works against the program's success. We think a more positive approach to the communication problems would come from a recognition that line managers are often overworked and beset with a plethora of current deadlines. They are best prepared for innovation if it is made quite clear how it will help make their activity become more effective (and easier to manage). They are not prepared to be confronted with complicated instructions for filling out elaborate forms, the purpose of which seems to have nothing to do with solving today's problems today. With these thoughts in mind, we feel that a more successful approach

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can be made by the Review Staff and others in the Office of Personnel toward gaining acceptance for the program.

40. We did not find the number of categories of information in the APP to be a dominant problem, although some appear relatively unimportant. We understand that the DDA and the Office of Personnel plan to review with the new Director just what categories have proved of worth and which ones have not been very useful. This could lead to some worthwhile simplification.

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41. Finally, we think that some of the program's negative image comes from data base inadequacies and statistical discrepancies, the results of which are obvious to line managers. Their organizations simply don't look like they appear to look from data provided by the Office of Personnel. We feel this to be a strong element in the credibility problem which seems to surround the program. Data base difficulties will continue to impede acceptance of the APP and, to a lesser extent, the PDP, until the Persign I and II human resources computer programs become available. We expect these programs to ease significantly the line manager's data accumulation and presentation problems, to improve the quality and uniformity of the result, and, hence, to improve present negative attitudes toward the APP. This is itself a worthy reason for providing impetus to the timely completion of these computer programs.

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42. Although we have provided suggestions about Office of Personnel attitudes and actions on this problem, most reflect our endorsement of actions now underway. We, therefore, are not including specific numbered recommendations. We suggest, however, that the personnel management training course recommended (No. 10) in Tab H be used as one vehicle to establish better communications with Agency managers about the APP and the PDP.

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TAB C

INTERNAL PLACEMENT AND MOVEMENT

1. There is a widely perceived need for greater freedom of personnel movement within, and particularly between Directorates. Some of these perceptions are simply wishful thinking. From interviews conducted during the survey, it is apparent that many employees would like a means of job-shopping around the Agency to seek a more varied career or higher pay--but many would not risk the uncertainties of an actual transfer. Managers would like their poor-performers to find another career--but would like to retain and add to their stock of outstanding people. There are more legitimate needs for increased personnel movements, but progress toward meeting them is hampered by these attitudes of employees and managers. Moreover, the increasing specialization required of Agency personnel is making the difficulties greater with passing time.

2. During the customer survey, the Inspectors heard many managers express the view that the Office of Personnel should somehow provide a means for more transfers to take place. Often the motivation appeared selfish--the manager had or expected to have a disposal problem. A number of more general benefits potentially realizeable through increased movement were cited, however, including:

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a. Acquisition of broader experience and knowledge by front-running personnel deemed to be candidates for senior positions in the Agency.

b. Improvement in understanding, communication, and cooperation among components and Directorates.

c. More consideration of total Agency personnel resources when deciding how to fill vacancies.

d. Development of a broader spectrum of positions available to employees which would allow for advancement opportunities for those with abilities that exceed grade limits available in their present components and would make for more varied and interesting careers.

3. Despite the views of many managers, we formed the impression from our own observations and from the statistics in the Annual Personnel Plan that internal movement of people is increasing both within and between Directorates. The movement of supervisors is much more common than it used to be. Energetic and able younger employees are now often able to find and move to a new position on their own initiative. This is true of some older very capable employees, but to a lesser extent. They often have acquired too much specialization and too high a grade to make them attractive to a different component.

4. There is still little movement among the people who

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really make the Agency work--the competent, hardworking, average employees. These people often lack marketable skills--or initiative and desire--to find different positions--but it is not clear that the benefits acquired by attempting to develop such skills or initiatives and desires would exceed the costs of retraining or, in many cases, of creating unsatisfiable expectations.

Among this group, however, there are some who are semi-elliptical people in semi-rectangular holes. Their performance and job outlook would be improved through a move that achieved a better match between their capabilities and duties. Movement of a few others who are stagnating or becoming outmoded in their present position could also benefit both employee and Agency. And in some cases employees are compelled by limited opportunity in their component to work below their real potential.

5. Assuming that present healthy trends for movement of supervisors and outstanding younger employees continue, the problem is how, and by whom, movement can be fostered, when desirable, of older outstanding employees and of specific employees with average, competent performance records. There seems little point in encouraging general movement without specific individual objectives in mind. And there is no point in moving incompetent individuals to new positions unless there is good reason to hope that the limitation will be cured by

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the move.

6. The Office of Personnel role in this effort must necessarily be one of establishing mechanisms, providing assistance to individuals and encouraging action by the Career Services and component managers. Individuals, component managers or Career Services must provide the initiative for individual actions, since only they are in a position to know when such actions are desirable.

7. Given this background, the Inspection Team was gratified by the efforts found underway in the Office of Personnel to meet these needs. The Plans Staff has taken the lead in encouraging the formation of a Careers Committee, and participates in the Committee's efforts. This group is made up of representatives of the various Career Services. It is now working on the development of career patterns that, where appropriate, will involve the assignment of personnel outside their components and, in some cases, their Directorates. It is too early to assess the Committee's performance, but the concept is one that can contribute to solving this and other problems that are the children of the decentralized Agency personnel management system.

8. The Professional Staffing Branch (PSB) of Staff Personnel Division (SPD) participates in the placement of incoming professional personnel, although component managers

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really exercise decision power in these cases. After initial assignment, internal movements of professionals are handled within the Office of Personnel by the Professional Placement Branch (PPB) of SPD. PPB records ratifies and often assists the many personnel movements arranged by the managers and individuals concerned. In addition, PPB attempts to solve more difficult placement problems. Such cases are generally initiated by the individual or by managers arising from such developments as alien marriages or surplus situations. Some involve people in the lower grades who have obtained and wish to exploit a new academic degree--often in a subject little needed by the Agency. Still others are people ill-suited to their present positions and sometimes lacking in skills that are needed elsewhere.

9. During 1975 fewer than 120 employees sought out or were referred to PPB for job counselling. PPB succeeded in placing only about 10% of these problem cases, an unsurprising outcome considering that PPB amounted to a court of last resort after efforts by the component and Directorate failed to solve the problem. We found, however, that when a person comes, or is sent, to Office of Personnel for job counselling, a sincere effort is made to help the individual. On occasion, testing will be recommended in an attempt to better evaluate the type of work that he or she would be suited for. The Vacancy Notices,

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which PPB is responsible for, serve as a source of leads for placement as do the Recruitment Requisitions which come into SPD. PPB also maintains and exploits contacts with the Personnel Officers assigned throughout the Agency. In some cases PPB enters the person's qualifications in the listing (sometimes called the skills bank*) of applicants under consideration for employment.

10. The Inspectors examined the Vacancy Notice system administered by PPB and found that it works as well as can be expected, which in some cases is very well indeed. Components and Directorates in general fill their vacancies from within and are apt to seek outside applicants through the Vacancy Notice system only in those cases where they lack qualified people. While this restricts access to opportunity, it also prevents the proliferation of Vacancy Notices that are unreal because the manager concerned has already made his decision. The Vacancy Notice system works well for some senior secretarial positions and for some types of professional positions such as editors at least in the sense of broadening the number of qualified

*Not to be confused with the data on qualifications of Agency employees sometimes given the same nickname.

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applicants. Senior secretary Vacancy Notices often impose a much greater interview load on busy managers than is justified by the slight differences among the many qualified applicants. This inherent problem probably causes some managers to avoid use of Vacancy Notices, but we are unable to suggest a solution.

11. PPB's modest achievement in placing employees for whom change is required is, as indicated above, a product of its becoming involved only after a personnel problem has become almost hopeless. The Inspection Team has sought, without success, to conceive a useful mechanism within the Office of Personnel that would permit earlier solution of developing problems, and have concluded that the final responsibility rests with line management. A more ambitious program by PPB would tend to interfere with management's responsibility; be more costly to operate and become overburdened by employees curious about opportunities elsewhere but not to the extent that they would be likely to transfer. We believe, therefore, that the prime responsibility and action must remain with management, including the Career Services, and that the Office of Personnel activity is about as it should be. This does not mean that the problem does not remain a serious one. It only indicates that there is relatively little the Office of Personnel can do about it beyond the efforts, especially by the Career Committee, now being pursued.

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OUTPLACEMENT

1. Outplacement is a key element among services designed to reduce the uncertainties, income interruptions, and other financial and emotional disturbances associated with leaving Agency employment. It is useful as a compassionate service for retirees, but could have greater value as a means of encouraging and expediting the departure of those employees who are no longer needed by the Agency because of manning reductions, less than complete suitability for available positions, irreparable stagnation in place, or often combinations of these factors.

2. We found general agreement among component managers that the Agency needs an effective outplacement service. The importance attached to the need varies, with the strongest advocates being leaders of components with significant recent or projected force reduction problems and/or those least able to establish an employee's suitability for a job during the probationary period before binding job commitments are made to the employee. The most surprising finding from the customer survey--in the light of the real situation--is that almost all component managers believe the present services to be essentially ineffective.

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3. The Agency's outplacement service is carried out by the Retirement Affairs Division (RAD), a small organization which also provides a variety of other retirement-related benefits and services. These include administering the CIA retirement program, processing requests for retirement under the Civil Service system, and providing guidance on retirement programs for proprietary organizations. The Division is also responsible for counselling employees contemplating retirement or former employees who require assistance related to their retirement situation.

4. There are two central features of the Agency's outplacement service which bear noting at the outset. First, it is a service, not a guarantee of a job. The very excellent brochure provided all persons who retire from the Agency makes this point: "The counselors have a modest capability for identifying and contacting likely employers to whom retirees might make application. While the counselors might be able to give some job leads, and do extend every assistance within their means, the retiree is made to realize that they cannot get a job for him--getting the job is up to the retiree." Secondly, by no means everyone who retires avails themselves of the outplacement service. Of the several hundred employees who retire from the Agency each year, less than half request anything more from RAD than routine information on insurance and annuity

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benefits and, perhaps, assistance in preparing a job resume suitably reflecting their years of employment with CIA. During FY 1975, 356 employees sought assistance from the Division. In addition, 124 who approached the Division for assistance in FY 1974 are still considered active cases. Of the 1974/75 total, 133 requested counselling and resumes only and 126 evinced no further interest after receiving an initial briefing from one of the retirement counselors. Approximately 200 requested active assistance in job hunting.

5. We did not find support for the perception held by many in the Agency that the outplacement service is at best ineffective or, at worst, non-existent. Undoubtedly more jobs could be found with a larger budget and a larger staff. But, even now the success rate must be considered quite respectable. Of those prospective retirees who actively work with the Division, complete their resumes, follow up leads provided and make some efforts on their own, one out of three obtain the job of their choice. In FY-1975, 55 such retirees left the Agency with a new career already settled upon. The remaining job seekers, some 140 in number, continue to be considered as active cases by the Division and, presumably, many of that number will, in the course of the next year or so, find the employment they seek through a combination of their own efforts and support

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from the Division.

6. At the present time the Division has three professional employees in the outplacement function, a modest allocation of manpower when one considers the potential scope of the job. Even so, the Agency is undoubtedly one of the leaders in this field. Several years ago a study in the journal Administrative Management indicated that 86% of the 200 major U.S. companies provided no pre-retirement programs at all, much less an active outplacement function. According to the Chief of RAD, little outplacement service is provided elsewhere in government. NSA has a contract with a private employment agency; the Department of State has a small unit of about four persons handling all types of retirement counselling; but most old-line agencies depend solely on the Federal and State employment bureaus.

7. The question of why CIA provides outplacement service at all, and whether we should do so in the future, can be approached several ways. The present service apparently grew out of decisions made in the 1950's regarding a proposal to establish the function with a private employment agency. This proposal was overruled, apparently on grounds of security, and the present system evolved. In subsequent years demands for the service have varied considerably. During the Schlesinger cutbacks, RAD was flooded with applicants for assistance and put in long hours of overtime. More recently,

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the pace of work has become steadier and more routine, though the decrease in average retirement age in the last several years has meant that the number of retirees seriously looking for a post-retirement job is proportionately greater.

8. The value of an effective outplacement service as a means of encouraging and easing the departure of employees who are of diminishing use to the Agency has already been mentioned. A consistent stream of outgoing personnel must be maintained if only to provide, during a long period of zero or negative growth, for the infusion of new people needed to maintain Agency viability and strength in a rapidly changing world. Outplacement assistance could help by encouraging voluntary early retirement. But some of this room may have to be created by surplus actions against people in the bottom ranking percentiles, not all of whom will be eligible for retirement. Provision of effective outplacement assistance in such cases--and many CIA castoffs are likely to be more than competitive with average job seekers from other organizations--would do much to ease the potential problems for both the individual and the Agency that are inherent in involuntary separations.

9. Another reason for maintaining an Agency outplacement activity is that we might soon be required to do so. Pending legislation, introduced by Congressman Edwards and Senator Mondale,

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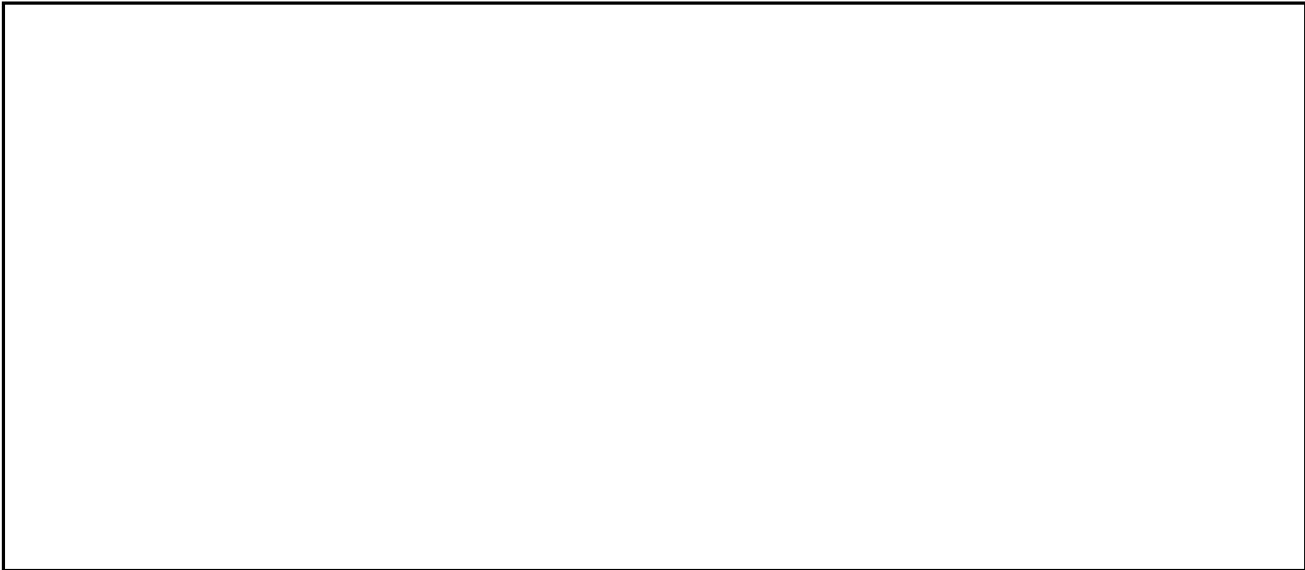
calls for all Federal employers to provide some form of pre-retirement counselling and job-finding assistance, followed by post-retirement interviews with former employees to determine their degree of well being in their new situation. Chief, RAD points out that the Agency is already engaged in all of these activities and therefore can take some pride and comfort in knowing that we are ahead of the pack.

10. We believe outplacement to be a valuable and necessary part of the Agency's personnel program. We were disturbed by remarks by Office of Personnel officials suggesting that outplacement might be the first effort cut if Office resources are further curtailed. We hope that this would not be the decision in such an event.

11. We consider the basic thrust of current outplacement services to be correct. It is neither feasible nor desirable to provide more than counselling, job contact assistance, and other support to a departing employee's efforts to obtain employment. We consider the success record of the present effort to be very reasonable and are not certain that more is required, although still better achievements at little additional cost would be even more useful. Some suggestions that might help are listed below:

- a. The capabilities of the counselors to find job

possibilities outside the Washington area is very limited at present, according to Chief, RAD. We believe this might



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Agency sources. However, we think that RAD might explore for some low-key means of alerting Agency managers who typically deal with employers in industry and elsewhere to the job needs of prospective departees. Perhaps this could take the form of a periodic listing, keyed by number not name, of resumes of such job seekers. Such a listing could be sent to Agency managers who indicate a willingness and capability to help, [redacted]

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b. We were not aware in our discussions with RAD that any very serious effort is being made to enlist the assistance of former Agency employees now successfully

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employed elsewhere. A low-key approach to such employees with offers to provide information similar to that circulated within the Agency might prove helpful in generating new job leads.

12. Probably the most important conclusion of this study is that the successful outplacement effort is apparently having few of the desired effects of reducing Agency manning, because managers, and undoubtedly their subordinates, are unaware of its success. Indeed, the efforts of RAD and the Office of Personnel to avert the development of false expectations about their capabilities--such as the quotation in paragraph 4, above--may contribute to this misconception. Therefore:

Recommendation No. 6. That the Director of Personnel find means as soon as possible of conveying to component managers a more accurate view of the capabilities and achievements of RAD's outplacement assistance program.

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RECRUITMENT AND APPLICANT PROCESSING

ages of the recruiters vary, but generally they are on the upper side of middle age. During the course of our pre-inspection discussions, there was concern that because of the generation gap between the recruiters and student applicants (one recruiter is 60), they would not be able to relate to each other. On the other hand, when an applicant, many of whom are students, wants to talk about a career in government, he or she would probably prefer to talk to a "father figure" than to a recruiter who is just two or three years out of school. This is even more so with female applicants. On balance, we did not see it as a problem that many of the recruiters are middle-aged and beyond.

2. Some of the recruiters have absolutely no Headquarters experience and others have had limited exposure. While this does not make their task impossible, it most assuredly cannot make it easier. The recruiters seemed knowledgeable enough about the Agency in generalities, but there is no question that recruiters without

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reasonably extensive experience elsewhere in the Agency are limited in their ability to convey the flavor of Agency employment to some applicants. We found evidence of this during our field visits. We would suggest that all new recruiters assigned to the field possess somewhat more Agency experience. It is also suggested that during their slack season, usually the summers, present recruiters be brought to Headquarters and assigned to and work with the components for which they recruit. It is felt that this would give them a better appreciation for the needs of the components than, for instance, attending or monitoring courses at Headquarters.

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3. With one or two very minor exceptions, we found that the recruiters are maintaining very low profiles and it is, indeed, rare when any of them will make a speech or officially represent the Agency except in a recruiting environment. In those rare instances where they have generated publicity in the recent past, it was more often a situation not instigated by the recruiter. Thus they do perform a representational function in their field areas, but not to the public at large.

4. One of the most noticeable aspects of recruitment was the heavy, almost exclusive, emphasis placed on recruitment in the academic environment. This has been traditional with the Agency in the past and, according to the Chief of the Recruitment Division, efforts will be made to develop more non-academic sources in the

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future. The Inspection Team believes that this would be a most worthwhile development because of the Agency's need to incorporate views based on different perspectives and experience which can be achieved through lateral introductions of middle and high graded personnel. R/GH

5. Most of the recruiters made mention of the fact that pressures are being placed on them to improve their records in minority recruitment, especially with Blacks and Hispanics. All evidenced a sincere desire to comply, pointed to their extra-academic efforts to attract qualified Blacks, including contact with the Urban League. One recruiter pointed out that on one occasion he mailed letters to 145 Blacks at a local university, soliciting their interest, got back 11 resumes, interviewed five and gave four of them applications, two or three of which were returned. This example is consistent with general activity which shows a sincere, concerted and very difficult effort to recruit Blacks and Hispanics is being made by all recruiters.

6. All of the recruiters acknowledge that one of their main objectives is to get their recommended cases to Headquarters as soon as possible and their fondest hope is that expeditious action will be taken on their cases. All bemoaned the fact that it doesn't work that way. The inspection examined the various steps taken in the field and at OP Headquarters in the processing of an

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applicant for employment. It is unquestionably a time consuming process at both ends. The prospective applicants complete a short form resume before they are interviewed by a recruiter. At the completion of the interview and if the recruiter thinks there is a reasonable chance of placement, the applicant is provided a rather comprehensive set of application forms and scheduled, in most cases, to take the Professional Aptitude Test Battery (PATB). This test is administered on certain Saturdays in the general vicinity of, but not necessarily in the same city, where the applicant resides. The recruiter cannot submit the case to Headquarters until all of the forms have been completed and the test taken. Once the case is received at OP Headquarters, it is processed in a most expeditious manner, even being hand-carried in many instances in order to save time. While this was not always the case in the past, the inspection concluded that the Staff Personnel Division is doing everything possible at Headquarters to get applicant cases into the hands of the customers as quickly as possible. Much of the criticism about the amount of time that it takes to process an application was centered around the administration of the PATB (it takes a minimum average of five weeks for the customer to get the results of the test taken in the field) and the time that it takes a customer to decide whether or not to put a case in process.

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7. We question whether the value of early administration of the PATB is sufficient in most cases, to justify the loss of good applicants probably generated by the delay entailed. We note that some Offices now request that the PATB not be administered. Another Office, which insists on its use, last validated its usefulness in 1958 on the basis of examining forty cases. Other Offices might find that administration and prompt evaluation of the test during an applicant's Headquarters visit would satisfy their need. Decisions on this matter must be reserved to the Operating Components who best understand their personnel needs and the reasons for particular selection criteria. We believe they should be fully aware of the costs of present PATB practices in terms of lost applicants, extra recruiting efforts, and simply the dollar expended for administering the test in many localities, however. We suggest that this subject be included in the course for component managers recommended (No. 10) in Tab H.

8. Another major cause of delay is the time taken by components to reach decisions about putting applicants in process. We believe the Office of Personnel is doing well in its efforts to minimize these delays by hand-carrying and reminding components of long-retained applicant folders. We suggest, however, that statistics and horrible examples be assembled and presented to managers at the course mentioned above in the hope of increasing their awareness

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of the problem.

9. One aspect of Agency recruitment procedures, which was most noticeable and disconcerting, is the emphasis placed on recruiting for the Career Trainee Program (CTP). Most of the recruiters go after students working on their Masters or Doctorates as CTP candidates. They have been told for years that one doesn't need an MA or PhD to make a good case officer, and while they believe this, they keep an eye on what is selling and that is what they recruit. It was explained that because it is a buyer's market, there are numerous outstanding candidates available and all other things being equal, the candidate with the MA or PhD is more likely to be selected than one with a BA or BS. Most CTP candidates are "pre-committed", that is, the recruiter specifically designates them as such which means that their files are not available for review by other components. When received at Headquarters, such files are sent directly to the Office of Training (OTR). Others are earmarked for the CTP at Headquarters and they too go to OTR without being made available for review elsewhere in the Agency. Others that are in the Skills Bank may be requested by CTP and in all cases where CTP has an interest, the files are not available for review by other components. Because CTP candidates are later interviewed in the field and because OTR frequently waits until they have a sufficient number to interview in a

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a geographical area, the CTP files often are "blocked" for a long period of time. The whole CTP recruitment concept has been discussed as a "massive overskill". Inquiries in this regard were made and confirmation received to the effect that in CY-1974 they (OTR) reviewed 729 files on CTP candidates and hired only 40 new employees and in CY-1975 they reviewed 692 files and hired only 23 new employees. Our investigations from the Office of Personnel perspective supported the view that the CTP recruitment program indeed looks like a "massive overskill". The Office of Personnel activities are governed in many cases by personnel requirements specified by other components, however, and the program as a whole is managed by OTR. Therefore, this matter will be further reviewed during an OIG survey of OTR scheduled to start within two or three months. Recommendations for corrective action, if still indicated, will be included in the report of that survey.

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CTP TO
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10. Shortages of clerical personnel were often cited by customers as reason for dissatisfaction with Office of Personnel recruiting efforts. Our examination of these efforts failed to suggest any dramatic new means of increasing the flow of new clerical employees. Recruitment Division is aware of the complaints and, we believe, is taking all steps available to satisfy them. There is some question as to whether the Agency-wide shortage is

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as significant as it appears to some managers. Statistics on clericals employed versus clerical positions suggest that mis-assignment may be part of the problem. Poor management in a few components experiencing unusually high turnover rates may be another. In any case, we believe the Office of Personnel is taking all steps reasonably available to it to meet Agency clerical recruitment objectives.

11. Specialized recruitment was discussed with all the recruiters, as well as with those involved at Headquarters, and it was generally agreed that this is an area where support and assistance rightfully can and should be provided by the components. While some recruiters do very well in specialized requirements, all felt that the components levying the request should give the recruiter a clue as to where such talent could be found.

12. The age-old question of whether or not recruitment could be handled from Headquarters was discussed at all levels and the age-old replies of knowing and maintaining contacts, in addition to being spokesman for the Agency, were heard. There is a certain amount of logic to having recruiters located throughout the country, although the "Agency spokesman" aspect does not seem valid in 1976. Unless there is a drastic reduction in Agency hiring and there is no hard evidence that one is on the horizon, it is not believed that any recommendations, other

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than maintaining status quo, are prudent in this regard at
this time.

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1. The clerical management problem is primarily one of limited promotion opportunities. Strongly adverse views of many component managers about Office of Personnel (particularly PMCD) activities in this area indicated the desirability of treating the subject separately in this report. In many respects, however, this discussion is an extension of that found in Tab G, Position Management and Compensation.

2. Opportunities for clerical advancement are limited by the low (as compared to professional) General Schedule (GS) grade structures established for clerical positions and by limited opportunities for clericals to move into semi-professional or professional positions which require skills which many clerical employees do not generally possess. Moreover, some qualified clericals, particularly secretaries, like their jobs and desire to remain in their chosen field.

3. Non-secretarial clerical positions such as registry or mail room clerks are generally limited to the GS-05/07 grade level with a supervisor one step higher. In the secretarial field the Agency follows a pattern system based on the organizational level and grade of the supervisors position. Few senior secretaries can hope to obtain positions at grades higher

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than GS-07, or, perhaps GS-09. Since clerical grade level structures are limited to begin with, a competent individual who enters on duty as a GS-04/05 may be promoted to GS-07 or even GS-09 relatively early in his/her career. Thereafter the prospects for further promotion are dim; morale sometimes suffers.

4. Agency managers empathize with clericals on promotion headroom problems. They are particularly concerned over the established secretarial pattern as it affects senior secretarial positions. Many view their secretaries as highly competent, indispensable members of their management team. An analyst or case officer may be easily replaced or others can take over the workload, but the manager's secretary, who, in some cases, is fulfilling the role of an office manager, is irreplaceable. Therefore, it is understandable that managers want to reward their secretaries with promotions. They desire to accord them grade levels which, in their opinion, equate to their value in comparison to the professional members of the team.

5. During 1974/75, the senior secretary problem was the subject of several Management Committee discussions. In sum, the Management Committee concluded that the Agency secretarial pattern system should be continued as a guide in determining pay levels for secretaries, that the Directorates should submit

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recommendations for secretarial upgrading to OP, PMCD for review in those cases where components judged upgradings to be justified and that perhaps the term senior secretary is a misnomer in describing some secretarial positions, particularly overseas, and that a new job or position category be considered that more accurately describes the many duties such secretaries or office managers are called upon to perform.

6. As a result of the above Management Committee directive, PMCD conducted a review of 62 secretarial positions recommended for upgrading by the career services. In conducting its review, PMCD utilized comparison data obtained from the Civil Service Commission, other government agencies and private industry. PMCD concluded that following "equal pay for equal work" principles, upgradings were justified in only a few instances and that CIA secretaries, in general, are paid comparably or better than their counterparts in industry or other government agencies. PMCD also found that, aside from promotion limitations, factors such as under-utilization, promotion policies and professional treatment of clericals were contributing factors to dissatisfaction. As a result of the present inspection, we endorse these PMCD findings. As stated in Tab G, we conclude that PMCD's enforcement of job/pay equity for secretarial and clerical positions is very effective despite frequent and strong management opposition.

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The clerical field is one in which "equal pay for equal work" standards can be readily established due to the similarity of clerical duties at different levels. Moreover, in most, if not all cases, valid comparisons can be made with similar positions elsewhere in government and industry.]

7. We have no specific recommendations for Office of Personnel actions to improve Agency clerical career management. We applaud the successful efforts of the Office of Personnel to generate separate and special consideration of clerical personnel within the career services. We have considered, as have many others, the establishment of an Agency-wide clerical career service. The intent of such a career service would be to broaden opportunities for competitive cross-Directorate movement of clericals to better positions. However, we believe that the advantages of broader access to the very few positions at grades above the GS-07's and GS-09's available in the individual career services are limited, and real achievement of such broad access by this mechanism is dubious. Some mechanisms, particularly vacancy notices, now provide broad access in some cases. Thus, we conclude that the likely advantages of a single career service for clerical personnel, or just for senior secretaries, would not offset the complexities and difficulties generated by its creation.

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8. We believe that more attention should be focused on alleviating problems encountered by PMCD during its senior secretary survey which are perhaps more serious than advancement opportunities, e.g., secretarial utilization, management attitudes, recognition, etc. Further, we believe that managers need to obtain a better understanding of the limits on what a government employer can do to improve the pay status of its secretarial personnel. We suggest that these topics be included in the management course recommended in Tab H.

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POSITION MANAGEMENT AND
COMPENSATION

INTRODUCTION

1. The Position Management and Compensation Division (PMCD) is the Director of Personnel's principal agent in meeting his responsibility for authenticating staffing complements-- often called Tables of Organization (T/O's)--and revisions thereto. These staffing complements establish the official numbers, grades, titles and interrelationships of job positions in Agency components. To perform this function, PMCD conducts desk audits of Agency positions, either in response to a component request that a particular position be reviewed (usually in the hope of upgrading it) or as part of a survey of the organization itself. Such surveys may occur upon request, when managers need authentication of a significant reorganization of an existing component or need a staffing complement for a new organization. PMCD is also chartered to conduct periodic position surveys of all Agency components.

2. PMCD's objective during its position evaluations is to insure, within reasonable limits, that the compensation for positions of similar levels of difficulty and responsibility are consistent within the Agency and with the rest of government. Achievement of this job/pay equity ideal is circumscribed by

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requirements that, within a Directorate, reclassification of positions must not (without DCI approval) increase the total number of senior slots (e.g. positions at grades of GS-14 and above) or the average grade of all positions. If PMCD's evaluations of job/pay equity lead to upgrading of some positions, others, at least within the Directorate, must be downgraded--perhaps despite job/pay equity--to maintain the status quo. Similarly, the Director of Personnel is charged with evaluation of Directorate proposals to change the number, grade or allocation of supergrade positions. PMCD becomes involved in such evaluation and is influenced during its position evaluations by the fact that the totals of present staffing complements include more supergrade positions than OMB has authorized to the Agency.

3. The objectives of PMCD's periodic position surveys are to update position information--in order to improve evaluation standards--and to make necessary adjustments in the grade of individual positions and the position structure as a whole. This last requirement on PMCD puts it in the position, in effect, of advising a manager on how he should organize his component in order to accomplish his mission.

4. We formed judgments on the effectiveness of PMCD's contributions toward achieving job/pay equity on the basis of discussions within PMCD and our analyses of component managers'

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comments and of recent PMCD surveys and survey reports. We conclude that PMCD's contributions vary by grade and type of position.

a. PMCD's enforcement of job/pay equity for secretarial and clerical positions is very effective despite frequent and strong management opposition.

b. PMCD is generally effective, and usually provides a useful and welcome service to managers, in establishing and enforcing job equity for multiple-copy technicians.

c. PMCD is usually effective, despite management pressure for more headroom, in maintaining job/pay equity for junior and middle grade analysts, case officers and support officers--but complaints abound in individual cases.

d. PMCD's contributions toward establishing and monitoring job/pay equity are relatively ineffective at grades of GS-14 and above. PMCD's competence to evaluate such positions is frequently questioned, and it is rarely able to prevail in resolving disputes. When it does prevail, its downgrading recommendations sometimes restrict future headroom but have little immediate effect in the sense of causing transfers or demotions of incumbents. As one senior manager put it, the outcome depends on how well the Office "snows" PMCD.

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5. PMCD's responsibilities in the enforcement of average grade, senior slot and supergrade limits are unclear. It is therefore difficult to assess the Division's contributions to this effort. Responsibility for allocation of Directorate staff manpower ceilings (i.e. total positions) among components is assigned to Deputy Directors. Each year they, or their component heads, develop proposed staffing complements which, in their totals, must stay within the numbers of positions at each grade allocated to their career services. Proposed staffing complements which contain revision, or are later revised by a PMCD periodic survey, must be authenticated by the Director of Personnel. If that authentication supports a number of positions, an average grade or a number of senior slots that exceeds the Directorate's allocation, the Deputy Director must take action through the Director of Personnel and Comptroller to obtain approval for the increase. The Director of Personnel may advise on where compensating changes may be made to avoid exceeding average grade limits. But responsibility, and most decision authority, belongs to the Deputy Director concerned. PMCD's responsibility appears to be in support of the Director of Personnel's monitoring, advisory and staffing complement authentication roles. Wherever the blame or credit lies, it is important to note that upward grade creep in CIA is not significantly different from that experienced in most other Federal agencies.

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6. Agency managers express more dissatisfaction with the way the PMCD function is performed than with any other activity of the Office of Personnel. They allege that PMCD personnel do not understand Agency functions and positions, much less their importance and uniqueness, and insist on using Civil Service standards of position classification which many think are not applicable to the Agency. Managers are further disturbed by PMCD delays in reviewing component requested changes and by the time-consuming PMCD periodic surveys which rarely have a significant impact. In judging the validity of such criticism, which reflects the view of a large majority but is not universal, one must take into account the PMCD functions described above. These are control functions which impact on how managers manage. Since PMCD, in its wisdom, frequently disagrees with the wisdom of managers concerning position classification, an adversary relationship develops. Therefore, PMCD does not engender much affection from managers.

7. CIA follows the Civil Service wage and grade structure, but the dynamic nature of the Agency's unique role has resulted in management innovations which are not typical of the Civil Service tradition. Position management in the Civil Service usually involves looking at the function of an organization and constructing a hierarchic structure of components and positions to perform that function. Position management in

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UPWARD

that tradition envisions a fairly stable situation--minor changes in positions and structures can be accommodated based on experience. Such organization structures are effectively utilized by many Agency components including the Office of Personnel. However, many other Agency components are characterized by constant change in mission and priorities. Their organizational structures and assignment of personnel are in constant flux. Such components find the slow and agonizing PMCD way of doing business untenable.

8. In the position classification field, CIA also frequently departs from Civil Service concepts. In the Civil Service tradition a position has certain qualities of responsibility, supervision, educational requirements, etc. Based on the number and level of such requirements a GS grade is assigned to the position. People then compete for the position on the basis of merit and the assigned individual must be promoted within 120 days or removed from the position. Superficially, CIA appears to function in a similar manner. Actually, the Agency career service system operates more on the "rank in the man" than on the Civil Service "rank in the position" concept. Agency managers think in terms of the career progression of people. Individuals are frequently placed in a position not because their talents match all of the requirements of the position description but in order to provide them

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with the opportunity for advancement based on potential and past performance. Then the functions of the position are unofficially modified to best exploit the talents of the incumbent. Thus, there is an inherent incompatibility between PMCD's preoccupation with fixed, unchanging positions and managers' preoccupations with adjusting positions to fit changing people.

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GOOD POINT

9. In reviewing a number of PMCD surveys, we find some validity to the frequently voiced assertion that PMCD bases its judgment too closely on Civil Service precepts. It is concerned with matching grade structures to hierarchic organization structures, sometimes with little understanding of why some organizations are otherwise arranged. It goes to some lengths to correlate CIA positions (which are frequently unique to CIA) with positions elsewhere in the government, e.g., an NSA journeyman computer programmer is a GS-12; therefore, a CIA programmer, who may in actuality work with a much more complex system and set of problems, should be comparably graded. We find many examples where PMCD used comparisons which we judge to be invalid, e.g., we do not think a DCD Contact Officer should be compared with a DDO Case Officer to establish grade equity. We also find examples where PMCD has recommended that a position be abolished in order to improve the professional to clerical ratio with no argumentation provided as to whether

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or not the workload justifies the position. We find many examples where PMCD has recommended that a position be down-graded because the incumbent wasn't performing at the position grade level. It seems to us that the requirement for the position should be PMCD's primary concern rather than the current incumbent's performance.

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10. We feel there is some confusion in PMCD as to its appropriate role, i.e., whether to ensure job/pay equity or to control the rise in average grade and the like. As mentioned above, these are somewhat conflicting goals. Regulations require that average grade and senior slots be held constant within Directorates as a whole. PMCD apparently attempts to enforce such restraints within each component, sometimes to the detriment of job/pay equity. Recommendations contained in its survey reports frequently result in an overall reduction in average grade, senior slots and supergrade positions. We believe that, at least at the component level, PMCD should only be concerned with job/pay equity, i.e., in reviewing positions, it should call it as it sees it; controlling average grade is a higher management concern.

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11. The intent of the above discussion is not to lay the groundwork for a recommendation that we abolish our system of position management and compensation or that we do things in a radically different manner. Since we are a government agency,

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our options are limited. The intent is to indicate the culture in which such a system must operate and some of the problems it faces.

12. CIA was exempted from the Classification Act of 1949, but in that year Director Hillenkoetter informed the Civil Service Commission that in our internal personnel policies we would follow the basic philosophy and principles of the Act. In October 1962 the Acting Director reaffirmed the Hillenkoetter policy in a memorandum. This policy is set forth in various Agency regulations and PMCD is our primary internal control for ensuring that we adhere to the classification principles of the Classification Act. Under its legal exemption, CIA could seek Executive approval to establish its own system of grade structure and wage scales but any system we developed would probably not be approved if it departed dramatically from government-wide pay and classification legislation and policy. There is no prospect at present that a change in system will be sought, and in any case any system utilized by CIA would require management and control to ensure job/pay equity, to respond to concerns over the size of the Federal payroll, and to implement executive policies stemming from those concerns. Therefore, the PMCD function must continue.

13. In the balance of this Tab, the discussion is subdivided into the major issues we believe impact on PMCD and

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its functions. Conclusions and Recommendations designed to improve the performance of PMCD, make it more responsive to component requests for position changes and, hopefully, to create a better working relationship between PMCD and Agency components are provided on pages G-26 through G-31.

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14. It is important to note, before embarking on the individual topics, that, prior to the initiation of this OIG survey, [redacted] a retired employee, was given a

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contract to conduct a study of PMCD and to make recommendations designed to improve position management and classification in CIA. The Inspection Team found [redacted] s study of considerable value in its own deliberations.

NOTED

PMCD Staffing

15. The position classification profession requires talented individuals. They must have representational qualities, the ability to brief well and deal with people at all levels, good analytical skills and several years training to learn the basics of the profession. We have been told that PMCD was formerly staffed with individuals not having these skills. PMCD management believes the Division is currently staffed with high-quality individuals. Customer comments suggest this may not be universally true, but we were impressed with the enthusiasm and competence of the PMCD personnel we contacted.

16. Despite the general criticism of PMCD, several Agency managers praised the competence of a few PMCD analysts.

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We suspected that these analysts might simply have been unusually lenient, but that was not the case. The well-regarded analysts are experienced in position classification and have dealt frequently over a number of years with the organizations that praised them. As a result they understand those organizations and are responsive to their needs. We have concluded that effective rapport between PMCD and Agency components can be established when a competent PMCD analyst is assigned to an account over an extended period (up to five years). The PMCD analyst learns the structure and problems of the component and the component gains confidence in and respect for the PMCD analyst.

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17. At one time, PMCD was viewed as a cradle-to-grave assignment. Its current policy is to maintain a two-thirds permanent cadre staff of experienced professionals and to fill the remainder of its positions with three-year rotational assignments. The PMCD staff is small in relation to its responsibilities. There are only full-time classifiers and about five professionals engaged in developing better job standards. Since it takes several years to train a new analyst, we believe the proportion who are permanent staff should be kept at a high level to maintain the professionalism of PMCD. We suggest that the permanent staff be given periodic personnel officer rotational assignments to other Agency components (perhaps two or three during a career) to

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obtain a different perspective and to gain more experience with the problems of other components. This could be coupled with the rotation of other personnel into PMCD either from the Office of Personnel or elsewhere. We understand that the Office of Personnel has made a proposal to obtain personnel from other components and Directorates for rotational assignment to PMCD. The rotation of PMCD personnel to the Directorates and Directorate personnel to PMCD would further mutual understanding and facilitate PMCD working relationships with components, if the assignees' tours are long enough to develop and employ adequate position classification skills.

WHEN?

Centralization Versus Decentralization

18. Some managers argue for decentralized position management and classification. They suggest that professional job classifiers be assigned to Directorates, or even to large components, and that job classification be done wholly within such units. They feel that existing constraints on numbers of positions, senior slots and average grade are adequate to prevent empire building and that, within these constraints, they are best able to decide how to organize their components and assign grade values to positions.

19. Such a decentralized system is in effect at the Energy Research and Development Administration (ERDA) and it reportedly works effectively. However, ERDA uses a standardized

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system for evaluating its relatively homogeneous positions and managers have been trained in and are involved in the application of this system, thus ensuring a certain amount of job/pay equity within ERDA. From this and other examples, it appears that a decentralized system can work satisfactorily in some organizations if systematic position standards have been developed and managers understand those standards and are willing to devote time to their application. Those conditions do not exist in CIA. Position classification is not well understood by CIA managers and over the years we have used a number of different criteria, understood only by PMCD, for evaluating positions.

20. The Civil Service Commission is developing a position classification methodology called the Factor Ranking/Benchmark System and has decreed that all agencies under its cognizance will adopt it by 1980. The system is based on data compiled from the experiences and systems of industry, labor, foreign countries, etc. Those who are familiar with the system are enthusiastic over its potential and cite as its advantages that it is easy to understand, it is a more accurate way to grade positions than systems used heretofore and it requires Operating Component participation, thus leading to agreement and understanding on how positions are classified. PMCD has established a separate branch to develop this system for Agency use.

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21. The Inspection Team was impressed with the potential of this system and urges the early development and use of an Agency version to improve both position classification and communication on that subject between PMCD and components. When the system has been fully implemented and understood, at least one barrier to decentralized position classification in CIA might be removed. Even under those circumstances, however, we doubt that decentralization, in the sense of assigning position classifiers to Directorates, would be desirable in this Agency.

22. Although most authority in CIA is delegated to the Deputy Directors who supervise the four semi-autonomous Directorates, the Agency must operate as a single organization in its relations with the rest of government, including its conformance with manning and staffing rules and restrictions. These require that job/pay equity be maintained and monitored throughout the Agency, not just within Directorates. That monitoring is performed by the Director of Personnel. We believe his central control of Agency position classification experts is essential to the provision of uniform classification standards and to monitoring the application of those standards within the several Directorates. We question, however, whether the Director of Personnel needs to retain authentication control of official staffing complements. That subject is discussed in the next section.

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Authority and Appeals

23. In practice, managers are not now unduly restricted by PMCD's recommendations or by its influence on their staffing complements. Undesired recommendations arising from PMCD periodic position surveys are frequently negotiated away or ignored. No effective system of enforcement or appeal has been formalized to deal with outstanding differences, and various mechanisms, necessary for other reasons, provide means of evading many of the restrictions in an unsatisfactory Table of Organization. For example, the Office of Finance uses Personal Rank Assignments as a means of providing GS-12 Certifying Officers to overseas posts because PMCD will only authenticate a lower grade. PMCD recommendations have somewhat more force when a component initiates a reorganization or tries to upgrade positions. Even in these cases, however, PMCD has on occasion been overruled by the Director of Personnel or the DDA. In practice, if a controversy attracts the attention and support of a Deputy Director, his decision usually governs the actual outcome, although not necessarily the official staffing complement. For example, PMCD recommended that the Personnel Management Group/DDO staffing complement be limited to eleven supergrade positions. Eighteen are now and will be assigned there--the number authorized by the DDO. The extra positions are simply flagged on the staffing complement as awaiting approval.

STRIKE

24. It has been argued that PMCD, as a component of the Office of Personnel, is buried in the Agency management hierarchy and does not have enough clout to operate effectively and to enforce its decisions (assuming it has come to rational decisions which should be enforced). It has been suggested that the functions be attached to the Office of the Comptroller. We do not think the placement of the function is a significant factor in improving its accomplishment. If the function were performed competently and with a greater degree of management understanding, if PMCD's authority were understood and spelled out in Agency regulations, and if its decisions could be appealed and reviewed by higher authority, then we believe it could function effectively where it is. The more basic question is, what role and authority should PMCD have?

P3 w

25. We have reviewed and discussed several recent PMCD surveys with the surveyed components. These components generally felt that PMCD was on target regarding its recommendations on clerical positions. They expressed strong disagreement with PMCD judgments on a number of other positions, particularly upper level positions. The PMCD analysts who conducted the surveys were judged to be dedicated, competent individuals but it was felt that they did not obtain the understanding necessary to make valid judgements regarding

the significance and the uniqueness of the professional positions being analyzed, nor did they use realistic comparison data. We do not think this is simply management dissatisfaction because it did not get its way. As discussed earlier, we also question the infallibility of PMCD's judgment. *Pow*
This is not intended as criticism of PMCD or its personnel. They are not and cannot be specialists in all the organizations or position fields they are analyzing; therefore, they will make errors in judgment and their decisions should be subject to review and, if necessary, reversal. *BANG*

26. Many believe that no effective and impartial appeal route exists. The Director of Personnel is uniquely empowered to authenticate and issue staffing complements and is therefore the official appeal route. PMCD reports and recommendations are furnished to components over his signature, however, and the route back lacks at least the appearance of impartiality. Questions could and would be raised about his qualifications to resolve a dispute in detail about a specialized position deep within another Directorate, and such disputes are frequent --31 of the 38 component managers interviewed on this subject had complaints. Moreover, his real means of enforcing other than very important PMCD recommendations is open to question. His authority to authenticate staffing complements is clear. Deputy Directors, however, must determine the allocation of

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staff manpower ceilings among their components and may, within some limits, make shifts in manpower within their Directorate without seeking outside approval. In arguments with other Deputy Directors, the DDA can, and sometimes does, lend invaluable support to the Director of Personnel. Unresolved questions can be and sometimes are taken to the Management Committee and the DCI for resolution. The number of disputes far exceeds the capacity of this channel, however, and most, therefore, are either settled through negotiations--usually in management's favor--or left unresolved.

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27. The main problem with the Director of Personnel/DDA: appeal route lies in the number and complexities of the disputes. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates--e.g., the Comptroller or, God forbid, the Inspector General--would face the same set of problems.

YEA!

28. Efforts are being made, as they have been for years, to reduce the number of differences by improving the quality of PMCD's judgments, improving managers confidence in those judgments and, through negotiations at various levels, to reduce unresolved differences to those few critical cases perhaps

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worthy of Management Committee action. The last, and most effective process, doesn't enhance management confidence in PMCD advice or in the value of the whole exercise, however. One very senior manager said that the subjectivity of the PMCD process is driven home when you reach the negotiating point; "I'll give you two GS-07's for one GS-12." Many other managers have illustrated their doubts about the worth and effectiveness of the whole process by indicating that after months of effort they are able to obtain through negotiation almost everything they wanted. We applaud the efforts to improve the quality, and thereby the acceptability of PMCD judgments. We find little new in these efforts, however, and little in the outcome of similar efforts in the past to justify an expectation that achievable improvements, however desirable, will solve the problems by itself.

29. We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved by better, semi-rotational PMCD staffing and development and implementation of better, more understandable classification standards--i.e., the Factor/Benchmark system. We believe these steps would help, but that most of the fundamental problems would remain. The other choice is--in addition to these steps--to make the Deputy Directors the appeal and decision authority, while preserving the ~~Director of Personnel's~~ capability and responsibility for monitoring their actions.

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30. Whether transfer of staffing complement authenticating authority to the Deputy Directors would degrade, improve or leave unchanged the Agency's performance in job/pay equity and adherence to average grade and other manning restrictions is bound to be a controversial question. Some would regard it as setting the fox to guard the chickens. Others would contend that this, in many cases, describes the present system, and, if coupled with active and adequate monitoring by the Director of Personnel, degradation in performance is by no means an inevitable result. The more optimistic would even contend that providing control of staffing complements to those now responsible for holding average grade, senior slots and supergrades within their allocations would remove any ambiguities that may now exist as to where that responsibility lies; would provide them unambiguous decision authority over a tool important in carrying out these responsibilities, and would improve the relationship between staffing complements and reality by insuring that disputes are decided. PMCD influence on component managers during negotiated settlements might even be increased by the knowledge that unresolved disagreements will be decided at a higher level. Moreover, the fact that the decision will be made by his own superior might make the manager a little less defensive and a little less inclined to employ "snow" tactics.

MV
W. W. W.

31. No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent.

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We are persuaded, however, that the risks of serious degradation are not great--and return to the present system would be possible if we are proven wrong. The shift could be an improvement, perhaps an important one, over the present system. We believe other possible changes in the system, such as total decentralization or creation of a supra Directorate appeal authority to be undesirable, impracticable, or both. We therefore conclude that the transfer of authority should be made. The details of our proposals are provided in the Conclusions, starting on page G-26 of this Tab.

WA

Periodic Position Surveys

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32. [] provides for periodic position surveys to update position information, and to make necessary adjustments in the grade of individual positions and the position structure as a whole. Headquarters Notice [] 7 January 1972, established the Position Survey Program with the aim of scheduling and conducting position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. PMCD is charged with conducting the Position Survey Program. In conducting surveys, PMCD is concerned with position management (organizational structure, alignment of functions, number of positions at different skill levels, occupational levels required to carry out missions, ratio of professionals to clericals, number of supervisors to work force, etc.) as well as position classification.

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33. PMCD attaches high importance--and priority--to its periodic survey program. The program provides needed opportunities to study Agency positions in order to improve position classification standards. It generates reviews of positions that may have changed in character, if not in title or grade, since they were last classified. And it provides opportunities to review and make recommendations about the organizational structure of Agency components, some of which PMCD believes badly need such review.

34. Most component managers are extremely critical of the PMCD periodic survey program, however. Many comments deal with subjects discussed earlier--managers reservation about the comparisons used by PMCD to classify positions and about PMCD's ability to understand the unique character of some component positions--the time spent in negotiating differences in how a few positions should be classified--and the fact that unresolved differences are apt to stay unresolved. These comments apply broadly to most PMCD surveys, whether conducted at the components request to authenticate a reorganization or one of the PMCD-initiated periodic surveys. A number of comments apply more specifically to the latter, however.

35. One often-mentioned problem is that PMCD's manning and priority system does not permit an early response to a request for a reorganization-generated survey, or rapid accomplishment of the survey after it starts. PMCD's efforts to meet a three-year cycle of periodic surveys lead to tight scheduling of its limited

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manpower. There is little slack in this schedule and long delays --many months and sometimes a year or two--occur between a component's expression of need for a survey and its commencement. Sometimes this forces components to operate for protracted periods with an outmoded official Table of Organization. In one case we found that a component had deferred a needed reorganization for a year while awaiting a scheduled PMCD periodic survey. Another has long deferred many conversions of contract employees to staff employee status because PMCD is too tightly scheduled to help. Yet the periodic surveys go on. One organization that recently finished such an unsolicited survey pointed out that it occurred in the middle of changing missions and methods of operation, the impacts of which could not be assessed at that time.

36. The PMCD advice received during periodic surveys on organizational structure is of often-questioned value. We attempted, unsuccessfully, to check this by evaluating changes recommended in recent PMCD survey reports. We found that PMCD survey reports include, ususally without clear distinction, both their own recommendations and others originated earlier by the component. Thus, the acceptance by managers of recommendations for organization changes made in survey reports is not a good measure of the contribution made by PMCD. Most managers interviewed felt that few of the PMCD-originated organization recommendations were useful. Since they are not obliged to follow these recommendations,

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they found them more annoying and time-consuming than harmful, however.

37. Many managers questioned the qualifications of PMCD job classifiers to provide detailed recommendations on how a component should organize to carry out its mission. Such PMCD personnel are relatively junior in grade (typically GS-12 or 13), lack Operating Component and senior management experience, and have relatively little exposure to the component's particular problems. Moreover, managers point out that their organization is subject to command review in their Directorate, to program audits by the Audit Staff, and to OIG surveys.

38. We concur with many of the managers views expressed above. We have noted the following consequences of the present periodic survey program.

a. Unresolved differences with PMCD periodic survey findings are sometimes never formally settled after the procedural steps of receiving and commenting upon the survey report. Most of the controversial findings do not result in binding T/O changes or in immediate organizational changes, although PMCD personnel believe many of their rejected recommendations appear later in management-suggested reorganizations. The manager, if supported by the Deputy Director concerned, really determines his organization structure. Therefore we believe the expenditure of 3-6 months of component

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and PMCD efforts at three year intervals for periodic position surveys to be excessive when compared with the specific end results achieved.

b. Competing periodic survey schedules delay the accomplishment of surveys needed to authenticate reorganizations. These delays--and sometimes unresolved differences arising from the periodic surveys themselves--lead components to operate for protracted periods on unofficial T/O's that differ from their official staffing complement. This leads to unnecessary use of misslotting, Personal Rank Assignments and other devices potentially subject to CSC and OMB criticism, misunderstanding, and, perhaps, imposed cuts. Moreover, centrally generated position control information in these cases is inconsistent with the real world. This can mislead senior management and obscure the development of manning problems. It also requires component maintenance of multiple bookkeeping systems for middle management use. In addition, inconsistencies between de facto and official T/O's make middle-level managers uncertain about their slot grades and headroom and generate problems in assignment planning, personnel advancements and morale.

39. We recognize PMCD's need to review a variety of positions in order to maintain and improve its classification standards. We believe such data can be acquired without a full organizational

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review, however. We recognize that over a period of time the duties of a position can change and that it is useful to management to have PMCD periodically review positions to validate their classification. We believe that static organizations should be subject to such reviews--but at intervals considerably longer than three years. These reviews should not, however, be accorded priority over the more immediate classification needs of rapidly changing organizations. Lastly, we believe PMCD should restrict its organizational recommendations to those cases where the organization structure has a dominating impact upon the classification of the positions involved.

Conclusions

Conclusion G-1. Authority should be delegated to Deputy Directors to modify and authenticate staffing complements (T/O's) within the limits of Directorate allocations of staff manpower ceilings, senior slots (GS-14 and higher) and average grade. This authority should be qualified by a requirement that recommendations by PMCD representatives regarding changes in the grades of existing positions or the assignment of grades to new or significantly altered positions be considered by component managers and, if unresolved, by the Deputy Director before such changes are effected.

AGREE

- a. To accomplish the second part of this it is essential that PMCD be involved before a significant reorganization is

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effected. Provisions should also be included for PMCD, when deemed necessary by the Director of Personnel, to review and reassess the grades of new or significantly altered positions after six months or so of experience with the new organization. In some cases the Director of Personnel may decide that a survey of all positions in the new organization is needed. PMCD recommendations arising from such position reviews or reorganization surveys (or from periodic and special surveys discussed in Conclusion G-5 below) should be considered by the component manager and, if unresolved, by the Deputy Director within a specified, short time interval after the recommendations are made.

b. Since supergrade positions are directly controlled by the DCI, and since a new system for handling supergrade problems is being considered by the Management Committee, they have not been specifically included in this conclusion. Consideration should be given, if this proposal is adopted, to similar modification of the way supergrade positions are handled, however.

Conclusion G-2. The Director of Personnel, acting for the DCI, should be required to monitor Directorate and DCI Area adherence to equal pay for equal work (job/pay equity) principles and to allocated manning, average grade and senior slot limits, and to recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

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Conclusion G-3. In the area of position grade evaluations, PMCD should:

- a. Develop and maintain standards for position evaluation use.
- b. Participate in and advise on all position evaluations.
- c. Insure that unresolved differences with component managers over position evaluations are brought to the responsible Deputy Director for decision.
- d. Inform the Director of Personnel in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies--e.g. pay scales for senior secretaries.

Conclusion G-4. With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- a. Establish staffing complement formats.
- b. Compile, produce and disseminate staffing complements authenticated by the Deputy Directors and produce and disseminate related management information reports.
- c. Report to the Deputy Director concerned and to the Director of Personnel any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorates's allocations of manning, senior slots or average grade.

Conclusion G-5. PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

a. PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.

b. The Director of Personnel should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.

c. Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance.

d. During all surveys, PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.

e. PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

Conclusion G-6. PMCD should accelerate the development and trial implementation of improved position evaluation standards and methods similar to the Factor/Benchmark system now being

developed by CSC for government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

Conclusion G-7. The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

a. It is important to note that PMCD manning must permit prompt and rapid service of component needs.

b. A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.

c. Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the tours can be long enough for the rotating personnel to develop and use job classification expertise.

Recommendations

Recommendation No. 7. That the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before effecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade.

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Recommendation No. 8. That the Director of Personnel monitor Directorate and DCI Area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

Recommendation No. 9. That the Director of Personnel revise PMCD procedures, position surveys, scheduling, and manpower as indicated in Conclusions G-3 through G-7 above.

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CUSTOMER PERCEPTIONS OF
AGENCY PERSONNEL POLICY DEVELOPMENT

1. There is a widespread perception among Agency managers that the Office of Personnel, although a very responsive and generally effective service organization, lacks initiative and innovation in developing solutions to long-standing Agency personnel problems. Some managers even feel that the Office plays an actively negative role and usually opposes solutions proposed by others. The more important of these long-standing problems were selected as issues for examination in this survey and are discussed in other Tabs of this report. It soon became evident, however, that the existence of this perception is a serious problem in itself.

2. The perception is neither without some validity nor is it wholly accurate. Initiatives in personnel management are often taken in CIA by people other than the Director of Personnel. An outstanding example are those inspired by the then DCI that led, through recommendations of a Personnel Advisory Study Group (PASG) report, to an effort still underway called "New Approaches to Personnel Management." Office of Personnel contributions to these efforts were and continue to be positive and major, however. That the Office was not the initial, apparent sparkplug of the effort is in many cases a product of the decentralized

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Agency personnel management system and of the Office's role in that system. That role, for more than twenty years, has been primarily one of service and support--activities for which the Office generally received high marks from component managers.

3. The Office also has various "approval" functions which usually amount to review of decisions made elsewhere to insure their consistency with general Agency policy guidelines and with current or threatened restrictions imposed by outside authorities-- law, Congress, OMB, CSC and the like. This function undoubtedly accounts for much of the perception that the Office is negative about personnel initiatives developed elsewhere. It certainly accounts for the attitude about the most-cited recent example-- the negative response to efforts supported by many to raise the grades of many senior secretaries. Our investigation of that issue, reported in Tab F, led us to support what others view as the Office's "negative" position.

4. The Director of Personnel is also assigned responsibility for conducting research, for making statistical and analytical studies pertinent to Agency personnel management and for developing and recommending policies, standards and procedures for personnel management in the Agency. In the light of managers "no innovation" complaints, we investigated each aspect of this assignment.

5. Our findings on "statistical and analytical studies" (i.e. management information) are discussed in Tab A. Current achievements cannot be regarded as impressive, but lack of inno-

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vation is not a primary cause for the limited progress. The real culprit has been the excessively long delay in implementing computer approaches conceived many years ago--thirteen to be exact.

OKY

6. Turning to research, we found a small but significant research effort underway in the Plans Staff of the Office of Personnel. This Staff consists of a supergrade chief and three analysts. It has already played a useful role in helping the Career Services meet the challenges posed by the introduction of the DCI's innovations in personnel management. This assistance has included written guidance, surveys of personnel practices in the Directorates as requested, reviews of personnel handbooks, and preparation of status reports and analyses for the Management Committee and the DCI. These efforts cannot be judged as outstandingly successful--given the continued lack of Agency-wide appreciation for what the "New Approaches to Personnel Management" is intended to do. But, still, the Staff must be given credit for playing a useful role during a difficult transitional period in its publicizing of new programs and, more particularly, in backstopping them with useful research.

7. The Staff is presently engaged in research which should have excellent payoff for the Agency personnel system in the future. Together with the Staff Personnel Division, the Staff is playing a prominent role in the newly-created Careers Committee, established in response to several of the policy recommendations

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made by PASG. There is excitement in the air concerning the hoped-for accomplishments of the Careers Committee, and we found this to be a very good sign indeed. The Committee, made up of personnel representatives from each of the Career Services and with executive management from the Office of Personnel, will meet periodically to share ideas and to assign study projects. The first such are directed at realizing the PASG objective of more inter-Directorate transfers as well as providing better job counselling and career guidance. Developmental profiles are to be drafted by each major component of the Agency to give career counselors a better idea of the type of employees (characteristics and qualifications) needed in each respective unit. This is to be followed by a publicity program to identify for the rest of the Agency those persons in each component who can provide counselling assistance.

8. Another major project, tentatively planned for initiation in the next month or two, is the Agency attitudinal survey. This survey will be administered centrally, closely monitored by the Plans Staff and OMS and will provide an Agency-wide base from which to develop future perceptions of how well such management vehicles as promotion policies and career counselling and personnel handbooks are meeting the needs of employees. Chief, Plans Staff correctly points out that the first edition of the survey will not be very significant for research purposes, but will pro-

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vide initial benchmarks from which future progress or problems can be charted and identified.

9. Other projects are underway in the Plans Staff to meet specific long-range needs. These include economic-type modelling exercises to find out the impact of major shifts in current practices--for example, what would happen if the Agency simply declared a moratorium on employment of new professional personnel? An even more complex research effort, which should yield some useful conclusions, studies the 1973-75 shifts of employees from one component of the Agency to another. Here, the purpose is to identify those occupations which seem to provide seed source for others; those occupations which provide a bridge between one type of work and another; and those occupations which seem to offer little in training or experience that can lead to successful movement to jobs of greater responsibilities. The fitness report problem--one that seems to nag virtually everyone of our senior managers--is being analyzed by the Staff, in conjunction with statistical work being carried out by the Staff Personnel Division. Chief, Plans Staff has undertaken a systematic review of government-wide literature on the subject and has begun a study of how private industry evaluates its employees. He is not at all certain whether senior management of the Agency desires change, but he correctly considers it the function of his Staff to be prepared to offer advice when needed.

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10. It seems clear that the Office of Personnel's research and development program is ambitious, important and innovative. That leaves unanswered only the question of the Director of Personnel's responsibility for recommending policies, standards and procedures for personnel management in the Agency. We searched Management Committee action papers for the last year or so for examples of his recommendations--as different from his responses to recommendations initiated by others. Those we found appeared, for the most part, to fall into the response or directed study categories. The reason soon became evident. The DCI himself, some two years ago, took personal command of personnel policy development. The able and extensive support and the many contributions by the Office of Personnel were effectively masked. This seemed too obvious and recent to explain the depth and breadth of the "no innovation" perception, so we turned next to a review of earlier events, specifically the histories of personnel management development in the Agency.

11. These histories proved to be invaluable source documents, some eminently readable. One in particular, entitled, "How We Got Where We Are;...", which digests a period ending in 1968 but from a current prospective--it was published in January 1975--should be required reading for all component managers. This is not a frivolous suggestion inserted for rhetorical purposes. We believe that an understanding of how and why the Agency personnel management system developed as it did,

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and a resulting comprehension of how it operates today, would have stilled many, perhaps most of the "no innovation" comments. And, there are much more important things to be learned from this history than simply a better appreciation of the problems faced by our friendly Office of Personnel.

12. Development and implementation of innovations in Personnel management within CIA has been and must be a joint effort of management at many levels and the experts from the Office of Personnel. This approach is required by the complexities, variabilities, and unique aspects of the many-sided intelligence profession. It is also a product of the Agency's organization into semi-autonomous Directorates with the Office of Personnel, like other support functions, operating from within one of these Directorates under an injunction to be the handmaid of operations. The history includes early examples of attempts by the Office to step outside of this role--and the adverse consequences of these efforts. It is therefore laudable, not blameworthy, that the Office works through and with others in its innovative efforts to improve CIA personnel administration.

13. Another important point emerging from the history is the length of time typically required for Agency-wide adoption of an adaption to important personnel policy developments. Six years appears to be a typical, perhaps even minimum time. As noted in Tab A, Mr. Colby, as a strong and powerful proponent

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of the new approaches effort, estimated a lead time of five years before the program would be fully accepted and implemented.

14. We believe that lead times such as these can and must be shortened. We share the view of component managers that our personnel management could and probably should become more innovative--but we place responsibility more on them than on the Office of Personnel for such shortcomings as exist. We find their misconceptions about the role and activities of the Office of Personnel to be strong evidence that they do not understand, and are therefore neglecting, their own responsibilities in the joint efforts required.

15. The problem is primarily one of communication, compounded by the difficulty of attracting the attention of managers, busy with problems needing answers today, to equally important but more abstract issues. This communication problem involves many more subjects than that discussed in this Tab. Most of the preceding Tabs highlight communication deficiencies as significant, sometimes predominant causes. We do not believe that adequate answers can be found through the production of more brochures by the Office of Personnel, or occasional references in the morning meetings. A means is needed that focuses, at least for a time, the attention of the Agency's competent middle managers on these important subjects.

16. We propose that this be accomplished through a compulsory, short, one-week training course for Washington-area Office-

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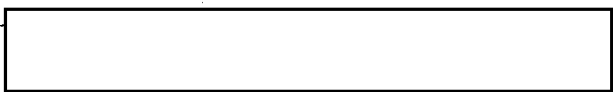
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level managers and their deputies. The course could be presented fairly frequently, over perhaps a year, to speed the communication flow and permit attendance by all without unduly disrupting other activities. Thereafter the course could be given less frequently to include appropriate overseas returnees and new managers. The course content should be developed by the Office of Personnel, working with the Office of Training, which would actually present it. The course should include the history and character of personnel administration in CIA, and specific discussion of at least the issues discussed elsewhere in this survey report where a part of the problem is a significant communications gap.

Recommendation No. 10. That the Director of Personnel, in collaboration with the Director of Training, develop a one-week training course for Office-level managers and their deputies on CIA Personnel Administration and Management and that the Director of Personnel join with the Inspector General in recommending to the Management Committee that all Washington-area Office-level managers and their deputies be required to attend a running of this course within a year of its initiation.


RE IS SOWABITCH - I OR HRLD

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IS FEET TO THE
FINE TO DO THIS & THEY NEED
MANAGEMENT HELP !!!
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TO	NAME AND ADDRESS		DATE	INITIALS	
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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Report of Survey of PMCD

FROM: Director of Personnel
5 E 58, Hqs.

J

EXTENSION

NO.

75-2765

DATE

5 DEC 1975

25X1

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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STATINTL

1. Deputy Director for Administration

2. 7 D 26, Hqs.

Attached are [redacted] Report of Survey of PMCD and its summary memorandum. Each is preceded by appropriate Office of Personnel comments.

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