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AD/S 62-410

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MEMORANDUM FOR: Executive Committee

SUBJECT: Report of the Task Force on Personnel Management in CIA

1. After the Personnel Director gave his report to the Executive Committee on Wednesday, 27 June, a Task Force was formed under my chairmanship composed of the Comptroller, the General Counsel and the Inspector General to prepare, as a matter of urgency, certain proposals which the Agency should consider in the field of personnel management. This Task Force has held several meetings, with [REDACTED] of the Director's Staff attending as reporter and draftsman.

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The following comments and recommendations are hereby submitted to the Executive Committee.

2. The Task Force is unanimous in expressing its belief that the Agency should never again go through a 701 exercise in its present form. We recognize the need for keeping this regulation on the books at the present time, but strongly believe that to again engage in a mass reduction in force such as was done in the DD/P this year would cause irretrievable harm to the Agency. In its stead we are equally firm in our belief that what the Agency must do is to insure a regular out-flow of employees who can be retired, be declared surplus, or be selected out either <sup>Fair</sup> through incompetence or unsuitability. Consequently, we feel the most important thing at this moment is for the Agency to determine exactly how it plans to move out the required number of employees each year in order to keep our flow of promotions and our personnel development program in balance. ~~On the other~~

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hand, an early retirement program would give the Agency a method of retiring a number of people with annuities and, in this manner, insure the competent, dedicated employee of an honorable retirement and a modest annuity.

Recommendation No. 1: It is recommended that immediately, in this session of the Congress, the Agency devote considerable effort to have the Central Intelligence Agency Act of 1949 amended in order to empower the Director to utilize the provisions of the Foreign Service Act of 1946.

3. We believe that something should be done immediately to restore morale in the Agency and give clear indication that the log jam on promotions is broken once and for all. Therefore, we suggest the immediate creation of some additional super grade or executive position slots which would break open promotions right down the line particularly in the DD/P where it is needed most and give striking evidence of the sincerity of what we are saying about careers in the CIA.

Recommendation No. 2: It is recommended that there be a study made of where additional super grade slots can be created, that the promotion boards reconvene and select the most deserving in each grade for immediate promotion.

4. All members of this task force have been in responsible executive positions in the Agency ever since the creation of the career service. We have all been spectators to the development of what the Agency now calls its Career Service Program and the creation of the various subordinate career services. We are, and have been for some years, conscious of the fact that to the average Agency employee the Career Service System means very little as it is presently organized and operated. We also believe that it has served to dissipate the command responsibilities of the line executives. We therefore feel that the entire Career

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Service System so-called could be abolished and existing boards and panels retained as mechanisms for the line officers to carry out their executive responsibilities.

Recommendation No. 3: It is recommended that a further study be given to determine whether or not the Career Service System should be continued in its present form.

5. One of the most important of our proposals is directed primarily toward restoring a feeling of job security in the Agency and the desire of each employee to make a career with CIA. There are several steps that can be taken toward this end, some of which can be accomplished immediately and some of which may take a little longer. We feel that every supervisor in the Agency (this would include (through) branch chiefs and station chiefs abroad) should immediately call in each employee under his direct supervision and explain to him exactly where he stands and what his future prospects for a career in the Agency may be. It should be made clear by the supervisor that these discussions are not the beginning of another 701 exercise but to prevent one. The Director of Personnel should not only assist the supervisors in carrying out the task, but should monitor its completion. While we do not presume to describe in detail how this should be done, we do believe that there should be a note for the record on what each employee is told in the event of future need. Feeling that there is a sense of urgency in accomplishing this task, we suggest that it be completed by not later than 30 September 1962.

Recommendation No. 4: It is recommended that the Director of Personnel furnish whatever assistance is needed for the supervisors to carry out this task.

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6. A part of the unrest that is currently prevalent in the Agency has been occasioned by the episodes of the U-2 and the Cuban invasion, and more directly by the 701 exercise. The first two events have been widely discussed in the press with uninformed speculation to the effect that this probably meant that CIA would be broken up and that many functions would be transferred to other agencies. Therefore, there is not only a lack of individual job security, but a true uncertainty as to what the future of the Agency may be.

Recommendation No. 5: It is recommended that a Notice along the lines of the attached be signed by the Director and sent to every employee. We feel that this is needed in addition to the supervisory discussions with the individuals and coming out at this time will serve to reinforce the supervisor's position.

7. Directly related to this entire problem of job security is the handling of fitness reports within the Agency. We feel that the reviewing officials take for granted the ratings given by the supervisors in most cases, and therefore there should be a discussion between the rating officer and the reviewing official on each and every fitness report. We note with dismay that the average 701 case has a folder filled with fitness reports that place some of them above average and in certain instances in the superior category. Representatives of other agencies examining these fitness reports would seriously question why such individuals should be released. While it is true in most cases that these employees would be far better than average in any other government department, it is also true that the reports reflect a general Agency tendency to overrate the individual employee. We, therefore, feel that our system of fitness reports needs more aggressive monitoring and that we must definitely start to place all individuals in competitive categories.

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As a result of figures presented to the Task Force by the Director of Personnel, we also feel that the percentages of individuals in the above average and below average categories are too low as compared to the 90% or better which are in the general average group.

Recommendation No. 6: We recommend that the Director of Personnel develop procedures to insure an adequate review of fitness ratings to see that a proper balance of ratings is maintained in the several components.

8. The Task Force recognizes that some of the current problems come about through supervisory weakness. We recognize that a large part of this weakness comes through the desire of the supervisor to be "a good guy" and the lack of a program by the Personnel Office to properly monitor executive performance. We have carefully prepared classification studies on each job; these should lend themselves to preparing a new and better type of fitness report exclusively for supervisors.

Recommendation No. 7: It is recommended that the Director of Personnel be required immediately to present a plan for a different type of fitness report for supervisors.

9. We note that the Agency has already ranked employees in each job category by standing, and believe that rather than giving employees a specific number rating, the most practical method is to group them in categories; e. g., outstanding, competent but not spectacular, and in the bottom echelon. We would suggest that the group which should receive the greatest attention from the supervisors would be those ranked in the bottom echelon and that all supervisors should tell these individuals that their work is such that unless it improves they

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might well be faced with separation from the Agency. There is a need to have the fitness reports changed to provide for a space thereon that can be checked off to show that the supervisor advised the employee of his relative standing. In cases where the rating was either high or low, it is the responsibility of the reviewing official to be absolutely certain that the rating is accurate.

Recommendation No. 8: It is recommended that the Director of Personnel be charged with insuring that the above is properly implemented.

10. We should not presume that an early retirement program will completely solve our problems of keeping our grade structure open. We believe firmly that never again should the Agency drift into the position of allowing its supervisors to lean on a 701 program to get rid of employees who literally should have been selected out for cause. A full and complete report should be promptly submitted by the supervisor to the Personnel office when an employee's work is first observed to be unsatisfactory rather than waiting for the submission of the periodic fitness report.

Recommendation No. 9: It is recommended that the Director of Personnel be given the authority to monitor a program to insure that individuals whose performances or actions are such that they are no longer suitable for an Agency career, should be selected out promptly when this becomes a matter of official record.

11. We believe that the Agency must establish a system in the professional ranks whereby officers are considered for promotion into the next grade a certain number of times - varying with the grades - and if they fail to make the promotion are then selected out. We also believe that this procedure and system should be well known by all employees so that they are thoroughly aware of what the future holds for them.

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Recommendation No. 10: It is recommended that the Director of Personnel establish a formula for selection up or out and prepare a regulation to this effect.

12. Finally, on the subject of separation of employees, we believe that the Agency should be more generous in its separation pay for involuntary separation, noting that in the military service up through the rank of captain an officer who is not promoted and requested to leave gets a year's separation pay.

Recommendation No. 11: It is recommended that the Director of Personnel establish larger separation allowances for separation involuntarily without cause.

*D/Pers can't do this -*

13. We feel that the Agency has a responsibility for the outplacement of some of its more deserving surplus employees, particularly those surplus employees who have had a lengthy career in the Clandestine Service. We recognize the fact that the Clandestine Service Career is not a very merchantable article plus the fact that both government and private industry are wary of anyone declared surplus. It is highly unlikely that some of the older surplus employees with a decade or so of clandestine work would find a job without Agency assistance of some kind.

Recommendation No. 12: It is recommended that the Director of Personnel make a study to determine what positive efforts can be taken by the Agency toward the outplacement of surplus personnel.

14. Turning to the broader area of personnel management within the Agency and the question of whether our present system of several career services and career designations is satisfactory, we believe that in addition to the specialists who will spend their entire official life in a particular line of work, there should be those generalists who were from the start of their careers identified as potential

senior executives, or who during the course of their careers develop potentialities and thus should move from the specialist into the generalist group. We note that at the present time the Agency has two large groups which could be considered as generalists; namely, the Junior Officer Trainees and the super grades.

Recommendation No. 13: If it is determined that JOT's will be identified as generalists, it is recommended that they hold their generalist designation as long as they are considered to be candidates for top jobs.

15. In regard to the super grades, this group could well be likened to the general officer category of the military service. While it is true that many of them will never leave their own service, it is also true that they provide the cadre for the Agency's top managerial positions, and should be encouraged and developed as this body.

Recommendation No. 14: It is recommended that all super grades be given an Agency designation as generalists.

16. The Director of Personnel in monitoring the super grade program should report directly to the DCI on matters dealing with promotion and selection out. To properly handle this in the Director's Office, we feel that there should be a DCI Personnel Board consisting of the Executive Director and senior representatives of the DD/P, DD/I, DD/R and DD/S.

Recommendation No. 15: It is recommended that a DCI Personnel Board be established.

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17. In this area of developing generalist, it is obvious that throughout the middle echelons - the super grades and perhaps the JOT's - there are many in the supervisory categories who qualify for a CIA designation. Rather than suggesting



that all supervisors be transferred to this generalist category, we believe that careful study should be made to insure that these individuals are qualified, and that as a prerequisite to their identification as CIA generalists they be required to take a mid-career course.

Recommendation No. 16: It is recommended that the Director of Personnel identify those individuals in the middle echelon managerial grades who should be considered for CIA generalists.

Recommendation No. 17: It is further recommended that a mid-career course be immediately established and presented for the purpose of selecting the middle echelon supervisors who should be named CIA generalists.

18. Undoubtedly some of our problems are exacerbated by the fact that a great deal of knowledge of promotions and reassignments is now spread through the gossip mill, rather than by any official Agency issuance. While the extent of time of our deliberations has not been sufficiently great to allow us to come up with any direct proposal on this subject, we believe that this matter should be studied.

Recommendation No. 18: We recommend that the Director of Personnel study the possibilities of some form of periodic issuances, or posting, of a promotion and reassignment list so that individuals would receive knowledge of this officially rather than through the rumor mill.

19. The present system of personnel management in the Agency has tended to freeze individuals in their own components. Consequently, we feel that it is most important that better opportunities be offered for rotation between the major components. We believe that the JOT's would develop into better officers if they were required in the early stages of their careers to serve in at least two deputies

areas before selecting a final career. We recognize that many of them enter the DD/P service, become fascinated by the clandestine work, and never want to leave it. This is good, particularly for the DD/P, but it would be better for the Agency if many of these officers had some experience for a year or more in the DD/I or DD/S areas.

Recommendation No. 19: It is recommended that the Director of Personnel through the vehicle of a Personnel Development Board mentioned below, and by direct monitoring, insure that there is adequate rotation of personnel. Further, the Director of Training should insure that the JOT's have an opportunity to serve in more than one major component.

20. One of the major lacks in the Agency's personnel management system is that all too often careers develop more on the basis of the initiative of the individual than as a result of Agency management. We recognize that to manage the careers of all Agency personnel would be an overwhelming task, and accordingly we suggest that it be started on a modest basis directed toward the development of plans for generalists.

Recommendation No. 20: It is recommended that a Personnel Development Board, composed of representatives from the major components in the Agency, be established to work full-time on the creation of and implementation of plans for generalists.

21. One of the important aspects in developing professionalism in the Agency has been the training program. We feel that the Agency has one of the finest training establishments in the United States Government and certainly one of the finest of any intelligence service in the world. However, all too often the necessity for the assignment of the better personnel to important vacancies prevents them

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from recurrent training courses. We feel that every officer who is going to advance to command responsibility should have at the minimum, junior officer training, mid-career training, and senior officer training plus certain other mandatory courses. We feel that the only way to make this enforceable is to establish a rule that after passing a certain age or grade, an officer cannot be promoted or reassigned unless he has taken the prescribed course and completed it satisfactorily.

Recommendation No. 21: It is recommended that the Agency immediately establish a system of mandatory training, and that the Director of Training produce a program.

22. Although we know that it is probably a common practice to blame the Personnel Office for the Agency's problems in the personnel field, we are nevertheless unanimously of the opinion that our Personnel Office needs strengthening. We would note that if the increased authorities given to the Personnel Office as in our recommendations are adopted, that office would have to be far more effective than it is today in order to satisfactorily implement these recommendations. Further, in thinking about this problem, and analyzing the history of the office since the creation of the Agency including the origins of the seven Personnel Directors which we have had in 15 years, we feel that top caliber personnel technicians must be obtained.

Recommendation No. 22: It is recommended that steps be taken immediately to strengthen the Personnel Office.

23. Closely related to the strengthening of the Personnel Office is the necessity to establish uniform personnel procedures throughout the Agency. There should be no deviation from standard procedures in the Agency, except in those areas where

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differing technical skills obviously require differing applications. Nevertheless, we feel most strongly that the present system of each component practically having unique recruitment, promotion and overtime policies - just to name a few - should cease and that the Agency should be one organization.

Recommendation No. 23: It is recommended the Personnel Office insure that all components of the Agency be required to adhere to standard personnel procedures.

24. We all recognize that the Agency's recruitment effort is presently suffering from the bad publicity which the Agency has received as a result of unfortunate episodes. On the other hand, we believe our recruitment can be greatly improved by making better use of assets readily available in the Agency - including a better statement as to what the Agency is about, greater use of our senior executives, a much broader and more effective college consultants program, and use of [REDACTED] to "sell" CIA.

Recommendation No. 24: It is recommended that immediate steps be taken to strengthen our recruitment program. *Crow*

25. While we do not in any way wish to single out the DD/P area for particular attention, because we all feel that DD/P has devoted more time and attention to personnel management, and has done better in most instances for their employees, we do wish to reiterate the feeling expressed by the Working Group (Kirkpatrick, [REDACTED]) that the DD/P have a central support staff and centralized control in personnel matters.

Recommendation No. 25: It is recommended that the DD/P continue the trend to centralize and strengthen its personnel management responsibilities.

Lyman B. Kirkpatrick  
Executive Director

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