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2 November 1976

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MEMORANDUM FOR: [redacted]

SUBJECT: Initial Thoughts re DIA Manpower Audit

I. Introduction

In order to provide us with some "strawman" talking points for getting our review of the DIA manpower audit underway and for talking to Mr. Wasaff [redacted] I've prepared this brief paper. It is based on a hurried reading of the DIA report. Therefore, it is not definitive, by any means. 25X1

II. DIA's Audit Objectives

The stated objectives of the manpower audit are:

-- provide a means to review, analyze, and improve the utilization of ... manpower;

-- examine:

- what manpower is doing;
- how it is organized;

-- trace resources, efforts and processes by every major substantive and support area in intelligence;

-- determine magnitude and balance of resources and efforts in collection, processing, analysis, and dissemination;

-- separate and finitely measure the costs in manpower and effort of management, coordination, analysis and support to determine if balance and benefits are at the correct levels; and

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-- look for deficiencies, if any, and appropriate improvements in organization, functional alignments, manning, grade structure, military service designations, career fields, civilian/military mix, and layers of management.

III. General Comments on DIA Report

The DIA report, although it is the culmination of a herculean effort, achieves few of the objectives set for the audit. Some hurried comments on the study are:

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-- The report is opaque--impossible to determine what data were used and are available for use by ICS; judgments were made, but criteria are defined vaguely and generally.

-- It is not clear where the audit fits in terms of recent reorganizations and anticipated reorganizations of the near future. The recommendations may or may not be acted on as DIA's reorganization continues. This raises question of validity of the audit. Admittedly, the only approach the audit teams could have taken was to take a slice of DIA at this point in time. If study plans for anticipated reorganization were not taken into consideration, the audit might be a "paper chase" with no relationship to DIA's future configuration.

-- The audit moves slots around within the organization, but finds only 29 slots. Is this credible?

-- Since, in the main, reliance was placed upon managers' perceptions of what individuals' functions are (few analysts were probably interviewed) there is a possibility that the actual functions/interrelationships are not reported.

-- The audit appears to proceed from the premise that the functions currently performed (or performed in the recent past) are optimal.

-- The audit, at least on the surface, does not seem to be based on function (collection, processing, production, overhead) nor on number and type of product.

IV. Possible Approaches for ICS Review

In the review/validation of the DIA manpower audit, we have basically three options:

-- a minimal approach in which we examine how the audit was conducted, review data collected in the interviews, and summarize evaluatively the benefits to be derived from implementation of the benefits--a "rubber stamp";

-- A maximum approach in which we redesign the audit, make an all-out data call from DIA and the audit teams, and come up with our own possibly competitive recommendations; and

-- an in-between approach in which we make data calls in strategically selected areas for product-manpower related data, and functional distribution (overhead vs. production), etc.

In terms of the amount of time available to complete the review (approximately 60 work days, not counting holidays, from now to 31 January) and the resources that we can commit 25X1A [redacted], it is clear that we cannot opt for the maximal approach. Therefore, the in-between approach, making selective data calls from DIA, appears to be the best choice. (It doesn't seem that contractual support will help on the DIA audit.) 25X1A

I suggest, as a strawman, that the following general schedule be followed:

8 November - meet with DIA team leaders to get all available data not in report

9-12 November - draft terms of reference, study, plan, data requirements, formats, etc.

15-16 November - review plan with DIA

3 December - receive structured/arrayed data from DIA

31 December - analysis and drafting of our review/validation report

3-7 January - internal coordination

10-21 January - DIA review

24-31 January - Modification/finalization of report and final coordination.

V. Contract Objectives and Talking Points

In considering potential contractual support, I believe our priority should be to obtain conceptual and methodological support (and possibly participation in) future efforts to do Community-wide audits. Time doesn't permit great help to be provided for the DIA audit review. However, we might hope to get advice on the approach, types of data, data arrays, and mode of analysis for the DIA review. Any support we would get, however, depends on how soon a contract could be let and how quickly [redacted] can respond.

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As talking points among ourselves and with the contractor, I submit that future Community-wide audits (or for agencies) should:

-- permit definition of acceptable levels of duplication among agencies;

-- be input-output based;

-- be tied to type, priority, and volume of production;

-- permit inter- and intra-agency definition of balances among collection, processing, production, and support;

-- address questions of job standards, qualifications/ training of staff members;

-- be based on both manpower and dollar costs;

-- address efficiencies (in management "layering," attrition/turnover in civilian and military personnel, timelag to distribution (due to printing, etc.));

-- address questions of intra-agency fragmentation of effort (e.g., dispersion of air defense analysis in DIA across several organizational elements);

-- address formal and informal Community interactions (agency to agency; analyst to analyst);

-- reveal and evaluate potential benefits from new organizational concepts (matrix management and centers of excellence);

-- address problems of producer-user interface as an information flow process;

-- include Service production agencies;

-- provide definitions of optimal civilian/military mixes and professional/non-professional ratios. 25X1A