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Compensation for High-Ranking  
Agency Officers

It is easy for the victim of an inequitable plan to be critical of that plan. The unsound reasoning and perjury of Personnel's supergrade pay dicta makes criticism so much easier. In fact, the latest Personnel issuance makes one wonder whether the uninformed public isn't correct: isn't the Government bureaucracy terrible, and aren't the supergrade bureaucrats overpaid?

It is relatively easy to be constructive, if critical, in commenting upon the Personnel paper on compensation. It starts with no statement of broad objectives (and likely stems from none); what are the objectives and principles of executive compensation? How do the various cited options measure up to these goals? and, Are there options untabled which are better optimized for an agreed-upon set of goals.

For completeness, consider the purpose of compensation: to positively reinforce contributions to the Agency and, thereby, to motivate employees to make such contributions. Of course, this is simplistic, an abstraction, and ignores the difficulties in measuring finely the contributions and the utility of the reinforcements. But, difficulties in operationalizing the goal do not invalidate it. The relative merits of compensation alternatives must be tested against this goal; no plan can be acceptable which ignores the goal.

From the fundamental goal, and the set of constraints which pertain to Government service, a set of principles can be derived. In the interests of brevity, their derivation is the reader's exercise. Not surprisingly, the principles are familiar ones:

- P-1. No penalty should attach to earlier election to Senior Service... no former peer whom you out-performed in competitive evaluation can be better compensated, except by virtue of re-evaluation and more recent superior

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performance

- P-2. Senior Service compensation should exceed non-SS compensation... and this excess should be clearly perceived by both Senior Service personnel and non-SS personnel
- P-3. The compensation of higher-grade Senior Service personnel should exceed that of lower-grades ... and this excess should be clearly perceived by all
- P-4. If inequities exist, they should result from actions outside the Agency's control (as, for example a Congressionally imposed pay cap ... from which principle follows the acceptability, in extremis, of "asterisked" salaries)
- P-5. Our Agency should not compare unfavorably to other agencies

Agreement on these principles re-introduces rationality into evaluating the various Senior Service compensation alternatives. An evaluation of the options presented in EXCOM 002-83 indicates that the OGC proposal, establishment of a separate Agency SS pay scale, comes closest to meeting all the principles. The OGC proposal clearly subscribes to the first four principles; only P-5 may be in question due to our relative paucity of SIS-4 and above. Proposal D, presumptively the recommendation of the Office of Personnel, violates all principles and is, by definition, the worst of the proposals. Clearly, there is no optimal solution; but, with poetic license, the Personnel recommendation is "pessimal".

Of the options tabled in EXCOM 002-83, it is recommended that option B (OGC's) be accepted. Further, it is recommended that the formula by which it has been calculated be accepted: (roughly) provide a "just-noticeable-difference" between GS-15/10 and SIS-1 and divide the remainder of range to the cap into five more or less equal intervals. Accepting the formula will prevent annually the overtaxing of the Office of Personnel. (Recall, twice before just-published SIS rates had to be hastily revised after a pay-cap elevation.)

An equally acceptable alternative has been proposed by D/OSO: that we redress the mal-distribution of SIS levels by coming into conformity, say, with NSA. This proposal subscribes to the fifth principle, while largely satisfying the first four.

Finally, it is appropriate to comment on the

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performance of the Office of Personnel as manifest by their published analysis. It stinks! The analysis isn't! The even-handedness ain't! No amount of "windfall" compensation makes it palatable. Perhaps it's time to recognize the symptoms of an organization overcome by its admittedly difficult job. Perhaps it's time to staff the Office of Personnel with our best and brightest, rather than its current complement. People are our scarcest resource; they deserve the best.

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If we rationalize the system, won't the step from GS-15/1 to SIS-1, \$14,000, be "too large"?

No, the promotion to "General Officer" is perhaps the most significant we have to offer. It is the most carefully considered promotion step. It is the transition separately governed by "supergrade ceiling".

Isn't the increment larger than any other?

On a percentage basis it is not much larger, for example than two-grade promotions 7-9-11 which are widely used in other agencies. In other agencies, too, a person in a job of higher grade for 120 days receives promotion to that grade (commonly not, but possibly more than a two-grade jump).

Why is the jump so large?

Because the spread from GS-15/1 to GS-15/10 is so large.

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