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30 SEP 1987

MEMORANDUM FOR: Executive Director
DI Representative on the Human Resource
Modernization and Compensation Task
Force (HRMCTF)

FROM: Richard J. Kerr
Deputy Director for Intelligence

SUBJECT: Evaluation of the Draft Proposal on New
Pay, Personnel Management, and Benefits
System for CIA

1. The response from DI personnel to the subject proposal indicates there is keen interest in reevaluating the Agency compensation system. The consensus view--which I share--is that the proposal offers some advantages and contains some features that should be adopted. The fundamental break with the current system embodied in the proposed banding and incentive pay features may be beneficial for any elements of the Agency with relatively homogeneous work forces. From the DI perspective, however, these features are decidedly less attractive and could well undermine rather than enhance our ability to attract and retain the high-caliber career force the Agency requires.

2. In evaluating the HRMCTF proposal I solicited views from all DI employees. The proposal was discussed in detail at the branch and division level and all employees were encouraged to avail themselves of the question and answer sessions scheduled in the auditorium. After full discussion, a report was prepared in each of the Directorate's Offices summarizing the full spectrum of employee views. A compilation of those views on each of the proposal's features is included at Annex A. Annex B summarizes the results of a poll taken independently by the DI Management Advisory Group. I will be pleased to provide you copies of all Office responses if you wish.

3. The details of each of the proposal's 16 features are well known and need not be revisited in this memorandum. Instead, I think it would be useful to examine some of the basic issues involved and tender some recommendations as to how to proceed.

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4. Personally, I believe that some change is essential if the Agency is to remain an organization that attracts and keeps talented people. Our ability to do this will depend on our creativity and imagination as managers continuously to refine and implement a system that values its employees rather than on adoption of a particular compensation or classification system that emphasizes merely the size of the paycheck. In that vein, I support in principle those features of the proposal that enhance career development and provide a more attractive range of benefits (basically features 6-9 and 11-13). I also support those features which would enhance management flexibility, especially features 15 and 16 which would institute a new budget control system that would give senior managers more responsibility for how their programs are structured than does the current position classification system.

5. I cannot endorse, however, features 1 and 2 on occupationally defined bands and on incentive pay. There are several factors that have brought me to that conclusion.

- o First, I believe the HRMCTF is correct in observing that ". . . employees driven primarily by money do not work for CIA." Our employees receive non-monetary reward in knowing that the work they do is vital, and they highly value the periodic promotions from one GS level to the next as they learn their craft and apply their talents. That being the case--and recognizing that in all likelihood government salaries will never be in a position to compete with industry--I believe it ill advised to adopt a system that is preoccupied with pay and that minimizes the number of opportunities to demonstrate the value of employee contributions via promotions. The system proposed by the Task Force might well limit us to only two or three promotions during a typical DI employee's career, and it would give us no tangible way annually to tell the large majority of the the 50 percent of our employees who had productive years but did not receive incentive increases that we valued their efforts.
- o Second, the use of market surveys in the multidisciplinary environment of the DI troubles me. As a practical matter, it may be all but impossible to implement. The HRMCTF report referenced only a single occupation for most of the DI, that of Intelligence Officer-Analyst. That classification correctly recognizes that whatever academic training an employee received, he or she is hired into the DI to be an intelligence officer. To make the market survey feature work in the DI, it would obviously be necessary to devise further categories that differentiated between analysts by academic discipline. Such an effort, however, unduly emphasizes analysts' previous training and overlooks a more critical measure of the worth,

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notably their activities as intelligence officers. Even more importantly, market pricing could easily propel the DI on a course directly counter to the one we set for ourselves six years ago when we reorganized regionally and deliberately oriented our work toward multidisciplinary analysis. The cohesiveness of this program, which is central to the Directorate, will be at risk in an environment where there is a marked difference in what people are paid based on their academic discipline rather than on their contributions as intelligence officers.

- o Third, it is unclear to me, and apparently unclear to a large portion of the DI employees as well, that employees will be significantly better off financially under the proposed incentive pay. Moreover, the connotation that we do not now have a "pay for performance" system is wrong. We do have such a system; our employees recognize that it works and are proud of it. The GS provides a framework to reward the high achievers and penalize non-producers that could easily be enhanced by more effectively using the tools we now have.
- o Finally, I fear that the proposed system will substantially add to the administrative burdens already placed on our managers who--in the DI--must also be substantive leaders. The promised automation of performance plans and performance evaluations, if achieved, would do little to reduce this burden in an environment where there is a great diversity in the types of activities in which our employees are engaged and in the complexity of the projects assigned. Equally important, I fear the burdens and dislocations of the new system on the Office of Personnel may be very large and disproportionate to the gains we would realize.

6. The GS pay system--as distinct from the cumbersome position management and classification system associated with it--can admittedly be improved. Nevertheless, it provides a framework that offers many of the features the proposed banding and incentive pay features lack. The Directorate of Intelligence is proud of the work force we have now, and its makeup proves we can attract and hold good employees. I think that the GS approach is a positive force in our attractiveness and stability because it maximizes promotion opportunities and the psychic returns associated with them, does not restrict lateral movement between different assignments or Directorates within the Agency, allows us to recruit quality performers more easily from other Agencies, and finally, gives our personnel a common standard against which to measure their occupational status and career growth relative to counterparts elsewhere in government. These advantages are substantial, and I see much that can potentially be lost by abandoning the GS.

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7. I believe that we are in a position to fashion an improved compensation system without introducing the upheaval that would be associated with the banding and incentive pay features. I therefore recommend:

- o That we proceed in identifying and ranking the most desirable of the enhanced benefits discussed in the HRMCTF proposals. We should proceed to implement any priority items that we can without new legislation and explore the feasibility of seeking legislation as required for others. Ideally, such legislation would be broad enough to allow us to introduce new benefit features as they become relevant to the needs of our future work force.
- o That the HRMCTF refocus its efforts to examine ways to make the GS more flexible. I believe the GS system creatively managed can provide most of the features available under a banding/incentive pay system without the disruption involved with implementing the latter. At a minimum we could liberalize policies toward OSI and monetary awards, make periodic instep increases less automatic, reduce the bureaucratic hurdles to granting out-of-cycle promotions, allow our highest achievers to skip grades, and the like. Even a broader dual track system can be accommodated under the GS, a concept recently visited by a DI study group, whose report I would be happy to share.
- o That we develop a program to reduce the constraints of the position classification system. A budget control system such as that described in the HRMCTF proposal would indeed enhance the options available to program managers and enable the Agency to be more responsive to changing priorities.

I believe that full implementation of these recommendations will fashion a compensation system that retains the best features of our current system, provides meaningful new benefits to employees, demonstrates to employees the value we place on their efforts, and provides a management/compensation environment that will be attractive and flexible enough to meet the demands we will face in the 1990s.

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Attachments:

- A. DI Offices' Views
- B. DI MAG Survey

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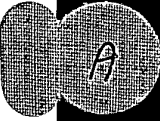
SUBJECT: Evaluation of the Draft Proposal on New Pay,
Personnel Management, and Benefits System for CIA

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APPENDIX A

**Summary of Component and Individual Employee
Reaction within the Directorate of Intelligence
to the HRMCTF Report**

Approach

As a key element in identifying potential strengths and weaknesses of the Human Resource Modernization and Compensation Task Force proposals, the Directorate of Intelligence actively solicited detailed comments from each of its operating components as well as from all employees individually. Response to the request was both heavy and enthusiastic, and most DI personnel participated in lively discussions within their primary management units over the merits and demerits of the plan. These discussions were subsequently distilled into written reports and forwarded through intermediate management levels to the respective office and senior staff chiefs, who, in turn, prepared summary reports for the Deputy Director for Intelligence. (Note: copies of component responses are available on request.) Some senior managers and line officers also took the opportunity to comment in writing directly, either to their own supervisors or to the DDI.

The following represents a summary of the results of this process. In no sense, however, does it capture the profusion or richness of the dialogue or the thoughtfulness of the hundreds of typically detailed sets of comments from both line components and individual employees. What it does provide is some sense for the consensus view within the DI at the grass roots level with regard to the report as a whole and the various changes it recommends. This summary is best read in conjunction with the DI Management Advisory Group survey results provided in Appendix B.

Response to Individual Features

Feature 1: Occupationally Defined Bands

The proposal on banding--together with that on incentive pay--drew the strongest and generally least favorable reactions from DI managers and staff employees. Though many felt the banding idea might have merit in principle, a sizable and very articulate majority were nevertheless convinced that abandoning the GS pay scales would be a mistake at this time for analytic personnel. "Why reinvent the wheel," asked one analyst, "when only a few spokes are broken?" Most seemed to agree that, while it makes sense for the Agency to eliminate most of the unwieldy administrative machinery of the GS system, especially grade constraints and ceilings, the flexibility inherent in banding is better achieved by retaining the same pay schedule in use elsewhere in the government. Both analysts and managers feared

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that dropping GS pay grades in favor of unique occupationally-defined ones will limit individual mobility between assignments, directorates, and agencies, resulting in a stale and less well rounded cadre of intelligence analysts. Almost everyone, and most notably managers, were concerned that, by reducing appreciably the number of promotion opportunities, this feature would undercut morale and the general philosophy of pay for performance. Many also noted that "an important sense of self-esteem associated with GS rank" would be lost and, with it, the status needed for them to deal effectively with counterparts outside the Agency. The concept of market pricing also elicited skepticism, not just because many felt it was unworkable in light of the Executive and Legislative Branch indisposition to increase Federal pay but, more importantly, because it could work against unit cohesiveness and cooperative multi-disciplinary analysis. Our most technically oriented components recognized the need for pay differentials to attract scientific personnel but argued that the existing GSE schedule is closer to being adequate than the one proposed by the report.

Feature 2: Incentive Pay

By and large, the notion of pay for performance received strong support from both managers and analysts within the DI, but many questioned the implicit assumption of the report that this is not provided by our current system. Most respondents seemed to prefer a liberalization of the present merit awards and bonus programs rather than the approach outlined in the Task Force Report. One office director, noting that "what . . . the report is missing is recognition of the fact that money is not the thing that matters most to the majority of Agency employees," suggested giving component heads more discretionary authority and funds to make spot awards for special achievement. There was strong concern--especially among analysts--that creativity and willingness to take risks under the proposed plan would suffer and that such annual performance bonuses would "encourage short-term, high quantity production efforts at the expense of long term, innovative . . . research." Another office head joined a number of other DI managers in observing that sentiment against this feature often seemed to run strongest among those younger, high-performing analysts who would benefit most from its implementation. Overall, most feared that this proposal would generate the wrong kind of competition, could be corrosive to morale by failing to provide any tangible rewards for the 50 percent of the personnel annually failing to receive a bonus (but who, on the whole, had made worthwhile contributions), and, in the long term, would not be financially supportable under Federal budget realities. Indeed, on this last score, several impromptu statistical analyses by our analysts suggest that a majority of the DI would end up no better off under the bonus system and banding. Finally, many of our managers feared the annual selection process could easily become a bureaucratic burden.

Feature 3: Performance Plan

Reaction to this feature was mixed. Many line officers and supervisors liked the idea of having a clearly articulated work plan done each year but also noted that the current AWP provides a mechanism for doing just this. To the extent DI personnel raised concern, it reflected the rigidity of the proposal. Some noted, for example, that yearly performance plans were both unnecessary and a nuisance for many experienced officers who were performing proficiently. One senior staff chief opined that "some employees would be less willing to accept ad hoc assignments or undertake 'risky' initiatives . . . not reflected in the performance plan."

Feature 4: Performance Evaluation

Not unlike the performance plan, the proposal for performance evaluation drew mixed responses. By and large, most of our personnel saw little difference between what was proposed and the PAR system now in place. Reaction to the notion of fewer rating categories was split about evenly. Managers, however, tended to be concerned about the overhead involved in introducing yet one more new evaluation tool, and many personnel voiced the opinion that the only thing wrong with the current PAR is not the form but the inability or unwillingness of managers to comment frankly on the work of those they supervise.

Feature 5: Occupational Career Handbooks

This feature seemed to be generally well liked, although a number of DI officers and managers questioned whether it was really necessary. To the extent concern was raised, it focused on a general consensus among the bulk of our personnel that career advancement be keyed to actual performance, not to rigid or "cookie cutter" prerequisites for education, training, or experience.

Feature 6: Individual Career Development Plan

Most DI personnel appeared to like this feature. Some managers raised the fear that this could become just one more piece of paper in their in-boxes, but the majority argued that this was something they should be doing anyway. Non-supervisory personnel tended to be uniformly enthusiastic.

Feature 7: Occupation-Specific Training**Feature 8: Improved Availability of Training**

Responses to both of these proposed features--which are logically linked--were very positive. As one office director observed, "Why is this not being done already?" Both managers and line officers expressed deep concern that, in spite of recent improvements, OTE is still not able to provide a sufficient quantity and mix of high quality training courses. Virtually all

seemed to feel that outside training was worthwhile and deserved strong management support. The only negative reactions came in the form of the caveat that training be geared to individual needs and not to uniform profiles or pre-set quotas to fill courses.

Feature 9: Dual Track

This was one of the best liked proposals. Most managers and analysts believed that this would give the DI a boost in its ongoing efforts to create a body of substantively qualified experts rather than seeing these people lost to management positions solely because they seek advancement. Many, however, noted that the bare bones for such a dual track manager/expert system already exists in the Directorate and is well on the way to being strengthened in light of the recommendations of the recent [redacted] Study." Nevertheless, there was manifestly strong and broad support among our employees for the expansion and strengthening of a non-managerial "expert track," however this might be accomplished. The only cautions raised revolved around the need to ensure that managers remain substantively expert and maintain clear lines of control over their programs and analysis, that "expert" positions not be used to harbor poor performers with high grades, and that individuals willing to take on the riskier and more onerous duties of the manager not be discouraged by the absence of additional rewards in the form of pay and prerequisites.

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Feature 10: Promotion

Reaction to this proposal was rather light, possibly because many find it vague and rather imprecise. On the whole, most of our personnel tended to like the current DI career panel system and those who commented were thus inclined to view this feature favorably. Some of our managers, however, noted that the procedures and criteria suggested seem more appropriate than those outlined in the DI occupational panel report. Nevertheless, there was concern that performance--and not training, assignments, time in grade, or position--must be the determining factor in career advancement. In line with the reaction to features 1 and 2, senior managers--and office heads in particular--underscored the need for more, not less, flexibility in making promotions.

Feature 11: Flexible Benefits Program

Feature 12: Leave Conversion

Response to these two proposals was overwhelmingly strong and favorable. Without question, virtually all of our employees regarded them as long overdue. As one of our senior staff chiefs put it, "Even if no other part of the proposed HRMCTF Report is accepted, the Agency should press ahead with this feature." Concerns were few and largely related to financial and political feasibility and to the necessary lack of precision in the report

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as to exactly what kinds of options might be available. One issue, however, was raised frequently and appeared to reflect a consensus of both our managers and line officers: that leave conversion and buy-back not be so unrestricted as to permit or encourage employees to take no vacation time in a given year.

Feature 13: Educational Assistance for Dependents

Reaction to this feature was mixed and characterized by either strong support or strong opposition. Many personnel welcomed such assistance, but others argued that it discriminated strongly against employees without dependents. This said, there was at least broad support for the spirit of the recommendation and many suggested that the solution is to permit loans but not link them solely to educational purposes.

Feature 14: Staffing Management Tools

Generally speaking, reaction to early and involuntary retirement was favorable, especially--and not surprisingly--from senior managers. As one office director noted, "My own feeling is that any system that gives office level managers more flexibility in structuring their organizations to meet changing conditions and requirements is a worthwhile one." Of interest, relatively few non-supervisory personnel expressed particular concern that management might abuse these options. A number of managers and line officers, however, questioned why only "experts" and SIS-level personnel would get the early-out option. In contrast, the notion of retention bonuses found few supporters, with many arguing that they are inconsistent with the early retirement option, subject to abuse, and a possible source of discontent (citing recent examples of the US military).

Feature 15: System Controls

Feature 16: Projection Tools

Most rank and file DI personnel and first line managers had little comment on these two features, which are only treated briefly and in very general terms in the report. More senior DI managers were inclined to welcome better tools for keeping track of their programs and making more efficient use of their resources. Concern, however, was widespread that these not add additional reporting burdens on already hard-pressed line units. Other respondents cautioned that "substantial care is necessary to ensure that appropriate administrative and data processing support is in place before implementation of any changes."

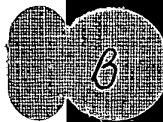
Overall Sense of the Directorate

Viewed as a whole, there were several common threads that seem to run throughout the reactions of most DI personnel to the HRMCTF report and its proposals.

- Although most employees recognized that the proposal for banding and merit pay are the "centerpiece" of the plan and were inclined to favor both notions in theory, they were strongly skeptical of the need for or advisability of eliminating the GS pay system.
- In contrast, reaction to most other aspects of the report, especially those proposals recommending enhanced and more flexible benefits and training, was extremely positive.
- Cynicism ran highest with regard to the financial and political feasibility of the proposals and to the ability of the already overburdened management/support system to implement them.
- Perhaps the most common negative reaction came in response to what many DI personnel perceived as the "monetary emphasis" of the principal features.

There appeared, in particular, to be an emerging consensus in the DI that change should focus on improving the current pay and evaluation system rather than substituting a radically different and untested one in its place. A frequent observation of many was that most of the benefits that adoption of the Task Force's proposal in its entirety might yield could be obtained at much less expense--especially in terms of morale--by simply modifying current procedures and dropping those that no longer make sense. These sentiments were expressed well in the words of one DI office's comments on the proposals:

- The current system is flexible enough to accommodate the positive features of the proposed new regime. We can have a two-track progression, a flexible benefits plan, bonuses, and a change in the rule that leaves people losing leave.
- Morale in the Agency is high under the present system, which works to protect the Agency from politics and to preserve expertise.
- The wider span of promotion possibilities in the GS structure is better for morale.
- The current system pays for performance.



ADMINISTRATIVE INTERNAL USE ONLY

Appendix B

The DI Management Advisory Group (MAG) independently surveyed all DI employees regarding their views on the Human Resource Modernization and Compensation Task Force Proposal. This appendix contains the questionnaire distributed by the DI MAG to all DI employees and a statistical summary of the results.

ADMINISTRATIVE INTERNAL USE ONLY

Directorate of Intelligence

**Survey To Evaluate the Preliminary Report
of the Human Resources Modernization and
Compensation Task Force**

To All Directorate of Intelligence Employees

The DI MAG is administering this survey as part of the DDI's effort to respond to the pay and compensation system proposed by the Agency's Human Resources Modernization and Compensation Task Force. We want to gauge your opinion of the specific features and of how the system as a whole would affect your career and the DI work environment.

We tried to keep the survey short and simple to take while trying to accurately assess your attitudes. The questions tend to be oriented toward soliciting a nonmanagerial perspective since the other feedback mechanisms also under way are more management oriented. Still, we encourage *all DI employees* to complete the survey.

Please take the 15 minutes needed to fill out this survey now, and return it to your MAG representative listed below by 26 August. We need and appreciate your participation, and welcome any comments and suggestions. Thank you.

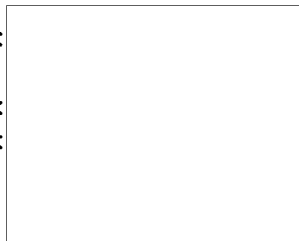
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Instructions: Please use the enclosed answer sheet to answer the questions. This answer sheet will be machine scored; you therefore should use a No. 2 pencil to record your responses. Place a mark in the appropriate box for each of the questions. If you make a mistake or wish to change your answer, please erase your old response completely. Please mark only one box per line for each item.

To ensure anonymity, do not put your name on the answer sheet. Ignore the top section of the answer sheet labeled "ID Number."

Please indicate the degree to which you approve (agree) or disapprove (disagree) with each feature of the proposed system and each statement about the system using the following scale:

- A = Approve or agree
- B = Tend to approve, agree
- C = Undecided, neutral, don't have enough information
- D = Tend to disapprove, disagree
- E = Disapprove or disagree

Pay and Classification Structure (Features 1 and 2, pages 1-6)

1. Establish occupationally defined pay bands for all occupations.
2. CIA control of market-price adjustments to basic pay structure.
3. Instead of current ceiling and average grade constraints, Directorates are delegated funding and classification control.
4. Establish an incentive pay system where up to 50 percent of employees receive a combination of base pay and bonuses larger than current in-steps.
5. All employees at an acceptable level receive at least the equivalent of the current in-steps.
6. The distribution of incentive pay is done by the career service panels.

Performance Evaluation System (Features 3 and 4, page 6)

7. Annual performance plan is developed with each employee.
8. Performance evaluated against responsibilities listed in the performance plan.
9. PARs have a significant impact on incentive pay.

Career Development System (Features 5-10, pages 6-7)

10. Each occupation develops an occupation-specific handbook.
11. Each employee has the option of preparing an annual career development plan.
12. Increase the availability of occupation-specific training.
13. Establish an expert track for each occupation as appropriate.
14. Managers are evaluated by their supervisors on how well they manage the performance evaluation process and develop their employees.
15. Managers and experts would be eligible for higher performance bonus awards and increased annual leave carryover.
16. Promotions are tied explicitly to skills, assignments, experience, and training.

- A = Approve or agree
- B = Tend to approve, agree
- C = Undecided, neutral, don't have enough information
- D = Tend to disapprove, disagree
- E = Disapprove or disagree

Benefits (Features 11-14, pages 8-10)

- 17. Flexible benefits program.
- 18. Annual leave buy back.
- 19. Optional conversion of sick leave.
- 20. Sick leave bank.
- 21. Home leave use.
- 22. Educational assistance for dependents.
- 23. Early retirement for SIS managers.
- 24. Early retirement for experts.
- 25. Involuntary retirement during reduction in force.
- 26. Retention bonuses for key individuals.

Data Processing Support (Features 15 and 16, page 10)

- 27. Budget control system for senior managers.
- 28. Human resource projection tools.

Overall Evaluation

- 29. I have been given enough information about the proposed pay, personnel management, and compensation system to make an informed decision on *its conceptualization*.
- 30. I have been given enough information about the proposed pay, personnel management, and compensation system to make an informed decision on *its implementation*.
- 31. There is a need for us to consider changes in the current GS system.
- 32. I would prefer to deal with adjustments needed in the current system by retaining most of the GS system.
- 33. The proposed incentive pay system would enhance the motivation of employees in the DI.
- 34. Managers would do a better job of recognizing, rewarding, and developing their employees under the proposed system than they do now.
- 35. The proposed system would increase competition while decreasing teamwork and collegiality in the DI.
- 36. The firstline supervisor would have too much control over incentive pay under the proposed system.
- 37. The proposed system would result in improved salary potential for most employees.
- 38. I expect that I would be better off financially under the proposed system.

- A = Approve or agree
- B = Tend to approve, agree
- C = Undecided, neutral, don't have enough information
- D = Tend to disapprove, disagree
- E = Disapprove or disagree

- 39. The proposed performance evaluation system would result in a more effective appraisal of employee performance and improved employee-supervisor communication.
- 40. The use of the proposed occupation-specific handbooks would make the promotion process more consistent across offices.
- 41. After reviewing the proposed system, I believe the Agency should adopt it as it stands.
- 42. How much time have you spent learning about the proposed system?
A = less than 1 hour B = 1 to 3 hours C = more than 3 hours

Demographic Data

- 43. Age:
A = less than 24 years B = 24 to 29 years C = 30 to 39 years
D = 40 to 49 years E = 50 years or older
- 44. Current GS grade or equivalent:
A = GS-3 to GS-7 or IS-1 to IS-3 B = GS-8 to GS-11 or IS-4
C = GS-12 or GS-13 D = GS-14 or GS-15 E = SIS
- 45. Years of Agency service:
A = less than 3 years B = more than 3 but less than 6
C = more than 6 but less than 10 D = 10 or more years

46-47. Occupation (use line 46 for the first letter of the code and line 47 for the second):

- AA = Manager AB = Secretary AC = Intelligence Assistant
- AD = Analyst, requirements officer, watch officer
- BA = ADP personnel—programer, systems analyst, technician, operator
- BB = Information resources assistant, information resources officer, librarian, document analyst
- BC = Methodologist, econometrician, statistician
- CA = Editorial assistant, editor, publications officer
- CB = Specialists—geographic, computer equipment, visual information
- DA = Administrative support—personnel, training, finance, etc.
- EE = Other

We would like to have your concerns about and suggestions for improvements of any of the proposed features in the task force preliminary report. Please use the space below to comment on the features of the proposed system. (Attach additional pages as needed.)

Feature _____ Number _____

Feature _____ Number _____

Feature _____ Number _____

Feature _____ Number _____

Directorate of Intelligence

Results of the Survey To Evaluate the Preliminary Report of the Human Resources Modernization and Compensation Task Force

To All Directorate of Intelligence Employees

During August 1987, copies of the survey were distributed to all employees in the DI, and 1,027 usable forms were returned. The distribution of respondents by occupation, grade, age, and tenure suggests they are representative of the Directorate at large. Unknown bias could have affected the results, however, and the generalization of the findings to the entire DI should be done cautiously.

Who Answered the Survey

The number of persons in each occupational group answering the survey is as follows:

Manager
Secretary
Intelligence Assistant
Analyst
ADP personnel
Information resource,
librarian, document analyst
Methodologist, econometrician
Editorial, publications
Specialists
Administrative support
Others

--

Knowledge Base

Half of the respondents spent more than three hours learning about the proposed system; the other half spent less than three hours. Two-thirds felt they had been given enough information about the proposals to make an informed decision *on its conceptualization*, while only one-fourth felt they had been given enough information to make an informed decision *on its implementation*.

Summary Judgment

When asked the "bottom line" question of whether to adopt the proposals or not, 59 percent rejected the system as presented in the report; only 15 percent approved.

Need for Change

Two-thirds of the respondents agreed there is a need to consider changes in the current GS system, yet a majority also felt they would prefer to make the needed adjustments within the GS system.

Pay and Classification Structure

Half of the respondents favored establishing occupationally defined pay bands for all occupations while 29 percent were opposed. Overall, 55 percent approved of an incentive pay system, 30 percent disapproved, and 15 percent were undecided. Two-thirds favored CIA-controlled market-price adjustments to basic pay structure.

Performance Evaluation System

Three-quarters of those answering the survey favored having a performance plan developed annually with each employee, and 70 percent agreed to have performance evaluated against the performance plan. Two-thirds approved of PARs having a significant impact on incentive pay, while 18 percent were against.

Other Features

There was substantial approval of many of the remaining features. The career development features were favored by about 70 percent of the respondents, while 85 percent favored most of the proposed benefits. About one-half of the people favored early retirement for SIS managers, early retirement for experts, and bonuses for key individuals.

Attitudes Toward Proposals

Opinion was evenly split as to whether the proposed incentive pay system would enhance motivation of employees—37 percent agreeing and 36 percent disagreeing. However, a majority believed the proposed system would increase competition while decreasing teamwork and collegiality in the DI, and nearly half saw the proposed system as giving the firstline supervisor too much control over incentive pay. Only 36 percent expected the proposed system to improve the salary potential for most employees. A similar percent expected to be better off financially.

As for potential benefits of the proposed system, only 31 percent believed the system would result in more effective appraisal of employee performance and only 35 percent believed the promotion process would become more consistent across offices.

Administrative-Internal Use Only

Contrasting Employee Groups

In general, employees with fewer than six years of Agency service and those in the lower GS grades saw a greater need to change the GS system, were more favorable toward banding and pay for performance, and saw fewer flaws in the proposed system. Those groups, though, did not see any greater salary potential for most employees nor did they differ from other employees in their expectations of being any better off financially.

Analysts and managers were slightly more negative toward the proposed system than the rest of the employees combined. The SIS-level employees were distinctly less approving of banding and pay for performance while greatly more approving of delegating funding and classification control to the Directorates.

Reading the Following Table

The responses to selected items are given on the following page. In each case "Favorable" is the combined total of the responses "Approve, agree" and "Tend to approve, agree"; while "Unfavorable" is the combined total of the responses "Tend to disapprove, disagree" and "Disapprove, disagree." "Neutral" represents the remainder of the responses.

In Closing

More than 100 written responses were received by the DI MAG through the survey process. They have been read and summarized for the DDI. That report will be available shortly.

We felt it to be very important to report the results of the DI survey to you as quickly as possible. In doing so we may have erred on the side of brevity. If you would like to look at the raw data, please contact

Thank you all for your prompt responses and thoughtful comments.

Chairman, DI MAG

ALA
LDA
OEA
OGI
OIA
OIR

CPAS:
EURA
ODDI:
NESA
OSWR
SOVA

Administrative-Internal Use Only

Distribution of Responses to Selected Survey Items

	Percent Favorable	Percent Unfavorable	Percent Neutral
1. Establish occupationally defined pay bands	49	29	22
2. Establish an incentive pay system	55	30	15
3. Annual performance plan	74	15	11
4. Performance evaluated against plan	70	16	14
5. PARs have significant impact on incentive pay	64	18	18
6. Promotions explicitly tied to skills, training, experience	69	15	16
7. Flexible benefits program	85	4	12
8. There's a need to consider changes in the GS system	68	18	14
9. Make adjustments by retaining most of the GS system	56	19	25
10. Proposed incentive pay system would enhance motivation	37	36	27
11. Managers would do a better job under proposed system	27	42	31
12. Proposed system would increase competition at expense of teamwork and collegiality	54	19	27
13. Proposed system would result in improved salary potential	36	32	32
14. I would be better off financially under the proposed system	36	25	39
15. Adopt it as it stands	15	59	26