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MEMORANDUM FOR: The Director

SUBJECT: Personnel Savings In Headquarters

PROBLEM: To develop and adopt a practical approach to effect personnel savings in Headquarters.

ASSUMPTIONS:*

1. That there might exist somewhere in the Agency, unnecessary overlapping and duplication.
2. That alterations in some projects and functions toward effecting manpower savings might be undertaken without under-fulfilling the Agency's basic responsibilities.

*(Note: It is important that either these assumptions be validated and action taken to effect savings or the senior elements of the Agency given the confidence that the assumptions have been found invalid.)

FACTS BEARING ON THE PROBLEM:

1. A reduction of personnel in Headquarters is required if it can be safely brought about.
2. Increase in personnel in the Field will be allowed based upon merits of any proposed expansion.
3. There is at the present time no system of "selection out" in the Agency except for individual cases.

DISCUSSION:

1. There are three principal approaches to the problem of effecting manpower savings. They are:
 - a. Weeding-out such personnel as may be inefficiently utilized. In addition to inefficiently utilized individuals, this includes the elimination or reduction of administrative overlapping or

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duplication within units and as between other units. (This approach is arbitrarily limited to matters not involving the major organizational structure of the component concerned.) This approach also includes the elimination of sub-standard personnel, which is a continuing responsibility of every supervisor.

b. Altering the substantive functions charged to or assumed by the Agency.

c. Extensive changes in the major organizational structure of Headquarters, or of the major Headquarters components (DD/P, DD/I, DD/S, and Office of the DCI.)

2. Although it is probable that only modest savings can be effected by Approach 1. a. (Efficient manpower utilization), failure to press this approach vigorously would be indefensible, regardless of action taken under Approaches 1. b. and 1. c.

3. It is probable that the most lucrative potential for manpower savings would be found through Approach 1. b. (Alteration of substantive Agency functions or projects). This approach involves the continuing attention of the most knowledgeable officials of the Agency and the responsible judgment and decisions of the most senior officials. A practical method of facilitating this approach and identifying questionable functions and projects for concerted Agency-wide attention, would be for each Deputy to require a systematic review of those functions and projects in his area by the planning and operational units concerned, and a report to him. Each Deputy Director should then present those questionable functions and projects to the PRC for immediate and piecemeal consideration and recommendation. (It is recognized that this examination also has a potential for savings other than in the field of manpower, but these are not being dealt with, as such, in this particular paper.) Manpower savings resulting from this action would be cumulative with those from Approach 1. a.

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4. It is possible that manpower savings might accrue from Approach 1. c. (Major organizational changes). However, there does not now seem to be any reason to change the current major structure which sets up the DD/P, DD/I, DD/S, and the Office of the DCI. Within each of these there may or may not be major changes appropriate, but in any event, the Deputies themselves should continue their efforts to improve and streamline the organization of their respective components. Also, the Inspector General should continue his inspections and surveys and make recommendations bearing upon such organizations. The manpower savings resulting from any of these organizational changes would likewise be cumulative with those resulting from Approach 1. a.

5. Results from these approaches should not be considered as a "Reduction-in-Force." Reductions in personnel ceilings made possible should be effected immediately by the DD/S. Personnel changes indicated as a result of the approaches, should be effected through attrition and reassignment; and through a system of "selection out" which should be developed.

RECOMMENDATIONS:

1. That a "Manpower Task Force" be appointed with terms of reference as Tab A, to deal with Approach 1. a.

2. That, in order to carry out Approach 1. b., the respective Deputies be directed to require a systematic review and appraisal by the planning and operational people concerned, of all functions and projects in their areas. Where any function or project is found to be questionable, the Deputy concerned should submit them to the Project Review Committee for immediate and piecemeal consideration and recommendation.

3. That, in order to carry out Approach 1. c., the respective Deputies be directed to evaluate their present organizational structures, and where net savings of personnel and other resources can result, make organizational changes as required.

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4. That the Inspector General be informed that there is no change in his instructions to continue his inspections and surveys of the respective components.

5. That the Director of Personnel be directed to prepare a study proposing a system for "selection out" of limited numbers of personnel on a planned basis.

6. That Tab A be published as an "Agency Notice" to acquaint Agency personnel of that particular step being taken.

C. P. CABELL
Lieutenant General, USAF
Deputy Director

Attachments
As stated