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AUG 30 1957

MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT: Personnel Ceilings

This memorandum submits recommendations for approval of the Acting Director of Central Intelligence. Such recommendations are contained in paragraph 5.

1. PROBLEM:

To adjust the Agency's personnel strength to ceiling.

2. FACTS BEARING ON THE PROBLEM:

The Agency ceiling for fiscal years 1958 and 1959 is [REDACTED]. As of 23 August 1957 personnel strength exceeded ceiling by 311 employees.

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3. DISCUSSION:

Reduction of personnel strength may be accomplished by: (a) invoking formal reduction-in-force procedures, (b) instituting a selection-out program devised to remove employees whose performance is submarginal, (c) accelerated retirement of eligible personnel, (d) personnel attrition accompanied by a drastically reduced ratio of replacements, or (d) combinations of the foregoing. These alternatives are discussed in detail in Tab A.

4. CONCLUSIONS:

- a. Formal reduction-in-force procedures should not be resorted to in order to adjust personnel strength since this mechanism fails to segregate our personnel assets on the basis of individuals who are most effective from those less so.
- b. The adoption of a program of selection out of substandard employees (and accelerated retirement of older, annuity-eligible employees whose performance reflects limited value) should have special priority, at the same time recognizing that the volume of personnel affected will probably not immediately result in the reduction required to achieve the ceiling level. Procedures proposed to initiate a selection out system are outlined in Tab B.

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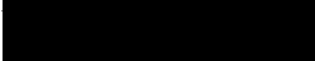
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- c. A program of personnel attrition will, when combined with the results of b., above, bring about a reduction of personnel to ceiling before the end of the fiscal year.
- d. Although clerical recruitment and hire should not be suspended, these processes should be limited to the number of positions which can be retained within the ceilings of Agency components. Clerical positions in excess of those which can be filled within ceiling should be eliminated from Tables of Organization.
- e. The intake of Junior Officer Trainees should be maintained on as full a basis as is permitted by the present 100 slots budgeted for the program. Additionally, (1) appropriate action should be instituted to ensure that to the extent that JOT's are available and qualified for Agency positions, this source be accorded priority over external lateral recruitment; and (2) transfers of JOT's from the Office of Training to the components of permanent assignment be approved as promptly as possible to free JOT slots for new candidates.
- f. In order to align Agency strength and ceiling consistent with Bureau of the Budget requirements, all regular employees on the payrolls of the Agency and all military personnel assigned to the Agency will be included and charged against the ceiling. Personnel absent for any reason, including external training programs, but who are in a pay status, will be charged to the ceilings of the components to which they were assigned immediately preceding their absence. An exception to this policy is made for Junior Officer Trainees selected from within the Agency; these are slotted to the JOT training complement of the Office of Training.

5. RECOMMENDATION:

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It is recommended that

- a. No formal reduction in force procedures be used. 
- b. A program of selection out of substandard employees be instituted.
- c. Appropriate action be taken to bring about the accelerated retirement of older, annuity-eligible employees whose work reflects limited effectiveness.
- d. Those clerical positions which cannot be filled within established ceilings be eliminated from current Tables of Organization, and recruitment of clerical personnel be continued on a scale which will insure that all T/O clerical positions will be filled.

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ILLEGIB

- e. The JOT program be maintained at its present level, insuring that this source of personnel be accorded priority over external lateral recruitment. [REDACTED]
- f. All personnel absent from the Agency, but who are in a pay status, will be charged to the ceiling of the component to which they were assigned prior to their absence.

151
L. K. WHITE
Deputy Director (Support)

Attachments:

- Tab A with 5 Annexes
- Tab B

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CONCUR:

151 [REDACTED]
Deputy Director (Intelligence)

151 [REDACTED] for
Deputy Director (Plans)

AUG 30 1957

The recommendation in paragraph 5 is APPROVED:

C. F. CABELL
Lieutenant General, USAF
Acting Director of Central Intelligence

Date

Originator: 151 Gordon M. Stewart
Director of Personnel

Date: 30 AUG 1957

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OD/Pers [REDACTED] mg(30 Aug 57)

* In view of the far-reaching implications of this paper, I believe Bob Penry should personally be able to state his views.