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AUG 19 1954

TO: Deputy Director of Central Intelligence
SUBJECT: Incentive Pay for Foreign Languages

1. PROBLEM:

To summarize the pros and cons of a plan whereby the Agency would award incentive pay for acquisition of language and area knowledge skills.

2. FACTS BEARING ON THE PROBLEM:

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- a. [REDACTED] has a plan providing for granting incentive pay to employees for studying languages.
- b. The United States Department of State has no such plan. It relies primarily on training employees at the Foreign Service Institute in languages and area studies when assignments so require.
- c. The United States Foreign Operations Administration has no such plan. As in the case of the State Department, it assigns employees to the Foreign Service Institute for instruction in languages and area studies when assignment so requires.
- d. In CIA, classification practice already recognizes the language and area knowledge requirements in establishing certain grade levels. The most obvious examples are [REDACTED]. In other cases, language knowledge is at least a contributing factor in the grade structure as in the case of Foreign Documents Officer positions.

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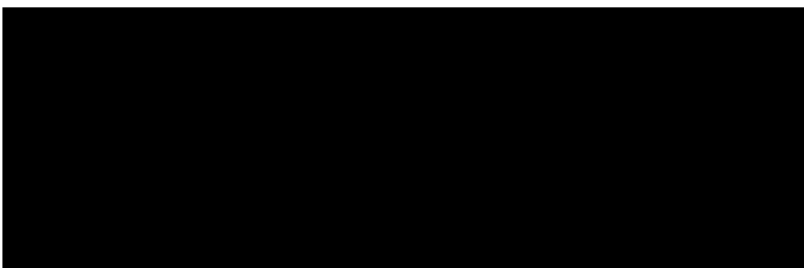
- e. Similar statements can be made with respect to area knowledge. For example, in ORR, the basic organization is functional with respect to economic fields such as Industrial, Transportation, and the like. However, there is a major division, the Analysis Division, organized on a geographical area basis to review studies and intelligence reports on an area basis. The positions in this Division are partially supported grade-wise on the basis of area knowledge, plus substantive economic research requirements. The area expertness of OGI positions is another case in point.
- f. CIA's present position description format provides for language and area knowledge coding of position requirements. Except in the cases named above, little progress has been made to date in obtaining operating offices' agreement on such requirements. For example, in reviewing positions in the Area Divisions, there was a tendency on the part of the operating officials to specify languages where personnel having such languages were readily available. On the other hand, where the language skill was more rare, it was not specified as a requirement. The conclusion reached by the Office of Personnel, therefore, was that language was not a pre-requisite for these assignments.
- g. Another pertinent experience which the Office of Personnel has had with this requirement involves a recent project for categorizing the various factors contributing to the difficulty and responsibility of Headquarters Area Operations Officer positions. A suggested list of ten factors was prepared and circulated to senior officials of the various Area Divisions of the DD/P to obtain a group judgment on the relative ranking. Included in these factors were "Language Requirements" and "Area Knowledge Requirements". Results of the ranking by twenty-nine judges places "Area Knowledge" next to last in order of importance, while "Language Knowledge" was placed seventh in importance. Factors considered more important were, in order of ranking: Nature of Target Area Served, Sensitivity of Operations, Type of Personnel Involved, Effect of Operations, Supervision Received.

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3. DISCUSSION:

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in connection with a special list of languages drawn up by the Service in accordance with its needs. Training is taken at the employees own expense, but if he qualifies on the basis of oral and written tests, he is reimbursed for training expense in addition to being granted the increment. Some employees have acquired as many as four increments for as many languages, and there is no limit applied other than the special list previously mentioned.

- b. The Foreign Service Institute provides most of the language and area training for State Department personnel who have a need for such training, since Department funds are appropriated for specific purposes. This has the effect of limiting the number of employees who may receive instruction at a given time. Instruction is provided on the time and at the expense of the Department.
- c. As far as could be determined, there are no known plans which grant incentive pay or training time and expense for acquiring area knowledge.
- d. Considering the relative level of experience of employees and the fact that the CIA is a new-comer to the foreign relations field, somewhat stronger steps should be considered in this Agency to accelerate programs that, under normal circumstances, could be stretched out over a period of years. This appears to be the the strongest argument in favor of the incentive plan. Other reasons in favor of the plan are:
- (1) The incentive plan can be implemented on a selective basis so as to build up a reservoir of critical languages and area skills.

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- (2) Precedent exists for special payments for professional qualifications, such as the additional payment to teachers for the acquisition of graduate degrees.
 - (3) The plan probably could be implemented within the superior accomplishment award authorization of the Classification Act, particularly if restricted to rare languages and areas.
- a. The main argument against this plan appears to be the assumption that employees need extra incentive for study whereas all that may be required is to make the courses available to the employee. A check with the Security Control Office reveals that several hundred employees took outside courses at their own expense and after working hours during the Academic Year of 1953-54. Other arguments against the plan include:
- (1) Unless based on careful planning, incentive pay can result in disorganized and chaotic results with respect to Agency needs.
 - (2) There are other and less costly methods of arriving at the same results, such as making language and area knowledge a pre-requisite for promotion at certain levels for certain categories of personnel.

5. CONCLUSIONS:

- a. In order to provide the most effective and efficient expenditure of time, effort and money, an incentive program for acquiring language and area knowledge should be geared to the known needs of the Agency on both a short-term and a long-term basis. It should take into consideration the desirability and likelihood of transfer of employees between areas in order that they concentrate on the study of languages and areas they will have occasion to use. It should recognize the needs of the research side of the Agency for reading knowledge of language as against the operational requirement for the spoken word, and the "double barreled" requirement of certain operational positions for language and area knowledge requirements for both the base country and the target country.

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- b. Information available at this time indicates that the reasons for adopting the plan are not conclusive.
6. ACTION RECOMMENDED:
- a. Reasons for the plan should be given additional study since neither information nor agreement exist on the nature and extent of Agency needs.
 - b. If it is determined that some incentive plan is necessary, then a more comprehensive study should follow which would have as its goal:
 - (1) The identification of categories of positions in the Agency which require area and language knowledge on a "pre-requisite" and on a "desirable" basis.
 - (2) The further development of an inventory, such as the present Employee Qualifications Register, of employee languages and area knowledge skills which could be matched against the requirements to determine the needs of the Agency on a short term and a long-term basis.

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Assistant Director for Personnel

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