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30 April 1951

MEMORANDUM FOR: Personnel Director

SUBJECT : Performance Rating Act of 1950

1. This is to report on the results of negotiations with Mr. John Overholt, Chief, Performance Rating Section, Civil Service Commission, with respect to the projected installation of a Performance Rating Program in this Agency, pursuant to the requirements of the Performance Rating Act of 1950. This statute requires that rating systems adopted by individual agencies be approved by the Commission. The purpose of the meeting with Mr. Overholt was to learn the Commission's stand on several issues of apparent conflict between the requirements for administering an agency rating program (approved by the Civil Service Commission) on the one hand, and the security obligations of CIA on the other.

2. Specifically, the following problems were presented; Mr. Overholt's reply in connection with each problem is summarized.

- a. Employee appeals from their ratings are heard by a three-member board of review, including a chairman designated by the Civil Service Commission. The practice of the Commission has been to name an official on the rolls of that agency to serve as chairman. The retention of this procedure in establishing a CIA board of review would pose problems of maintaining security requirements, particularly in connection with appeals of employees engaged in covert activities.

*Let's assume we
can have an Agency
employee as Chair.
man.*

Mr. Overholt expressed the viewpoint that in the event it would be necessary to convene a hearing to consider an employee appeal, the chairman would have to be an official or employee of the Commission who had obtained security clearance from the CIA.

- b. The Act authorizes an appellant to designate a representative to operate the appeals machinery in his behalf. Neither the Act nor the implementing regulations promulgated by the Commission specifies that such representative must be an employee of the same agency, or even of the Federal Government. Unless circumscribed by definition as to who may be named as an employee representative, CIA activities discussed in appeals hearings might well be placed in jeopardy.

Mr. Overholt agreed that it would be necessary to place

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limitations upon the right of an appellant to designate a representative to handle his appeal, consistent with security requirements.

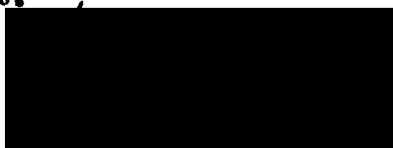
- c. Unrestricted presentation of evidence by parties to an employee appeal might jeopardize security obligations.

Mr. Overholt felt that determination that evidence which should not be introduced or discussed for security reasons be withheld, could be made on the basis of prior representations made by the CIA with respect to individual cases.

- d. The Act directs the Commission to "inspect the administration of performance-rating plans by each department to determine compliance..." The exercise by the Commission of this provision of the Performance Rating Act of 1950 would appear to conflict directly with the mission of CIA.

Mr. Overholt indicated that the Commission could not waive this provision of the Act, and that it would be necessary to carry on inspection activities in this Agency. Such inspection, he stated, would be aimed at ascertaining whether employees -- even those in sensitive activities -- were apprised of performance requirements relating to their positions, and whether the employees were satisfied that their performance was appraised against these standards.

3. In general, Mr. Overholt was inclined to regard the discussion as being somewhat academic; he inclined to the view that a security agency might generally dispose of potential appeals cases through administrative means which would preclude the convening of hearings. However, it is believed that this approach to the problem is unsatisfactory in that employee morale might be adversely affected by the employment of individualized administrative measures to discourage or eliminate appeals. Moreover, there appears to be no solution to the problem of Commission inspections under the present provisions of the Performance Rating Act. It is recommended, therefore, that action be initiated to secure the exemption of CIA from coverage of the Act.



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Maybe this is no so different from the loyalty program which so far is working not too badly. Of course, this goes further into agency activities.

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