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27 June 1975

MEMORANDUM FOR: DD/A Personnel

SUBJECT: DD/A Management Conference, [redacted] May 1975

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1. The Deputy Director for Administration sponsored a management conference on May 16, 17, and 18, 1975. Those attending were:

John F. Blake, DDA
John N. McMahon, A/DDA
[redacted] D/CO
Thomas B. Yale, D/Fin
Harry Fitzwater, D/OJCS
Michael Malanick, D/L
John F. Tietjen, D/MS

F. W. M. Janney, D/Pers
Charles W. Kane, D/S
Alfonso Rodriguez, DTR

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[redacted]

2. Mr. Blake opened the conference by noting that certain events had taken place since he and Mr. McMahon assumed their current posts in August 1974. He singled out the Seymore Hersh article in the 22 December 1974 New York Times and its pervasive impact on the Agency. He looked back at the 27 September 1974 conference where the major emphasis was placed on "planning" with high hopes for establishing a Planning Council which would lay out long-range plans for the Directorate. As a result of the Hersh article and the establishment of the President's Commission and Senate and House Committees to scrutinize Agency activities, the implementation of a Planning Council will be postponed. There is no way to predict the outcome of the Commission and Committees' studies, but it is a possibility that some changes in mission, function, and organization will be forthcoming. Given the uncertainty, to plot the future course of the Directorate would be most difficult at this time. On the other hand, the Offices must continue to plan their activities within the context of their current functions.

Mr. Blake further emphasized the need for open communications and the responsibility of the Office Directors for keeping their people informed of Agency issues and problems as well as positive actions that are going on. While it is true, generally, that a great deal of time is taken up with

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responding to Commission and Committee inquiries (and FOI requests) it is of vital importance to press on with Agency business. To prove that Agency management is not mesmerized with outside investigations, it is essential that this conference address specific Directorate issues and problems from which specific actions will devolve. Those areas selected for discussion are:

- a. Management by Objectives
- b. The effectiveness of Directorate Staff support
- c. Implementation of the PASG Handbook
- d. The necessity of an "M" Career Service
- e. The future of the "MG" Career Service

The above are considered relevant to the continued functioning of the Directorate and discussions at the conference should result in specific recommendations for actions to be taken.

Mr. Blake concluded by enjoining all of the conferees to do their jobs to the best of their ability and to have confidence in the Agency leadership personified in Mr. Colby.

3. Before getting to the discussion items, Messrs. McMahon and Blake briefed the conferees on the activities of the President's Commission and the Senate Committee. Regarding the President's Commission, Mr. McMahon informed that their work is pretty well completed and that within the near future they would make their report to the President. In his opinion the report will be generally favorable.

Concerning the Senate Committee, Mr. McMahon gave some of the flavor of their activities to this point, including the deliberations of the use of Agency "monitors" to assist witnesses. This is a contentious item, at this time unresolved, although it appears likely that Agency witnesses at certain times will have some Agency representation. Based on their actions so far, substantiated by certain memorandums which have been prepared, it seems quite likely there is a difficult road ahead. Mr. Blake discussed the more recent hearings with Mr. Colby. He concluded that a problem could be the struggle between the Legislative and Executive, with the Agency in the middle.

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Discussion Items

4. Management by Objectives - The Director espouses management by objectives as the management philosophy in the Agency. While the DDA has been implementing the system for the last two years, there is room for improvement. Perhaps one of the major shortcomings at this point relates to the need for evaluating the results of our action plans and the problem of managers being able to quantify their efforts. Emphasis was placed on the need for norms against which progress could be measured.

Considerable discussion ensued relating to standards of performance and the extent to which they have been established within Offices. During the course of the dialogue, the word "experience" was frequently used as the basis for establishing certain standards and norms. Experience, however, does not provide objective empirical data to realistically evaluate performance. Emphasis was placed on the need to synthesize the work of the Directorate within the MBO framework, which should give a fair indicator of how well we are doing. A specific objective for FY 76 was laid out which generally received the acceptance of the Office Directors. It read as follows: Devise systems and procedures to develop and establish a series of positive indicators against which progress mission (functions) can be judged.

Each Office may attack this objective in a different way. It is not intended that every function lend itself to quantifiable norms. It is necessary, on the other hand, that each Office make a start in this effort during FY 76 against which FY 77 objectives may be measured. (It was suggested that [redacted] meet with the Office Planning Officers within the next week or two to discuss the implementation of this objective.)

5. Staff Support - Mr. Fitzwater led the discussion. He emphasized increased requirements levied upon OJCS and extended this to the other Offices to a greater or lesser extent. He followed with a viewgraph depicting the DD/A

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staff organization, pointing to the fact that each element could levy requirements on the Offices leading possibly to excessive demands. Although it was generally agreed that there are increased amounts of work and in some instances red tape, the Office Directors do not attribute this to requirements levied by members of the DDA Staff. By and large, there was agreement that DDA Staff support was quite responsive. The problem of setting conflicting deadlines by members of the Staff was discussed and the suggestion was made that a single point be established to set deadlines. The Staff will be alert to this problem and at least for the time being it does not seem necessary to establish a central point. A suggestion was made and agreed to that when requirements are levied on Office Staffs, the members of the DDA Staff will alert the Office Directors at the morning meeting whenever possible.

A question was raised as to the necessity for Offices submitting weekly reports. Both Messrs. Blake and McMahon responded that the reports are absolutely essential toward keeping the DDA informed as to what is going on in the Offices in more detail than received at morning meetings or other staff meetings.

6. PASG Handbook [] discussed a checklist which had been completed by each Office identifying the progress which had been made toward implementing the PASG requirements. These will be brought up-to-date and distribution will be made to all the Offices. [] walked through the various sections of the Handbook. Considerable discussion evolved, especially in regards to grievances and how they should be handled, and whether or not a grievance panel is advisable or necessary. In response it was agreed that a panel is not essential but that grievances must be handled expeditiously within the chain of command.

Fitness Reports were discussed at length in terms of the extent to which they serve as a primary resource tool for evaluating individual performance. It was generally agreed that the ratings as submitted do not help to identify the bottom three to five percent. [] briefed on the procedures used in the Office of Communications emphasizing their use of BYCELS. This system documents some twenty different characteristics which are subdivided into four ratings. Each characteristic receives a numerical grade

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which is weighted depending on the grade of the individual. While fitness reports are reviewed by the individual employee, he does not see his BYCELS rating sheet although he is briefed on the results. Again relating to fitness reports, Mr. Fitzwater mentioned a continuing problem of ratings within a specific organization wherein an individual must respond to many customers as well as his supervisor. There is no question this problem is real, but it is one for which there is no ready answer and one must evaluate an employee as fairly and equitably as possible.

A point was made within the context of competitive evaluations: the PASG Handbook and its requirements must be looked on as a tool of responsible management; it is not a document only to support efforts to identify low performance individuals or to implement termination proceedings.

A good deal of discussion arose over those portions of the Handbook relating to clerical careers. It became quite apparent that it is necessary to define the types of clerical positions that exist in the Directorate. In addressing the enhancing of careers of clerical personnel, it was felt advisable to publish a notice for distribution throughout the Directorate. It was emphasized that such a notice should be carefully worded and the terms be thoroughly defined. The question of precisely to whom the memo should be addressed was raised. While it was recognized that a notice is highly desirable, the suggestion was made and accepted that such notice be withheld until [redacted] completes her study on clerical attitudes and viewpoints.

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7. "M" Career Service - Mr. Blake opened the discussion pointing out that he was of an open mind as to whether or not an "M" career service was a worthwhile entity and asked for free discussion as to what the conferees think of the value of the "M" career service. In general, most of the Office Directors agreed that there were benefits to the "M" career service, partly for psychological reasons indicating that supergrades within the Directorate belong to the Directorate management pool, rather than a single office.

As an action item, the Office Directors were asked to identify positions at the GS-15 and 16 level that can be filled by an officer from another Office. This will assist the Career Management Office in recommending appropriate assignments and reassignments.

8. "MG" Career Service - Mr. Blake opened this discussion by indicating that changes within the Agency are causing new and different requirements for support officers. Whether or not a Generalist career service continues to be viable is open to question. There are many capable officers within the "MG" career service; however, the types of jobs the "MG" careerists have filled in the past are changing in nature. There was a strong voice that the "MG" service not be abolished as long as overseas requirements exist and there is a group of capable "MG" careerists available to fill them. On the other hand, the "MG" careerists enjoy a relatively high grade at this time and overseas positions are being cut or reduced in grade. It was agreed that new members should not be moved into this service and that the relatively junior jobs be filled by officers of the DDA Career Sub-Groups. The suggestion was made that "MG" assignments be handled at the Directorate level having input from each Office on the identification of young officers who can handle these more broadly gauged assignments.

In summary, it was felt that it would be well to continue the "MG" career service for current "MG" careerists, but not fill in behind them with younger, more junior officers who would appropriately remain as members of an Office Career Sub-Group.

Specific actions suggested were a review of "MG" positions, toward identifying those which should be more appropriately Career Sub-Group positions. Also, there should be an identification of those officers within Career Sub-Groups who can serve in Generalist positions.

9. Other Business

a. Center for Studies in Intelligence - Mr. Rodriguez briefed the group on the Center for Studies in Intelligence, indicating that four types of activities are involved: (1) the initiation of research; (2) setting up

and conducting symposiums; (3) sponsoring research; and (4) establishing discussion group meetings. He described some of the topics that have been submitted for Center involvement. Mr. Rodriguez voiced his interest in inviting controversial non-Agency participation in the activities of the Center. While this met with general acceptance, it was pointed out that one must be extremely careful as to whom is invited in light of today's environment. There was some discussion as to how proposals for topics of study at the Center should be evaluated and whether or not the DDA should be making proposals. It was made clear that a consultative group be established to review topics, although membership was left open for further thought. Insofar as DDA involvement is concerned, it was agreed that the DDA should not submit proposals for study at this time but should stand ready to provide assets to DDO officers pursuing studies relating to staffing, training, and the like which would impact the DDA.

b. Personnel Projections - Mr. Janney presented several charts depicting personnel trends. There is a hump developing in the 30 to 40 year old age bracket with limited input (new hires) in the 20 to 30 age bracket. This points to the necessity for addressing the bottom three to five percent of personnel and action to move this group out of the Agency. Mr. Janney reported that there was no attrition during April and that the hiring rate was low. Quite unusual is the fact that clerical attrition is low. In his general discussion as to the availability of a managed surplus exercise, Mr. Blake emphasized that there should be consistent application throughout the Directorate and that no Office should move unilaterally. Mr. McMahon cautioned that one must be careful in addressing a managed surplus since the DCI has emphasized on several occasions that he does not foresee such a program. At any rate, this Agency issue should perhaps be best discussed at a DCI conference or Management Committee meeting sometime in the near future.

STATINTL An action item resulting from this discussion relating to the statistics provided by Mr. Janney was Mr. Blake's request that [redacted] provide similar statistics for the other three Directorates and total Agency.

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c. Headquarters Building - Discussion involved the Headquarters building and the encroachment of equipment into people space. While recognizing this as a real problem, the fact must be faced that it is highly unlikely that Congress would consider funding a new CIA building either for office space or to house equipment. The Office of Logistics, nonetheless, will continue its Building Planning Staff to make plans for the future.

10. DDA Conferences - The question was raised as to how often DDA conferences should be held. Most Office Directors prefer annual meetings rather than semiannual. It is likely that the next conference will be held approximately February 1976, at which time the Senate and House Committees' recommendations may be made or at least indicated. Mr. Janney suggested that perhaps a conference every nine months would be about right. At any rate, a DDA conference every six months is considered excessive.

11. Summary - Consistent with Mr. Blake's opening remarks, the following actions were recommended:

a. MBO: Each Office to devise systems and procedures to develop and establish a series of positive indicators against which program mission (functions) can be judged. This is an FY 76 objective against which certain FY 77 objectives can be measured/evaluated.

b. Office Support: Look into a procedure by which deadlines are established in a consistent manner. Also keep the Office Directors informed when the DDA Staff levies requirements on Office Staffs.

c. PASG Handbook: At an appropriate time publish a clerical notice relative to career aspirations. Provide to each Office the checklist of all Offices relative to implementation of PASG requirements.

d. "M" Career Service: Each Office provide list of GS-15 and 16 positions which could be filled by officers of other Career Sub-Groups.

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e. "MG" Career Service: Identify "MG" positions which should more appropriately carry the designation of Career Sub-Groups. Identify personnel within each Office who can serve in more broadly gauged Generalist positions.

f. Center for Studies in Intelligence: For OTR - Review and make recommendations as to membership of consultative body to review topics for Center study.

g. Personnel Projections: For OP - Provide statistics similar to those provided the DDA for the other three Directorates and the Agency as a whole.

12. Mr. Blake closed the conference expressing appreciation for the open and frank discussions among the conferees and the collegiality evidenced during the conference.

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AGENDA
DD/A Management Conference
May 1975

May 16	4:00	Depart [REDACTED]	STATINTL
	5:00	Arrive [REDACTED]	STATINTL
	5:00 - 6:00	Cocktail Hour [REDACTED]	STATINTL
	6:00	Dinner at Club	
	8:00 - 9:00	Discussion of Purpose for Conference - Mr. Blake	
May 17	7:00 - 9:00	Breakfast	
	9:00 - 9:30	Current Status of Commission and Legislative Committee Reviews - Mr. McMahon	
	9:30 - 11:30	Critique of MBO as a Management Technique - [REDACTED] & attendees	STATINTL
	11:30 - 12:00	Discussion of Impact of DD/A Staff Requirements Upon Offices - (Office Director to be announced)	
	12:00 - 1:30	Lunch [REDACTED]	STATINTL
	1:30 - 2:30	Discussion of PASG/Directorate Personnel Handbook & related matters - [REDACTED]	STATINTL
	2:30 - 3:30	Discussion of the Need for an "M" Career Service - Mr. Blake	
	3:30 - 4:30	Presentation of End-of-Year Personnel Strength Projections, Directorate & Agency - Mr. Janney	
	4:30 - 6:00	Free Time	

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May 17				
(Cont'd)	6:00 - 7:00	Dinner	[REDACTED]	STATINTL
	7:30 - 8:30	Directorate Research Participation in the Center for Studies in Intelligence - Mr. Rodriguez & attendees		
May 18	7:00 - 9:00	Breakfast	[REDACTED]	STATINTL
	10:00 - 11:00	Mystery Subject - Mr. McMahon		
	11:00 - 11:30	Wind-up - Mr. Blake		
	12:00 - 1:00	Lunch	[REDACTED]	STATINTL
	1:30	Depart	[REDACTED]	STATINTL
	2:30	Arrive	[REDACTED]	STAT

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MBO is about to begin its third year as a concept of management in the DDA. In the brief period of time we have used it, attitudes toward the system have moved from indifference or hostility towards acceptance and appreciation. There are still problems associated with the use of MBO as a total management concept. Some problems can be attributed to the educational and shakedown processes we have undergone in implementing MBO; some problems can be related to managerial attitudes towards its use; and others can be related to the environment in which the system must exist. These problems do not exist in neat compartments, but are inter-related and often difficult to isolate.

MBO came into CIA almost by fiat when the DCI adopted it as a management style. In one of his speeches he summarized his approach to the process saying that managers should be told what their goals are, what resources they have at hand, and then left alone to work toward the accomplishment of the goals. Periodic reviews, of course, are needed, as is a final evaluation, but for the most part managers should be left to do their own thing. And herein lies part of the Agency's problem. Mid-level managers and planners indicate that direction from the top in the goal-setting process could be more forthcoming.

The education of Agency managers in the use of MBO was haphazard at first. Gradually, training programs were introduced. To improve managerial understanding, this spring OTR initiated an MBO seminar. Reaction to the first two runnings of the seminar was favorable, particularly in pointing up two things: (a) the strengths of the system; and (b) the shortfalls in its application in the Agency. One fact emerged -- MBO was applied differently within each directorate and the OTR course can present only a very general program which provides a consistent point of departure. This aggravates some of the issues raised by past seminar participants -- the multiplicity of systems within the Agency. Senior and mid-level planning officers are enthusiastic about MBO, but their enthusiasm wanes in the face of increasing numbers of reports and reporting systems. Rather than a systematic, integrated approach to management within CIA, they see a number of systems often duplicative and layered upon one another. Here again, there appears to be limited control or management of the process at the top, and the void is often filled by individual interpretations, a conscious decision to ignore it, or a showpiece attempt at compliance.

Within the DDA the development of better objectives is in order. An attempt has been made by the staff to work more closely with planning officers in establishing meaningful objectives, but there is, as one might expect, room for improvement. One nagging problem relates to the fact that objectives may not be attacking the tough issues that an office may be facing during the next year. An additional concern has to do with the horizontal communications among the offices wherein objectives impact two or more offices. The planning that takes place at the directorate level and below is at times frustrated by this less than comprehensive horizontal coordination. Objectives established by one component may be impacted upon by another component's requirement, both within and without the DDA. Often, when these requirements are raised, budgets have already been approved and MBO programs established, making the process of reestablishing priorities, changing budgets, and setting new objectives difficult, if not frustrating. (One might suggest or consider the establishment of a central planning office which could oversee and coordinate programs on an Agency-wide basis, thereby improving the efficiency and impact of the MBO process. The top-level centralized planning office could also be in a position to examine and evaluate various management systems and hopefully develop an integrated system complementing MBO, not paralleling it.)

Evaluation of performance within an MBO system is a difficult process even when performance is measurable in quantifiable units. In a service-oriented organization such as the DDA, development of an objective evaluation technique takes on gargantuan proportions. Given the fact that only about ten percent of the DDA budget is controlled or monitored through MBO, it becomes difficult indeed to evaluate total managerial performance. Attempts to evaluate Office performance either individually or as compared to the performance of another Office have been very subjective. To help overcome part of this problem, it is suggested that more of the DDA budget be covered by the MBO process. This could be done by tracking MBO through more of the DDA resource packages. As discussed earlier in this paper, objectives could be cascaded down through the Office and Division level and serve not only monitoring purposes, but also as a stimulant to more junior personnel to become more effective.

The letter of instruction is intended to provide another means of evaluating personnel performance on an individual basis and should be tied to organization as well as personal objectives. There is no

need to regurgitate a comprehensive, detailed list of actions for each person to follow on a day-to-day basis. The intent of the LOI is to provide both supervisor and subordinate with a formalized (in the sense that it is recorded), mutually agreed upon set of ground rules. From this basis, each is in a better position to determine what must be done, what assets are available to do the work, and a means of evaluating it.

While the evaluation process may still seem subjective in nature, the very fact that the majority of a manager's programs are scrutinized on a routine basis should tend to improve his performance and provide the evaluator with a more detailed knowledge of the programs he must evaluate.

There follows a number of documents which are considered pertinent to the implementation and improvement of the MBO system within the directorate.

PROGRAM EVALUATION AND MBO --
AN OMB PERSPECTIVE

Remarks by

James W. Morrison, Jr.
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Washington, D. C. 20503

to the

Special Workshop on
"Program Management and Evaluation"

at the

Federal Executive Institute
Charlottesville, Virginia

April 22, 1975

PROGRAM EVALUATION AND MBO - AN OMB PERSPECTIVE

Introduction

In April 1973, a new emphasis on governmental management was launched by Presidential memorandum -- MBO was formally instituted and the Office of Management and Budget was asked to assist the President in carrying out this new approach. A little more than a year ago, the Evaluation and Program Implementation Division was established in OMB and given responsibility for bringing about improvements in Federal program evaluation practices. These two events serve to illustrate OMB's continuing interest in, and responsibility for, facilitating the improved management of Federal programs.

I welcome this opportunity to share some of our current thinking with you. More importantly, I welcome the opportunity to obtain your views. I hope this morning's session will be mutually beneficial. I'm sure it will be helpful to us in OMB.

In keeping with my understanding of the objectives of this workshop, I've titled my remarks "Program Evaluation and MBO - An OMB Perspective." Thus, I want to focus primarily on Program Evaluation, and to deal with MBO essentially as background for the discussion.

I would like to cover the following points with you:

- MBO as a management philosophy and the implications for program evaluation;
- The current national focus on evaluation - some issues and examples;
- Principal problems evident in the Federal evaluation environment; and
- OMB's current role and initiatives.

MBO as a Management Philosophy

To begin with, let's briefly explore the meaning of the term "Management by Objectives (MBO)" as it is being used in this discussion. Basically, MBO represents a concept -- a management style. It is a results-oriented approach to governmental management. It is intended to be a simple and flexible management framework for focusing on the President's program. MBO is based on the premise that line managers -- translate program managers -- will tend to do a better job if they:

- (1) state the end results they expect to achieve over a specified time period, i.e., set objectives;
- (2) periodically evaluate their performance toward these objectives; and
- (3) institute corrective or alternative actions as appropriate.

Several key points should be stressed. Although the selection of appropriate objectives is an important output of planning, MBO emphasizes total management -- the idea of accomplishing intended results -- rather than simply emphasizing the planning function or the tracking process. Further, the concept places major emphasis on the line or program manager. It requires the acceptance and active participation of program management -- not merely a designated staff or administrative organization.

Second, MBO is not a system. It does not impose rigid input and output formats or specify precise processes. As noted earlier, it is a management concept that is intended to be flexible enough to permit adaptation at all levels of program management.

Third, the OMB role should be noted. With regard to Presidential level objectives, OMB as the President's staff agent has a responsibility to participate in management conferences, status reviews, etc., to ensure the vitality of the concept and to serve as a communications link. However, the use of these objectives to manage agency activities and to achieve the intended results is clearly within the purview of the agency heads. With regard to implementing MBO within various levels of agency management, OMB is merely an advocate. Just as

the agencies apply their own management styles to their Presidential objectives, so should they determine when and how they can best employ the concept internally.

The Implications for Program Evaluation

MBO helped to establish a results-oriented environment within Federal agencies by focusing on a series of end accomplishments as opposed to a series of ongoing activities. The emphasis is on achievement -- not process. This has stimulated increased awareness of the difficulties involved in measuring results-oriented objectives. Too often the emphasis has been placed on measuring (quantifying) Federal activity itself, rather than the results of that activity. However, the effective management of Federal programs requires all of us to do a better job of determining the substantive impact of those programs. In this results-oriented environment, we must be able to see the linkage between definitions of missions, setting of objectives, identifying tasks, and monitoring performance. Program evaluation is the management process which seeks to systematically analyze Federal programs to determine the extent to which they have achieved (or are achieving) their objectives. (That, incidentally, is the working definition of program evaluation that I'll be using.)

The Current Focus on Evaluation - Issues and Examples

Before delving too deeply into evaluation as a process of management, it might be well to take a look at a couple of national evaluation issues facing OMB and the executive branch.

1. Federal expenditures for program evaluation have risen dramatically in the past few years, while the benefits of these efforts remain questionable.

Beginning with the proliferation of the social programs of the 1960's, there has been a continuing shift in total Federal expenditures toward greater emphasis on human resources. This shift has produced increasing demands from the President, the Congress, and the public for greater accountability and measurement of program success. In response to these demands, Federal departments and agencies have expanded their efforts to perform program evaluations -- either by in-house staffs or through contractual arrangements. Just how much is being spent depends largely on which information-producing activities are defined as program evaluations. A reasonable estimate is that "evaluation" expenditures have increased from less than \$20 million in FY 1969 to at least \$130 million in FY 1974. The essential

point, however, is that despite the increased activity, there is widespread questioning of the usefulness of most evaluations to key policymakers and program managers.

2. Congressional interest in program evaluation has markedly increased and is reflected in growing demands for specific information. Many Congressmen have, in the past, made individual requests for objective program performance data. Now, however, there is evidence of a collective intent by the Congress to obtain and use program evaluations. The passage of the Congressional Budget and Impoundment Act of 1974 clearly imposes explicit requirements for increased use of program evaluations. In response to that bill, the General Accounting Office is increasing its evaluation staff considerably. Also, many executive agencies are now receiving direct requests from various congressional subcommittees for detailed program evaluation reports, etc.

✓ It is, therefore, very clear that Federal program evaluation must be accomplished in a results-oriented environment that is stimulated, in part, by executive branch actions but also influenced by many external stimuli as part of a broader trend toward greater accountability and management of diminishing resources.

Principal Problems Evidenced in the Federal Evaluation Environment

A close look at the Federal scene reveals several environmental barriers to the conduct of really useful program evaluations. So far this morning, I have been discussing evaluation in a fairly general sense. At this point it might be meaningful to narrow our focus a bit and further specify the kinds of information-producing activities on which I intend to concentrate for the balance of my remarks.

As we have defined program evaluation, it is intended to mean those systematic analyses that are quite structured and usually result in a formal report of findings. In terms of a time perspective, these analyses may be summative (analyses of completed programs) or formative (analyses of ongoing programs). In terms of scope, or focus, these analyses may be conducted at the national level (analyses of a major Federal program in its totality or two or more major programs which focus on a single issue) or they may be conducted at the project level (analyses of some component of a major program). In terms of purpose, or type, these analyses can be generally categorized as:

- Impact Evaluations - designed to measure the effect of the program on its target (clients), the relationship of costs to benefits, and any discernable side effects. These analyses may also seek to examine the validity of the program's objectives with respect to the problems it is intended to address.

- Strategy Evaluations - designed to compare the relative effectiveness of different major techniques (interventions) for accomplishing the objectives of Federal programs. These analyses are intended to provide information concerning the most effective mix of services.

- Process Evaluations - designed to measure the operating efficiency of a program. The focus is on program activities -- not the personal performance of program managers.

Without belaboring these categories, it can be seen that there are several information-producing activities that are excluded from our definition. Specifically, it is intended to exclude:

- Policy Analysis - (The assessment of an environmental condition and options to determine an appropriate course of action.)

- Audit Purely for Fiscal or Legal Compliance - (The assessment of the propriety of expenditures or the conformance of legal requirements.)

° Evaluative Research - (Research which focuses on strict adherence to experimental design and attempts to systematically control and vary program characteristics and parameters.)

An understanding of these categorizations, and the specific exclusions makes it possible for us to discuss Federal program evaluation practices in terms of operational problems. Let's look at some of the more prevalent ones.

° Currently, there are insufficient incentives to stimulate decisionmaker interest in, and demand for, program evaluation. The political context of most major policy decisions and the historical absence of decisive quantitative data in advance of decision points have resulted in most decisions being made without evaluation information. Increasing public pressures for "better government" and more efficient use of resources, together with increased congressional interest in program performance are being expressed in several ways as we have previously noted. In view of these pressures, it appears that the importance of competent, independent analyses of program impact, effectiveness, or economy will become apparent to agency heads, senior policy makers, and program managers alike. There is reason to believe that this will be less of a problem in the future than it now is.

- ° Most Federal programs do not have measurable objectives or there does not exist testable assumptions linking program activities to accomplishment of program objectives. Since program goals and objectives are typically stated in rhetorical terms, there may not be a way to establish causal links, in an evaluative sense, to determine the effectiveness of program activities. Further, there may be few, if any, significant decisions remaining at the program management level. "Managing" the program may mean, in essence, merely carrying out the designated program activities. This suggests the need to target evaluations of existing programs to the areas where systematic analyses are most feasible and has implications for the types of evaluations to be undertaken. Also, this suggests the desirability of building evaluation components into new programs. This point we shall discuss further and your views are especially solicited.
- ° Program evaluations, as currently performed, are only rarely useful to key policymakers and program managers. Much of the evaluation work now being done tends to be lengthy, obscure, and irrelevant to the real concerns of decisionmakers. This stems in part from the way in which evaluation projects

are conceived and administered and from the lack of meaningful interaction between evaluation staffs and the policy makers and program managers for whom their work is theoretically being undertaken. These are essentially management problems which merit further discussion and, again, your views are actively solicited.

OMB's Current Role and Initiatives

What then is OMB's current approach to the problems of program evaluation?

OMB has had a longstanding concern with program evaluation, primarily as an essential element of the substantive review of programs when developing budget recommendations to the President. But, by and large, OMB has taken -- and maintains -- the position that agency heads are responsible for managing the programs under their jurisdictions, and that program evaluation is a part of such management. Our role, therefore, is essentially non-directive in character and, as in MBO, primarily that of advocate. However, where MBO is a concept or a philosophy of management which lends itself to the individual styles of the agencies, program evaluation (as defined) is a clearly specifiable process of management which has already been institutionalized within departments and agencies. OMB's responsibilities for

improving governmental management dictate a more activist posture vis-a-vis program evaluation than for MBO.

Accordingly, OMB's evaluation effort has been structured so that, over time, it should result in a significant improvement in the contribution of evaluation to the decisionmaking processes. The current effort is designed to address the major issues I discussed earlier and to assist in solving the operational problems I've just identified. Two central assumptions underlie the effort:

- Program evaluation results have not been as useful as they might be to major policy decisions confronted by program managers, agency heads, the Congress, and the President, largely due to deficiencies in management processes.
- Given increasingly limited national budgetary and other resources, and the growing need for objective information on the efficiency and impact of Federal programs, measures must be taken to build evaluation into new programs and legislative initiatives.

Thus, we have undertaken activities in the following areas:

° Understanding and Strengthening Federal Evaluation Practices

- A survey of evaluation activities of the major domestic agencies was completed in June 1974 to provide baseline data on the nature and scope of current agency practices. An update and expansion of this survey is underway, this time as a joint project with GAO.
- A panel of senior evaluation officials (generally the Assistant Secretary level) was established in late 1973 and meets periodically to exchange ideas on evaluation issues and to comment on specific OMB evaluation initiatives.
- On a very limited basis, some technical assistance has been provided (on request) to agencies in structuring evaluation systems.
- Two draft policy papers have been developed and circulated for review and comment by selected agencies. These papers focus on: (1) problems associated with the planning and management of evaluation projects, and (2) mechanisms for integrating evaluation components into new programs. The papers are intended as reference points for OMB initiatives. For example, specific

- Meetings with interested members of the Congress to encourage the inclusion of evaluation components in new legislation;
 - An OMB Circular to provide general guidelines for managing evaluation activities and building evaluation components into new programs;
 - In-depth assessments of selected agency evaluation activities; and
 - A comprehensive analysis of the evaluation training needs of Federal executives, program managers, and evaluation staffs.
- o Liaison with the Legislative Branch
 - Continuous contact is maintained with Congressional staff members concerned with evaluation, with the Congressional Research Service, and with the General Accounting Office.
 - o Building Relationships with the Academic, Research, and Non-Federal Evaluation Community
 - The OMB staff has participated in a number of symposia and conferences on evaluation research, evaluation management, and the use of evaluation in public policy formulation. These activities offer a valuable interchange of ideas

That's essentially where we are -- a description of OMB's program evaluation activities set against the background of Management by Objectives. I welcome your comments and questions.

The following relates to comments by members of the first MBO class about what is happening at the DCI, DDA and Office levels and below in terms of MBO and advantages. This composite is of interest since it reflects comments by DDA Planning Officers.

DCI/DDA

What's Happening?

1. Verbally supportive of MBO
2. Financial guidelines are set and do exist
3. There are DCI objectives - deadlines are set but priority and interrelationships may be unclear.
4. MBO as theoretically conceived basically does not exist.
5. Planning is mainly short-termed no long-term planning
6. (a) Rely on budget planning with alternatives for system
7. The comptroller pulls planning together as well as can in the absence of any executive director and/or a management committee.
8. The comptroller or monitoring system is not MBO oriented. Most of it emphasizes APP-PDP personnel programs.
9. Performance Evaluation not based on progress made to goals. Largely subjective and based on day-to-day emphasis. No LOI between DCI and DDA.
10. Believes in management by exception delegation of authority and final audit.

Advantages

1. Emphasis of the support of the idea but no implementation. Provides deputies with maximum freedom to apply MBO, verbally support also the impetus and getting MBO off the ground.

<u>DDA OFFICE</u>	<u>Advantages</u>
1. Mutual goal setting is being done.	1. Timely performance
(a) Lower levels formulate goals consonant with DCI, DDA goals. Know goals of top echelons	2. Know why not getting better performance when that is
(b) Challenging ^{vs} "Mickey Mouse"	3. Good communication
2. Communications: structured around objectives.	(a) chance to get acquainted with top management
(b) Separate informal communication going on, some conflict between the two.	4. Improve morale involvement
3. Discipline goals are being set and deadlines met. People feel they are on the hook. Effort being made to "stretch" people.	5. Know responsibility and problems
4. Performance Evaluation	6. Increase accountability from performance
(a) Organization - a problem area. Problem involves how to integrate MBO related performances with overall performance. Know overall organizational evaluation system at office level.	7. Are getting improved plans
(b) Individuals have LOI's evaluation may not be tied to, organizational performance.	8. Better coordination
(c) Managers feel that they don't know how they are doing their job.	9. Continuity of programs regardless of whose boss
	10. Improved identification of managerial talent

Office and Below

What's Happening?

1. Overall impression
 - (a) mixed applications
 - (b) MBO emerging - crawling
 - (c) MBO fades rather quickly at this level
2. Goals are set - participation
 - (a) have ABC system
 - (b) those originated below and passed up have a mixed consensus picture
3. Communication - reasonably OK
4. Performance Evaluation same problem as at DDA/Office level. (Know overall system)
5. More than a delta system here from 10 to 80% of action encompassed by MBO system

Advantages

1. General, same as at DDA/Office level
2. Special advantages are:
 - (a) now management not just supervising
 - (b) heightened motivation - interest - involvement - participation
 - (c) broadens their views not so narrow
 - (d) Less resistance and static to plans
 - (e) Especially appreciate chance to sound off - be heard at this lower level.

STATINTL

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ELEMENTS OF PROGRAM EVALUATION

1. PROBLEM STATEMENT
2. PROGRAM GOAL
3. PROGRAM OBJECTIVES
4. EVALUATION CRITERIA
5. MEASUREMENT/COMPARISON
6. DATA COLLECTION
7. ANALYSIS
8. IMPACT (EVALUATION OF THE EVALUATION)

PROBLEM STATEMENT

- What are the conditions that have justified the program's existence?
- How well have these conditions been measured?

PROGRAM GOAL

- What is it about the problem that this program would like to change?

PROGRAM OBJECTIVES

- Are the objectives stated in measurable terms?
- Are they compatible?
- Are they clearly stated?
- Are they overly rigid?
- Are they realistic?

EVALUATION CRITERIA (MEASURES OF EFFECTIVENESS)

- Are they appropriate?
- Are they comprehensive?
- Would their measurement indicate success or failure?
- Do they take into account unintended effects?

MEASUREMENT/COMPARISON

- Are they feasible?
- Are they efficient?
- Are they appropriate?
- Do they assure validity and reliability?
- Is the design sufficient to meet the knowledge requirements for the users of the evaluation?

Quasi-experimental - no true control group

DATA COLLECTION

- Is the plan practical?
- Would collection violate right of privacy?
- What level of confidentiality is to be assured?
- Who will collect the data? (in house? other?)
- Is the timetable for collection in concert with the program activities, i.e., too early or too late?

ANALYSIS

- Have study delimitations been identified?
- Is the report prepared in a usable format?
- Have the findings been summarized in a clear and succinct manner?
- Do the data support the findings?
- Are recommendations provided?

IMPACT (EVALUATION OF THE EVALUATION)

- How did the evaluation aid decision makers?
- Did the evaluation do what it set out to do?
- Who benefited from the evaluation?
- Was the evaluation cost effective?

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FEDERAL PROGRAM EVALUATION FROM THE OMB PERSPECTIVE

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Editor's Note: At the time of preparation of this article, Mr. Zarb was OMB Assistant Director for Management and Operations, whose responsibilities included OMB evaluation policy. That position is now held by Dr. Robert H. Marik. To develop and carry out this policy, a new Division of Evaluation and Program Implementation was established within that office, under the direction of Clifford W. Graves.

Program evaluation represents one of the most useful and essential tools available to federal officials for assuring rational policy decisions and effective program management. The purposes of this article are to provide some perspective on the evaluation effort currently conducted within the Executive Branch and to describe some of the activities which OMB plans to undertake in cooperation with the various federal agencies to improve the quality and usefulness of evaluation as an aid to the decision process.

Definition and Role of Evaluation¹

Evaluation, as used here, is defined as relatively structured, systematic analyses of operating programs designed to assess their impact or effectiveness in attaining their stated objectives, or to assess their efficiency. Within this broad definition are four general categories of evaluation, delineated generally on the bases of their purpose and predominant methodology. These are: (1) substantive impact evaluations, (2) relative effectiveness evaluations, (3) process or management evaluations, and (4) project evaluations.²

Substantive impact evaluations attempt to measure the impact which federal programs have upon their stated objectives. This type of evaluation seeks to determine what the program accomplishes, how these accomplishments compare to their intended purposes, and their costs. The purpose of such evaluations is primarily to provide information for use in major policy formulation.

Relative effectiveness evaluations seek to compare the effectiveness of two or more major program strategies or approaches in attaining ultimate objectives within a national program. These studies are designed to help policy officials and program managers select the most effective mix of services to maximize programs' total impact, such as the mix of skill training, remedial education, and job search assistance in a manpower program. However, these studies do not necessarily measure the impact of the total program in absolute terms on its objectives.

Process or management evaluations are designed to measure the operating efficiency of national programs. They are intended principally to help program managers achieve the most efficient deployment of available resources, rather than help policy officials arrive at major decisions affecting the scope and focus of the national programs.

Project evaluations are directed to individual, locally based projects which are components of a national program, regarding the impact or efficiency of the total national program. Project evaluations may entail any of the three preceding types (substantive impact, relative effectiveness, or process evaluation) as well as project rating—comparing the effectiveness of one or more individual projects against others.

The definition presented above is deliberately intended to focus upon a relatively narrow sub-set of a broad range of activities which might be construed as evaluation in a broader context. It emphasizes the application of scientific method (research) to program assessment. Excluded from this definition are certain activities carried out as part of normal, day to day functions in connection with policy analysis and development, budget review, legislative review, and other similar but less structured approaches. Also excluded are basic research, data collection, and audit activities, all of which are closely related to evaluation but not

Evaluation as a Management Tool

There are neither ready nor easy means for determining attainment of the basic objectives of most federal programs. Unlike a business firm with its profit and loss statement, federal programs confront a variety of conceptual and measurement problems when attempting to determine success or failure. A federal program usually has multiple objectives, many of which are never clearly stated. Moreover, which objective, or set of objectives, is paramount is seldom clear. It may in fact differ among various policy spokesmen—individual members of Congress, the President, and the public at large. Further, two or more objectives may be incommensurate—i.e., the attainment of one may be directly counter to the attainment of another.

The difficulty of measuring attainment of federal program objectives enhances the importance of evaluation activities. It is our view that federal evaluation is, or should be, an essential management tool for policy officials. Good evaluation studies (especially impact and comparative effectiveness evaluations) not only help to measure program results but also assist policy officials in the specification of program objectives. In addition to the basic management decisions which program evaluations support (decisions concerning efficient deployment of resources, and policy decisions concerning program level and focus) evaluations assist policy makers in implementing difficult decisions.

Evaluation Program Examples

The central importance which evaluation should play in effective program management makes the proper management of evaluation activities themselves highly critical. There is no single best approach toward carrying out an evaluation program, and approaches vary from agency to agency. It may be helpful to review briefly some examples of current evaluation activity.³

Department of Health, Education, and Welfare⁴

The authorizing legislation for many HEW programs includes specific provision for program evaluation. The bulk of the resources identified for evaluation are administered by the constituent operating organizations within the Department—i.e., the Office of Education, the Social and Rehabilitation Service, etc.

To provide overall direction and focus to the department's total effort, a central evaluation office has been established within the Office of the Assistant Secretary for Planning and Evaluation (OASPE). Until recently 25 per cent of all evaluation funds within the Department were made available at the discretion of the Assistant Secretary, while 75 per cent was to be used by the constituent agency. This procedure has been modified recently, leaving the distribution to be determined on a less rigid basis.

The Office of the Assistant Secretary for Planning and Evaluation is assigned the responsibility for developing and coordinating the Department's overall evaluation plan and resources. This includes those funds specifically allocated to OASPE and those reserved for the operating programs. The purposes of this coordination are to insure that evaluation activities are related to the central policy concerns of the Department, to eliminate duplication of effort and bring about coordination of complimentary efforts and to improve the quality of HEW's evaluation activities while making available to all others the expertise and insights that are gained in any one area.

Evaluation funds to be used at the initiation and direction of the Assistant Secretary for Planning and Evaluation serves several important purposes. A major portion of the funds has been directed to projects relating to policy questions for which the Assistant Secretary for Planning and Evaluation has been assigned the lead responsibility. This assures integration of the evaluation activity into the planning and policy development process. This system of handling the funds also serves to facilitate a desired balance of influence between the agencies and the Office of the Secretary. It enables the OASPE to negotiate with the HEW constituent agencies during the complex process of reviewing and approving their evaluation plans to develop some of the more important details of specific evaluation projects that the constituent agencies wish to undertake. Finally, the funds are used to sponsor major "cross-cutting" evaluations—i.e., those that bridge more than a single operating agency's area of responsibility.

As it turns out, much of the evaluation funds which have been reserved for the Office of the Secretary (out of a total of \$40 to \$50 million) is ultimately returned to the operating programs for

use at their discretion on evaluation activities. However, the initial reservation of such funds, combined with the overall responsibility for managing and coordinating the Departmentwide evaluation activities, supports the capability of the Department in achieving a more fully integrated and coordinated evaluation activity directed to those areas of highest priority both to the Secretary and to the operating program heads.

The Department of Labor

The Department of Labor also has moved to strengthen its program evaluation efforts by giving top-level policy support and by establishing a centralized evaluation staff in the Office of the Secretary. Recently, the Secretary of Labor established a new emphasis on evaluation in order to provide departmental management with better information and empirical evidence for making policy and resource decisions. A goal was established to develop performance information for all department programs during the next four years. Each agency was directed to strengthen its program evaluation capability. The Assistant Secretary for Policy, Evaluation, and Research in addition was assigned a number of major responsibilities in order to provide centralized direction and coordination for departmental evaluation activities. These include:

- (a) Development of an annual evaluation work plan for the Department.
- (b) Approval of all major evaluation projects within the Department.
- (c) Review of evaluation project proposals and provision of technical assistance and training to program agency evaluation staff.
- (d) The conduct of independent evaluations of program performance.

To help finance these activities, the Assistant Secretary was given authority to tax agency evaluation funds with the exact amounts to be determined annually by the Secretary.

A natural division of labor is developing within the Department between the central evaluation staff under the Assistant Secretary for Policy, Evaluation, and Research (ASPER) and the program agencies. The former is concentrating on substantive impact evaluations and the program agencies on other types of evaluations. This division coincides with the difference in the princi-

pal focus of the Office of the Secretary and of the managers of operating programs. The program agencies are concerned primarily with achieving efficiency within a given program structure and funding level which requires process evaluations. The Office of the Secretary is more concerned about overall departmental resources and the allocation of these resources among different programs; this requires program impact and relative effectiveness evaluations.

The ASPER evaluation staff are concentrating their attention at present on developing methodologies for doing impact evaluations on a regular, periodic basis using wherever possible existing data systems. This typically involves combining two or more data systems. For example, the staff is testing the possible use of Social Security earnings records to evaluate the impact of manpower training programs. Also, the use of equal employment opportunity reports filed by employers with the federal government is being tested to evaluate the impact of the federal contract compliance programs on increasing employment opportunities for minorities and women.

As in HEW, the central evaluation staff works in close relationship with the policy and program analysis staff who are responsible for budgetary and legislative analysis. The close cooperation between these two groups assures that the evaluation efforts will be relevant to the major policy concerns of the Department, and that the results of evaluation studies will be used in the policy and program decision process. However, the designation of a separate unit within ASPER to be responsible for impact evaluations allows work to proceed on a regular basis, avoiding diversion of skilled analytical staff to solve immediate policy crises.

Department of Transportation

The Department of Transportation represents a somewhat different approach to managing and organizing program evaluation than reflected in the preceding examples. In keeping with the decentralized management philosophy of the Department of Transportation, there is no attempt to develop a single unified evaluation program for the myriad activities under the Department's domain. The head of each of the Department's seven operating administrations is directly responsible

for developing, executing, and utilizing the results of its internal evaluation program. The Office of the Secretary has assumed a positive, but limited, role with respect to the administration's internal evaluations to assure that a reasonable program is established and that progress is selectively monitored. This is accomplished largely through the Department's program planning process in which each operating administration presents in summary form its evaluation in terms of past year accomplishments, current year plans, and new proposals for the planning year. Finally, the administrations are requested to utilize evaluation findings in their participation in the Department's annual program planning and budget process.

The primary focus for the central evaluation responsibility with the Department of Transportation rests with the Office of Planning and Program Review under the Deputy Under Secretary for Budget and Program Review. This office each year identifies a limited number of specific evaluation studies which reflect top management concern, the results of which are expected to impact on major planning, budget, and legislative formulation decisions. For the most part, primary reliance continues to be placed upon the individual operating administrations for the actual conduct of the studies, with overall direction and support provided by the Office of the Deputy Under Secretary. Since the end of 1971, approximately 30 such evaluation studies have been initiated under this Departmentwide activity.

Focus and Role of OMB

In one sense, program evaluation has always been considered a major responsibility for OMB as a whole, defining the term broadly. Certainly program assessment is an essential and crucial element of the substantive review of programs performed by OMB when developing recommendations to the President of an appropriate funding level for an agency's budget. Similarly, results of past program assessment efforts of OMB staff enter into advice rendered with respect to OMB's legislative and management and organization functions.

However, in terms of the narrower definition of evaluation presented above, OMB has not in the

past performed a major role in the conduct of evaluation studies, nor does it do so currently. Rigorous, systematic evaluation studies have been performed by OMB only on an occasional basis in response to a significant perceived need or new policy initiative.

Moreover, it is not contemplated that the role of OMB in this respect will change materially in the future. As suggested above, a major outgrowth of the efforts to develop improved planning and budgeting systems in the federal government in recent years has been a substantial expansion of analytical capability within the various departments and agencies. At this point in time, OMB takes the position that each agency head is primarily responsible for managing the programs under his jurisdiction and that program evaluation constitutes an essential element of effective management. It follows that each federal agency should be responsible for carrying out its own evaluation program.

However, concern has been expressed as to whether the results obtained from many of these efforts have been as useful and relevant as they might be to major policy decisions confronted by program managers, agency heads, the President and Congress.

What then remains for OMB as an institution with respect to evaluation? Briefly, OMB will initiate a multi-agency cooperative effort to upgrade and strengthen the overall quality and relevance of evaluation carried out by the various federal agencies and to assure that evaluation results are utilized in arriving at major policy decisions.

In pursuing this objective of upgrading the overall quality of federal evaluations, a wide range of OMB resources will be employed, working with the various federal agencies on a cooperative and mutually supportive basis. The recent reorganization of OMB, designed to strengthen its governmentwide management capability, represents a critical element in its renewed evaluation thrust. The newly established management associates, working closely with the program examining divisions, will carry out activities directly related to program evaluation as part of their overall management effort. This will include initiatives to help improve the management of the various agencies' internal evaluation programs, and may include direct conduct of occasional evaluation studies which respond to specific major policy initiatives.

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To provide focus and direction to OMB's total evaluation effort, we have established a central Evaluation Division under the Associate Director for Management and Operations. This division will develop the internal capability to stay abreast of latest techniques and developments in the management and performance of program evaluations. It will utilize this capability to identify strengths and weaknesses in current federal efforts and support OMB's total effort to upgrade the overall quality of federal evaluation.

Major OMB Evaluation Initiatives

The following discusses some specific major evaluation initiatives which OMB has initiated, or is now considering, to carry out its broad mission of upgrading the state of the art of federal program evaluation. These specific initiatives should not be viewed as isolated activities undertaken in isolation from other OMB functions. Rather, they are intended to be a part of continuing OMB activity directed at strengthening governmentwide management capability.

1. *Consultation with Senior Evaluation Officials.*

OMB has recently prompted the establishment, on a very informal basis, of a panel of senior federal executives to serve as a forum for the mutual exchange of ideas and developments within the federal evaluation community. This group, comprised of individuals familiar with and responsible for evaluation activities within their own agencies, should be instrumental in fostering the development of new ideas and approaches to evaluation and in facilitating the exchange of information among one another. This group will be especially helpful to OMB, both in guiding and directing OMB's own effort and in providing a mechanism for transmission of findings to the federal evaluation community.

2. *Inventory of Federal Evaluation Activities*

Resources currently available for conduct of program evaluation are substantial, but scattered through the federal establishment. There exists no ready means of identifying, describing, and measuring these activities in a comprehensive and consistent manner. To fill this gap, OMB will initiate a comprehensive survey of federal evaluation programs that will inventory and catalogue the universe of such activities.

The results of this effort will serve as a basic

information source to a continuing effort to upgrade federal evaluation. In addition to simply identifying resources currently available, it will provide a means for determining which efforts are yielding useful results and where improvements are required.

3. *Cross-cutting Budget Review of Evaluation Activities*

OMB currently conducts annual reviews of agency programs when preparing the President's budget submission to Congress. Evaluation activities, though large in total, normally represent a relatively small part of any single agency's entire budget. As a result, the budget examining process frequently accords less attention to this management function than might be desired in light of its potential significance for the efficient operation of the larger operating program.

To rectify this discrepancy, the new Evaluation Division will direct a cross-agency budget review to assess the adequacy of funding levels for evaluation programs in a number of federal agencies. The survey of evaluation programs discussed above will serve as a useful input to this effort. The built-in knowledge of OMB staff especially those in the examining divisions, will also be utilized to the full.

4. *Review and Comment on Agency Evaluations Plans*

Most agencies currently performing evaluation activities to any significant extent prepare formal plans on a periodic basis to direct and guide individual studies to high priority topics. OMB will urge that those not already doing so initiate a planning process, and subject them to interagency review and comment, utilizing the panel of evaluation executives discussed above.

The purpose of this exercise will not be to impose a new rigid planning requirement on the agencies, nor will OMB attempt to exercise direct control or veto over the content of agencies' plans. Maximum flexibility will be left to each agency concerning the form and content of such plans. The major objectives will be (a) to assure that there does, in fact, exist some planning process with respect to each major evaluation activity, (b) to facilitate exchange of various agencies' plans in order to minimize duplications and maximize complementarity, and (c) to enable OMB to influence initiation of occasional studies of par-

5. Continuing Legislative Review

The ability to develop useful and timely information on a program's impact can be significantly enhanced by building in an evaluation capability from the program's inception. OMB intends to carefully review all new legislative initiatives to assure that adequate provision is made for evaluation, and that the evaluation capability be in place as soon as the new program begins operation.

6. Relationship to Management by Objectives

A major management initiative recently launched by OMB is the identification of major program objectives of presidential interest among the major federal agencies and development of a routine system for tracking their attainment. This process, commonly referred to as management by objectives (MBO), has a direct bearing upon OMB's evaluation activity in two general respects

First, the MBO process will help guide evaluation efforts to the highest priority policy issues. The process of identifying and specifying major short term management objectives for individual programs will inevitably lead to identification of a number of major economic or social objectives which do not readily lend themselves to measurement by routine management information systems. For instance, we may be able to determine through existing management systems the total numbers of persons treated by a drug rehabilitation center. However, such information does not necessarily tell us how many drug or narcotic addicts are actually rehabilitated, nor what the cumulative impact is upon the society at large. It is to questions of this nature that evaluation activities are appropriately addressed.

Accordingly, we will review each major objective identified under MBO to assure that the broader social implications are specifically identified and, where appropriate, identify the major evaluation efforts necessary to measure their attainment. The review of agency evaluation plans discussed above will enable us to determine where new or redirected evaluation efforts are required in this connection.

The second area of MBO/evaluation relationship relates to the management of the evaluation program itself. In addition to identification of specific management initiatives associated with large operating programs, MBO objectives will be

established for their evaluation components—i.e., completion of specified major studies with significant policy results, or improvement in the overall management of the evaluation activity.

7. Monitoring Individual Studies

On occasion, major evaluation studies will be undertaken by individual agencies which are of critical concern to the White House and OMB. On a selective basis, the OMB will identify those of particular interest and monitor them closely to assure that the analysis is adequately reflective of presidential priorities, and that adequate attention is accorded the evaluation findings upon completion. The recent evaluation of federal housing programs leading to a new federal housing policy conducted by HUD serves as an example. Although HUD was appropriately responsible for conduct of the study, OMB worked closely with HUD during the implementation stage.

Current Perspectives on Federal Evaluation Activities

The evaluation program outlined above for OMB should permit us ultimately to speak definitively about how well the federal evaluation effort has performed, which approaches generate the best results, and what its contribution has been as a management tool. Currently, our knowledge is not sufficient to permit this, except in a limited sense.

Nevertheless, on the basis of limited experience and investigation to date, we are able to offer some evaluation efforts, the difficulties encountered, and some principles for overcoming these problems.

Barriers to Application of Evaluation to Policy Decisions

The enormous difficulty in developing program evaluation products which can make a significant contribution to policy decisions should be recognized at the outset. There appear to be four major problems in this regard.

1. *Timeliness.* To be useful, it is essential that results of evaluation be available when decisions are actually made. The short time frame within which major policy decisions are made does not allow policy officials to await completion of a long, carefully conducted study.

2. *Reliability.* However, it is important to produce conclusions that will support a credible management decision. Client groups and other program beneficiaries can be expected to attack evaluations which conclude that a program is ineffective, and such attacks will normally be directed at the reliability of the data and methodology employed.
3. *Relevance.* Too frequently, the criticism has been made that evaluation studies are not directed to the problems most relevant to major policy issues.
4. *Utilization.* Even if the preceding problems are adequately resolved, there remain formidable problems in assuring that evaluation products are utilized in the decision-making process. There frequently is no assurance that evaluation products will be made available on a routine basis to decision makers. Moreover, in some cases there may be strong incentives on the part of program managers to subvert evaluation products which cast doubt on a program's worth either in terms of its intrinsic value or how well it is administered.

Suggested Management Principles

The problems discussed above do not lend themselves to solution by any select few management or operating decisions, if for no other reason than that the effort to address one is often at the expense of others. For instance, if timeliness is of paramount concern, reliability through adequate methodology may suffer.

Individual agencies' past efforts to improve the quality and usefulness of their evaluation appear to have emphasized a mutually supportive set of operating and administrative procedures designed to address each problem individually, but in concert with other actions so that attainment of related objectives is not subverted. The following outlines a tentative set of management principles which appear to emerge from these efforts. They should not be interpreted as exhaustive or definitive. A major thrust of OMB's evaluation role in the immediate future will be to test these and other principles with a view toward enhancing our collective ability to generate useful evaluation products.

1. Development of Evaluation Capability at Initiation of Program

The problems confronted in obtaining reliable information upon which to base program evaluations are frequently a major impediment to conduct of reliable program evaluations. These problems are greatly magnified if the data on program operations and results must be reconstructed from old records and past experiences. Therefore program evaluation capability should be built into the administrative machinery from the outset of each new federal program. This will help assure that data collection and assessment is performed on a current basis, and that the results are available sufficiently early to influence policy decisions affecting the program's scope and direction subsequent to its initiation.

2. Staff Adequacy

This is perhaps the single most important element to a successful evaluation activity, and the one least realized. Staff adequacy must be determined in relation to the specific mission of the unit (contract, direct study, or oversight) and is dependent on two variables--sufficient numbers and overall quality (ability, training, background, experience).

3. Planning Process

An adequate planning process to outline both the major focus of evaluation activity, as well as specific evaluation projects to be undertaken, is essential to assure relevance to policy decision needs. In this connection, it is crucial that those involved in the policy decision process, both decision makers and staff, be formally injected into the development, review, and approval of such plans.

One highly rigorous approach to the planning process has been advanced by the Urban Institute.⁵ In effect, the Urban Institute urges that systematic models be developed by evaluation planning staff to assess beforehand the most desirable types of studies needed and the most cost-effective means of obtaining the needed data. Only after making such estimates, in relation to an assessment of the likelihood of affecting major decisions and the probable value to be derived from such decisions, can intelligent decisions be made on the precise data collection and analytic efforts which should be undertaken.

The Urban Institute's proposal may be more systematic and rigorous than necessary. But it

points up the need and significance of an active planning process to guide each agency's overall evaluation effort.

4. Organizational/Administrative Integration with Related Activities

As discussed above, a number of activities are closely related to evaluation but are not defined as evaluation in this discussion—e.g., policy analysis. However, to assure that evaluation activities are focused on the high priority areas for maximum relevance, and that each area is mutually supportive, certain steps can be taken to assure operational integration.

One of the most fruitful aspects of organizational integration is between evaluation staffs and policy analysis units. While each has a particular objective and operating style, the interdependence of each is strong. A similar relationship can profitably be developed with units responsible for program data reporting systems, though perhaps on a less integrative basis.

5. Relationship of Evaluation Unit to Program Administrator

A critical dilemma faced by any evaluation effort is the likelihood of arriving at adverse judgments concerning individual program accomplishments. Program managers naturally resist such conclusions and can be expected to argue against their validity. This leads to the conclusion that, to assure adequate objectivity, evaluation capability should lie outside the direct line of command of responsible program managers.

It can be argued that this will result in alienation of the cognizant manager from the results of evaluations and consequent resistance to adoption of concrete findings. It is also argued that if evaluation is, in fact, a management tool, the program manager most directly responsible for operations should possess his own evaluation capability.

A suggested principle to be followed in the face of this dilemma is that evaluation capability should exist generally at two levels, performing generally different types of evaluation. Program managers should have the capacity to undertake or fund evaluation studies designed to measure program efficiency and to identify major operating problems. Capability for basic impact evaluations, especially designed to yield "go-no go" conclu-

sions, should be performed by units outside the scope of the immediate program manager and at a hierarchical level above the program manager, typically at an assistant secretary level. This should assure sufficient "clout" to obtain needed cooperation from program operators, objectivity in performance of studies, and economies of scale to conserve limited evaluation resources.

6. Follow-up Procedures

A prevalent criticism of many federal evaluation activities is that studies, once completed, are "put on the shelf" and ignored. In fact, there exist powerful incentives to avoid wide publication of evaluation studies which yield negative findings. To offset this built-in resistance, procedures should be adopted to assure the routine extraction from evaluation studies of major operating and policy implications and to pursue the course of their implementation.

The approach taken by several agencies is to prepare for major decision makers (agency or program head) a policy implications memorandum upon the completion of a major study. A complementary approach is to assign one or more staff members to "follow-up" in a systematic way the major recommendations for implementation.

7. Operating Practices in Contract Administration

Units engaged primarily in contracting for evaluation studies frequently involve themselves almost exclusively in the ministerial functions of contract administration. Aside from the obvious impediments such practice has to effective recruitment of qualified staff, the practice almost guarantees, in the large, studies irrelevant to the needs of the funding agency because contracting organizations normally are not sufficiently close to the federal agency to comprehend its needs fully.

To assure maximum relevance, the following general practices should be followed:

(a) Requests for proposal (RFPs) should be highly directive indicating not simply the general questions for which answers are sought, but references to the problems being encountered by the program, and an initial outline of how the study should proceed.

(b) During conduct of the study, one or more federal staff should be assigned to work with the contractor on a continuing basis, almost as a part of that contractor's own staff. In this way, the

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perception of its reliability, is vested in staff of the federal agency.

(c) As suggested above, upon completion of the contracted study, the federal staff should prepare its own implications analysis.

Another approach which has been suggested, but on which there has been little experience, is to use contractors primarily for specialized data collection purposes, leaving to the federal staff the primary responsibility for analysis. The logic for this approach is that federal staff are best equipped to perceive the decision needs to which the analysis is designed to contribute. Contractors are in a favorable position to collect special data because of sudden start-up and contraction problems which federal agencies do not possess sufficient flexibility to handle.

8. Need for Both Long-Term Basic Evaluation and Short-Term Reactive Evaluation Capability

As suggested above, a fundamental issue concerning the appropriate focus of evaluation is whether it should focus on short-term analysis designed to meet immediate policy needs or proceed within a longer time frame to assure adequate quality and methodology. Resolution of this issue can perhaps best be realized by following both courses of action simultaneously:

(a) Basic long-term evaluation can frequently best be performed, at least in part, through contract arrangements. However, it may be a mistake to treat each evaluation study as a separate, independent, and self-sustaining entity. An alternative strategy is to develop an accretion of knowledge over time for a given program or functionally related group of programs. In this way the attacks on the validity of individual studies can be handled best—i.e., while individual studies might be attacked on methodological grounds, it is more difficult to sustain criticisms across the full scope of evaluations performed on a group of programs. The approach also recognizes the difficulty of securing unambiguous results from individual studies, even with the most careful methodology. This approach implies still greater importance and significance for adequate planning of evaluation activities.

(b) Short-term analysis responsive to immediate needs of major policy officials generally can be performed best by federal staff. Such studies will frequently be less well structured and sophis-

term analyses discussed under (a) above. However, valid insights and impressions, based upon intensive scrutiny and examination, can be derived in many instances that will meet short-term decision needs. These studies should, to the extent possible, rely upon the longer-term analyses already completed, or surface problems or issues which require longer-term analysis.

Summary

The major problems associated with program evaluation in terms of their impact on policy decisions appear to be four-fold: (1) timeliness, (2) quality, (3) relevance to policy needs, and (4) utilization.


A productive administrative approach toward coping with these problems is, of necessity, multi-faceted. A set of operating principles is suggested as a composite, though not exhaustive, package to achieve a well-managed evaluation activity. These principles can be summarized as (a) development of built-in evaluation capability from the inception of each new federal program; (b) adequate staff to assure quality of output; (c) sufficient planning to focus attention on the high pay-off areas; (d) follow-up procedures to assure that results are utilized; (e) organizational alignments to assure full integration with the policy decision process and related and supportive activities; and (f) a proper balancing of long-term and short-term efforts (in-house and external) to meet both quality and timeliness needs. In short, effective management of evaluation is contingent upon simultaneous efforts on a number of fronts.

The validity of each of these principles, development of others, and detailed approaches to

attaining each will require substantial further consideration, and specific implementation approaches will vary among agencies. The effort of OMB in the coming months and years will be to test and advance these principles in general and in specific agencies, utilizing the management initiatives discussed above.

Notes

1. The discussion in this section is directed primarily to evaluation as it should exist, which may not conform to the existing situation in all cases. For instance, in the definition of evaluation, reference is made to programs' "stated" objectives. However, as suggested later, a major obstacle to performance of useful evaluations is the absence of a clear statement of objectives. Similarly, the types of evaluation described in this section are not necessarily performed by some agencies, but, in our view, should be.
2. The types of evaluation described generally conform to those which have been described in other studies on evaluation. See particularly Joseph S. Wholey, John W. Scanlon, Hugh G. Duffy, James L. Fukumoto, and Leona M. Vogt, *Federal Evaluation Policy: Analyzing the Effects of Public Programs* (Washington, D.C.: The Urban Institute, 1971).
3. The discussion of evaluation systems provided below are based upon descriptions provided by each agency. The descriptions are intended to provide an illustration of some existing federal evaluation programs. However, these should not be construed necessarily as models of examples of ideal approaches to federal evaluation.
4. For a more complete discussion of HEW's evaluation system and examples of evaluation studies, see: Laurence L. Lynn, Jr., "Notes from HEW," *Evaluation*, Vol. 1, No. 1 (Fall 1972), pp. 24-28.
5. John W. Scanlon, Ralph E. Schwartz, John D. Waller, Thomas W. White, Reynold B. Madro, and Joseph S. Wholey, *An Evaluation Strategy and Plan for the Department of Labor* (Washington, D.C.: The Urban Institute, January 1973).




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6 May 1975

MEMORANDUM FOR: Assistant for Resources

SUBJECT : DD/A Management Conference - May 1975

1. In connection with the forthcoming DD/A Management Conference, you asked that I prepare a paper that addresses the impact of short deadline requirements levied on DD/A components by the DD/A staff. The approach I used in gathering data was simple and direct; I contacted the Executive and Planning Officers in the Directorate and asked for their candid and thoughtful assessments concerning the tasking from the DD/A staff. To begin, I determined that a tete d'tete situation would encourage candor; I did not ask for written views. Thus, what follows is based on notes and my impressions formed during the course of discussions.

2. At the outset the officers interviewed recognized that the Agency is undergoing an extraordinarily difficult period as a consequence of the investigations into Agency activities by the Presidential Commission, Senate Select Committee, etc. Thus, the requirements levied in support of the investigations, which normally carry a short fuse, are not a factor in this paper.

3. Only one Office, OJCS, reported that it was experiencing difficulty in responding to tasking from the DD/A staff. I hasten to add, however, that a pattern of concerns did surface in the other Offices, although few were tied to quick response situations. Some of these are the age-old bug-a-boos steeped in personality differences; others are problems which, I believe, management may wish to contemplate. The OJCS problem is one of long standing. Having served a tour as a staff officer in OJCS some years ago, I recall vividly the miserly allocation provided for staff support. The Office continues to increase in T/O -- up 78 positions in the last several years -- while the management support for the Office has remained static. The Office is continually beset by burgeoning requirements for more and faster computer service. Consequently, when T/O increases are approved, the slots are thrust into the operation to satisfy customer demands. This coupled with management's growing information needs, e.g., MEO, PDP, more detailed Program Calls, etc., put the management/staff personnel in a

posture of being on the five-yard line with ten yards to go on fourth down, i.e., punt formation. The tasks levied by the DD/A staff are not overpowering in and of themselves, nor does OJCS get a disproportionate share of tasks. The problem then, as I see it, is one of resource allocation within OJCS. (OJCS is due a 14-position T/O increase commencing FY-76 and, as I understand it, none of these positions are presently programmed for management support.)

4. Aside from OJCS, no major problems surfaced with regard to DD/A staff tasking. Each component reported that it had adequate staff to handle DD/A requirements and that tasks were neither excessive in number nor unreasonably short on response time. Obviously, there are times when problems do arise with respect to meeting deadlines; however, the opinion voiced almost unanimously was that the DD/A staff was reasonable in negotiating revised time-frames. As I indicated earlier, several areas of concern did emerge which I believe warrant management consideration:

a. Bimonthly review of funds. A considerable amount of preparation goes into preparing Office Directors for these sessions. Several officers suggested that a quarterly schedule, in lieu of the current monthly/bimonthly schedule, may be just as effective while easing the staff burden. In the past, a number of the scheduled sessions have been cancelled on short notice, e.g., OJCS reported that three of six sessions planned since November 1974 have been called off.

b. Telephonic requests. Several officers noted that, when they are tasked by telephone for quick response, it is not unusual for the requestor to ask for a followup in writing. There is a general feeling that, if action can be taken on the basis of oral communication, only in rare instances should a memorandum be required. Obviously, the circumstances would dictate the necessity of a written reply.

c. Weekly Report. Since items contained in the weekly report are reported to the DD/A in the daily meetings with Office Directors, it was suggested that the DD/A Executive Officer be given the responsibility for preparing a daily log, thus obviating the need for staff tasking in each of the DD/A Offices, i.e., eight separate reports representing inputs from every division/staff in each Office. An identical suggestion was put forth concerning the black book contributions, i.e., the DD/A Executive Officer could highlight the events recorded in the daily log.

d. Feedback. There appears to be a paradoxical situation here in that most officers reported that they have good upward communications with their O-DD/A counterparts; however, the staff received low marks for downward communications. The comment most often articulated was that negative rather than positive feedback characterized communications from the DD/A staff.

e. FOIA. Recently, DD/A components were tasked with providing weekly reports on the number of man-hours spent in support of FOIA requests. Initially, these reports were submitted telephonically, however, Offices have now been requested to provide a written report. Several officers commented that telephonic communication was a more practical way to submit this information.

5. In sum, I believe that OJCS does have a real problem in that the Office is short staffed on management support personnel. I submit, however, that the root cause lies with OJCS management who have postured a too lean management staff. As for the other concerns surfaced in the survey, I am inclined to believe that they may be a little premature as the DD/A staff is still undergoing sea trials.



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DISCUSSION OF PASG/DIRECTORATE PERSONNEL HANDBOOK AND RELATED MATTERS

The following is a list of the requirements levied on the Directorate Career Sub-Groups by the Directorate Personnel Management Handbook:

1. Competitive Evaluation

A. Each Head of a Career Sub-Group is responsible for developing those unique criteria which will be the basis for the annual competitive evaluation and ranking of the employees in his Career Sub-Group.

B. Specifics of the evaluation system to be used (sequential listing or ranked by categories) in each Career Sub-Group will be submitted for review by SPRB and approval of the DD/A within 30 days of the publication of the Handbook (by 10 May 1975)

C. Notice of membership and subsequent rotation of members of evaluation panels will be published for all employees, if security conditions permit.

2. Promotions

Each Career Sub-Group will publish the criteria to be used in the competitive promotion evaluation of professional personnel through GS-15, clerical personnel in grades GS-06 and above and those employees in lower grades who have been with the Agency a minimum of three years.

3. Training

A. The Head of each Career Sub-Group should either appoint a Training Panel or utilize the Career Sub-Group Board for the purpose of selecting nominees for senior schools and full-time

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academic training. The criteria used for selection of nominees for these types of training will be developed and published.

B. Career Sub-Group Boards may identify training courses or Core Courses, for certain functional assignments and grade levels. When such courses are recommended or prescribed, the list must be published as a guideline to employees.

4. Rotational Assignments and Transfers

It is necessary that each Career Sub-Group develop guidelines for the selection of internal and external applicants for vacancies. These guidelines will outline the basic minimum requirements for specific positions or groups of positions, including education, experience, training, etc.

5. Employee Counseling

A. Each Career Sub-Group must develop an internal career counseling program to provide its careerists with visible counseling sources to be used on their own initiative for career counseling and guidance. An announcement must be published, together with the procedures and the designated officers.

B. Each Career Sub-Group will have at least one individual who is responsible to the Head of the Sub-Group for counseling employees on their jobs and careers.

6. Employee Grievances

Each Career Sub-Group will designate a counselor for employee grievances; the same officer may also have been designated the Employee Counselor for Job and Career

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Development matters. Grievance Counselors will be identified in a DD/A Notice for all employees.

STATUS OF THE CAREER SUB-GROUPS'
SATISFYING THE REQUIREMENTS LEVIED BY THE
DIRECTORATE PERSONNEL MANAGEMENT HANDBOOK

	MC	MF	MZ	ML	MM	MP	MS	MT	MG
1A. Criteria for annual competitive evaluation and ranking	yes	yes	yes	yes	no	yes	yes	yes	yes
1B. Specifics of Evaluation system submitted for review by SPRB and DDA	yes	yes	no	yes	no	yes	no	no	no
1C. Published notice of membership of eval. panels	yes	yes	no	yes	no	yes	yes	yes	yes
2. Criteria for annual competitive promotion eval.	yes	yes	yes	no	no	no	yes	yes	no
3A. Appointment of panels for selecting nominees for senior schools and full-time academic training; publishing of criteria used for selection of nominees.	no	yes	yes	yes	no	no	yes	yes	no
3B. Published list of course established certain functional assignments and grade levels	yes	no	yes	yes	no	yes	yes	yes	yes
4. Develop guidelines for the selection of internal and external applicants for facancies	yes	yes	no	yes	no	no	yes	no	yes
5. Published announcement of internal career counseling program together with procedures and names of the designated officer.	yes	yes	no	yes	no	no	yes	yes	no
6. Published announcement of designated Grievance Counselor	no	yes	no	no	no	no	yes	yes	no

THE FOLLOWING IS A LIST OF THE RESPONSIBILITIES OF THE
DIRECTORATE'S SENIOR PERSONNEL RESOURCES BOARD:

1. Approving and periodically reviewing promotion, ranking and evaluation criteria and procedures established by the Career Sub-Group Boards.
2. Establishing policy for inter- as well as intra-Directorate personnel movements including transfers as well as rotational assignments for career development purposes.
3. Reviewing and monitoring the standards and methods for the selection of Directorate candidates for advanced level internal and external training courses.
4. Providing career management for supergrade personnel.
5. Reviewing annually the status of Directorate supergrade personnel in Personal Ranking assignments and recommending corrective action when needed.
6. Establishing uniform standards for determining the level of Honor and Merit Awards to be recommended for Directorate personnel.
7. Developing procedures for handling potential Directorate surplus cases.
8. Approving and periodically reviewing counseling programs established by the Directorate Career Sub-Groups.
9. Developing Directorate-wide personnel objectives in conjunction with Agency personnel planning devices such as the APP & PDP.

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DIRECTORATE OF ADMINISTRATION

PERSONNEL MANAGEMENT
HANDBOOK

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FOREWORD

The introduction to Chapter 230, Subchapter 1 of the Federal Personnel Manual states that management of people is of primary importance because only through their efforts are the objectives, missions, projects and work of an organization accomplished. Personnel management is an integral part of over-all management activities. Successful implementation of personnel programs requires the assumption of responsibility by both management and individual members of the Career Service.

The philosophy of personnel management in the Agency has evolved in response to changing needs. The Personnel Approaches Study Group (PASG) Report, which was approved by the CIA Management Committee on 7 January 1974, identified the need for new approaches appropriate to the present times. Each Deputy Director was tasked with implementing the PASG Report but was given discretion as how best to implement the PASG actions to meet his unique personnel requirements. The Directorate for Administration with its ten Career Sub-Groups (elements formerly designated as individual career services) reflect a wide range of professional talents and professional requirements that pose challenges in developing a uniform Directorate-wide Career Service while providing the Sub-Groups with necessary management flexibility. It is realized that there will be differences in the personnel management structures and procedures, but we have examined and evaluated these differences to ensure that they reflect a genuine requirement and are not the result of historical decisions and evolutions which are no longer valid.

This Handbook presents personnel management policy for the Directorate for Administration. The Handbook will facilitate decisions and promote consistency of interpretation and application across intra-Directorate lines, provide a record to guide future policy, serve as a framework for the revisions that appear to be desirable on the basis of experience, and assign responsibility for carrying out specific aspects of the program. The greatest purpose it can serve, however, is to provide careerists with a clearer understanding of the personnel program of the Directorate.

John F. Blake
Deputy Director
for
Administration

April 1975

SECTION I

DIRECTORATE PERSONNEL POLICIES

A. With regard to personnel management, the Directorate for Administration aims to achieve the maximum uniformity appropriate and feasible throughout the Directorate while allowing flexibility as necessary to meet specific component requirements.

B. Employees should be aware that although this Handbook outlines management's policies and procedures regarding personnel management, there are certain implied responsibilities of employees. The management of personnel is mutual between managers and managed. All employees should be interested and active in the implementation of the procedures outlined in this Handbook; the purpose and totality of personnel management can only be achieved through a spirit of mutual cooperation and trust.

STATINTL C. The following statements reflect basic personnel policy as recorded in [] and support Agency and Directorate personnel management objectives:

1. In furtherance of their assigned responsibilities, Heads of Career Sub-Groups within the Directorate will, as appropriate, ensure:

That all employees are provided opportunities to develop their professional qualifications through experience and training in pursuit of the Agency's mission and to advance personally in doing so to the maximum extent possible consistent with their demonstrated abilities and the needs of the service;

That employees in their Sub-Group are afforded career counseling and reasonable assistance in their career development including possible consideration for development in functional specialties in other components of the Directorate and the Agency;

That all employees are aware of training opportunities, receive the type and amount of training necessary for effective performance in their current assignment and are provided additional training to foster growth throughout the period of employment;

That special work opportunities are identified within and outside the Directorate to broaden the experience and encourage the professional growth of individuals who exhibit exceptional talent and potential;

That personnel evaluation systems, including evaluation criteria, are regularly examined to improve their validity and to ensure their conformity to Directorate guidelines and policy;

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That the Annual Personnel Plan (APP), the Personnel Development Program (PDP), and other tools of Management by Objectives are used for more effective manpower planning and utilization;

That equal and fair employment opportunities are provided for all employees, irrespective of race, color, religion, sex, age, or national origin;

That required personnel reductions are effected as fairly as possible.

2. Office supervisors and career management officials will:

Provide employees with the opportunity to assume new and greater responsibilities as they demonstrate the competence and willingness to do so;

Strive to be alert to new and better programs and methods for improving the work performance of all employees and for updating training in knowledge and skills germane to job requirements and to career development;

Provide each individual with a mutually agreed upon written explanation of objectives and responsibilities that will provide the basis for the evaluation of performance, i.e., Letter of Instruction;

Ensure that meaningful performance evaluations are prepared according to Agency guidelines and policies to provide consistency in the application of evaluation standards and criteria and to provide individuals with a basis for measuring their performance and progress;

Inform employees, where possible and appropriate, and in a manner that can be readily understood, of specific actions, plans, or procedures which affect them, or which might be of general interest to them;

Endeavor to minimize the difficulties generally attendant to the movements of employees between Directorates and Agency components;

Endeavor to keep employees fully informed of their rights as well as their obligations to the Agency; and conscientiously follow prescribed procedures to ensure that employees are treated fairly and that their problems are resolved equitably.

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SECTION II

ORGANIZATION AND OPERATION OF THE DIRECTORATE CAREER SERVICE

A. Policy

The Senior Personnel Resources Board (SPRB) of the Directorate for Administration advises and assists the Deputy Director for Administration (DD/A) with his responsibilities as Head of the Directorate Career Service. The SPRB also is responsible to the DD/A for the career management of the supergrade officers of the Directorate. The Head of each Career Sub-Group is responsible for the career and personnel management of all personnel assigned to the Career Sub-Group, which includes professionals as well as personnel in the clerical and technical categories. Additionally, within the Directorate, there is a Career Sub-Group Board for general Support Officers (through GS-15). Appropriate Sub-Group boards and panels are established by the various Heads of Career Sub-Groups.

B. Composition of Directorate Senior Personnel Resources Board

Chairman: A/DDA

Members: Directorate Office Directors

Alternate Members: Directorate Deputy Office Directors

Executive Secretary: Directorate Career Management Officer

C. Responsibilities of the Board

1. Approving and periodically reviewing promotion, ranking and evaluation criteria and procedures established by the Career Sub-Group Boards to ensure that they are in accordance with Directorate standards and guidelines and that they have been disseminated to appropriate employees.

2. Establishing policy for inter- as well as intra-Directorate personnel movements including transfers as well as rotational assignments for career development purposes.

3. Reviewing and monitoring the standards and methods for the selection of Directorate candidates for advanced level internal and external training courses.

4. Providing career management for supergrade personnel.

5. Reviewing annually the status of Directorate supergrade personnel in Personal Rank assignments and recommending corrective action when needed.

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6. Establishing uniform standards for determining the level of Honor and Merit Awards to be recommended for Directorate personnel.
7. Developing procedures for handling potential Directorate surplus cases.
8. Approving and periodically reviewing counseling programs established by the Directorate Career Sub-Groups.
9. Developing Directorate-wide personnel objectives in conjunction with Agency personnel planning devices such as the Annual Personnel Plan and the Personnel Development Program.

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SECTION III

PERSONNEL EVALUATION

A. Policy

Letters of Instruction, performance evaluations, and competitive evaluations are the principal elements in the personnel evaluation program of the Administration Directorate Career Service. Letters of Instruction are statements supervisors will work out with employees on the nature and scope of their work. These statements will be revised as appropriate to record significant changes in duties and responsibilities or in specific performance objectives. Performance evaluations must, among other things, be based on Letters of Instruction and should measure an employee's performance for the period specified. Competitive evaluation is a tool to assist management in making judgements concerning the individual employee's future and potential.

B. Letters of Instruction

1. Letters of Instruction (LOI) will be prepared in accordance with Headquarters Regulation [redacted]. Since LOI's are a useful and essential part of the Agency's effort to implement a system of management by objectives, each supervisor must ensure that each careerist receives an LOI describing his/her responsibilities within 45 days after assuming the responsibilities of that assignment. While no specific format need be followed in the preparation of the LOI, it is important that the LOI be a joint effort between the supervisor and the employee. To the extent practicable and in order to provide a framework of standards against which the employee's performance may be rated, the statement will include annual performance objectives that specify the results that the employee must achieve. When a decision has been reached on the content of the LOI, it will be prepared in final form. Copies of the document will be retained by the supervisor and the employee; arrangements may be made to send a copy to the Head of the Sub-Group, if so desired.

2. In order to take the greatest advantage of the LOI, the supervisor will periodically review the performance in light of the instructions and objectives contained in the LOI. Such reviews should ideally be conducted at established intervals during the performance rating period. In the course of these sessions and at other times, if necessary, the LOI should be amended to reflect changes in the responsibilities and duties of an individual's assignment.

C. Performance Evaluation—The Fitness Report

1. In the interest of achieving reasonable uniform standards throughout the Directorate for rating and preparing Fitness Reports, policies and pro-

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cedures will be in conformance with Agency regulations (particularly [redacted] the instructions contained in the Fitness Report Form and its attachments (Form 45i), and this Handbook.

2. Performance evaluations are only one part of the total personnel evaluation process. The Fitness Report should reflect what an employee is doing, has been doing, and how well it has been done. This evaluation should measure performance in light of the instructions and objectives contained in the Letter of Instruction. Potential for advancement should not be addressed in the Fitness Report, but in the competitive evaluation process.

3. No employee should be surprised by the content of the performance evaluation. It is the responsibility of supervisors to ensure that employees have a current and continuing appreciation of how the supervisor views their work. In completing the Fitness Report form, specific duties should be listed in diminishing order of importance and weighted accordingly to arrive at the over-all rating. The rater must take into account those factors enumerated in Form 45i which must be commented on in the Narrative Comments.

4. In accordance with HR [redacted] a Fitness Report will be prepared at least once each year for staff personnel. An employee will be shown the completed Fitness Report form at two points in the process—once before the reviewing official has added comments, and once after. The employee's signatures merely acknowledge that he has seen the Fitness Report on both occasions. The person being rated may attach to his Fitness Report a memorandum concerning any part of the report. Such memorandum and the Fitness Report will be forwarded through the Head of the Career Sub-Group to the Office of Personnel for inclusion in the Official Personnel Folder. The Head of the Career Sub-Group will assure that any comments reflecting differences between the employee, the Rating Official and the Reviewing Official are carefully reviewed.

5. Rating Officers will ensure that performance has been the subject of prior discussions with the employee before the time of the Fitness Report. Comments by reviewing officials should, whenever possible, cast further light on such performance of the employee and add perspective to the rater's comments. The simple statement, "I concur," is not acceptable. Reviewing officials are responsible for assuring that all reports made by rating officials under their jurisdiction are consistent with and reflect uniform standards of reporting. If the reviewing official is in substantial disagreement with the rating official, he should state whether or not the evaluation has been discussed with both the rating official and the employee. Such disagreements between rating and reviewing officials are to be brought to the attention of the Head of the Career Sub-Group.

6. The definitions of the evaluations of Specific Duties and of Over-all Performance will be interpreted in accordance with the Fitness Report Form 45.

7. A regular step increase, if one is due, is awarded when the supervisor has certified that the employee is performing at an acceptable level of competence. An employee's work is not at an acceptable level of competence if his performance is below proficient, even though not sufficiently below to question the individual's continued employment. A regular step increase should be with-

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held if an employee has been given on his current Fitness Report an over-all rating of Marginal or Unsatisfactory. When a step increase is withheld the supervisor must inform the employee by memorandum which will set forth the specific conditions and reasons for the determination and the time when the supervisor plans to reappraise the employee's performance (see [] for detailed information on all aspects of regular step increases).

STATINTL

D. Competitive Evaluation

1. Competitive evaluation is an integral part of the personnel management process. Evaluating relative capabilities and potential of employees, i.e., the net worth to the Career Service, serves to facilitate decisions involving promotions, utilization, reassignments, training, adverse action and other competitive personnel actions. In recognition of the diversity of professional qualifications and requirements in the various components of the Directorate, each Head of a Career Sub-Group is responsible for developing those unique criteria which will be the basis for the annual competitive evaluation and ranking of the employees in his Career Sub-Group.

2. Each Head of a Career Sub-Group should maintain a suitable panel structure by grade or function to conduct annual competitive evaluations. As part of the personnel management cycle, the annual competitive evaluation should follow the Fitness Report cycle and precede promotion consideration. [] prescribes the dates for submission of Fitness Reports.

STATINTL

3. In the Administration Directorate Career Service, the following personnel will be competitively evaluated at least once a year:

- a. All professional GS careerists in grades GS-07 through GS-15.
 - b. All clerical personnel in grades GS-06 and above, or those clerical employees in lower grades who have been with the Agency a minimum of three years. (Those excluded from panel review and evaluation will be evaluated by their supervisors, who will make recommendations to the appropriate panel for promotion, training assignment or other action.)
 - c. Evaluation of other categories (i.e., technicians, Wage Board employees, etc.) of personnel is determined by the Head of the Career Sub-Group.
4. The purpose of the competitive evaluation is as follows:
- a. To identify those employees with the highest potential for future advancement;
 - b. To identify those employees with the least potential and to initiate appropriate career action (e.g., counseling or training) or adverse action (e.g., separation or downgrading);
 - c. To identify those employees who are rated between the above categories;
 - d. To use the evaluations and the information as the basis for future development and career planning.

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5. The format of the competitive evaluation may result in a sequential listing of all employees in the same grade or grade/function group commencing with the most valuable to the least valuable. Alternatively, at the option of the Head of a Career Sub-Group, employees may be ranked by categories. However, in either case, the system must be such that those with the greatest potential for future growth are identified, as well as those whose record of performance clearly indicates a need for counseling or consideration for removal from the Career Sub-Group.

6. The specifics of the evaluation system to be used in each Career Sub-Group will be submitted for review by the SPRB and approval of the DD/A within 30 days of the publication of this Handbook. This optional system of competitive evaluation will be monitored for one year followed by a review and evaluation to determine if it should be continued or a uniform system be adopted throughout the Directorate.

7. When a careerist is interested or concerned about his relative competitive ranking, he is urged to take the initiative and contact his Career Management Officer, or other designated officer, to obtain such information and to further discuss his future career development.

8. The SPRB will be cognizant of the evaluations and rankings of Directorate officers at the GS-15 level. This should serve as a device for identifying officers whom the Board might wish to consider for promotion to supergrade at the time it is reviewing the supergrade promotion recommendations submitted by the Heads of the Career Sub-Groups.

9. In organizing evaluation panels within the Sub-Group, the following should be considered:

a. Panel membership will be determined by the Head of the Career Sub-Group based on objectivity, ability to contribute, personnel management experience and general employee knowledge rather than solely by position within the chain of command.

b. Notice of membership and subsequent rotation of panel members will be published for all employees, if security conditions permit.

c. Members of the panel should rotate, if feasible, between ranking exercises at the rate of one-third each year.

d. Whenever possible, at least one panel member should be within two grades of the employees being ranked. (This is to limit the grade spread between the panel members and those under the auspices of the panel and to ensure, to the greatest extent possible, personal knowledge of those being ranked.)

e. If panels are arranged by function, one member of the panel should be from an alien function.

f. It is suggested, where physically possible, that panel members have direct contact with the employee and/or employee's supervisor in order to acquire information relative to determining his appropriate ranking in the exercise.

SECTION IV

PROMOTIONS

A. Policy

1. The Administration Directorate promotion policy will be in accord with HR [] and with Agency personnel objectives. Performance and demonstrated ability to perform at a higher level, together with insights gained from the annual evaluation process, are the primary determinants for promotion. Promotions normally are limited by headroom. While the immediate supervisor is primarily responsible for initiating recommendations for promotions and/or concurring in recommendations generated within the Board/Panel structure, the Board/Panel will also recommend.

2. The Directorate Senior Personnel Resources Board and Career Sub-Group Boards or Panels are advisory bodies to the Head of the Career Service and/or the Heads of the Career Sub-Groups. When considering promotions, the Board or Panels must review all employees.

B. Responsibilities

1. Supergrade promotions are initiated by the Heads of the Offices or Staffs of the Directorate and are reviewed by the Senior Personnel Resources Board which makes recommendations to the DD/A. The DD/A has final authority on recommendations of supergrade promotions for approval by the DCI.

2. Each Directorate Career Sub-Group will publish the criteria to be used in the competitive promotion evaluation of professional personnel through GS-15, clerical personnel in grades GS-06 and above and those employees in lower grades who have been with the Agency a minimum of three years. Such evaluation must be accomplished at least annually. The Head of a Career Sub-Group may establish separate areas of competition within that Sub-Group when there are significant differences in occupation or functional lines of work. Where appropriate, promotion criteria will be adjusted to these separate areas of competition.

3. Personnel in categories other than professional and clerical, as discussed in paragraph 2 above, may be evaluated for the purposes of promotion whenever the Head of the Career Sub-Group considers appropriate. Although formal competitive evaluation may not be required for these personnel, the principle of competitive evaluation should be followed in selection for promotion.

4. The rankings of employees, where applicable, will be used in the review of recommendations for individual promotions from supervisors and as a tool to ensure that all employees in the appropriate competitive field are considered by the Board/Panels.

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C. Headroom

1. The Career Service Grade Authorization (CSGA), prepared monthly by the Office of Personnel, compares by grade the authorized positions of each Career Sub-Group with the numbers and grades of the persons assigned to the Sub-Group. It also records the number of "promotion spaces" or "headroom" available for each grade level in each Sub-Group. Promotions should not be forwarded by the Head of a Sub-Group unless the CSGA or projected CSGA shows headroom (promotion space available on the CSGA to the grade to which the promotion will raise an individual). The Director of Personnel will monitor exceptions which, at GS-14 and above, will need approval of the DD/A.

2. In addition, Directorate employees should be assigned to positions in staffing complements that accommodate their grade and that properly reflect duties and work location.

D. Promotion Criteria

1. Consistent with SPRB policy, each Career Sub-Group will develop criteria and procedures for conducting a promotion evaluation at least once a year. These criteria must be published and disseminated to all employees.

2. The quality of performance and demonstrated ability to perform at a higher level should be the primary published criteria for Administration Directorate promotions. Headroom is the basic constraint.

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SECTION V

AWARDS AND RECOGNITION

A. Policy

1. By Public Law 83-763, the heads of departments and agencies may confer honor or monetary awards on those whose superior accomplishments or other personal efforts contribute to the efficiency, economy or other improvements of Government operations, or who perform special acts or services in the public interest. The Agency has established an Honor and Merit Awards Program [redacted]. This program has provisions for awards for which all employees may be eligible. Another method of rewarding job excellence is through the Quality Step Increase.

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2. The Administration Directorate supports these programs and encourages participation. Directorate supervisors are urged to be alert to acts of unusual merit or achievement, or sustained superior performance, at whatever grade, so that appropriate recognition action is taken. Recommendation for awards should be made as soon as evidence of merit or achievement is available so that recognition will be prompt. Retirement awards are a particular case in point. The presentation of an award is much more meaningful when it occurs prior to the retirement date.

B. Honor, Merit and Service Awards

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1. [redacted] contains descriptions of the various awards available. Additional guidance will be provided to the Heads of the Career Sub-Groups to foster a greater uniformity of standards for awards throughout the Directorate.

2. Any Agency employee may initiate a recommendation for an honor and merit award by submitting Form 600, Recommendation for Honor and Merit Award. It must be submitted to the Honor and Merit Award Board through the Head of the individual's Career Sub-Group Board and the Deputy Director for Administration.

3. Nominations for monetary awards, the Exceptional Accomplishment Award and the Special Achievement Award, should be submitted to the Chairman, Suggestion and Achievement Awards Committee, through the Deputy Director for Administration.

4. Advice on assessing employee performance that might qualify for an award and assistance in preparing the recommendation, may be obtained from the staff which supports the Honor and Merit Award Board [redacted].

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5. The ceremony for the presentation of an award is a vital part of the awards procedure. Unless circumstances preclude, the various medals are usually presented by the DCI or DDCI. Certificates and unit citations are presented

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by the Head of the Career Sub-Group or Head of the Career Service. Other awards are presented, with appropriate ceremony, by an Operating Official or another officer to whom the responsibility has been delegated.

C. Quality Step Increases

1. Quality Step Increases (QSI) are granted, apart from and in addition to regular step increases, in recognition of high quality performance. To be considered for a QSI, an employee must have demonstrated sustained work performance which substantially exceeds that normally found in the type of position concerned. A Quality Step Increase is not to be granted solely as a reward to an employee who is unlikely to receive further promotion.

2. Granting of a Quality Step Increase does not preclude recommendation for an honor and merit award. Both awards may be considered if a specific accomplishment meriting a QSI also warrants recognition under the honor and merit awards program.

3. An employee's supervisor may recommend that an employee be given a Quality Step Increase by forwarding a memorandum through command channels to the Career Sub-Group Board for concurrence by the Head of the Career Sub-Group. The recommendation is then forwarded to the Director of Personnel for approval.

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SECTION VI

TRAINING

A. Policy

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1. [] states that it is Agency policy to promote high standards of performance by encouraging employee self-improvement and by sponsoring Agency training programs.

2. In accordance with this policy, the Administration Directorate encourages and, within budgetary and personnel limitations, supports internal and external training giving employees the skills and understanding to handle their assignments, increase their effectiveness, and develop their potential for greater career development and responsibility. While training enhances possibilities for advancement, it does not entitle an employee to such advancement.

3. Training does not have to be related to the employee's present assignment, but it must contribute to the over-all professional development in areas compatible with the planned utilization of the individual. Careerists interested in various types of training available to them should contact the appropriate officer within his Career Sub-Group for information.

B. Responsibilities

1. Training for many career employees depends to a significant degree on individual initiative. Each employee is expected to be aware of his training needs and the training opportunities available and to take the initiative toward self-improvement consistent with Agency needs.

2. Supervisors are responsible for recommending whatever immediate training is necessary for effective employee performance. Supervisors should also help identify training needed to develop an employee's potential, and recommend and approve appropriate training.

3. The Sub-Group's Career Management Officer or Senior Personnel Officer and the component's Training Officer should provide training counseling and assistance to the careerists. Employees should be informed of specific training criteria for functional assignments.

4. The Office or Staff Head oversees the component's Training Program with the advice of career boards and panels; determines, in accordance with Agency policy and regulations and under DD/A guidance and control, the training needs of the unit and the criteria for selecting employees for training; establishes training programs designed to meet the specific needs of the component; designates one or more training officers to ensure that proper training policies and procedures are being applied; and ensures that the employees and first-line super-

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visors have adequate opportunity to acquaint themselves with the existence of training relevant to their respective positions, functions and grades.

5. The Head of each Career Sub-Group should either appoint a Training Panel or utilize the Career Sub-Group Board for the purpose of selecting nominees for senior schools and full time academic training. The criteria used for the selection of nominees for these types of training will be developed and published. The criteria and procedures used in the Career Sub-Groups will be reviewed and monitored by the Senior Personnel Resources Board.

6. The Directorate Senior Personnel Resources Board will review the nominations for senior schools and full time academic training from each of the Career Sub-Groups and make recommendations to the Deputy Director for Administration, who approves requests for full time external training and senior management training.

C. Types of Training

1. Training, beginning on the job, may include formal or informal on-the-job training as well as rotational and developmental assignments. Varied courses are offered by the Office of Training and by individual office components. The Agency also finances a considerable amount of external training at colleges, universities and specialized schools.

2. Agency management takes the initiative for providing employees with the training it considers necessary for a specific job. However, an employee should also suggest training courses which he considers appropriate and necessary to his particular assignment. Some courses and briefings are required to familiarize new personnel with Agency, DD/A and Office functions and operations. Specialized training is required for certain categories of employees but is subject to grade or functional limitations. Agency support for external training is limited by quota and availability of funds.

D. Selection Criteria

1. The Personnel Development Program requires that Career Services and Sub-Groups formulate Developmental Profiles for professional and technical positions, grades GS-09 and above. These profiles are designed for a functional homogeneous group of officers at progressively higher levels of responsibility; the profiles will identify training courses and types of assignments necessary for planning and developing the talents and abilities of the group.

2. Directorate Career Sub-Group Boards may identify training courses, or Core Courses, for certain functional assignments and grade levels. When such courses are recommended or prescribed, the list must be published as a guideline to employees.

E. Academic Training

1. DDA Offices and Staffs may sponsor academic training for employees regardless of grade or position. According to Title 5, U.S. Code, Chapter 41,

(formerly the Government Employees' Training Act), the training must be related to Agency needs and not for the employee's desire to acquire a degree.

2. Part-time academic training outside duty hours will usually be approved if the training is potentially beneficial to the Agency and if funds are available. The employee receiving this training must have at least one year of current continuous civilian Government service, meet the standard of the training facility and intend to continue in the service of the Agency. In exceptional cases the one-year service requirement may be waived by the DD/A.

3. Training during duty hours takes several forms. It includes internal-training, inter-agency courses, and short courses which last from four hours to several weeks and are offered by private industry or academic institutions. Part-time academic training normally takes place during non-duty hours; however, it may be sponsored during duty hours if the program of study is offered only during this time and is essential to the employee's duties.

4. Selection for full time external training is on a highly competitive basis. Anyone receiving such training is required by Federal Regulations to work for a time-period equal to three times the duration of the training program, but not less than one year, or reimburse the Agency for the cost incurred.

F. Professional Associations

Attendance at job related professional gatherings is useful and considered to be training. Within budgetary constraints for travel, such attendance may be sponsored when it is clearly related to the employee's work. Priority will be given to those employees who are members or who have a role in the proceedings of the group, such as presentation of a paper. When the budget does not permit sponsoring work-related meetings, it may be possible for an employee to participate at his own expense without charge to annual leave.

G. Training in Clerical Skills

1. Directorate Offices and Staffs are urged to sponsor training for clerical employees in order to enable them to perform more effectively in their present positions and to aid their advancement.

2. The Agency no longer offers refresher courses in typing and shorthand. However, Offices and Staffs may sponsor employees for shorthand and typing training at local adult education centers. In addition, the Civil Service Commission offers a wide variety of courses designed especially for clericals which are conducted during office hours. Local community colleges also offer after-hours courses in clerical and technical skills.

H. Off-Campus Program

All employees are encouraged to take courses offered in the Agency's Off-Campus Program. Employees interested in this program should contact the component training officer.

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SECTION VII

ROTATIONAL ASSIGNMENTS AND TRANSFERS

A. Policy

It is Directorate policy to encourage transfers and rotational assignments when such assignments will provide a meaningful experience to the individual and will benefit the Directorate or the Agency.

B. Employee Utilization

Each Career Sub-Group is responsible for:

1. Examining the experiences and positions offered to careerists to determine what is available to employees during their careers.

— The range of assignments offered by the Career Sub-Group should be in accordance, insofar as possible, with the ability of an individual to progress from junior to more senior positions.

— There will be specialists in each Career Sub-Group whose career tracks may be narrow, but there must be opportunities for development and advancement within their specialty.

— The Personnel Development Program requires the establishment of developmental profiles for professional and technical personnel (in grades GS-09 and above) which are designed for functionally homogeneous groups of officers at progressively higher levels of responsibility. The profiles will identify types of assignments necessary for planning and developing the talents and abilities of the group. They should also identify relationships which exist among the various disciplines or tracks.

2. Establishing a program for periodic review of all clerical and technical personnel to identify those individuals with potential for and interest in progression into professional positions. In identifying these individuals, consideration should be given to the individual's background, past performance, information received from supervisory personnel, results of professional aptitude tests, etc. In addition, the individuals will receive counseling on available opportunities and guidance on academic and other training which is important in career development and advancement.

C. Mobility and Rotation

1. It is the aim of the Directorate Career Service to develop in its careerists a diversity of professional qualifications and skills in order that the Service will

have well-rounded and well-qualified officers who can and will be rotated to various professional positions within the Career Service. In order to accomplish this, it is essential that rotational opportunities be made available by each of the Career Sub-Groups at all levels whereby selected careerists can be rotated from one Sub-Group to another in order to develop the background and qualifications needed for assignment to more senior positions within the Directorate. It is recognized that there are positions that require specific experience and technical and/or academic training; it is also realized that because of interests, education and experience, there are employees who will be developed as specialists in specific fields and that the progress and development of these individuals will be within that specialty. In such cases, rotational assignments are not appropriate.

2. In each Career Sub-Group, staffing patterns should be standardized as much as possible; in order to ensure such standardization, it is necessary that each Sub-Group develop guidelines for the selection of internal and external applicants for vacancies. These guidelines will outline the basic minimum requirements for specific positions or groups of positions, including education, experience, training, etc.

3. If a position cannot be filled by a qualified candidate within a Sub-Group (each Career Sub-Group is encouraged to utilize internal vacancy notices), a vacancy notice will be distributed to the other Directorate Career Sub-Groups or to the other Directorates. Those employees interested in being considered for a vacancy should be counseled by his or her Career Management Officer as to how this assignment would fit into the over-all developmental profile of the individual.

4. The Counseling Program of the Career Sub-Group must ensure that all careerists have the opportunity to indicate areas of interest in terms of assignments, training and professional goals. In this way, the Sub-Group Board can be aware of careerists' desires and consider such information in selecting individuals for career development. This counseling program does not have to originate with the designated counselors. The careerist should take the initiative to insure that the appropriate Board or Panel is aware of his interests and desires concerning assignments, training, etc.

SECTION VIII

EMPLOYEE COUNSELING

A. Policy

1. The Agency provides a wide variety of counseling services which cover most employee needs. It is the policy of the Administration Directorate to provide counseling services for employees to use on their own initiative. If in doubt of a source for advice and assistance on a particular type of problem, an employee should contact his or her supervisor, component personnel officer or the Directorate Career Management Officer on the staff of the DD/A.

2. Each Career Sub-Group must develop an internal career counseling program to provide its careerists with visible counseling sources to be used on their own initiative for career counseling and guidance. An announcement of this program, together with the procedures and the designated officer, must be published and disseminated to all employees in the Sub-Group.

B. Job and Career-Related Counseling

1. It is, first and foremost, the responsibility of supervisors and component chiefs to provide job-related counseling to employees. In addition, it is Directorate policy that each Career Sub-Group will have at least one individual who is responsible to the Head of the Sub-Group for counseling employees on their jobs and careers. The designated officer or officers will provide information and assistance on all aspects of job-related counseling and should be knowledgeable of similar and additional counseling services offered by the Administration Directorate and the Office of Personnel. The officer or officers responsible for counseling are expected to work closely with the employee in an attempt to resolve his professional concerns whether they involve his supervisor, his Career Service or whatever.

2. An employee may also seek counseling by the Directorate Career Management Staff [redacted] or other appropriate members of the DDA Staff. In addition, a Career Sub-Group may refer an individual to the Directorate Career Management Staff.

C. Equal Employment Opportunity Counseling

[redacted] establishes Equal Employment Opportunity policy for the Agency, and [redacted] 6 May 1974, describes in detail the procedures for resolving complaints of discrimination because of race, color, religion, sex or national origin. Employees who believe that they have been discriminated against must seek the advice of an Equal Employment Opportunity Counselor within 30 calendar

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the Civil Service Retirement System and [redacted] for information on the CIA Retirement and Disability System. The Retirement Affairs Division also provides assistance in locating post-retirement employment.

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I. Employee Conduct Counseling

[redacted] provide Agency policy and employee guidance on personal and official conduct.

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2. [redacted] is required to be read by all employees once each year in October. The Headquarters Handbook provides guidance on limitation on outside activities, matters of security, conflicts of interest, and other matters related to the conduct expected of employees. The Executive Officer of the DD/A Staff [redacted] is the Deputy Counselor for the Administration Directorate.

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J. Inspection Staff of the Office of the Inspector General

The Chief, Inspection Staff shall provide a forum for Agency personnel, on a highly confidential basis, to confide grievances or complaints which have not received satisfactory consideration through regular channels of command.

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SECTION IX

EMPLOYEE GRIEVANCES

A. Policy

1. It is Agency policy that employees have the opportunity to present grievances for prompt and equitable consideration and disposition. By definition, a grievance is an employee's expressed feeling (oral or written) of dissatisfaction with some aspect of his working conditions and relationships which are outside his control.

2. Supervisors at all levels within the Administration Directorate are responsible for listening to and reviewing employee problems and for taking all necessary and feasible action to deal with them.

3. It is Directorate policy to provide a variety of channels for the employee to follow in seeking satisfaction or resolution of grievances. [redacted] established the Agency's policy and procedures for resolving grievances. According to the regulation, if the employee determines that procedures within the Directorate failed to provide satisfactory redress to his or her grievance, the employee may ask for review of the case by the Director of Personnel or, ultimately, through the Inspector General, by the Director of Central Intelligence. [redacted] 19 November 1973, explains the Inspector General's role in the Agency's grievance system.

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B. Review of Grievances in the Directorate

1. Employees and their first-line supervisors should communicate regularly with regard to job performance, career development, and working conditions. Grievances should be raised first at this level. If the employee judges, however, that referral of the problem to the immediate supervisor would be ineffective, the matter may be discussed initially with other appropriate levels of management (the branch or division chief, Office Head, or the DDA) or with the component's designated Grievance Counselor.

2. Each Career Sub-Group will designate a counselor for employee grievances; the same officer may also have been designated the Employee Counselor for Job and Career Development matters. Grievance Counselors will be identified in a DDA Notice for all employees. If a complaint is not resolved at the supervisory level, an employee should contact the designated grievance counselor for information, advice, and assistance. In unusual circumstances an employee may prefer to discuss his complaint initially on an informal basis with the grievance counselor on the DDA Staff, the Directorate's Career Management Officer, prior to discussion with his own counselor. Any discussion, prior to initiation of a formal complaint, will be kept confidential at the employee's option. The counselor may help the complainant define and understand the

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problem, suggest appropriate avenues for problem resolution, and/or inquire and intervene discreetly in order to call attention to the problem and facilitate efforts toward resolving the grievance.

3. If the grievance cannot be resolved at the supervisory level or with the assistance of the grievance counselor, the employee may take any unresolved grievance up through the normal chain of command within his own component. Every effort must be made at each level to work out a fair and realistic solution to the problem.

C. Protection of Complainant

1. An employee with a grievance will not be vulnerable to or suffer any reprisal as a result of efforts to use established grievance channels as defined in this Section.

2. If there is any apparent attempt by a supervisor to retaliate against an employee as a result of the latter's efforts to seek redress of felt grievances through established procedures, the supervisor's action will be subject to prompt and critical review. Any evidence of such retaliation should be sent immediately to the attention of the Deputy Director for Administration with a copy to the Office or Staff Head.

SECTION X

SURPLUS PERSONNEL

A. Policy

At times it is necessary to make resources available for meeting new requirements or for accommodating imposed personnel ceiling reductions. In these circumstances, the resources of the Directorate are reviewed periodically to eliminate or reduce the personnel and funds allocated to less essential functions. It is Directorate policy that such personnel reductions will be made, to the extent possible, from among employees competitively ranked in the lowest categories of the evaluation rankings and with due consideration for the functions being reduced. In the case of reduction that involves particular positions or skills, every effort will be made to locate new assignments for employees. If suitable positions are not available, the Deputy Director for Administration must, of necessity, declare the employee surplus in accordance with Agency procedures detailed (This section deals with the separation of employees resulting from a reduction in ceiling or requirements for particular skills and not separation based on performance.)

B. Procedures

If, as a result of reduced ceilings or reduced requirements for particular skills, it becomes necessary to eliminate or reduce a function and associated positions and personnel, the following procedures will apply:

1. The Office or Staff Head, with the advice of the Career Sub-Group Board when appropriate, will review the experience record, qualifications, and relative rankings of each employee in the lowest categories of the competitive evaluation rankings to determine whether the employee can be assigned to another appropriate position within the Office. If it is determined that a suitable position is not available, the employee will be declared surplus to the Office's needs.

2. The employee's official file will then be referred to the DDA Career Management Staff for review to determine if suitable vacancies exist in other DD/A components. Normally this will include requesting appropriate Offices and Staffs in the Directorate to review the total record and interview the employee if there is potential interest.

3. If further reassignment efforts fail, the Office or Staff Head concerned will recommend to the Director of Personnel, through the DD/A, that the employee be declared excess to the Directorate manpower requirements.

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4. The Director of Personnel will then advise the employee of his right to make oral or written representation to an appropriate officer of the Office of Personnel. (See for procedures to be followed by the Director of Personnel.)

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5. See for provision for payment of separation compensation to qualifying personnel who are involuntarily separated from the Agency.

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NEED FOR AN "M" CAREER SUB-GROUP

Why We Should Continue the "M" Concept:

1. One of the objectives of the PASG recommendations, and the resultant "one Directorate Career Service," was the unification of the existing Directorate career services into an across-the-board personnel management tool. The "M" career sub-group concept was the first official effort to unify the Directorate. If for no other reason, the existing "M" concept and organizational structure should remain as a model and reminder that the Directorate personnel belong to one-career service.

2. Perhaps, in practice, the "M" concept has not worked as well as the policy states it will, but, rather than discard the idea, why not try harder to make it work. As more and more Directorate supergrade positions are filled from the best qualified "M" candidates - rather than the best qualified candidate from the Office where the position is located - perhaps the supergrade officers and office management will increasingly think of the "M" subgroup in a Directorate-wide concept.

3. Many of the supergrade positions throughout the Directorate require executive/managerial qualifications rather than technical expertise. These positions should be filled by the best qualified officer available and not necessarily selected from the smaller base of available officers in the Office.

1. The "M" Career Sub-Group actually exists in name only. Each of the Offices is still managing the careers of their supergrade officers.

2. In theory, the pooling of all supergrade Directorate personnel into a single career sub-group made sound personnel management sense. Candidates for executive/management positions in the Directorate could be selected from the "reservoir" of Directorate-wide executive talent. However, in practice, candidates for most of the supergrade positions to be filled are selected from the Officers in the Office in which the vacancy exists.

3. Many of the supergrade positions in the Directorate do actually require a large amount of professional/technical expertise and experience. There are some positions that are truly more ~~executive~~ ^{executive} expertise/managerial in nature than technical, but even in these positions, a knowledge and understanding of the problems and personnel of the Office is valuable.

4. The majority of the supergrade positions are located in the Offices and are closely related to the functions and responsibilities of the Office. These represent the "management" of the Office and, as such, are professionally involved with the functioning, the personnel management and the esprit de corps of the Office. To have these positions and personnel belonging to another Career sub-group does not contribute to good organizational and personnel management controls.

5. There is no reason why the "M" organization is necessary in order to select candidates from across-the-board in the Directorate. All Directorate personnel and positions constitute the Directorate's Career Service. The Senior Personnel Resources Board, composed of the Office Heads, works with the Deputy Director for Administration in resolving Directorate personnel management problems. This Board could facilitate the personnel selection process for positions now selected through the "M" concept. Very few supergrade assignments are made from officers not in the Office in which the position is located.

6. The "M" Career Sub-Group concept of career management for Directorate supergrade officers results in no one really "managing" the supergrade officers. The official responsibilities for the career management and planning has been taken away from the Office Heads but, practically speaking, no one else has assumed this responsibility. The Office Heads are still responsible for the supervision, management and utilization of their personnel but the authority to promote/reassign/develop for advancement in the Office has been taken away and invested in the Senior Personnel Resources Board.

7. The career development progression of officers is arbitrarily cut off at the GS-15 level.

8. The "M" Career Sub-Group causes complications in determining the CSGA for the Office Career Sub-Groups as the headroom from supergrade vacancies cannot be cumulatively carried into the lower grades.

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