



SPECIAL SUPPORT ASSISTANT TO THE  
DEPUTY DIRECTOR FOR ADMINISTRATION

7-D-10 Hqs 337536  
15 January 1987

NOTE FOR: Director Office of  
Information Services

FROM:

[Redacted]

DDA Representative to the  
Agency's Compensation and  
Benefits Task Force

STAT

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I forgot to leave a copy of the  
vugraphs with you. Some on your staff  
might like to brief from them.

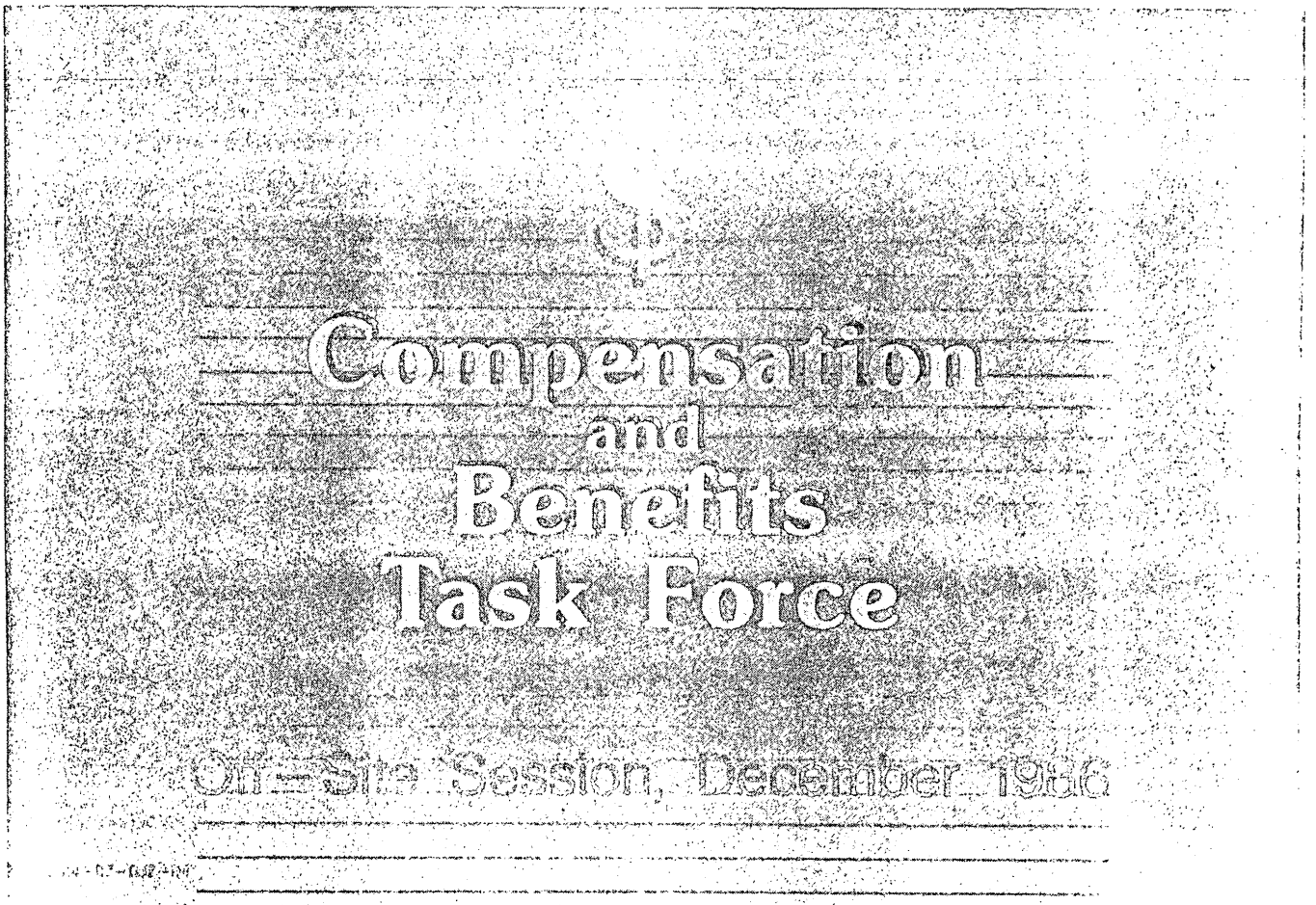
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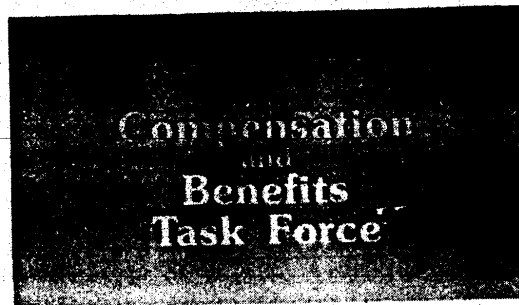
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## Why go off-site?

- Get away
  - Have time
  - Single-issue focus
  - Express double-duty
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- Argue
  - Eventually agree
  - Grow, grow, grow
  - Speak with one voice

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## DIRECTOR Testimony Before The Committee

- o "New departures and bold innovations in compensation and general personnel management"
- o "Replace the current and inflexible GS system"
- o "Adjust our pay system...to better relate performance and compensation"
- o "Establish an Agency—unique pay structure which will be second to none in USG"
- o "Develop a career development program to clearly allow for specialist and management tracks"
- o "Adequately reward experts"

# EXDIR

- ④ Design a new compensation system based on pay for performance
- ④ Specialist management tracks as appropriate
- ④ Automation, communication, and training that will be needed to support the system
- ④ No study; an implementation plan
- ④ Begin immediately— near term progress March/April  
—jobs substantially completed within two years

# Task Force Chairman



Direct the effort

STAT

## DDA

We have an opportunity to do something about (improve) our pay and compensation system NOW

## Management Complaints

- Dissatisfied with our ability to COMPETE for the best people and problem growing worse
- Uncomfortable with our ability to ADEQUATELY REWARD our best people
- Need to encourage LATERAL ENTRY of applicants with the SPECIAL EXPERIENCE and BACKGROUNDS we need
- Uncomfortable with CUMBERSOME PMCD PROCESS



## The Agency - Why Join

- People don't come to USG for \$\$
- People don't come to AGENCY for \$\$

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- People come to participate in an exciting mission
- People come for challenge
- People come to join "can-do" culture
- People come to work with best and brightest

### BUT WE CAN:

- Improve quality-of-life
- Provide PRIVATE-SECTOR-LIKE considerations
- Reward excellence

**Compensation**

**Benefits**

## Impact of Pay-For-Performance

### FROM EMPLOYEE'S STANDPOINT

- It can better reward them for their contribution to our unique mission

### FROM SUPERVISOR'S STANDPOINT

- The system has flexibility to REWARD the best performers and RETAIN them - all without disadvantage to the solid average performer

### FROM AGENCY STANDPOINT

- It creates excellence

## FEATURES

1. INTEGRATED compensation approach

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2. Simplification NOT "complication"
  - Simple – to – understand
  - Simple – to – manage

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3. Flexible – adjustable

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## IMPLICATIONS

1. Heavy responsibility on senior Agency officials across Directorates to decide

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2. Heavy consequences in that the final approval

- Affects thousands of employees now

- Will affect generations to come

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# OBJECTIVES

1. Pay - for - performance

2. Dual career track

- Expert track

- Management track

3. More COMPETITIVE compensation package

4. IMPROVED career development

## **Predictable Reactions**

What's management doing to me –  
"In THEIR interest" – not mine!

Where's the "Average Joe" fit in?

Uh – oh...more pressure!

## **DDA Rep's Initial Remarks**

- Unique USG organization with SPECIAL AUTHORITIES, with SPECIAL PEOPLE, permitting us to be out in front
- Deserve PRIVATE – SECTOR – LIKE treatment (if it's better)
- Pay and benefits – for – performance makes sense for us
- Dual career track system must exist



## **SPECIAL CONSIDERATION**

- Pay-for-performance is, in effect, adopting a PRIVATE-SECTOR MENTALITY, i.e. "profit motive"

"Our section did well this year;  
you partially made this happen;  
so YOU'LL do well this year"

## MY OBJECTIVES

- Keep it simple
- Touch all bases – but...  
no long stops anywhere!
- No PMCD, (as we know it)
- Ensure we're not "slot-locked"
- Key to market place



Let's Examine DETAIL, Task Force...  
But Not Forever!!

# Banding - An Example

[Redacted]

[Redacted]

Management

Expert

[Redacted]

[Redacted]



Scientific

"Out-of-house" programs

Analytical

Contractor's ideas

"Special"

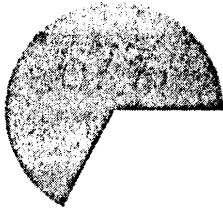
Plus...

Experienced-based

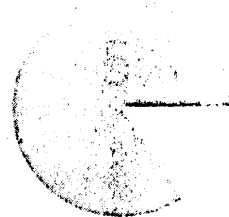
Common sense

# OCCUPATIONS

20 OCCUPATIONS  
= 67% OF AGENCY



35 OCCUPATIONS  
= 85% OF AGENCY



15% of the Agency diversified  
and not in clearly defined  
"occupational bands"



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## Occupational Bands

Will help to evaluate how banding will work for you

Where the NATURAL banding break points lie

What career development and training must occur  
WITHIN A BAND and to move FROM BAND TO BAND

Preliminary info re expert/manager bands...  
or should dual track be there at all

The occupational bands will then fit your  
"occupation" on the "construct" designed/  
developed by that time



Total Compensation  
Salary and Job Analysis  
Performance Appraisal  
Career Development  
ADP Support  
Internal Communications  
External Communications  
Training

## Threat Communication Seminar

### KEY CONCEPTS

- COSTS
- POLITICS  
(This initiative is held for USG)
- Market survey – what's out there?
- Contractor/consultant assist  
Hay & Associates, TPF&C
- Survey employees

## Total Compensation Strategy

### Salary and benefits should be:

- Core benefits for all
- Flexible and tiered
- Symbolic/pecuniary
- Maybe some benefits offered to only high performers
- Maybe some benefits keyed to band levels within an occupation

Determine major dimensions of a "job"

Create a GENERIC job description

Employ market survey for comparisons

Decide whether to:

Keep GS

Modify GS

Develop brand new system

Is new appraisal mechanism needed?

If so, make it simple to administer

Performance-based or objectives-based

AWP - LOI!?! - we need MAX IN  
COMMUNICATION between employee & supervisor

Check-list vs. narrative/PAR - or both?

## **4. Career Development Segment**

- o Refinement in designing management/expert dual tracks
- o Linkage of pay – for – performance with "promotion"
- o MANAGEMENT identification of SKILL, KNOWLEDGE, TRAINING and ASSIGNMENTS which are career enhancing

## 5. ADP Support

- Data base(s)
- Performance appraisal system
- Cost and budget projections
- Modelling/simulations
- Build a new biographic system
  - Accurate
  - Current
  - Easily accessible
  - Secure
- Software to support flexible & tiered benefits options
- Modifications of finance systems, when needed

## 6. Internal Communication Segment

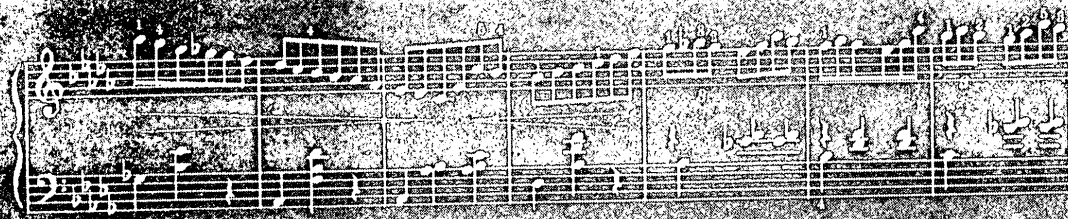
- Needs a marketing touch
- Change = Make
- Communicate to create "right" atmosphere
- Communicate intent of the program
- Communicate what it IS and what it ISN'T
- Communicate to create "correct" expectations
- Communicate to educate
- Communicate to correct rumors
- Communicate to keep employees current



## 6. Internal Communication Segment

- Involve the people
  - Surveys— 15 min. each— maybe 6
- Briefing situations
  - Pers officers
  - CMOs
  - STOs
  - Office meetings
  - Courses
  - Lectures
  - Conferences, etc.
- Task force members
  - DDA briefs to Office Directors

**YOU'VE GOT TO...**



**...ACCENTUATE THE POSITIVE!!  
ELIMINATE THE NEGATIVE...**

**and don't mess with Mr. In-Between**

## 7. External Communication Segment

- LATER...
- SSCI
- HPSCI
- HAC
- SAC
- OMB
- OPM
- AND WHO KNOWS

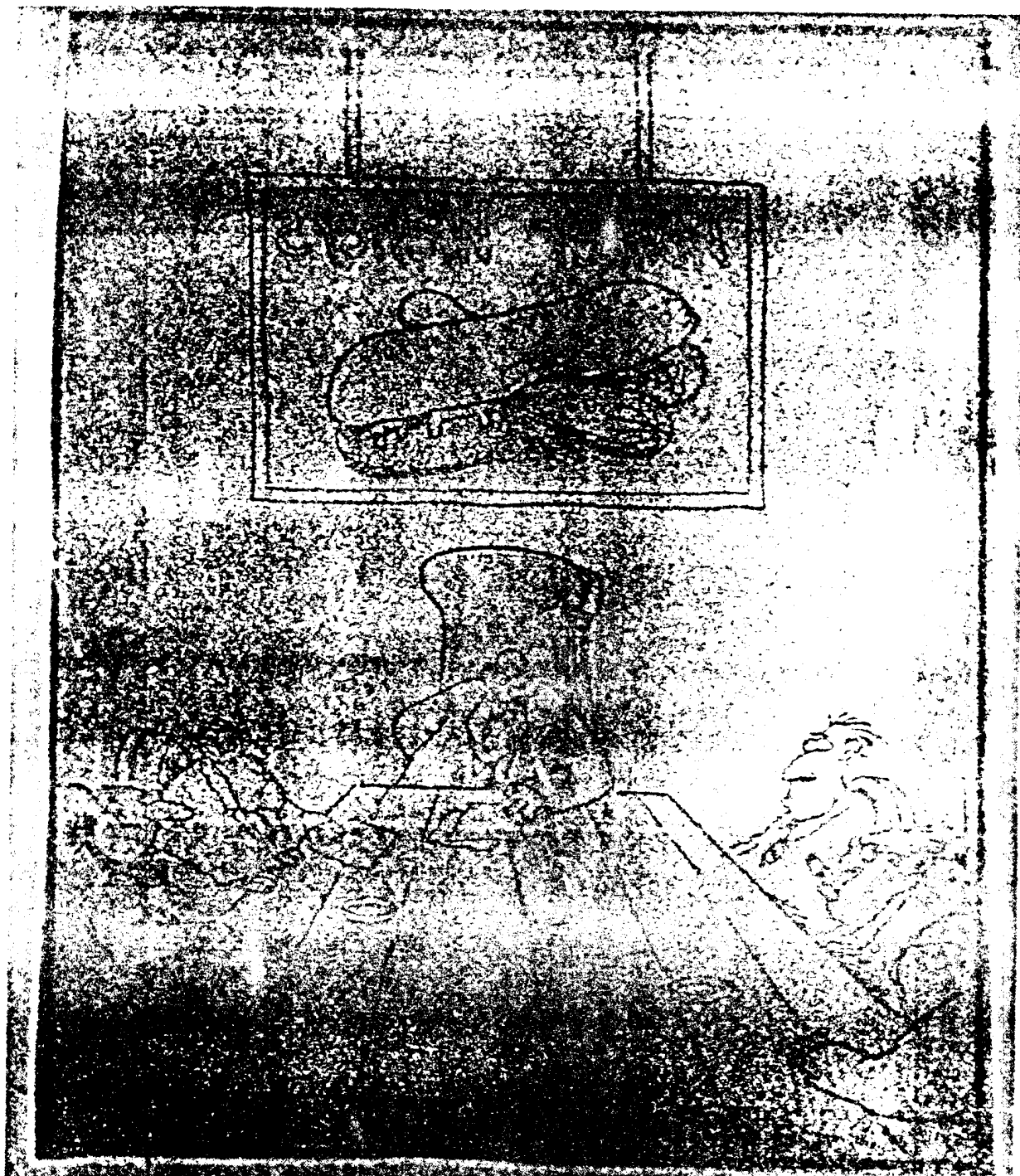
## 8. Training Segment

TRAIN — To educate all of us under  
the new system

TRAIN — Users HOW to use it

## 8. Training Segment

- EDUCATE
  - Managing change – organization & people
  - "Implementation training" for new system
  - Generic training – auditorium briefs  
(similar to communication segment)
  - Training for MANAGERS by occupational group
  - Training for EMPLOYEES by occupational group
  - Design and develop training materials
  - Instructor training



"And so I've reached the conclusion, gentlemen, that the Wonker Wiener Company is riddled with incompetence."