

DDI/OIR

4 SEP 1987

MEMORANDUM FOR: Deputy Director for Intelligence
Associate Deputy Director for Intelligence

FROM:

[Redacted]

Director of Information Resources

STAT

SUBJECT: HRMCTF Report

OIR's response to the HRMCTF Report is presented in two parts. (Both are attached.) Attachment 1 is a summary of the views of OIR employees, reflecting consensus opinions but in some cases also incorporating minority viewpoints. It is organized according to the features in the HRMCTF Report. Because OIR is a diverse office in terms of occupational categories, I believe Attachment 1 provides a set of views that are representative of a wide spectrum of the Agency population. Attachment 2 presents my views on the features of the Report and some suggestions on how to proceed from here.

[Redacted]

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Attachments:
As Stated

cc: C/MPSS

SUBJECT: HRMCTF Report

Distribution:

- Original - addressee (, DD/OGI)
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Attachment 1

SUMMARY OF OIR EMPLOYEE COMMENTS

OIR is an Office with a wide diversity of personnel in terms of grade levels, experience and occupations. Responses to the Human Resources Task Force Report are reflective of this variance, ranging in scope from the generally supportive to the strongly opposed. As such, we have included as part of our submission comments from two individuals within the Office whose positions represent these opposing viewpoints.

We have summarized the feature-specific remarks on the following pages. There are positive comments, particularly about the proposed benefits program, dual career tracks, and the concept of improved career development and training systems. There is, however, a fair amount of skepticism about a number of the plan's features. Much of the skepticism is driven by what are perceived as serious shortcomings in many features of the proposal, and the lack of sufficient information in the Task Force Report. Some of the more general comments are included below because they convey employees' broad concerns about equity, the need to change, the cost of the program, and the perceived inability of Agency components to implement the plan. They provide one barometer of our employees' opinions about the proposed package.

- Equity - Many employees are concerned about the fairness of the proposed system and believe that changes could increase competition and hamper teamwork. Comments reflect: 1) concern that the system is biased toward "superstars" at the expense of solid performers, support people, and/or employees in professions with only small Agency representation, 2) perceptions that education rather than experience and ability to perform will determine advancement, 3) concern about management's ability to equitably administer an incentive pay system, and 4) skepticism that automating the personnel management system will necessarily create better managers.

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- Need for Change - Most employees think there is no need for a total system overhaul. They believe that we could correct many of the "problems" with the current pay system and personnel management practices within the framework of the current compensation system. The majority of OIR employees would seemingly opt for the current system with appropriate changes, rather than an entirely new system with so many unknowns.

- Cost of the Program - A number of employees are concerned about the cost of the program. They question the assertion that all employees performing acceptably would be better off financially under a system that is designed to cost only 2-3 percent more than the current system. Straight mathematics would indicate that either more money is required or the average employee will lose out. Others wonder if money spent automating the personnel evaluation and career development systems will be money well spent since it could lead to a growing and costly Agency bureaucracy.

- Ability to Implement the Program - Many employees believe that we may be "biting off more than we can chew", and are specifically concerned about the ability of the Directorate of Administration, and the Office of Training and Education in particular, to handle the increased responsibilities indicated by the proposal.

- Quality and Trustworthiness of the Report - There are a number of comments about the "sketchiness" of the report--that there just isn't sufficient information on many of the features of the program to make an informed judgment. There is also the perception that the study is a "sales pitch" and is not objective. Quite a few employees point out that the report contains a basic inconsistency. It asserts that "employees driven primarily by money do not work for CIA;...and that the proposed system is designed to provide recognition and incentives...to reinforce a sense of accomplishment, and to make CIA a more attractive place to work". Nevertheless, the proposed package focuses on revising the pay and compensation system to provide employees with greater financial reward.

PROPOSED PAY AND CLASSIFICATION STRUCTURES

FEATURE 1 - OCCUPATIONALLY DEFINED BANDS

The majority of OIR employees express significant concern about the proposed pay and classification structure. Some think that banding is a good idea because it will provide greater flexibility and improved salary potential, and will be an attractive factor in Agency recruitment and retention. The majority, however, are concerned about the effectiveness and applicability of market surveys, the lack of specificity concerning banding categories outside analytic and managerial bands, the perceived difficulty of moving between occupational categories when making a career change or going on a rotation, and the apparent rigidity and reliance on training for advancement found in the secretarial system and implied by this report.

Positive Comments

Concerns

- banding will eliminate the artificial grade distinctions of the GS system

- possible inequities between occupational categories in the creation and functioning of the banding structures

- should provide improved salary potential

- what will happen to more unique, specialized occupations? will they be lost in the shuffle?

- delegated authority for job classification will allow managers greater flexibility in staffing and provide better capability to react to specific needs

- banding won't necessarily result in greater salary potential across the board

- will provide broader opportunities for growth within a specific assignment without requiring formal promotion

- how will movement along a band and advancement between bands occur?

- don't see how we will be able to fund such a drastic change

- loss of the "identifiable status" of the GS system

- many question the use of civilian market surveys in light of job uniqueness and area cost of living

(Cont'd)

FEATURE 1 - OCCUPATIONALLY DEFINED BANDS (Cont'd)Positive CommentsConcerns

- concept not fully understood by all; more information is needed; when will it be available?

FEATURE 2 - INCENTIVE PAY

Office employees are universally concerned about the incentive pay proposal. While most favor the concept of pay for performance, the vast majority are skeptical about the fairness and objectivity of the implementation of incentive pay. Many in the Office, particularly those in support positions, feel that incentive pay will largely benefit higher level employees at the expense of those in support and other lower level occupations.

Positive CommentsConcerns

- | | |
|--|--|
| <ul style="list-style-type: none"> - concept of pay for performance is good - likely to encourage better performance and increase motivation - should provide employees with better than average compensation | <ul style="list-style-type: none"> - many question managers' ability to implement incentive pay fairly and objectively - likelihood of inequities in implementation; concern that most money will flow to high demand occupations, e.g. computer programmers - increase in competition at the expense of teamwork; creating "winners" at the expense of others - many are skeptical about our ability to obtain the additional funds required, and the vulnerability of those funds to budget cuts - possible increase in grievances because the system is more subjective - incentive pay system provides greater advantages to upper managers and experts than to lower level employees (Cont'd) |
|--|--|

FEATURE 2 - INCENTIVE PAY (Cont'd)Positive CommentsConcerns

- the "superstar" employee will benefit greatly but at the cost of the average employee
- salary vs. bonus issue -- will bonuses calculate into retirement benefits?
- will we continue to get government-wide cost of living increases?
- will a Career Service Panel type structure still exist? will it decide on bonuses? will panels be cross-Directorate?

PERFORMANCE EVALUATION SYSTEMFEATURE 3 - PERFORMANCE PLAN

Most employees support the concept of improved employee-supervisor communication. Many believe that the current Advanced Work Plan, used effectively, would serve the same function as the proposed performance plan. Automation is discouraged since it reduces supervisory input and creativity.

Positive CommentsConcerns

- | | |
|--|--|
| <ul style="list-style-type: none"> - it is an objective way to look at performance. - if it fosters more frequent and better communication, it's a good idea | <ul style="list-style-type: none"> - employees will get nothing but standardized, boilerplate plans. - automation will reduce supervisors' input and creativity; plans need to be tailored to meet individual and organizational needs - may be too rigid -- plans should be flexible and take into account changing work priorities (Cont'd) |
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○ FEATURE 3 - PERFORMANCE PLAN (Cont'd)

Positive Comments

Concerns

- plans need to be kept current
- does this just add to the bureaucracy? we got rid of AWP's once -- a form does not necessarily make a good manager

FEATURE 4 - PERFORMANCE EVALUATION

Comments are equally divided between supporters of a new performance evaluation plan and those who believe the current system works well. Detractors are concerned that automation will emphasize numeric ratings at the expense of more descriptive, personalized narratives which can highlight special accomplishments and achievements.

○ Positive Comments

- using five levels to evaluate performance is fairer than using seven
- the new system sounds more accurate than the current system

Concerns

- not much different from the current system - why change?
- under banding, evaluations should be longer and better written, not shorter and more standardized than current PARs
- automated evaluation system could penalize employees whose performance plan was not updated to reflect changing job requirements
- this new evaluation system will require training for managers and employees
- will the increasing importance of numbers in the promotion and bonus processes make employees increasingly dissatisfied with being solid performers?

CAREER DEVELOPMENT SYSTEMFEATURE 5 - OCCUPATIONAL CAREER HANDBOOKS

Most employees believe that occupational career handbooks are useful if the books are updated frequently and each employee has his or her own copy. Some people mention that no dramatic system change is required to produce a handbook. Some mention that OIR's Career Handbook is particularly useful.

Positive Comments

- handbooks are an excellent tool for career counseling
- should be implemented now

Concerns

- overkill - OIR already has one
- seen as devising strict occupational tracks making it difficult for people to move from one occupation to another
- will handbooks be written for employees in unusual occupations with only a small number of Agency participants?
- will handbooks be kept current or will they be left on the shelf after the first edition?

FEATURE 6 - INDIVIDUAL CAREER DEVELOPMENT PLANS

Most employees feel that individual career development plans will be useful. Some mention that good managers already use them.

Positive Comments

- creates an incentive for both employee and manager to discuss career development regularly
- can be implemented now

Concerns

- OIR already uses these
- better handled between the employee and the office career development officer
- can't this be included in an AWP?

FEATURE 7 - OCCUPATION-SPECIFIC TRAINING

The concept of improved training is almost universally embraced, but many employees doubt that the Office of Training and Education has the resources to provide the necessary training for all occupations.

Positive Comments

- will encourage the development of courses in occupations that currently have limited training opportunities

Concerns

- will require substantial funding -- Congress has already proven itself reluctant to fund training
- will be difficult to accommodate all the employees wanting to take the new courses
- too much emphasis on courses; other, more effective and less costly training methods should be considered (for example, more liberal reimbursement for books, journals, and computer software)
- has been proposed many times by OTE and never fully implemented because of cost

FEATURE 8 - IMPROVED AVAILABILITY OF TRAINING

OIR employees clearly favor improved availability of training. Some, however, warn about getting "carried away" and basing advancement decisions on completion of courses rather than acquisition of skills.

Positive Comments

- many support the concept of improving the availability of training
- take-home courses will be useful

Concerns

- not clear if training was to be taken on own time
- if classroom instruction is replaced with videotaped courses, there is a concern that training will lose the value of personal interaction (Cont'd)

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FEATURE 8 - IMPROVED AVAILABILITY OF TRAINING (Cont'd)Positive CommentsConcerns

- will also lose the value of meeting personnel from other agencies who take the courses
- could create additional hardships for offices if too many employees take training at the same time
- will training be provided for employees overseas?

FEATURE 9 - DUAL TRACK

There is general agreement that this is one of the best proposals in the Human Resources Task Force Report because it rewards substantive expertise, and at the same time, has the potential to improve the management cadre. Many employees, however, do not believe experts and managers should have additional bonus and leave carryover benefits.

Positive CommentsConcerns

- | | |
|---|--|
| <ul style="list-style-type: none"> - will retain expertise and not force experts into management - managers will be evaluated on personnel management - will keep analysts who are not good managers out of management | <ul style="list-style-type: none"> - concerns about expert/manager relationship - managerial jobs will become unattractive because managers will not be compensated for taking on additional bureaucratic hassles - not sure we need that many experts at higher grades - expert track might be limited to certain occupations and not equitably spread across the Agency (Cont'd) |
|---|--|

FEATURE 9 - DUAL TRACK (Cont'd)

Positive Comments

Concerns

- how will experts be evaluated and by whom?
- where do these expert positions come from? what do we lose to create them? how many positions will there be?

FEATURE 10 - PROMOTION

There is a pervasive feeling within the Office that there will be a significant loss of prestige and psychological rewards with the proposed system. Under the current GS system, employees like the idea of more frequent promotions, and are comfortable with the status associated with particular grades. Most other comments are actually questions about how the promotion process will work under the proposed system, i.e., How will panels make promotion decisions? Who will participate in the panels? Are there time-in-band requirements?

Positive Comments

Concerns

- completed training seems to be more important for promotion than job performance (as with the new secretarial system)
- this is one of the most important topics covered in the report and it is not adequately explained

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PROPOSED BENEFITS PROGRAMFEATURE 11 - FLEXIBLE BENEFITS PROGRAM

Although this program raises several concerns, it is greeted positively by a majority of employees. The general sentiment is that the flexible benefits program should be implemented regardless of the rest of the pay and compensation proposal.

Positive Comments

- best feature of the whole program
- will help make the Agency more competitive with the private sector
- will help retain people

Concerns

- geared more toward senior officials, and not really beneficial to new employees
- will employees be able to change benefits, or once selected, will the decision be irreversible?
- likely to be a costly undertaking -- is Congress likely to approve?
- have other benefits been considered - complete health insurance coverage, dental plan, maternity leave benefits - at reduced cost to the employee?
- more information is needed on the specifics of the program

FEATURE 12 - LEAVE CONVERSION

This proposal is met with interest across the Office. People react favorably to the concepts of donating or converting leave and to the annual leave buy back proposal.

Positive Comments

- provides individual flexibility

Concerns

- many would like to be able to donate leave to a particular individual rather than a leave bank (particularly sick leave)
- (Cont'd)

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FEATURE 12 - LEAVE CONVERSION (Cont'd)

Positive Comments

- leave buy back and conversion are more equitable than losing leave

Concerns

- must somehow ensure that people retain enough leave for their own emergencies
- people might opt for the extra money over needed time away from the office

FEATURE 13 - EDUCATIONAL ASSISTANCE FOR DEPENDENTS

Although there are few specific positive comments, this feature is generally greeted favorably.

Positive Comments

Concerns

- favors married employees with children and longer term employees
- have other types of loans, such as home mortgage loans, been considered?
- leave secured loans could be risky
- is this appropriate?
- why not extend to spouses?

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FEATURE 14 - STAFFING MANAGEMENT TOOLS

Sentiment on this feature is mixed. While some feel that these tools will allow for greater flexibility among upper management, many feel that these options demonstrate favoritism for SIS-level employees at the expense of lower level personnel.

Positive Comments

- will allow increased headroom for managers and experts
- will help retain senior and mid-level officers
- retention bonus is a good tool for upper management

Concerns

- possible inequities in applying retention bonuses
- allowing retirement at age 50 may cause an exodus of the talent that the program is designed to retain
- early retirement should apply to everyone
- uncertain about selection criteria for the "experts" who would qualify for early retirement

PROPOSED DATA-PROCESSING SUPPORT

FEATURE 15 - SYSTEM CONTROLS
FEATURE 15 - PROJECTION TOOLS

These features are addressed jointly by most employees, with few positive comments regarding either one. The most frequent comments are that neither explanation was clear, and that more information is needed to make them fully understandable.

Positive Comments

- aids can only be useful to such a system

Concerns

- "bureaucratic nonsense"
- could take years to develop and implement
- examples of the overemphasis throughout the proposal to the development of ADP tools to assist in management

ADMINISTRATIVE - INTERNAL USE ONLY

August 19, 1987

MEMO TO: Director, OIR

FROM: Chief, Document Services

SUBJECT: Critique of Preliminary Report on Proposed Banding System

I find myself as I prepare this report to you in disagreement with most of the individuals in my division. As asked, I obtained comments from each of my branches concerning the new banding proposal prepared by the Human Resource Modernization and Compensation Task Force. I think the Task Force report was prepared in such a fashion that it was difficult to read and it therefore easily misled the less critical reader. I have attached to the back of this memo the comments from my three branches and I find them uniformly more upbeat and positive than my own comments. I have also attached a memo from my special assistant that has some questions that trouble her. This memo will be my personal impression of this proposal and not the summation of the comments from my division.

After having read all the various papers and studies prepared by the Task Force, I find myself in a somewhat philosophical mood. The primary question that I have running around in my head is; "what constitutes a pay system?" In my own simple fashion I think a pay system has five basic components. The first requirement is that a pay system present in some fashion a variety of specific salary options that can be applied to the various jobs being performed by the staff of the organization. The pay system needs to also contain a description of the various jobs that it wants its various people to perform. Any system must then provide some management process that associates these various jobs and the various pay levels defined. There must also be a management process that outlines how people are selected for various jobs, how their pay will be determined, and how they are moved up or down this pay scale (rewarded or demoted) according to their ability and performance. Lastly a pay system must provide some schedule of benefits, that is somewhat independent of salary and specific jobs, that applies to all personnel employed by the organization.

Having lived with our present personnel system for almost a quarter of a century I admit that it has some bad aspects. It is particularly difficult and frustrating for managers and employees to reclassify jobs as organizations are restructured and the work changes. In our present system, it is also possible for low performers to continue to advance. The gap in salary between the best performer and the worst performer is fairly small. Having been a manager for 20 years, I find the system particularly ineffective in dealing with inefficient or misguided managers. In addition, the benefits package that is available in our present pay system is very rigid. For most of these situations there are fairly simple solutions—ones that do not require a total overhaul.

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I have found over the same period of time with the Agency that there are some aspects of our personnel and pay system that I particularly appreciate. The system does provide managers with some flexibility to solve local problems if you know how to use the system and attack it with some vigor. Within the system that we presently have there are a wide variety of opportunities to personally recognize and reward individuals for superior performance. Our system also provides a certain degree of stability in areas of pay and benefits particularly when we ask people to move into job situations that have very little stability. Agency staffers frequently are more willing to take on temporary assignments or explore career changing opportunities knowing that these moves will have no short term impact on their salary or benefits.

So having read all the handouts and books concerning this proposed change I have to ask; "why change?" The only worthwhile aspect to all the proposals being presented by the Task Force is contained in the flexible benefits package. To implement these changes requires none of the other changes associated with banding and the automation of the personnel decision process. In fact a flexible benefits package is primarily based on availability of funds. In the presentations coming from the Task Force they avoid a lot of specific details concerning the changes to benefits because these are all predicated on approval from Congress and the need for special funding. If the approval is denied or the funding is not provided, most of these benefits will not be available. I find all other aspects of the plan either ill-advised or doable under our present pay and compensation system. And if it was desired to do them, these changes could be implemented without the trauma that will be associated with the more general changes to the personnel system as is being proposed.

Below I will provide a few specific comments concerning my impressions of problems associated with the various features being proposed.

FEATURE 1 - OCCUPATIONAL DEFINED BANDS

When I read the descriptions of the occupational bands and the process that is being proposed, I find my mind moving ten years into the future and my mind tells me that we are going to have problems with this system in several areas. The Agency hires a wide variety of people and I speculate that ten to twenty percent of these individuals do not now and will not in ten years find themselves as natural members of some occupational band. There will always be some artificiality to the banding proposal for a fairly sizable portion of our professional staff. I also see slots and personal services funds being allocated to these specific occupational bands. With time the professional requirements for the people in these various bands will change and the system that will reward one professional band with time will of necessity be required to subtract funds from another occupational band. It will not be possible to continually add funds to one without this subtraction. This now occurs in a very subtle manner in the classification review process, but will be much more brutal and visible in the occupational band process. Are we and our employees ready for this?

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It is stated that the evaluation systems to be used in the occupational bands will be 'factor-based' and therefore will provide more consistency throughout a large organization. I speculate that consistency is only obtained when the managers of managers are very carefully evaluated by their superiors according to how their subordinates evaluate their people. These evaluations now occur very haphazardly and I have no confidence that a change in personnel systems within the Agency will change the upper level managers willingness to require their subordinates to be more effective in their personnel evaluations.

I think this report has totally overlooked the psychological rewards people achieve from the present day promotion system. It is substituting a salary check bottom line for our present system of acknowledging good performance. Having already had to explain to several individuals in the IS system how they needed to look at their salary check as opposed to the frequency of promotions to fully understand how we were recognizing their performance, I think this organization is in for terribly negative response when promotions are stopped.

The authors of the proposed plan imply that the system of moving people up within the bands and between the bands will be a lot more objective than the present system of promoting staff employees. I think that this is terribly naive on their part and that managers will learn to abuse this system just as easily as they have learned to abuse the existing system. That unless they are challenged by their superiors the end result will be no different than our present state.

FEATURE 2 - INCENTIVE PAY

The incentive pay proposal sounds very nice but I find it has several very troublesome aspects. Clearly 50% of the people in this system will be informed on an annual basis that they are in the lower half of the professional employees in their grade. These individuals now know that they are not superior performers but the organization does not find it necessary nor desirable to tell them on an annual basis that they are in the lower half of the group. With time I think this will have a very negative impact on our professional staff unless the managers of the system decide to modify the process. One modification would be to reward people on alternate years. Other schemes I'm sure will be devised. All of these will make the system more palatable to the employees but less acceptable to the Office of Personnel.

Another aspect of this incentive plan that concerns me is that the amount of money to be allocated to the incentive system is not known until after the Comptroller determines how much money is available. We could easily find ourselves in a situation where employees are being forced to pay for new collection systems out of their salaries because the Comptroller has allocated more money to nonpersonal services and less to personal services.

I assume that each of the pay bands in each occupational group will have a maximum salary level. This is not stated in the preliminary report. This would mean that some individuals would be at the top of the pay scale for their band and therefore permanent salary increases would no longer be available to them unless they were promoted to the next higher band. With time therefore we will probably find individuals gravitating towards the top of the pay scale and the fine distinction between performance levels stated in this proposal will be lost.

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FEATURE 3 - PERFORMANCE PLAN

The Agency has gone through a variety of processes for managers to use to instruct their employees in what is expected of them on the job—advanced work plans, letters of instruction, etc. Each time we go through one of these phases there is a big push for every manager to produce these documents and with time this requirement is waived. The experience I think has been that good managers utilize those tools in various ways for the various employees in their unit. This may mean that some individuals would get a very precise work plan, but it may mean that others have a more informal working arrangement with their supervisor. Experience has shown that bad managers, even when required to fill out long forms outlining what their employees are to perform, still manage their employees poorly. Therefore, I find no unique or innovative value in this feature.

FEATURE 4 - PERFORMANCE EVALUATION

Performance evaluations are very important. It is particularly important that they be written uniformly across a population of employees. It is not possible to assure that performance appraisals are written properly and uniformly by creating an elaborate process for their creation. Uniformity and quality can only be assured when the supervisors of these managers include PAR writing as a major factor in the manager's PAR. And the manager be evaluated over a long period of time by how his/her people progress professionally. This can now be done with our present PAR system. No change is required. And unless senior level managers honestly evaluate their subordinates on their PAR writing abilities this system like all others will fail.

FEATURE 5 - OCCUPATIONAL CAREER HANDBOOKS

Occupational Career Handbooks when current and professionally prepared can provide a tremendous amount of information to an employee who is in the process of making some career decisions. The best occupational career handbook, however, cannot make those decisions for the employee. Each time this Agency or one of its components has spent the time and energy required to produce these handbooks their value has been very short lived. Normally little effort has been spent in keeping them current. Looking back over my own career and the decisions that I have made, I find that never once would an employee handbook have helped and, therefore, I have some doubt as to their utility. In our own office we have prepared them and they are being used. We will attempt to maintain them because we are finding them to be of some value to individuals attempting to move from clerical/technical ranks to professional positions. Most offices do not have the same mix of people as ours and I think the professional handbooks will be of little value.

FEATURE 6 - INDIVIDUAL CAREER DEVELOPMENT PLAN

Any smart manager now prepares individual career development plans for their employees and any smart employee has some idea as to where they might want to go in their career development. I do not find this proposal new, nor necessarily linked in any way to the overall study.

FEATURE 7 - OCCUPATIONAL SPECIFIC TRAINING

I think occupational specific training can be very good. I do not think the Agency will be willing to pay for the actual training required. I find this proposal one that is included to make the plan sound good when in fact it actually has very little to do with the banding plan. If the Office of Training and Education was now interested in providing occupational specific training, this training could be provided. Unless there is a specific increase in their budget, OTE will continue to provide more basic Agency training courses and the occupational specific training will be left to individual components as it now is.

FEATURE 8 - IMPROVED AVAILABILITY OF TRAINING

Here again I think many of the items identified in this feature if implemented, would be of significant value to the staff of this Agency. I would encourage people responsible for these various activities to pursue them, but this improved training has really very little to do with the proposed changes in our pay and compensation system.

FEATURE 9 - DUAL TRACK

As a manager in long standing I find little value in a dual track system. There are a few individuals in our organization who have very unique technical skills which need to be preserved and rewarded. Within the directorate we now have the capability of recognizing these individuals. Most people, however, that look forward to a dual track system are those who are interested in increasing their salary without any increase in responsibility. To be a manager in CIA now requires one to take on an added level of bureaucratic hassle and frustration, in addition to having some technical competence. A dual track system would encourage those individuals with any technical ability to stay strictly in their technical field and would create a class of non-technical managers. These managers would not even be compensated for the additional burdens that they would take on and so I think these managerial jobs would become very unattractive. In the end we run the risk of having the less involved, the less intelligent, the less dynamic people being in a position of managing our system. I find this troublesome.

FEATURE 10 - PROMOTION

I find the description of the promotion process so poor that I do not understand it sufficiently to comment.

FEATURE 11 - FLEXIBLE BENEFITS PROGRAM

I think anything that can be done in the area of flexible benefits would be beneficial to the staff in CIA. In no way are these options linked to banding and so I think they should be pursued regardless of the outcome of the discussion on banding. I have a major concern in the proposals being discussed in this book; many of the options require Congressional approval and additional funding. This is not made clear to the reader. I suspect that the authors of this book have raised the expectations of the staff beyond that point where they will be able to deliver. This is most unfortunate.

FEATURE 12 - LEAVE CONVERSION

Sounds good. I do think it is important that each employee be required to take some minimal amount of annual leave or lose it. It has been my experience over time that everybody, including the workaholic or the workaholic's family, requires some break from the daily routine of working. I think 80 hours is a low figure and would favor something like 13 days. The sick leave banks and other aspects proposed are good if they can be arranged.

FEATURE 13 - EDUCATIONAL ASSISTANCE FOR DEPENDENTS

I do not necessarily have any problems with the things proposed under this feature, however, I feel like I am reading a union contract. The authors of the contract find it necessary to throw in a few gold watches that will make the primary aspects of the system, which would otherwise be unacceptable, more palatable to the masses. If the Office of Personnel is interested in Agency funding tuition assistance, why didn't they propose it 25 years ago?

FEATURE 14 - STAFFING MANAGEMENT TOOLS

Since I am an SIS and am one of the individuals who will benefit from this particular package, I find it easy to say that it stinks. The Agency will operate under a fixed personal services funding amount as prescribed by Congress in the budget process. The greater percentage of those funds that are allocated to the elite at the upper end of the pay scale, the fewer funds will be available for those individuals at the lower ends. I am suspicious that this was put in as Feature 14 with the hope that those people who are reading this preliminary report would get tired before they got to this point and wouldn't know what was happening to their funds.

FEATURES 15 & 16 - SYSTEM CONTROLS AND PROJECTION TOOLS

Having watched the Office of Personnel over the last two decades attempt to provide some tools of use to the managers of people and finding myself still producing small data bases on my personal computer, I think there is little chance that any meaningful tools will be prepared that I will find of use. The Office of Personnel track record in this regard are particularly poor and I hope that any changes to the personnel system that we accept are not built in any way on the assumption that centralized management tools will make our job any easier.

19 August 1987

MEMORANDUM FOR: Deputy Director of Information Resources

VIA : Chief, Information Services Division, OIR

FROM :



STAT

SUBJECT : Comments on the Banding Report

1. Attached you will find my comments on the Preliminary Report on banding. I am commenting separately from the rest of my branch, ESPB, because I do not want my comments to bias the response from those who have not worked closely with the concepts embodied in the report. My work on the occupational panel for Computer Systems Analyst/Programmers has hopefully given me a perspective somewhat different than one would get from just reading the report. Additionally, I am commenting on the System Design (blue) section of the report, as well as the Executive Summary and Proposed System Summary (green) sections others will have read.

2. I fully endorse the main concepts presented in this report, although I have some problems with particular implementation or design issues. Particularly important is my strong view that senior managers should have maximum control over the personnel resources needed to accomplish the mission for which they are held accountable. They do not have that now, given the constraints of position ceiling, average grade, and position classification authority vested in the Office of Personnel. Unfortunately, they must devote effort to working around the system, but the system should be working for them.

3. Some of my comments may be caustic -- particularly as they relate to current position classification and some of the plan's provisions that relate to performance plans and performance evaluation. My intention in the attached comments is provide the full effect of my thoughts, at the expense of writing style. In addition, I have included a notation behind paragraph numbers to indicate which section of the report I am addressing: (G) means the green Proposed System Summary section, (B) means the blue System Design section, and (G&B) means both. Comments are structured by feature.



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Banding Report Comments -- from

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Feature 1 -- Occupationally Defined Bands

1.(G&B) These sections are well written, and they make a strong case for banding. Two of the most important features of the new system are described well: funding control replacing ceiling and average grade for system control, and job classification authority delegated to Directorates.

2.(G&B), What was not discussed are the present distortions we suffer as a result of ceiling, average grade, and classification authority vested in OP. The shell-game that has been played with both numbers of positions and grades for those positions leads me to believe we are now far from optimally organized. If the funding control and classification delegation features are implemented, Agency managers will for the first time not have to work around a system. Indeed, they will be the key components of the system, and I am convinced they will make the most of it by doing more with less resources. The focus will change from how many personnel are managed to how well one can do with the limited personal services budget available. We should see a much more effective and efficient organization as a result.

3.(G&B) The break from the GS system is essential, in my view, if the gains from classification delegation are to be realized. Otherwise, some of the same inappropriate OPM classification guides and concepts now used will permeate the new system as well. We need a clean break from the OPM guides. At least in the case of Computer Systems Analyst/Programmers, the guidelines are totally out of place in the Agency environment. Unfortunately, I did not know those guides were being used by PMCD until I served on the occupational panel.

4.(G&B) Although the China Lake and other experiments have used a tie to the GS system, our proposed banding structure will allow us to better focus on what is important to the Agency. The compensable factors can more easily be tuned to reflect Agency values. For example, the focus can be on the impact of the individual's actions on products or operations, rather than on how broad of a spectrum of the Agency those actions serve.

5.(G) On page 3, a statement is made that considerable effort remains to completely define the band structure for each occupation. That is very true, and it should be done before proceeding to some of the later steps (such as performance specifications, performance evaluation, and career development). The input of managers and a broad spectrum of affected non-managing professionals must be solicited and incorporated into the occupational panels' reports before this system begins operation.

6.(B) The importance of relative weights used in a factor evaluation system cannot be overemphasized -- although they have been largely ignored in this report. For example, a "resource management" factor can have a different importance for the DI than for the DS&T. In large part, this will refer to contract funds, and the DS&T places a premium on contract management. Not so

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in the DI. Therefore, when it comes time to interleave different jobs in the internal job evaluation system (using constant weights across Directorates), a high relative weight for resource management would probably disadvantage a DI analyst relative to a DS&T project management engineer. A low relative weight would give the opposite effect. I point this out because it probably means the Senior Task Force is in for some hard bargaining in the future.

7.(B) Expanding on the issue of relative weights, our occupational panel had strong differences of opinion on whether constant or Directorate-specific weights should be used in trying to maintain consistency across Directorates within a profession, if that becomes necessary. My strong preference is for Directorate-specific weights; let each directorate evaluate the appropriate level for a computer professional based on what is important in its environment. In the case of the resource management factor, we do not want to send the signal to DI computer professionals that they should concentrate on obtaining and managing contract funds. Some of us need to, but certainly not all of us.

8.(B) In the middle of the first paragraph on page 19, a sentence states that Task Force members and "representatives of the occupations" are developing relative weights for factors. I know of no such effort involving the occupational panels. If not us, who is working on the relative weights?

Feature 2 -- Incentive Pay

1.(B) I, along with several others I have talked to, question the funding to support incentive pay. Where is it to come from? I realize we turn in special achievement award money, but the proposed incentive pay requirements look like they would exceed the amounts from step increase, QSI, and achievement award funds. We need to check this out very carefully. If we take our current estimates to the Hill, obtain approval, implement, and then come up short and have to ask for more funds -- we could kill the whole program.

2.(G&B) Nowhere in this report do I find any reference to the effect of going to a permanent salary plus bonus concept upon the retirement benefits of Agency employees. With retirement benefits based upon high-3, would bonuses be included? If not, are we trading improved compensation while employed for reduced benefits after retirement?

3.(G&B) Again addressing the permanent salary plus bonus concepts, are we disadvantaging our employees in qualifying for home mortgages? How would a mortgage banker look at income from bonuses in comparison to permanent salary levels?

4.(B) In developing an incentive pay planning grid (e.g., 20% Outstanding, 30% Superior, and 50% fully satisfactory), are the same percentages to be assumed for all components? Are there inequities involved in comparing two components, one of which warrants a distinguished unit citation and the other literally plodding along? At what level in the organization would these percentages be assumed--Agency-wide, by Directorate, at the Office level, or lower? Do the differences by component get taken care of in the panel system?

5.(B) On page 23, a statement is made that incentive pay would be allocated to each Directorate based on its population. Does that not defeat the whole purpose of modernization? It will certainly penalize the lean and mean or the Directorate with the highest salary levels. This is where the going will get rough in the EXCOM meeting.

Performance Evaluation System, General Comment

Contrary to what the report says on page 25, our occupational panel did not agree that any change in the reward system would focus on the performance evaluation system and then conclude that modifications to our performance appraisal system would be necessary. In fact, we came to the opposite conclusion. We came to the conclusion that the existing performance evaluation system would accommodate pay-for-performance if managers are performing adequately. The concept of performance standards was not well received by our panel.

Feature 3 -- Performance Plan

1.(G&B) The performance plan envisioned in this report is simply a more complex AWP, with all of the same disadvantages. I personally think this concept is the worst idea in the entire plan. Contrary to the text, the performance plan is still going to be a static document; the idea that employees would be evaluated on what is specified in the plan versus what they actually did during a rating period is appalling. It is highly unlikely in our environment that their efforts were not diverted to other tasks or projects during a rating period, and any rating system which only addresses what was in the plan (and did not get done) and excludes the unforeseen efforts is a gross injustice.

2.(G&B) To expand on this further, we pride ourselves as an Agency that can respond to events, rapidly adjust and redirect our efforts, and capitalize on new targets of opportunity. In addition, our entire culture depends upon cooperative efforts -- a collegial environment, if you will. Rigid specification of tasks and personnel evaluation based on a priori assumptions will destroy those attributes just mentioned.

3.(G&B) That strong objection stated, if we absolutely must have performance plans, then we also must have supplemental tasking or effort-diversion files to go along with them. The paper trail must exist that one's efforts were diverted from the plan by management request, others' needs for assistance, or the host of other very valid reasons why many of us do not accomplish everything we think we will by a specified time. Put more bluntly, the manager who evaluates only on the plan and ignores the other efforts during a rating period would do so at his or her own peril. The supplemental tasking file would provide the institutional assurance that employees are evaluated on relevant work during the rating period. Both the manager and the employee would make entries into the supplemental tasking file.

4.(G&B) The performance plan, at least as envisioned by OP, implies performance standards. There are some rather routine jobs for which they make

sense. But for more senior personnel (or for junior personnel performing analytic functions), performance standards are either meaningless because they lack content or they are specific enough to preclude flexibility and creativity. In either case, the Agency loses. If our employees do not know what is expected of them or how their performance is perceived by their supervisors (without a performance plan), we have a problem with our managers.

Feature 4 -- Performance Evaluation

1.(G) The text states that the supervisor must evaluate against the expectations in the performance plan for each responsibility. My comments under Feature 3 apply here.

2.(G&B) The intent with a new system is to reduce the narrative section from today's PARs. But English is still our most expressive language, and I am particularly suspicious that an attempt might be made to adopt some quantitative measures, to be tied to the incentive pay awards system. That would be a disaster. A two-point difference in numeric PAR grades between Directorates sometimes exists under our present system, and even CEF scores from two like-minded supervisors for the same individual could vary dramatically. The text is important and it must be retained.

3.(G&B) That said, some improvements to our existing PAR forms are probably in order. For example, some of the attributes found in the CEF forms are seldom discussed with the employee. Perhaps they need included on the PAR -- particularly if we go to a pay-for-performance system and if qualifications for promotion do depend upon such attributes as leadership potential or dedication. Some of those attributes certainly need discussed in depth with an employee at full performance level who is considering which track to take in a dual-track system.

4.(B) The Directorate-specific makeup of performance panels is essential for some occupations, and particularly for the Computer Systems Analyst/Programmer profession. Expectations, cultures, methods of operation, formalization of team efforts, and expectations for what senior personnel are expected to do vary dramatically across directorates in my profession. My work on the occupational panel was an eye-opener. These comments do not imply that any Directorate is right or wrong on some of these attributes -- just that we are different enough that evaluation should be performed by Directorate-specific panels.

5.(B) I agree with the concept of the appeal mechanism proposed in this report (outside of the grievance system), and there should be no stigma attached to an employee's appeal. I liked the China Lake terminology: a "Request for Reconsideration."

6.(B) In the discussion on employees on rotation, I agree that the home component would have promotion responsibility. However, I would modify the incentive pay decision responsibility to read: "...the host component would have the responsibility for the incentive pay decision, in consultation with the home component." This would help ensure no major disconnect between the two components' interpretations of what the rotational assignment was all about and what was expected of the employee.

Feature 5 -- Occupational Career Handbooks

1.(G&B) Proposes career handbooks be developed by Occupational Panels. Problem here: Occupational panels can only make a stab at it. These handbooks will require extensive management input, as well as a degree of coordination among at least all experienced personnel in the profession. Two iterations are likely.

2.(B) Discussion mentions recommended and required training. Focus is erroneously on training, rather than the acquisition of skills and knowledge. Training is only one vehicle to that end. At least in the computer profession, we need to explore other approaches to the acquisition of skills, perhaps at less cost than what we spend for normal training courses. For example, liberal book and periodical purchase moneys may be far more effective than what we pay for some courses. For some computer professionals, a loaner computer may do far more good than courses costing thousands of dollars.

3.(G&B) No mention is made of the potential for university training. For some professions, this is critical. Improvements need made in evaluation of various educational programs offered by both universities and commercial firms.

Feature 6 -- Individual Career Development Plans

1.(G&B) Keep it optional. Not all employees will need this.

2.(B) Assignments section, regarding matching automated biographic profile with vacancies by machine-----WRONG. Automated systems will never have the intelligence to make a determination as to who is fit for a particular position and who is not. Selection of individuals is a management decision that can not be made on the basis of rules. When a vacancy exists, management has an obligation to consider any rational application. To do otherwise means some individuals may not even be considered for a position who may, in fact, be the best choice. This automated concept might, in addition to creating rigidity in the system, prevent some of the career-broadening assignments advocated in an earlier paragraph.

3.(B) The automated search capability for employees is, however, a good idea.

Feature 7 -- Occupation-Specific Training

1.(B) Contrary to the text, our panel did not identify specific internal training courses to match job requirements and skills. We regarded that task as totally inappropriate for computer professionals for two reasons: some professionals learn more efficiently through methods other than course work, and our profession has too many specialty areas to develop such course lists. We did identify a familiarization course that was needed, and periodic refresher and update briefings--but those are independent of the level or assignment of the individual.

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2.(G&B) Representatives meeting with OTE to define training needs must include managers. The occupational panels are not qualified, generally, to make that determination. The scope of applicability of several professions is simply too broad to cover all components' needs. The text also stated that the purpose of training was skills acquisition; but what about the acquisition of knowledge?

3.(B) Regarding the issue of measuring effectiveness of training--the first step is to ensure that our people do not engage in training from inadequate vendors. This means that some organization -- OTE, most appropriately -- must do the work to find out where the best-quality training is available. This is particularly important in the computer field.

Feature 8 -- Improved Availability of Training

1.(B) Let's not get carried away on the extended and expanded mandatory entry-level training, for the following reasons:

- We will lose some new employees if this phase is too long, because most of them (hopefully) want to get to work;
- Too much familiarization, too soon, will be counter-productive because the students will be overwhelmed;
- For many of the familiarization goals, some familiarity with the organization will be a prerequisite; and
- We need to find out early on if a new recruit is going to fit into the organization, and that will be impossible with extended entry training.

2.(G&B) Missing is book, journal, and computer software reimbursement out of training funds, and loaner computers or VCRs for home study. Note reimbursement, rather than acquisition, because some of the most useful material may be found while traveling or in bookstores while browsing.

3. The rest of this section is well done.

Feature 9 -- Dual Track

1.(G) System Summary write-up is excellent. Now to the System Design section...

2.(B) I resent nearly all of the contents in the second paragraph, beginning "Each of these programs....." In the interests of looking forward, I will not go into the inaccuracies as I see them.

3.(B) The issue of hierarchy of experts in the organization will generate a lot of heat, so here are my strong views:

- Hierarchy is not that important.
- Experts should be assigned to whatever organizational

level allows them to work most effectively and most efficiently, be it branch, division, staff, office, directorate, or Agency level.

-- There is nothing wrong with a level 5 expert reporting to a level 4 manager, if both have the maturity to work together for the purposes for which they are both being paid. If there is a conflict, one or both either lack the maturity for their assignment or they suffer from a personality defect. There is always higher management to resolve conflicts or policy differences.

-- Some managers will likely be concerned about control of the experts. They needn't be -- there is a panel system they sit on which can ensure that "loose cannons" do not survive.

-- Some experts, in the qualifications and responsibilities sense, may be overly concerned about a "pecking order" in the organization and act accordingly. If so, they are not expert material. The true expert will realize that a high degree of trust has been placed in him or her and act accordingly. The expert will also realize that along with some autonomy goes responsibility and a requirement to operate as a team player. The Agency and component missions and the responsibilities of their position had better be their primary focus.

4.(B) Selection Process: Great wording. Only one thing wrong, and that is the idea of petitioning for entry into the expert track. It is really a binary decision. Once at the full performance level, an individual either sets a goal for management or for expert. If not destined for management, why petition for entry into the expert track? That decision is made by default, so I fail to see the logic in the petition concept.

5.(B) The Management Track: Troublesome area, as it relates to when a first-line supervisor is or is not a manager or in the management track. In some components, a first-line supervisor is definitely a manager--such as most (but not all) DI branch chiefs. In other components, section chiefs follow the more classic concept of a "work leader." Something has to be different in the concept of when a first-line supervisor is or is not actually a manager. This area is going to need a lot of work. We have to face up to the fact that at least some firstline supervisor positions have been set up to increase grade of the next-higher chief--often with an associated increase in the number of personnel. I suspect this will cease when funding control rather than approved positions become the driving force for Agency managers. Good recommendation for funding control.

6.(B) Manager-Expert Incentives: Good, but I recommend giving a futuristic twist to this in the first paragraph, next-to-last sentence, by rewording as "...substantial and sustained impact on the work, directions, and products of the organization.

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Feature 10 -- Promotion

1.(G) The minimum 10-percent salary increase with promotion bothers me: it is nice to have, but not mandatory. I would hate to think that someone's promotion was delayed due to a lack of funds. Why not keep the salary increase optional or an amount to be set by a career service panel (much like the China Lake system)? This codified salary increase could be a difficult issue during a particularly lean year in the Agency's budget.

2.(B) In the last paragraph, a reference is made to promotion criteria established by the career services. A provision must be made for allowable exceptions. For example, if we hire someone with Level III credentials, performance, and experience as a Level I, do we not have an obligation to promote that person to the level at which they deserve to be paid for pay comparability with their peers? Familiarity with the Agency must, of course, be factored in, but rigid time-in-grade or training criteria are counter-productive. Why encumber a new system with two of the major deficiencies in the secretarial system?

Proposed Benefits Program, General Comment

My largest personal concern is that additional costs of the proposed benefits program (over costs of the current program) might kill the entire modernization effort. I would hate to see such worth-while concepts as funding control, banding, pay-for-performance, and dual track sacrificed because we asked for too much in the benefits package.

Feature 11 -- Flexible Benefits Program

1.(G&B) I suspect a flexible benefits package will cost more because some of the existing benefits are essentially unclaimed under the present system. For example, if a husband and wife are both Federal employees, only one will take out health insurance.

2.(G&B) Notwithstanding my comment on costs, I do like the flexible benefits approach. The use of pre-tax dollars is appealing. Having been through some of the different phases mentioned in this report, I can relate to different benefit needs at different phases in one's career. I have no strong feeling about any of the specific approaches discussed in the report.

3. While we are discussing benefits, I would like to propose two that would be important to me and some other technical professionals. They may be infeasible, however, because of legal constraints.

a. Is there any way the Agency could allow employees to buy equipment, software, or other items at the Government prices--for example on IBM's GSA Schedule? Given how much of my income I spend on computer equipment and software, that would be an excellent benefit. There is something in it for the Agency, as well: those willing to invest in their own computer equipment need far less computer training. Please note that this same concept

could apply to an S&T electrical engineer who might want to purchase an oscilloscope for his home lab.

b. Is there any way the Agency could intercede with the IRS to allow deductibility of computers or other work-related equipment? I have purchased approximately \$8,000 of computer equipment for home that I cannot deduct simply because I am an employee, and not operating a business.

Feature 12 -- Leave Conversion

1.(G&B) This section is well done. However...

2.(B) The example on page 41, relating to an SIS officer, ignores some fundamental concepts -- such as present value, real versus nominal dollars, and the fact that a substantial part of what the Government pays out is borrowed money.

Feature 13 -- Educational Assistance for Dependents

1.(G&B) One major flaw here -- the focus is on children of Agency employees. But what about the spouse of an Agency employee? Having gone through this situation in the early 1970s, I am particularly sensitive to the needs of some new Agency employees. In my case, there were numerous programs for student loans for children, but none for my wife who needed another year's study to complete her B.S. degree. We borrowed on signature (at a high interest rate) and run up some charge accounts to finance her education. The effect on family finances under these situations may be amplified by the fact that there is a change from a two-income to a one-income family.

2.(B) Assuming that interest rates are a function of risk, if the Agency guarantees an educational loan I see no reason why a 3-percent subsidy should be required. Such a loan would effectively have the full faith and credit of the U.S. Government behind it, and it should therefore have a lower interest rate attached to it. It should be a safer investment than a new car loan, for example, so why should the interest rate not reflect that fact?

Feature 14 -- Staffing Management Tools

1.(G&B) I have no problem with any of the provisions of this section. However, care must be exercised that those who have exhibited a lifetime commitment to the Agency are not treated differently than their peers who are more inclined to move from organization to organization. A commitment to stay with the Agency should not be interpreted as a lack of mobility or demand from other organizations.

2.(B) The retention bonus needs to be a quite exclusive tool for either very key individuals, or for a collection of individuals who cannot be replaced by virtue of their totally unique skills. This concept should not be applied to an occupation.

Feature 15 -- System Controls

1.(B) I view the change in focus from position ceiling and average grade constraints (discussed in the first paragraph) to only personal services dollars as one of the two most important concepts in the entire modernization effort. The other is delegated classification authority. These two combined will allow our senior managers to truly manage their human resources and obtain the maximum value for the personal services budget.

2.(B) The next-to-last paragraph refers to Comptroller guidelines for growth in Agency average salaries. Is this not a step backward, similar to average grade constraints? This strikes me as an a priori decision that we have the optimum number of people and mix of skill levels, Agency-wide, right now. We should at least entertain the idea that slightly fewer people with slightly higher salaries might be preferable -- or more people at slightly reduced salary levels.

Feature 16 -- Projection Tools

1.(B) Another problem related to formal coursework. The first paragraph refers to "currency of education, particularly in technical occupations where knowledge is perishable." Again, what is important is the currency of knowledge and skills--not coursework. For some occupations, extended reading of journals may be more important than coursework. Personally, I would prefer a physician that was a voracious reader of medical journals to one that reads little and attends one course per year. I can make the same analogy in the computer profession.

Proposed Implementation Strategy

1.(B) This strategy anticipate Computer Systems Analyst/Programmers as one of the first two occupations to be converted. We have a long way to go, and several problems remain in the areas of performance expectations, performance evaluation, and career development. Our panel did its best to define the levels in the profession and attempted to cover all computer professionals (except some in the Computer Assistant occupation). Nevertheless, there is no doubt in my mind that we have missed some unique jobs, missed important items under compensable factors, or defined some criteria that can legitimately cause particular people heartburn. Our report needs extensive review by managers (particularly those on the career service panels) and by non-managing professionals in this occupation.

2.(B) Our panel had severe doubts about the advisability of developing performance expectation and evaluation criteria, and in fact we have not been able to develop them to date. We have many reasons for our opinions -- such as stifling initiative, flexibility, and responsiveness. However, we will try again when the S&T representatives become available. Our profession covers such a broad range of specialty areas that developing meaningful criteria is a formidable task. Again extensive review and modification by managers and non-managing professionals will be essential.

Attachment 2

D/OIR Recommendations

My recommendations regarding a pay, compensation, and management system for the Agency are derived from the following conclusions:

- The Agency cannot afford everything in the HRMCTF Report.
- Some features in the proposed system have serious flaws, if not in concept then almost certainly in implementation.
- Chances for Congressional approval in the near term for some elements of the proposed system are slim at best.
- We cannot compete across the board with private industry.
- Any attempt to implement the entire proposal could jeopardize chances of accomplishing some of the most beneficial aspects.

So what do we do now? Expectations have been raised, appetites whetted, and the Agency population energized. We must start soon to show real progress in trying to improve the attractiveness of Agency employment. We should pick and choose areas in which we may have a competitive advantage with private industry or at least a chance of being comparable. We should devote energies to making changes that are productive and relatively easy to implement (early payoffs) and to changes that may require a long term effort but have significant payoff. At the same time the Agency should pull back from those features which are not well understood, particularly in terms of long range implications.

Specifically, I recommend the Agency pursue the following:

- Funding control with classification delegated to directorates. It is time that Agency line managers have control over personnel resources; it makes

little sense to assign responsibilities without commensurate authority over all resources.

- Improvements in the benefits packages for Agency employees (Feature 11). Although such changes require Congressional approval, they are worth the long term effort because they are by far the most universally attractive feature.
- Improved availability of training and occupational specific training (Features 7 and 8). These are also almost universally endorsed features. Increased resources for OTE and for components would be needed to ensure significant improvements in training.
- Leave Conversion (Feature 12) is a potentially useful addition to the compensation package for Agency employees.
- Education Assistance for Dependents (Feature 13) appeals only to a segment of the Agency population. It may be worth pursuing but probably not at a high priority.

Making real progress in these areas would demonstrate to employees that the Agency is sincere in improving their work environment and would make the Agency more competitive in attracting new employees.

I recommend we stop pursuit of a banding system and those features which apparently are part of that program -- Features 1-4 and 10. At a minimum, I believe this proposed system should be put on the back burner while other features are pursued. I am not convinced that we understand all of the implications of banding; those aspects of banding which I believe I understand appear to have some serious shortcomings, particularly over the long run. For example, the requirements for a banding system contain a degree of bureaucracy and a lack of flexibility which are more constraining than those we have today. More importantly, our preliminary analysis indicates that a banding scheme would provide greater monetary returns for a relatively small segment of the Agency population.

There are other features in the HRMCTF which are attractive, but these features can be developed and

implemented at the office, directorate, or DCI level. Most of these should be part of good management practices regardless of the pay system.

- Occupation Career Handbooks (Feature 5). When professionally prepared and maintained such handbooks can be an extremely valuable tool for employees and for supervisors. We have had good reaction to and good use of the OIR/IN Career Service Occupational Handbook. Not all offices or occupations need them, however.
- Individual Career Development Plan (Feature 6). This is a good practice which for the most part is being implemented in the DI.
- Dual Track (Feature 9). I recognize the need for a dual track, but such a program should be part of any pay and compensation system we have. It could easily be implemented by line managers if funding control and classification authority were delegated to the Directorate.
- Staff Management Tools (Feature 14) are probably options which the DCI should have available to be used selectively. One exception, in my view, is retention bonuses. I find this feature totally flawed, and it probably would be a disaster if implemented. Retention bonuses for critical skills would not have any real impact on maintaining a cadre of experts in certain fields. The amount of such bonuses probably would make little difference; granting of bonuses for some occupations and not others would create morale problems. Are we prepared to acknowledge sometime in the future that perhaps clericals and secretaries would warrant retention bonuses?
- System Control and Projection Tools (Features 15 and 16). I am strongly in favor of automated support for personnel related data. But let's start it now. Why wait for a new pay system? Line managers can be encouraged and given the needed authority to implement these features as appropriate. The Task Force should not expend much time and energy on them.

My last observations involve some attitudes which I detect in the HRMCTF Report. First, there appears to be an assumption in the report which says that a "system" can make a good manager. Career development plans, career handbooks, performance plans, and an elaborate ADP support structure will not produce good managers. A good manager will be good under almost any system; a bad manager will be bad under any and all systems. The keys are how managers are prepared for their assignments, how they perceive their roles, and how they are evaluated as managers.

Second, the HRMCTF Report reflects too heavy a dose of OP in a new pay and compensation system; there is a substantial support infrastructure assumed for it. We cannot cope with more paperwork, administrative procedures, and bureaucracy. We need less, and we should be working towards that end. Substituting an as yet undefined automated system for paperwork is not acceptable. I suggest that as the Task Force prepares a revised report it make a strong effort to weed out as much administrative overhead as possible with the intent of streamlining our personnel management system.