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Attachment B
to DS&T-606-87

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Tab 1: Cover Letter

This section contains the cover letter for the DS&T response to the HRMCTF.

Tab 2: Recommendations

This section contains the DS&T recommendations for each feature proposed in the HRMCTF Preliminary Report.

Tab 3: Concerns

This section contains a sampling of concerns expressed by DS&T employees.

Tab 4: New Features

This section contains a compilation of new features suggested by DS&T employees.

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MEMORANDUM FOR: Chairman, Human Resources Modernization and
Compensation Task Force

FROM: James V. Hirsch
Associate Deputy Director for Science and
Technology

SUBJECT: DS&T Responses to the Preliminary Report of the
Human Resource Modernization and Compensation
Task Force

1. We commend the Human Resources Modernization and Compensation Task Force (HRMCTF) for its efforts in producing the Preliminary Report that was distributed last July. As indicated in the report, the HRMCTF wanted employee reactions to the various features of the proposed system at the conceptual level before proceeding with more detailed design and implementation plans. In general the DS&T employees responded positively to the broad outline for a new personnel and compensation system. The features presented are complex and, if implemented, would have a profound effect on the Agency. Not surprisingly, the proposal evoked considerable controversy and none of its features was universally rejected or embraced. In reviewing the proposals, employees made numerous suggestions, expressed a variety of concerns, and identified some new features. These are provided for consideration as we leave the concept phase and enter the detailed design phase. Unlike the preliminary report, the next report will require decisions. To be prepared for these, we will need to have a fleshed-out system design, one that answers the employees' concerns and that has been strengthened by their suggestions.

2. In the spirit of improving the design, we have recommended changes to virtually every feature in the proposal. We believe these changes are essential if they are to be ultimately accepted by DS&T employees. The only two features we recommend be significantly altered are the performance plan and the performance evaluation (Features 3 and 4, respectively). We wholeheartedly endorse their stated objective of improving performance-related communication between the supervisors and their subordinates, but disagree with the proposed approach for accomplishing this. We recognize the importance of an effective performance evaluation process to the Agency and have proposed an approach which we believe will produce the desired improvement.

3. One pervasive concern was that the proposed system taken as a whole would produce an unmanageable administrative burden. We request that you pay special attention to this issue during the redrafting process and ask that you be as explicit as possible about the administrative aspects of each feature.

4. Clearly the most controversial and visible changes proposed are occupationally-defined bands and incentive pay. As pointed out in the report, much of what is proposed can be implemented within the GS structure. The redrafted report should include a GS option parallel to the occupationally-defined bands. Retaining the GS is an important option not only because it would be less traumatic for employees, but because such an option may improve our prospects for Congressional approval.

5. Even if none of the proposed features are adopted, our employee population is much better educated on changes of this type than perhaps employees in any other government agency. We, however, will need explicit comparison with the legislation OPM is submitting in this area, and will need to know which of the features we are proposing have been implemented elsewhere. All these legislative considerations will be necessary background to our next step.

6. It is important that HRMCTF take the time necessary to prepare the revised proposal. The decisions are too far-reaching to be hurried by arbitrary deadlines. The Agency prides itself on its ability to move out quickly. If, however, we produce a proposal that does not address employees' questions and concerns on each feature, the decision process will create unnecessary apprehension and could well result in considerable lost time "undoing" incorrect interpretations.

7. The table of contents for the DS&T response is attached. If you have any questions, please direct them to the DS&T representatives to the HRMCTF.

James V. Hirsch

Attachment:
As Stated

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RECOMMENDATIONS

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This section contains the DS&T recommendations for each feature in the HRMCTF Preliminary Report.

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Feature #1: Occupationally-defined Bands

Recommendation 1.1:

That an alternative be developed that includes as many of the attributes of the proposed occupationally-defined band feature as possible within the confines of the GS structure.

Recommendation 1.2:

That the proposed occupationally-defined banding feature be reworked to clarify implementation details and administrative requirements.

Recommendation 1.3:

That the mechanics of market linkage be more thoroughly explained.

The term market linkage has created some misconceptions about how the occupational adjustments will occur. Market linkage as proposed had two purposes. The first was to develop salary rationale for internal CIA occupations with no practical private sector analogs by linking them to CIA occupations which do. The second purpose was to provide the rationale for adjusting occupational salary levels. Many reading the proposal were left with the impression that only occupations with private sector analogs could be adjusted. The intent of the proposed feature was to allow adjustment of occupational salary levels based on either market or internal values or a combination of both. The key aspect of the proposal facilitating such adjustments was that occupationally-based salary scales existed and thus occupations could practically be adjusted relative to one another. The choice of market linkage to describe both interoccupational alignment and occupational adjustments (whether for market or internal reasons) is misleading.

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Recommendation 1.4:

That the proposed system for interrelating occupations be modified to better support the process of interrelating all CIA occupations and adjusting individual occupations.

The proposed process employs factor analysis to link CIA occupations. In factor analysis each job in each occupation is scored on a number of factors, e.g., knowledge, complexity, contacts, lifestyle, etc. Each factor is weighted and sum of the weighted factor scores determines the ranking and ultimately the salary for each job. While the proposed factors are somewhat different than those in the GS, many of the unappealing aspects of the GS factor analysis system are retained. While no single set of factors for all occupations will ever seem natural to employees, the process of identifying the best commonly acceptable set need to be continued with the occupational panels.

In the proposed approach the same set of factor weights are employed for all occupations. The need for this is supposedly to comply with equal pay for equal work legislation. It seems unlikely that this is the only way to comply with the law. DS&T feels that it is essential that we continue to explore alternatives because this approach created a significant amount of apprehension for DS&T members of occupational panels. To them it seemed illogical to expect that all occupations in the Agency would place the same weight on, for example, the lifestyle or knowledge factors. Whereas lifestyle is a very important factor for operational jobs, it is of minor significance to many DS&T engineers and analysts. Conversely, knowledge was extremely important to engineers and analysts but less so for operational personnel. We recommend that each occupation set weights that make sense to them. We further recommend that we assume that today's salaries are a reasonable starting point and that factor values and weights be recursively adjusted so that upon initial conversion we start with occupational pay scales where they are today. To reduce employee concerns about conversion, we recommend that we guarantee them that no one will lose salary in the conversion process. In future years, when we have better market data and established projection tools (Feature #16) we will be in a position to propose and recommend occupational adjustments. The objective now should be to establish a system that facilitates such adjustments.

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Since the issue is ultimately a legal one--namely, compliance with equal pay for equal work legislation--we recommend that we obtain an OGC opinion on the recommended DS&T approach outlined here and on the need for equal factor weights in the approach proposed in the preliminary HRMCTF report.

The proposed factor system must be further refined to support occupational adjustments. As presently defined, such adjustments are, at best, cumbersome and more importantly will serve to deter usage of the authority to make adjustments. We recommend that each occupation be assigned a factor which is unity when the initial conversion is made. This factor would be a multiplier of the factor analysis score obtained by summing the weighted factors. It would be changed when an adjustment to that occupation's salary was proposed. All such adjustments would be approved by the ExCom and their rationale documented. This rationale could be internal pressures, market forces or a combination of both. The point is adjustments would not be restricted to "market-priceable" occupations. Without this factor, the only way to adjust occupational salaries is to argue the nature of the job, as reflected in the factors and their weights, has changed. While this will happen also and will require adjustment of the factor and weights, such changes are not the only reason occupational salary adjustments are made.

Recommendation 1.5:

That the market survey for each occupation involve the direct participation of the occupational panels and results be subjected to review by the Deputy Directors with employees in the occupation.

Our jobs are complex. It is not reasonable to expect any external contractor who might perform the survey to be acquainted enough with the occupations to develop meaningful comparisons. When these contractors are teamed with the occupational panels, we have demonstrated that meaningful comparisons can be obtained. Conversely, we have demonstrated that the contractor cannot perform a meaningful survey without occupational panel participation.

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Recommendation 1.6:

That the proposed system should budget for and plan to conduct a market survey annually for each occupation, at least until we gain more experience.

Recommendation 1.7:

That occupational panel findings during the feasibility phase not be considered final.

For example, some DS&T occupational panel members, blessed with hindsight, feel that the numbers of bands developed in this initial phase requires adjustment. If occupational banding is elected, ample time must be allowed in the implementation phase to rework all that has been prepared by an occupation to date.

Recommendation 1.8:

That the salary structure, particularly the proposed pay scale, be modified to provide the flexibility intended for the occupational banding system.

The proposed pay scale introduces significant restrictions on flexibility for no apparent reason. First, as proposed all bands will fall into a pay band that is 50 percent wide (the top of the band is 1.5 times the base salary of the band). Given that occupational panels are free to define meaningful bands and that not all occupations will define the same number of bands for the same salary range, any choice of a uniformly-wide pay band for all occupation seems inconsistent. DS&T recommends that the salary range for each occupation and each band of each occupation be determined initially by the GS salaries of employees that the band describes.

The second problem with the proposed pay scale is that it greatly restricts the ability to adjust occupations. As proposed, there is a 7 percent increment between pay bands. Seven percent becomes the minimum adjustment that can be made to an occupational salary structure and the next choice is 14 percent. While the increments between pay band can be reduced by adding more pay bands, the fundamental question is why are there such pay bands at all. If the above recommendation is adopted, occupational salary structures are independent and can be adjusted by any amount desired.

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Recommendation 1.9:

That the subject of comparability with other government agencies in a system that is market linked be fully explained in the revised proposal.

Included in the explanation are to be implementation details and timing of CIA adjustments relative to the rest of the Federal Government.

Recommendation 1.10:

That the process of obtaining funds to make Agency-wide or occupation-specific pay adjustments be clearly explained.

While the proposed market pricing does give CIA the flexibility to make occupational and Agency-wide adjustments, it does not guarantee that money will be appropriated and does not lift the cap. It is important that employees recognize that our ability to exercise this authority will be limited by the vagueries of the budget process just as the fate of any other new initiative is.

Recommendation 1.11:

That the implementation details be greatly expanded in the revised proposal on "funding control with classification delegated to the directorates."

Specific examples of the use of funding-only control to restructure a component are to be developed.

Recommendation 1.12:

That the revised proposal explicitly address how the non-GS employee, e.g., Wage Board employees, will be incorporated into the system.

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Feature #2: Incentive Pay

Recommendation 2.1:

That the proposed incentive pay feature be included with the GS alternative to the occupational banding feature.

Under Feature #1: Occupationally-defined Bands, DS&T recommended that a GS compatible formulation be developed which incorporates as many of the improvements of the proposed feature as possible, but within the confines of the GS structure. The requested GS compatible formulation of the proposed incentive feature would be the companion of this GS alternative. In developing this alternative, the same level of additional funding is to be assumed as is used for the proposed incentive pay feature.

We recommend that consideration be given to streamlining the bureaucracy for Special Achievement and Exceptional Accomplishment Awards. While the system has been streamlined to some extent, with DS&T offices having authority to approved awards up to \$500, higher value awards are invariably long in the approval process and often require tedious documentation. The net result is that the impact of the award is lessened because of the long time that separates the award from the event. Streamlining is accomplished by delegation of the authority to approve higher award levels to at least office level.

We recommend that consideration be given to streamlining the award of QSIs. Ironically, QSIs take more documentation than promotions. The QSI awards should require no more documentation than a promotion. They should be treated as part of the Career Service Panel deliberations and be documented by list as promotions are. Authority to approve QSIs should be delegated to at least the office level.

Recommendation 2.2:

That consideration be given to provide non-cash monetary awards.

The concept is that employees be given credits that could be applied in the benefits areas. If, for example, such credits could be given on a pre-tax basis, the value of the benefit to the employee would be larger than the actual funding requirement for the Agency, thus permitting the Agency to leverage its awards to the maximum advantage of the employee.

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Recognition and feeling that one's efforts are appreciated are among the most powerful motivators. These must be an integral part of any incentive program.

Recommendation 2.3:

That the currently proposed incentive pay feature be reworked to clarify implementation details and administrative requirements.

Recommendation 2.4:

That the implied connection between the performance evaluation ratings and the incentive award percentages in the proposed feature be eliminated.

While the text and tables describing the incentive pay distribution make it clear that the incentive pay is based on a competitive ranking, the similarity of the words (outstanding, superior, and fully satisfactory) on the incentive pay distribution grids on pages 14, 15, 23 and 24 with the words associated with numerical rating on the proposed performance evaluation system created considerable ambiguity and concern. These words have no meaning on the incentive pay distribution grid and should be eliminated from the grid entirely and from the incentive pay section. Incentive pay is distributed by a ranking process. The process of creating the planning grid is purely budgetary and in no way represents Agency management estimate of the performance of employees associated with each percentage in the grid. To use such descriptors can only create confusion and miscommunicate the process.

Recommendation 2.5:

That the constraints on the distribution of incentive pay be clearly stated.

While page 23 is explicit, these constraints need to be prominently placed. Specifically, the only constraints on incentive pay distribution by the panel are:

- o that all employees judged to be performing satisfactorily receive the incentive award specified in the planning grid as the GS equivalent incentive pay level;

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- o that the panel award no more incentive pay than provided in the pool; and
- o that the maximum incentive award value be that specified in the planning grid.

These constraints provide the panels the flexibility to depart from the values employed in the planning grid. The examples illustrating the incentive award process have been inadequate to demonstrate the flexibility that the panel has in distributing the award pool. For example, some felt that numerical ranking was critically important because the individual who was, say number 51 of 100 (below 50 percent line) would receive a substantially different award than the individual ranked 50. This level of distinction between the performance of employees was properly viewed as unrealistic. In fact, within the proposed constraints, no such unrealistic demands are made on the ranking process. In practice, ranking would involve blocking individuals who should receive about the same level of incentive pay. If appropriate, enough blocks can be defined to create a smooth transition from the minimum to the maximum award. Furthermore, nothing precludes the panel from awarding those in the bottom half more than the minimum. The point is that more examples are needed to demonstrate the flexibility.

Recommendation 2.6:

That the proposed incentive pay system is a competitive process based ultimately on subjective judgments of panel members must be more prominently displayed.

The intent of the feature is to award the better-than-average performers with better-than-average incentive pay. This is, of necessity, a comparative process. While panel members will have an understanding of the performance of the employees being compared, the ranking and resulting incentive award determinations will ultimately be subjective. Extreme care must be taken in preparing the revised proposal that no language be employed which implies unrealistic precision or ability to quantify the rationale for award determinations. They will be subjective and employees must know that and expect explanations that are basically subjective.

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Recommendation 2.7:

That the term "pay-for-performance" be dropped.

It received a universally negative response in DS&T and predisposed reviewers to argue. Most argue that we pay-for-performance now but use promotion as the primary vehicle.

Recommendation 2.8:

That the proposed additional bonus pool for MEIP be dropped.

Recommendation 2.9:

That a single incentive pay planning grid such as the one in Table 3 (page 23 of the report) be considered for all elements of the Agency population including members of MEIP and SIS employees.

DS&T felt it was important to minimize differentiation among the various segments of the employee population and that the proliferation of special bonus provisions such as the proposed MEIP and SIS bonus system has the appearance of a hodge podge. The fact that the incentive pool is based on percentage of salary creates the desired effect without the negative impact that special provisions can have on both employees and Congress.

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Features #3 and #4: Performance Plan and Evaluation

While we support the stated objective of improving communication between the supervisors and their subordinates on performance, we do not believe the proposed approach will produce the desired result. The proposed approach makes an attempt to simplify the administrative aspects associated with the forms and to assist supervisors by making available to them a data base which articulates the expectations and performance standards for each occupation. In DS&T's opinion, neither the forms nor the ability of supervisors to articulate expectations and to provide performance feedback is the problem. DS&T believes the problem is the attitude of both the supervisors and the subordinates, and the proposed feature does nothing to address this. DS&T further believes that even if the ability of supervisors to articulate expectations was the problem, a data base of the type proposed will not be specific enough to be relevant.

Recommendation 3.1:

That an aggressive training program be introduced which instills and reinforces the proper attitudes in both supervisors and subordinates concerning performance-related communication.

This feature is to include a training program which is mandatory for all employees entering the Agency (and provided to all non-supervisory employees already on board). The purpose of the program would be to change employee attitudes about performance discussion. Employees would be taught that it is their responsibility to clarify any doubts they have about what they are being asked to do. Furthermore, employees would be introduced to techniques to diplomatically yet assertively request performance feedback from their supervisors. The course would include suggestions on how to prepare for a performance planning and feedback sessions with supervisors. Perhaps most importantly, the course would emphasize that performance evaluations are fundamentally a subjective process.

This feature is also to include an equally aggressive training program that is mandatory within the first year of becoming a supervisor. The purpose of the program would be to assure that supervisors understand their responsibilities to provide clear tasking and honest, constructive feedback to their employees. The course would contain recommended techniques for providing such tasking as well as for providing feedback. The course would include case studies, particularly for problem cases.

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Recommendation 3.2:

That the current PAR system remain until it is clear that the form, not attitudes, is limiting communication.

Recommendation 3.3:

That both these training courses be considered under Feature #8 as candidates for VCR modules to facilitate wide distribution.

Recommendation 3.4:

That formally required documentation of performance planning sessions be a signature by the supervisor and subordinate that such discussions were held.

This provision, in combination with Recommendation 3.1 above, will provide the opportunity for communication between supervisor and subordinate in a manner that is meaningful and free of the distractions formal documentation often produces. If either the supervisor or subordinates are not willing to have meaningful discussions, no formalization will change their attitude. Additional documentation should be developed at the choosing of either the supervisor or subordinate. This most typically would occur for new subordinates under normal circumstances.

Care must be taken not to have implicit in the design of such a performance system, the necessary rigor to deal with grievance situations. The design must focus on communications between a supervisor and subordinate with normal working relationships. Documentation adequate to fully cover either the supervisor or the subordinate for grievance cases is counterproductive for normal relationships. Supervisors and subordinates ought to have some awareness of what is involved in grievance cases and, more importantly, know where to go to get counseling in how best to proceed to obtain a resolution.

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Recommendation 3.5:

That the proposed performance planning data base, as proposed, be dropped

and

that, if one is reformulated, it be evaluated by the occupational panels for viability.

The experience of supervisors in DS&T is that generalized formulation of tasks even within their own component are rarely relevant to performance planning or evaluation sessions with specific subordinates. The concern with the proposed data base is that it will divert attention from the very specifics that ought to be discussed and, worse, raise expectations that objective performance evaluation criteria will be contained in the data base. The feasibility of developing any such data base with relevance to specific supervisor-subordinate performance planning and evaluation sessions remains to be demonstrated. Further, it has the potential of diverting energies from addressing the attitude problem we feel must be changed to improve performance-related communication between the supervisors and their subordinates.

Recommendation 3.6:

That the performance rating scale proposed in the implementation sections be clearly decoupled from the incentive award grids.

This last recommendation is essential to prevent misinterpretation of the relationship of the performance rating and the incentive award. The proposed incentive feature clearly indicates that comparative ranking--not performance rating--is the basis of the incentive award determination. The coincidental use of the same nomenclature on the incentive pay grids and the proposed performance evaluation form has created misunderstandings.

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Feature #5: Occupational Career Handbooks

Recommendation 5.1:

Recommend that a two or three tier system of handbooks be substituted for the single Occupational Career Handbook.

DS&T believes that it will be difficult to create career handbooks that are relevant but felt that there were implementation alternatives that could be meaningfully constructed. We feel that there is merit in pursuing this objective at least through the redraft cycle for the proposal because inter-directorate and office mobility would be affected and could potentially be enhanced.

The first tier would be an Agency-wide employee handbook containing information on organizational structure, employee assistance programs, OMS programs, educational programs, use of the library, available automated tools, etc. This handbook could contain a one page description of each occupation developed by the occupational panels showing the role of specific occupations within the Agency and indicating where in the Agency the occupation is found. The second tier, at the option of the directorate, could be a version of the Handbook with directorate specific information. The final tier could be an office level Handbook which could contain the most relevant career development data. While there are many examples, the NPIC handbook could serve as a structural model for all three tiers. This three tiered approach, if coordinated, could provide an employee the

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Agency-wide perspective while at the same time providing the employee a source of relevant career development information. For those occupations that span offices and directorates, the occupational panels could serve the role of assuring consistency where it is appropriate.

All DS&T is opposed to anything that remotely suggests a templating or "ticket punch" attitude about career development. We recommend that the handbooks be carefully screened for any language that could imply "templating."

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Feature #6: Individual Career Development Plan

The proposed Individual Career Development Plan is an optional vehicle developed by employees to discuss their career development objectives with their supervisors. Included in the plan would be desired training, future assignments, and experience perceived to be important in achieving their objectives. The format of the plan is not rigorous, and need not even be a formal document.

The feature was developed to address two issues. First, some employees were perceived to feel that their supervisors were managing their career development and to be frustrated by either lack of development or development along lines they felt inappropriate. This feature was designed to unambiguously communicate to employees that they are responsible for their own careers. To emphasize this they are charged with preparing the plan in the proposed feature. Secondly, some employees were perceived to feel that communication with supervisors on their career plans was inadequate. This feature was designed to provide a vehicle for such conversations if the employee felt a catalyst was needed. Furthermore, if the employee enters such discussions prepared with articulated goals and plans the supervisor can be more effective in supporting the employee. He can make the training time available, assist the employee in getting the next assignment, and help the employee shape realistic aspirations.

In the proposed feature it was stated that supervisors should be rated on how well they assist in the career development of their subordinates. Such a provision is inconsistent with the premise of the feature, namely employees are in charge of their own career and that with such a rating provision, supervisors would feel compelled to demonstrate countable developmental activities, training, and assignments for their subordinates. This would then put supervisors in the position of dictating training, etc to employees to meet measurement standards exacted upon him rather than the employees generating such actions to further their objectives.

It is presumed that the intent of the statement in the proposal is to remind employees that their supervisors are committed to support them in achieving realistic aspirations. This is fundamental to the self-interest of an organization. If the future leaders are not developed, the organization will perish. The process of developing these future leaders is not

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entirely passive. To assure its future, the organization must make sacrifices in the form of time for training, developmental assignments, etc. In fact, deliberations about promotion and performance evaluation of managers today include consideration of how they manage people. A manager that has his best people leave to find career growth and is continually unable to fill management positions in his component is thought of differently than a manager who generally maintains a string of effective managers under him or her. The concern is that the statement will be taken literally and that managers will be required to be rated on matters that are frequently out of their control. A supervisor who effectively and conscientiously nurtures the career of his subordinates can for a variety of reasons lose the future managers he is grooming. In fact, some managers are well known for training effective managers and are routinely raided by their superiors.

Recommendation 6.1:

Modify the statement that supervisors being judged on how well they assist in the career development of their subordinates to better reflect the intent.

Specifically, it is recommended the following be substituted: "The employee should recognize that their supervisors have a vested interest in the career development of their subordinates because the organization must continually cultivate its future managers to survive. To be judged to be effective a manager must have a continuous stream of effective managers within his component. Furthermore, effective managers recognize that to attract and retain the best employees they must provide for their career growth."

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Feature #7: Occupation-specific Training

Recommendation 7.1:

That the Occupation-specific Training include that provided by OTE as well as other internal CIA (component- provided) and external sources.

While the feature may have been intended to include all of these training sources, the cost estimates and the description were not clear on this point. It is neither possible nor appropriate for OTE to provide all, or even most, of the training required for each occupation. Key to making this feature viable is obtaining a meaningful estimate of how much additional investment will be necessary to meaningfully close the gap between what exists now and what is needed. To obtain this estimate, it is recommended that the Occupational Panels be reconvened to review what exists and what is needed without regard to source. Clearly some training already exists and the investments in some of the existing training should be "cashed-in" and applied to higher priority needs. OTE can serve the panels as a consultant to help define and cost these occupation-specific training programs. In defining these programs, the full range of training needs are to be considered including that required:

- o to support career development;
- o to maintain or enhance present job performance; and
- o upon assuming new positions.

Once these occupation-specific training programs are defined and costed, the panels should prioritize them to assist with the sizing of an overall cost for this feature.

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Recommendation 7.2:

That review and revision of the occupation-specific training programs be institutionalized to assure continued relevance and responsiveness.

No matter how effectively these training programs are designed, they will atrophy if they are not continually reevaluated and revised. These evaluations and the development of recommended revisions should be performed by the occupational panels. These panels should annually produce a prioritized set of enhancements for consideration by the directorates. The directorates would then be responsible for prioritizing the training initiatives for all their occupations and presenting the case for these initiatives to ExCom.

Recommendation 7.3:

That procedures be defined which minimize the bureaucracy associated with obtaining training.

The directorates must be given the tools necessary to delegate enrollment in and selection for training to the lowest possible level while assuring equity in the distribution of the training and control of its costs.

Recommendation 7.4:

That, to the maximum extent possible, training be as available to covert employees as it is to those who are overt.

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Feature #8: Improved Availability of Training

Recommendation 8.1:

That the training whose availability will be enhanced not be limited to that provided by OTE.

While the intent of the feature may have been broader than training provided by OTE, the description focused on OTE and at least implied that only training through OTE would be funded to be made more available. The cost estimates for this feature also supported this interpretation. Funds blocked for this feature should not be automatically put in OTE's budget. The occupational panels should make recommendations through their directorates about which training should be made more available, independently of its source. Clearly OTE is an important participant in this process of defining the training for each occupation but should participate as a consultant to the panels. The panels will develop prioritized recommendations for investments in training for their directorate review. The directorate would prioritize training investments among all occupations within the directorate. Among the proposed investments will be a mix of training provided by OTE as well as by external and internal (component-provided) resources.

Recommendation 8.2:

That the costs of enhancing availability of training be refined for the next review cycle.

In the end this feature will be funding-limited, as are all initiatives. This review cycle has served to demonstrate that the employees feel the need to improve availability. What is needed is a mechanism to size the level of investment required to make a meaningful impact on availability and chart a course that will steadily improve availability. It is recommended that the occupational panels be reconvened to identify specific training for such an enhancement, cost the enhancements and prioritize them. The results from these representative occupations will provide insight into a meaningful investment level and into the split between OTE and other internal and external sources of training.

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Feature #9: Dual Track

Recommendation 9.1:

That the manager be responsible for selecting employees for the expert track.

One premise of the dual track system is that paying increased salaries to retain experts will create a more effective organization. In fact, this must be the primary objective because this is the principle that must be evoked to determine the appropriate number of experts. While we cannot rule out the possibility of obtaining additional personnel dollars for a dual track, it will generally operate on a budget neutral principle. If a manager can more effectively structure his component by creating experts, he must do so within a fixed personnel budget ceiling. This judgement is properly the managers since he is accountable for the performance of his component. The concept of employees petitioning to be experts is not consistent with the fundamental premise of a dual track system. An employee wishing to be an expert is free to convince the manager that such a restructuring will produce a more effective organization, but it is the manager who must make the final judgement about how to use available resources most effectively.

Recommendation 9.2:

That the implementation of dual track permit delegation of the restructuring authority implicit in such a dual track system to whatever level is deemed appropriate by each directorate.

The number of experts in each component must be dynamically adjustable. If the bureaucracy of selection and restructuring is cumbersome, the dual track system will never reach its potential. Implementation procedures are to be developed for use by the directorates in delegating this authority downward without losing control of personnel dollars. With these tools the directorates can determine appropriate levels of delegation.

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Recommendation 9.3:

That the opportunity that such a dual track system presents to employees be made clear.

By not discussing numbers, employees can develop unrealistic expectations of the opportunity such a system provides. The restrictions on managers in creating an expert position, i.e., within component personnel dollars, should be made clear.

Recommendation 9.4:

That the movement between management and expert tracks be free of bureaucratic obstacles and at the discretion of component managers.

While there will be individuals in both the management and expert tracks that neither can nor wish to cross over, the system should be structured to allow and, in fact, facilitate such crossovers. Many managers in CIA are experts and it may be decided it is appropriate to assign them to a specific problem with essentially expert-like responsibilities. Furthermore, interim assignments to either expert or management tracks may be deemed appropriate for career development or evaluation purposes. The system must be implemented in such a way that such moves are bureaucratically trivial.

Recommendation 9.5:

That the implication on the benefits associated with the dual track system be clarified for those who move into and out of the system.

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Recommendation 9.6:

That the relationship between managers within an occupation, management track, and SIS be further clarified.

The problem does not exist if the salary structure is independent of occupation such as the GS system is. If, however, the occupationally-defined bands are employed, then managers who have more than one occupation in their component become difficult to fit into the system. Certainly office directors, most group chiefs and many division chiefs in DS&T manage employees in more than one occupation. More importantly, they have no specific occupational identity so there is a question about which occupation-specific performance and promotion panels evaluate them. If the problem is solved by calling such individuals members of the management occupation with appropriate panels convened much as they are today, a problem of definition is created because one must now distinguish between the management track and the management occupation. The management track would then contain, for example, branch chief positions which are occupation-specific and on occupational banding scales and more senior management positions which are not occupation-specific and which are on management occupational scales. The bands for different occupations must then neatly dovetail to the management occupational banding scales. Furthermore, the management occupational bands must be reconciled with the SIS bands. While these are implementation details, the next iteration of the proposal should propose a solution.

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Feature #10: Promotion

Recommendation 10.1:

That the reference to the occupation-specific Career Development Handbooks as guidelines be clarified to preclude the possibility that employees view the promotion process to be a "ticket punching" operation.

The recommended approach to achieving this is to make no reference to these Handbooks in the Promotion feature description. The Handbook feature, if adopted, is intended to assist employees with their career development not to guide the supervisors and managers serving on promotion panels. While there is necessarily a relationship between the distinctions made in the Handbooks between the levels in an occupation, any direct connection to the Promotion process will at least imply the Handbook is a recipe for promotion. In fact, the concept of such a checklist is contrary to most promotion deliberations since the employee's potential to grow into a new, higher responsibility position is very much a part of the panel deliberation. In general, the employee identified for promotion has not demonstrated the full set of attributes of the employee that would be described in the Handbook for the higher level. Supervisors and managers serving on promotion panels will (must) know what the Handbooks say and should periodically review and critique them.

Recommendation 10.2:

That the language describing the feature be clarified to preclude any possibility that the composition of the promotion panel be interpreted as anything other than the supervisors and managers of the employee.

While the table on Page 16 and the discussion on Page 48 indicate that the component Career Service will continue to make promotion recommendations and decisions, the choice of words "panels for each occupation" created ambiguity in the minds of at least some readers.

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Recommendation 10.3:

That the competitive basis of the promotion process be reemphasized.

It is recognized that the proposed promotion process represents only a small change from what is done today--namely, populations considered for promotion will be by occupation. In fact, for much of the DS&T, even this is already the case. The proposal emphasized only those things which changed and, therefore, left unstated many of the principles of the current process which are intended to be retained. The principle that the process will remain competitive needs to be reemphasized. Mention of the Handbooks and the distinctions in them being used as guidelines creates the possibility of misunderstanding on this issue. The lack of discussion of the competitive basis of promotions coupled with the reference to the Handbook may leave the impression with employees that there is a change in this fundamental principle of the promotion system.

Recommendation 10.4:

That the fundamental subjectivity of the promotion system be reemphasized.

As with the competitive basis, this principle is a part of the current system that is not mentioned since it is unchanged. Again, the reference to the distinctions in the Handbooks may imply to some employees a switch from a subjective system to an objective one. It is critical that this not be misconstrued.

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Feature #11: Flexible Benefits

Recommendation 11.1:

That undercover employees have the same latitude of selection and access to the full range of benefits offered to overt employees.

Recommendation 11.2:

That the current government contribution to employees not be reduced.

The spirit of the feature is to give the employee more flexibility in using the government contribution. In implementing this feature it is critical to employee acceptance that the government contribution to each individual employee not be reduced upon conversion. This necessitates that the feature will have a net cost because, for example, those employees currently not opting for medical coverage, about 20 percent of our employees, will receive a government contribution. The employee currently receiving the full range of government contribution, e.g., for medical insurance, must see traceability back to their individual "purple book" benefits statements. Employees not currently receiving the full spectrum of government contributions, e.g., the approximately 20 percent not electing medical insurance, would see an increase in their "purple book" benefits statement.

Recommendation 11.3:

That implementation of this feature include the institution of a board with directorate representation that oversees the evolution of program.

The optimal use of tax law and the changes in the benefits programs to respond, for example, to rapidly rising medical costs require that our program adapt constantly. The ability to adapt must not be left to chance but rather actively pursued. The premise must be that change, perhaps even annually, is necessary to best serve our employees' interests. The board should be supported by a permanent staff with expertise in the benefits and tax area. This staff should have adequate funding to retain private sector

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expertise to support design, development, and implementation of the program revisions. Part of the charter of this board and its supporting staff will be to monitor the operation of, and identify improvements in, the existing benefits program. They are to be independent of the component charged with operating the program to assure objectivity.

Recommendation 11.4:

That the implementation plan (and costs) include the necessary staffing and funding to assure timely processing of benefit claims and both initial and ongoing education of employees on the program.

Recommendation 11.5:

That the program, or at least one option for the program, include the full spectrum of benefit choices permitted under existing tax law.

The medical, dental and life insurance elements of the program including the flexible spending accounts are attractive features. However, the design is to be as all inclusive as possible. Special emphasis is to be given to including provisions for annual leave buying and selling and dependent care. It is further requested that the 401(K) element of many private sector flexible benefits programs be evaluated for our program. It is recognized that the recently introduced Thrift program essentially accomplishes what inclusion of a 401 (K) element would have in our program. Nonetheless, design of a CIA flexible benefit program should include consideration of this element if only to administratively integrate Thrift deduction selection with other program choices.

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Feature #12: Leave Conversion

Annual Leave Buy Back

Recommendation 12.1:

That the provision be liberalized so that buyback is not strictly limited to that leave which cannot be taken because of the exigencies of official business.

If the term "because of the exigencies of official business" translates into a manager's signature on a form certifying that the employee was required to cancel scheduled leave, then the feature is of minimal value. The spirit of the feature is to provide the employee a choice but if the provision is as interpreted above, the employee does not really have a choice. It is recognized that the full flexibility of annual leave buyback is obtained if it can be incorporated in the flexible benefits package. If the "exigencies of business" could be interpreted differently (and more liberally) than described here, the value of this feature would be significantly enhanced.

Recommendation 12.2:

That provisions be considered which offer better control over cost.

Some of the restrictions to be considered are:

- o cash-in on an annual basis be restricted to some number of days, e.g., five or ten, and can ~~be done~~ ^{allowed} only after the employee has taken a prescribed amount of leave, e.g., ten days.
- o cash-in of large blocks of annual leave be restricted to, for example, one time only. This provides an avenue for employees to use leave for major expenses, e.g., college education, yet not as open-ended as the proposed ~~feature~~ ^{version,} ^{leave the feature}

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Optional Conversion to Sick Leave

Recommendation 12.3:

That the costs of the feature be estimated.

As noted in the report, the cost should not be substantial but clearly will result in employees having more sick leave upon retirement. Even though the converted annual leave does not count in calculating retirement benefits, the fact that converted leave can be used before drawing on normal sick leave will result in generally higher sick leave balances at retirement.

Sick Leave Bank

Recommendation 12.4:

That the proposal be modified or an optional version developed and costed, to restrict the top salary at which an employee can draw from the bank.

This restriction on top salary, while perhaps adjustable with experience, will serve to keep the cost of this feature down while retaining its value to employees.

Home Leave Use

Recommendation 12.5:

That the Home Leave Use feature be retained as proposed.

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Feature 13: Educational Assistance for Dependents

CIA Subsidized Student Loans

Recommendation 13.1:

That the CIA Student Loan feature be retained.

Recommendation 13.2:

That the cost estimates be refined to account for increases in loan applications over that experienced today by the Credit Union due to the better rates that would result from this feature.

Recommendation 13.3:

That an option be developed with the loan being made to the employee and that an estimate of the decrease in default rate and overall program cost for such loans be made.

Thrift Loans

Recommendation 13.4:

That, as proposed, CIA maintain contact with Thrift managers as they develop the loan terms for Thrift loans and that employees be periodically updated on progress.

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Leave-secured Loans

Recommendation 13.5:

That the provisions for such loans as they would be submitted to Congress for legislation be included in the redrafted report.

Recommendation 13.6:

That there be no restriction on the use of accrued leave balances transferred to the Agency from service in other US Government agencies.

Recommendation 13.7:

That the use of the actuarial value of accrued sick leave be evaluated as security for such loans.

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Feature #14: Staffing Management Tools

Early Retirement for SIS Managers and Experts

Recommendation 14.1:

That specific implementation provisions be developed for the early retirement option for SIS officers.

The premise for the early retirement for SIS managers and experts and the other elements of Feature #14 (Staffing Management Tools) is that an effective personnel system must contain the necessary mechanisms to meter the flow of senior officials through the organization. The metering must include both the ability to retain and move out senior officials. The organization must be able to "do" the metering to serve its interests. This ability to focus this benefit on individuals and at times of the organization's choosing is a key provision for such tools.

Early retirement is one tool to meter the flow of senior officials. Perhaps ironically, the thrust of the early retirement proposal is retention. While early retirement could be justified as a generic staffing management tool, its inclusion as a feature was motivated by a specific current problem. Several factors have combined to create this problem. The first factor is our ability to compete for senior managers. Many surveys have been done to compare the wages of government employees to those of their private sector counterparts. Whereas there is often debate about

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whether the average government employee is underpaid and by how much, there is little debate that senior managers in government are disadvantaged relative to their private sector counterparts. The result is that many senior managers have the opportunity to move to the private sector at any time and significantly improve their income. The second factor is that as a result of the baby boom, we can foresee a prolonged period in which our senior managers are young, many becoming SISers around 40. The third factor is a derivative of the second factor. People in the 40 to 50 age bracket are typically the ones undergoing the peak demands for money, for example, to pay for their children's education. Whereas many of these senior managers would not consider leaving for the private sector simply to improve their lifestyle, the potential to earn more to assure their children an education can outweigh their attraction to the challenges offered by their job at CIA. The proposed early retirement is targeted at this 40- to 50-year-old age group of senior managers and experts. While it does not solve their cash flow problem, it offsets the financial advantages of leaving for the private sector and thus becomes an inducement to remain.

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DS&T does not see early retirement being offered to all SIS officers as a permanent fixture in our benefits system. We feel its use can and must be focused to produce the desired effect. For example, if CIA management judges that retention of 40- to 50-year-old SIS officers is currently a problem, they can offer such early retirement options. If it is judged to be a more localized problem, e.g., for specific occupations, it can be restricted to these. Furthermore, when the demographics change, the early retirement option can be lifted. Of course, this would be done so that those employees, or population of employees, to whom it was offered would remain eligible. The point is that CIA will have the authority to control who it is offered to and when. While use of early retirement for retention of young SIS officers necessitates announcement ahead of time, such an early retirement option can be announced and made available for a limited time to "make headroom." Such an announcement can be timed by management to a period when there is a problem and it is perceived that early retirement could relieve it. Again, DS&T believes that it is important to have this tool so that CIA management can pick the appropriate time rather than have it determined outside on a government-wide basis.

At present CIA does not have the latitude to offer such inducements. The primary objective of the proposed feature was to bring the authority to do so into CIA. The details of the use of this authority were not specified. In the redrafted report examples of the applications of this authority are to be provided and costed.

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Feature #14: Staffing Management Tools

Involuntary Retirement

Recommendation 14.2:

That the provisions for the involuntary retirement stated in the System Summary be revised, or an option developed, to make use of such retirement for staffing management more readily available.

Specifically, the provisions which restrict use to reorganizations or a reduction in force are to be eliminated.

Retention Bonus

Recommendation 14.3:

That the retention bonus feature be dropped.

Recommendation 14.4:

That a feature be developed that provides the DCI the authority to provide financial assistance to employees under exceptional circumstances.

The emphasis of this feature is not to be retention but rather assistance during catastrophic or extraordinary circumstances such as medical expenses. Included in this feature is to be not only the authority to provide cash to an employee but also such provisions as, for example, the authority to cash-in some or all of ~~an employee's~~ leave.

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by the employer of his/her

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Feature #15: System Controls

Recommendation 15.1:

That the proposed System Control feature is to be defined in greater detail.

The need for the System Control feature is driven primarily by two other features of the proposed design--namely, incentive pay and funding only control (with delegation of authority for position structure adjustments to the component level). In revising the proposal, specific attention is to be given to:

- o How the controls are to be implemented at each level in the organization.
- o What is the availability of the System Control tools will be to managers at each level in the organization.
- o What are the plans to educate managers on the use of each of the appropriate System Control tools.

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Feature #16: Projection Tools

Recommendation 16.1:

When the system design is resubmitted to the employees for comment, the Projection Tools included in this feature are to be itemized and described in detail.

Included in these descriptions are to be not only what type of projection data a manager can request but also the nature of the data base used to develop each type of projection. In defining the data base, it is to be specified what data source will be used, who will be charged with preparing and maintaining the data base, and how the data base will be validated.

Recommendation 16.2:

That the managers at all levels are to have ready access to the appropriate tools included in this feature.

In describing each tool, it is to be specified who will have access and how access will be made available.

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CONCERNS/SUGGESTIONS

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CONCERNS/SUGGESTIONS

This section of the DS&T Response to the HRMCTF Report contains a sampling of employee concerns and/or suggestions for each of the proposed features.

This section is organized by feature and presents the employee's concerns and suggestions in essentially the form in which they were received.

Beyond the feature-specific level there were some generally recurring themes. Among these were:

- o the revised report must contain much greater implementation detail than this first report if decisions are to be made;
- o the administrative burden will be unmanageable;
- o the costs need to be refined;
- o we need a better understanding of how HRMCTF proposal compares to the changes OPM is planning and to those other Government agencies have made;
- o we need to better explain what aspects of proposal can be accomplished under the GS system.

DS&T requests that in drafting the revised report, careful consideration be given to the suggestions employees have made and to addressing the concerns they have expressed.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

CONCERNS/SUGGESTIONS

1. The report is too general and does not answer the basic, most important question: HOW MUCH MONEY WILL I MAKE???
2. It would have been nice to have included some information of the lower levels of pay, which most employees are in. This information starts out in the second quartile (\$32,000). It will take me years to get up to that pay range.
3. All for it, but will this inhibit movement from one career field to another--i.e., once a programmer always a programmer?
4. Four bands with many steps are not much different from many GS grades with few steps--semantics.
5. I generally agree with the objectives and many of the detailed provisions of the report. The most drastic change, in which I urge caution, is the enhancement of the power of immediate supervisors to award bonuses or re-classify positions; in short, to profoundly affect careers. Many first-line managers in the Agency are not that good and they change frequently. The free market model has limited applicability to Agency work, since there is no bottom line (profit) independent of management judgment. Many people, and some of the most valuable, are here because they function best in an environment where the transients, pressures, and fluctuations of the private sector are muted. Carried far enough, this change will result in a private sector work environment, and absolute head-on competition for the same type of employee, which we may not want anyway. The system requires some safeguards from arbitrary managers and arbitrary job reclassification. The personnel problems of an intelligence agency are unique. Is there anything in the plan taking this uniqueness into account?
6. It's very unrealistic to let low-level supervisors, operating freely within overall annual budget guidelines, make personnel decisions which have long-term fiscal impact.
7. I'm concerned...a rob Peter to pay Paul philosophy could develop with salary reviews causing more discontent than benefits.
8. It appears to me that the useful changes proposed could be easily implemented into the existing GS system. As was pointed out, the government will never be able to compete with private sectors for benefit packages (I'm not sure why not), so why spend our time in a sweeping change.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

9. Most of the really desirable benefits could be implemented without changing the GS system. These include annual leave buy back, sick leave conversion, educational assistance, loans, and early retirement.
10. Seems like a good effort to get Agency pay scales even with those of the contractors who work for us.
11. The new system might open the door to a loss of the employee's protection under civil service and mean a return to the system that government employees had prior to civil service.
12. There was concern that the morale of local hire employees would be affected when "after years of hearing about the possibility of their salary system breaking away from the FSN/Embassy systems, they now see instead their bosses breaking away from their own government-wide system."
13. Has anyone considered putting this much effort into the old system? Aside from dual track and flexible benefits program as new features, what else is wrong with the old system?
14. Implementation will lock people into a career and prevent cross-training in new fields of interest, decreasing the flexibility of the organization.
15. We are concerned that the HRMCTF report makes no mention of the great number of Agency employees who are not part of the GS system. In OTS, we have Wage Board employees whose salaries are not tied to the General Schedule. There is already a sufficiently pervasive but erroneous perception that Wage Board employees are "second class citizens" in the Agency. The absence of consideration of these individuals from this new compensations system can only serve to reinforce this perception to the detriment of the Agency and its ability to achieve its objectives. We urge senior Agency management to refrain from any decisions regarding Agency compensation restructuring without a thorough review of Wage Board employees and their equitable treatment. We cannot emphasize too strongly that this is not a detail to be considered at the eleventh hour.
16. The report states: "Ceiling constraints are manifested to managers in many forms including the cumbersome process associated with today's position audits that are driven by average grade and promotion headroom constraints." These constraints are self-imposed; occupational bands are not required to remove them, and should not be linked to such removal.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

17. I don't think line managers should make position decisions. Someone more experienced with a broader view needs to do this.
18. We believe that it is very important that representatives from the occupations work directly with the contractors who do the market surveys. The experience of the electronic tech occupational panel, which recently worked with TPF&C during the occupational panel pricing exercise, argues strongly for a continuing interface.
19. There is concern in areas where details are not available such as actual pay band data in each occupation and details on how career track changes will be made.
20. If there is the thread of a principle which drives my specific ratings on each feature, it is the concept of distributive management with maximum local control. In some measure it is what has made the Agency effective in relation to other Government components. Over the years, though, there has been some erosion in the concept as various centralized focal points and staffs have begun to take over. We need more line components and fewer staffs, more management and less administration, more individual concerns and less enmeshment with the digital computer. With that in mind, I think most of the good intentions of the Task Force report can be accomplished without turning the system upside down. One may debate specific provisions but the central need is for the Agency to get its own control on non-budgetary personnel issues and in turn internally redelegate downward as much of the authorities and responsibilities as possible.
21. From an FBIS perspective, another major concern is that such features as banding and market linkage would work to the distinct disadvantage of occupations such as analyst, editor and language officer, since the unique features of these occupations within the Agency context cannot readily be compared to the marketplace. There is the fairly widespread perception that while engineers and scientists would benefit by market linkage and comparability, other occupations would suffer as an increasingly constrained budget pie is recut to favor the technical specialties.
22. Many employees questioned the need to replace the GS system. They noted that we already have an incentive pay system which could be altered if necessary to fit our specific Agency needs, and that other proposed

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

changes could be implemented within the GS system. A typical comment was that the proposed system is only "just slightly better than the status quo."

23. There was considerable skepticism that the new system could be implemented as proposed. Funding and Congressional and OPM approval were frequently cited as obstacles to implementation. Beyond that, there was concern about the Agency's ability to administer the system, given the need to make fundamental changes in bureaucratic and management thinking in order to implement the proposed system fairly and without favoritism. Several employees commented on the increased authority and accountability the proposed system would place on managers, but criticized the proposal for not addressing this issue directly or providing a concrete system for developing managers to handle their expanded role. As noted by one employee, "the proposed system is far superior to what we have but will require an enormous educational effort to make it work better than the present system."
24. Too broad banding could reduce market comparison.
25. How to handle those who transfer to new career occupations.
26. This has been tried in government before and failed.
27. Quartile system seems to penalize people as they move up.
28. Proposed levels/quartiles too complicated.
29. Time in band?
30. Provide for more flexibility within professional levels.
31. Need means of giving credit for outside experience.
32. Salary should reflect actual responsibility, not longevity.
33. Series of "perks" tied to grade and responsibility level.
34. Should be flexible to a changing market environment.
35. Agency should do their own pricing with OMB approval.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

36. Incorporate within present GS system.
37. Consider regional differences in market comparability.
38. Market surveys should be annual.
39. Delegate funding control to the office level.
40. Managers do not have background to properly adjust position classifications.
41. Line managers tend to overhire.
42. Seems a large burden on managers.
43. Market survey validity with respect to Agency skills.
44. How on earth do you do a market survey of comparable jobs for the DO or the DI? There are unique job features in all Directorates tht do not exist elsewhere.
45. To impose this system, we must convince Congress that CIA is unique and requires a unique personnel system. To implement this feature, we assume that every job in CIA has some counterpart in the outside world. These two assumptions are contradictory.
46. I would hope that Offices such as ORD, OD&E, and OTS would have substantial input as to the companies that are selected for the market surveys. The Project Management Engineer category should be of critical interest to these Offices.
47. Market linkage is major negative for new people.
48. The report asserts: "...Continued linkage to the GS system and the governmentwide salary survey process constrains our ability to structure and pay our work force in an optimum manner...." This statement is not substantiated and I do not agree with it.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

49. Care should be exercised that job (or career program) classification does not become as much of a straitjacket at the GS grade system. Also, some comparability with the GS system should be established, to facilitate comparative ranking for inter-agency activities and also for inter-agency personnel moves.
50. Proposals for the banding system are good although the transfer mechanism must be closely looked at -- the conversion should include not only a person's grade but their experience and knowledge of an occupation.
51. GS is universal and should be maintained. Real problem is pay cap and limited number of SIS slots.
52. Four groupings are a bad idea. The main problem is: why stay after topping out in pay?
53. Market pricing can only be done for a small number of occupations and will favor engineers and technical occupations, resulting in a "second-class citizen" payscale for nonscientific and nontechnical employees.
54. When the internal ranking of occupations is done, unique and relatively small groups of nontechnical specialists may not carry much weight when compared to other, more visible occupations within the Directorate, such as engineers.
55. FBIS IO-Foreign Documents officers ("linguists") are unique and should not be "banded" with translators and language instructors in other Agency components.
56. I generally favor the proposal, particularly if it is tied to the GS system to allow "in-band" progressions and psychological benefits of movement from grade to grade.
57. Banding could foster a "we are better and more important than you" attitude within the Agency. Competition by internal components for bonuses and higher occupational positions could get intense and be more politically than practically based.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

58. I'm concerned how banding will affect my occupation. As is the case with nurses and teachers, librarians' salaries have been traditionally low due to the preponderance of women in the profession. I hope that if librarians' salaries outside the federal government are reviewed for comparison, those of corporate librarians (whose jobs compare most closely to CIA librarians) are reviewed, rather than public or college librarians.
59. I fear the tendency to overcompensate engineers, computer types, and other high visibility personnel, while lumping all support people into the low achiever class.
60. I'm afraid the intelligence professional, the analyst, will suffer. Computer people are paid well in the private sector and will be paid well under the new system, as will tech people. But who will the intelligence analyst be compared to--writers, teachers, college professors, and general liberal arts types? Those are traditionally low paying in the private sector. So will those that produce a vital intelligence product be paid low too?
61. Whose wages will be reduced at the expense of raising those occupations that are currently significantly below market, such as engineers?
62. How can salaries, especially those for engineers, computer programmers, etc., be made competitive with only a 2- to 3-percent budgeted payroll increase?
63. For the new system to work properly, I believe the market pricing of occupations must be done yearly. This is a non-trivial task that must be funded and established in an objective, unbiased manner.
64. Market linkage: is it possible for a position to be paid less?
65. When job classification is left to the individual manager, uniformity and fairness may be lost.
66. Market linkage should include a benefits package--e.g., paid insurance, bonus pay, etc. It should also include the value of a CIA security clearance, which is worth upwards of 10 percent of salary in the contractor world.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

67. How is it possible to pay half the population the same rate and half at a greater rate without increasing the personal services budget?
68. Banding is fine for occupations with direct counterparts in the private sector. Not enough data for Agency-unique occupations. How, for instance, can the entry level case officer band change without disrupting the mid-level case officer band?
69. Lot of changes for very little benefit and some disadvantages. On the whole, I'm against it. Current GS scheme is better for management and employee. The pay comparability issues has been resolved via the GSS scale. Will not ultimately make much difference due to caps on total cost and Congressional control on personnel costs.
70. Major concern developed around the fact that many Agency jobs do not lend themselves to industry and the fact that industry works on profit and/or generates a saleable product while the Agency does not.
71. Page 47 that states "legislative pay increases would increase the amount of personal services monies available for distribution to employees as part of the incentive pay system." Which is it? Would all employees get the federal workers pay increases automatically or not?
72. How do we accurately budget for a system with such unknowns--what happens if an office exceeds their office portion of personal services \$\$ and, by default, cannot pay incentives or annual increases due to the fact that they are grossly overstrength to begin with?
73. Banding and generic job descriptions may result in "loss of identity."
74. Dividing the Agency's compensation funds into two components (salaries and bonuses) runs one very great risk. At present, the whole sum is labeled "salary" and is considered by Congress as Entitlement - something that is owed and has to be paid. By splitting it up into salary plus bonus money, you make it very easy for congress to see the second figure as something which is not an Entitlement - and a very obvious target for budget cuts in the future. (after all, why should they get bonuses when money is so tight? And we are not cutting their pay, only holding down bonus money, which we are not obligated to pay anyway.) The result is going to be that, as a group, we will receive substantially less pay.

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

75. A concern expressed by a number of people who did not respond to the questionnaire was whether the pay cap was going to be raised. If it is not, few of the proposed changes will really mean anything significant in terms of actual take home pay.
76. Banding offers only temporary solutions. With a fixed amount of money each year, we won't all be winners, many will lose. Proposal gives additional flexibility to shift money from those doing well to those who are favored. It's all the same in the long run.
77. Who determines which pay band an employee is assigned to (upon implementation of proposed system)? With salary overlap between bands, it may be a popularity contest.
78. It is far from clear that the most benign effect will be "no change;" that each officer, at whatever grade, will still benefit from Congressionally approved pay raises--whether they are called "catch-up" or "inflationary adjustments." My impression is that the increase will be used to extend the upper limit of individual bands but not necessarily show up as an immediate raise for people in the band. If this is wrong the committee should clarify it as soon as it can. If true, it should be corrected. The expectation and anticipation of a raise, no matter how small, is deeply ingrained; the majority of the CSS employees will remain on the GS and be favored with this benefit on 1 Jan. Our people will feel betrayed if they lose this.
79. There are several reasons why I object to the banding scheme:
- The loss of career milestones provided by the GS system. The distinction between GS levels is narrower, more achievable, than the divisions between the fewer bands. The steps between GS grades become large leaps between bands.
 - Banding is not consistent with the way we develop people for positions of greater responsibility. The proposed scheme requires deliberate changes in a person's status instead of subtle and gradual growth.
 - Banding favors specialties. It works for armies of secretaries; it works for armies of electronics techs. The Agency does in fact employ armies of specialists, but, it also employs an army of generalists

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

and banding penalizes (us) those people that the system developed to fill the need for versatile generalists. The compromise may be to define a generalist job category which will measure performance by the number of components an officer manages to work in.

80. Instead of the proposed occupational banding, I think the present GS system should be cleaned up in respect to its application within the Agency. The GS system has some inherent advantages, namely a broad spectrum of grades over a given person's career as well as ready internal comparability with the Agency system, things that banding would obscure. I think the real grade problem lies not in the GS concept but in the patchwork of constraints which over the years have been added to it. These should and can be eliminated without recourse to banding. The Task Forces' recommendations for autonomous market linkage (by the Agency) will help establish the proper levels. So will removal of OMB and PMCD for the process by delegation of classification to individual components. The important thing is to remove the external headroom, slotting and comparability restraints and leave only funding as the driving force. GSE's, GSS's, GSM's or whatever simply become GS's of whatever rank needed. For forms' sake one could argue in favor of taking the Federal pay matrix and renaming it with our own digraph such as IS-12, etc. The control and constraints, not the particular pay matrix, that is our villain here. Witness the plight of the secretaries.
81. An alternative to pay-for-performance. Instead of starting the pay reform by looking at pay-for-performance, we should start by ensuring we have pay new comparability with our external counterparts, at a minimum. (Full comparability is not necessary; "government job security" with its attendant lower risk, is worth something.)
82. The market pricing already done may be able to serve as the start for comparability pay. If not, it would be necessary to do a detailed survey, by occupation, of salaries in private industry, comparing at least the following attributes:
- A. Level of responsibility
 - B. Experience
 - C. Academic credentials required
 - D. Length of service (optional)

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

83. Comparability pay should be phased in as soon as possible, with pay-for-performance instituted during the following year. Since many occupations are probably not too far behind outside pay, the initial cost for the entire Agency would probably not be outlandish. However, in those cases where the pay has lagged far behind, it may be necessary to phase in comparability pay over a multi-year period before change to pay-for-performance.
84. Rationale for banding (i.e. grade distinctions) is weak.
85. Is there sufficient Agency personnel to determine qualifications/requirements of the various occupations to adequately monitor the bands? Conceptually, the idea is workable, but would require additional, perhaps vast amounts of, money to operate.
86. Don't really need banding. Can expand GS grades to 12-14 steps in grade, but without present mandatory time for each step increase. Base steps on performance (a better incentive). Base step increase on present CER and PAR. Each person with a CER of 1 would get an x percent increase; those with a CER of 2 would get a smaller percent increase. Thus, we'd have less variability between employees, but still a stronger incentive to excel than with the present, almost automatic step increase.
87. The conversion process does not seem to solve any of the low salary problems and the examples given aren't any better than a promotion under the present GS system.
88. I believe a market survey should be conducted prior to a decision to adopt the program so that an informed decision can be made with actual figures.
89. The biggest problem to be found here is one of education. I don't think people will sign up to this until they understand what it means to them personally. It's a good idea and will provide a lot of flexibility but people will have to be weaned away from system they are familiar with.
90. Organizations, including the CIA, need to develop strong generalists as well as experts in particular occupational specialities. Internal mobility is an important element in bringing this about. The proposed

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FEATURE #1: OCCUPATIONALLY-DEFINED BANDS

(continued)

CONCERNS/SUGGESTIONS

creation of fairly narrow stereotypical occupations within the Agency and the production of career plans for individuals to advance within those occupations runs counter to the more important objective of encouraging individuals to broaden themselves by moving across occupational lines. I believe retention of the GS job classification system is important in fostering mobility and that shredding the workforce out into a whole set of specialized occupations would be a serious mistake. The problem of market pricing is real, but the proposed cure is worse than the disease. The Agency already had considerable leeway in choosing the GS step at which a person is recruited and this has been used de facto to achieve a degree of market pricing at time of entry. The key question should be what similar measures could be taken that don't impair the good features of a common classification system. (Trying to foster mobility without GS Grades or the equivalent could be likened to trying to engage in commerce without money).

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FEATURE #2: INCENTIVE PAY

CONCERNS/SUGGESTIONS

1. Incentive pay can be accomplished within existing system; we need to make existing system work better.
2. Before changing system, consider applying recommended concepts to current system.
3. How do you get rid of a non-performer to allow room for a high-performer.
4. Lots of opportunities for favoritism.
5. Incentive Pay - understand commo incentive pay is a sham--in OC very low number of people last year did not receive equivalent of 2 1/2 steps. Pay for performance not in effect so no belief system could be implemented properly.
6. Incentive pay is a very poor idea for what is essentially a service organization. The concept depends entirely on the ability of the organization to offset resources and costs against results and some form of "profits", and do this down through the organizational levels to the little person. I don't think we've ever done this very well and since we're more of a service organization than we are a manufacturer with identifiable profit centers, I don't think we ever will. The other issue is funding. I think any form of award money should come out of its own pool, separately allocated as such, and not derive in any way from any form of taxation against current pay grades or in-grade levels. This in turn may create budgetary problems in obtaining funds but it's necessary for--again--the sake of credibility. Finally, from a more gut-level feeling I think most of us feel we recognize individual excellence when we see it and would like to see it rewarded. But, I think the recognition process is inherently too subjective to institutionalize. I think a better solution would be to streamline the present centralized and paper-intensive QSI and awards process by bringing it further down the organization, with, of course, the necessary funding.
7. Fifty percent award system will be very destructive. Better would be a 10% accomplishment award for 10% best performers or nothing for bottom 10%. Do not punish 50% of the staff when 90% are necessary to the organization.

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FEATURE #2: INCENTIVE PAY

(continued)

CONCERNS/SUGGESTIONS

8. Concerned about equity of increment award system and how the system will vary within the organization.
9. The ranking system is less preferred to a system in which mid-level and lower managers have the authority and responsibility to evaluate employees and determine pay bonuses and incentives, with an appeal process through the supervisory change for employees who believe they have been treated unfairly.
10. Recommends that some existing incentive programs be retained, such as the language incentive program and hazardous duty pay. The panel also recommends that the awards program, which recognizes significant accomplishments, be retained. Cash awards to recognize significant accomplishments have been used extensively in OSO in recent years and the panel believes that eliminating that program would be a mistake. It is more effective to recognize individual accomplishments when they occur.
11. The panel is concerned with the potential delay in receiving legislative pay increases and recommends that all employees receive legislative increases with the rest of the federal government. The legislative pay increase is viewed as a COLA and the panel recommends that all employees receive the increase.
12. A number of employees have asked if the bonus will be counted in the high three for retirement purposes.
13. Individuals will concentrate on work that gives quick results.
14. Higher paid employees could get all the bonuses.
15. Inequitable distribution of awards due to less capable supervisor.
16. Awards for IS-01 and IS-02 secretaries.
17. Increase office-level approval awards to \$2,000
18. The PAR should be grounds for awards.

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FEATURE #2: INCENTIVE PAY

(continued)

CONCERNS/SUGGESTIONS

19. Set up criteria for incentive increases.
20. Supervisor should decide on incentive pay allocations.
21. Management should have flexibility to give awards any time of year.
22. I can't see financial improvement for 50% of employees with only 2% increase in cost.
23. Questions such as who determines the recipients of bonuses and the amounts, and how often pay would fluctuate, have not been adequately addressed.
24. Bonuses and incentive pay may give rise to serious problems and cause more harm than good, e.g., divisive competition and a large number of employee grievances.
25. If funding limits are set, what happens as more people progress in the bands? Will this mean less money available to hire entry-level employees? Will the allotment be fixed or can it be flexible with justifiable funds available?
26. More needs to be said about handling poor performers and underachievers, since according to the proposed plan virtually everyone will continue to do at least as well as they do under the current system.
27. Will linguists continue to receive language use pay under the Language Incentive Program?
28. The pay-for-performance goal requires an objective measure of performance....We have very diverse activities, such as routine medical examinations, covert action support, research and development projects, political assessments, etc. What common denominator can be used to measure successful performance in each of these endeavors? In business the common denominator is profit, regardless of the kind of business. We have no equivalent universal measure of successful performance.

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FEATURES #2: INCENTIVE PAY

(continued)

CONCERNS/SUGGESTIONS

29. The concept of "at risk" salary may be a good incentive system for executives. It will be less well received by middle and low rank employees who need more income security.
30. No one can be duped into believing that bonuses, one-time-only benefits, are equivalent to promotions or steps, which are permanent and longterm benefits.
31. Career boards or home Directorate oversight has to be built into the system to give everyone an opportunity for appropriate recognition. If the bonus system is to be fair and not a sham, controls are going to have to be developed to protect rotational employees.
32. I feel that the percentage system doesn't work all the time. There is a time when the person doing superior work will actually be getting less of a permanent raise than someone doing satisfactory work. I also believe that everyone should get the entire cost of living raise as a permanent part of salary, not as a percentage.
33. This looks wonderful in theory, but considerable planning, education, and supervisory effort will have to be made to insure that this does not turn into a system like DIA's--i.e., bonus averaging by weak managers. Supervisors will need to articulate their criteria for awards and exceptional performance clearly, on paper. Before the system is put into place, extensive training will be needed to teach supervisors to think like private sector supervisors; to consider the ratio of employee compensation to production as a factor of doing business. This kind of management control over compensation and reward will have to be taught.
34. How will there ever be an across-the-board cost-of-living increase if that money is thrown into the incentive pay pot?
35. Personnel ranking at too high a level will cause a lot of people to miss out on promotions, etc., because the ranking will be done by people who do not know the employee.
36. If we have a limited pot of money and we are to give some people more, others will get less. BOO! If 50% fare better and all doing acceptable work will do as well as currently, then the pot will have to grow. The arithmetic defies logic.

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FEATURES #2: INCENTIVE PAY

(continued)

CONCERNS/SUGGESTIONS

37. Those employees who do not totally agree with their supervisors will suffer even more than they do now.
38. Competition by internal components for bonuses and higher occupational positions could get intense and be more politically than practically based.
39. Past experience with PARs has shown me that the tendency is to bunch all evaluations near the top. I wonder whether the system as proposed will be able to distinguish, and therefore, reward the above-average employee.
40. The Agency will not have enough money to maintain the system at meaningful pay levels if, for example, 80% of the employees are rated superior. If strict quotas are established, then you are not paying for performance.
41. Completely misses one very important point: of 1,000 people who apply to the Agency, only a very small portion are offered jobs and cleared to work. This selection process eliminated the average and less able who are hired by others, but the pay system assumes the average and below are employed by the Agency.
42. From a supervisory point of view, one tends to be apprehensive of the potential for increased grievance actions - employees who are receiving less or no incentives, genuinely believing themselves victims of system inequity. A system in which up to fifty percent of our employees qualify for special or incentive pay will have a divisive influence on organizational harmony. The current GS system, on the other hand, has long engendered a broad perception of 'equal pay for equal work,' encouraging all employees to harbor pride in themselves and in their contributions to the organization.
43. The idea of tying salary to ranking could only have come from someone ignorant of the statistics and the selection process and the work ethic at the CIA. When you purposely select the best and imbue them with the expectation that they will do the best work, the imposition of a distribution such as the one proposed is stupid.

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FEATURES #2: INCENTIVE PAY

(continued)

CONCERNS/SUGGESTIONS

44. Tying compensation more closely to performance is definitely a step in the right direction. The thing that is lacking in government is substitute for the financial bottom line that exists for a private-sector concern. The profit and loss statement for a business (or a profit center therein) provides tangible evidence as to whether or not it is successful, and the financial prospects of those who work for successful firms are generally brighter than those employed by their less successful competitors. Is it possible to capture some of this same healthy competitive atmosphere in the CIA? I think so. Suppose the incentive pay pool was allocated in some degree to favor organizational elements that had met or bettered their organizational objectives during the year. For example, at the time of a Meritorious Unit Citation, an organizational element could be provided 5 to 10 percent bonus compensation to be allocated by its managers to those they judged to have made the greatest contribution to the unit's extraordinary accomplishment. Such a scheme would reward the most important aspect of organizational success in today's workplace -- building and sustaining effective and productive teams.

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FEATURE #3: PERFORMANCE PLAN

CONCERNS/SUGGESTIONS

1. Advance work plans rarely work due to dynamic environment.
2. Automated data base for performance plan is "nuts."
3. I am apprehensive of pre-packaged, automated data-based formulas for writing performance appraisals; all that an employee has to show for a year of labor is pay and a PAR. The employee is entitled to a meaningful appraisal focused on his or her individual performance, rather than a comparison to organizational norms.
4. A frequently repeated comment was that the proposed performance plans and career handbooks are bound to fail. Under the new system too great an administrative burden would fall on first line supervisors. We will be spending much more of our time on 'performance and career related' communication with employees and in meetings to rank employees for incentive pay awards.
5. It is nonsense to state that an automated performance plan will make the evaluation process less complicated or to believe that it will improve communications between supervisors and employees.
6. This feature involves a lot of effort (data base building and maintenance, paperwork) that avoids the real issue -- managers don't talk to employees about expectations and performance. This exercise will not solve that problem.
7. Performance plans are good for some people but should be left to the discretion of the individual manager.
8. Giving every employee a road map to success is asking for trouble. The proposal places too much emphasis on the handbook, "look-up" approach, and not enough on regular communication and interaction between the supervisor and the employee.
9. For most occupations, the actual work is too unpredictable and denies detailed advance planning, and a detailed list of assigned duties could undermine the highly desired employee initiative in dealing with new or ad hoc tasks.
10. What is an automated performance plan?
11. This is scary. Managers who rely on a data base to define their expectations could find themselves in trouble.

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FEATURE #3: PERFORMANCE PLAN

(continued)

CONCERNS/SUGGESTIONS

12. The panel agreed that some positive action must be taken to improve communications between employee and supervisor. There was a good deal of support for the performance plan concept.
13. There is some concern that the written performance plan would increase the supervisor's workload and skepticism that meaningful performance plans can be derived from a data base. The performance plan is very similar to the AWP.
14. A minority believes that a written performance plan should not be required if both employee and supervisor agree that one was not needed. An optional performance plan system must be available, however, and it is important that an employee be able to easily request one without prejudice. The minority would prefer a system in which employee and supervisor were required to discuss progress and expectations at six month intervals, at a minimum, and that they signed a document which acknowledges that the discussions took place.
15. One proposal which may be worth consideration would be to use generic job description data as the basis for employee/supervisor discussions as to what specific duties are to be performed and the level of performance expected. The information would be used primarily as a vehicle to improve communications, but could be used as a basis for formulation of a formal "agreement" between supervisor and employee.
16. Automated plan probably will result in nobody planning.
17. Cannot forecast challenges/problems that will be encountered in the intelligence business.
18. Can only capture minimally acceptable performance.
19. Automated feature a really bad idea, looks like they tried to make it a "no-think" process (cookbook approach).
20. No provision for arbitration in the event of disagreement between supervisor and subordinate. The only recourse to an erroneous appraisal is a written rebuttal with evaluation of merits left to an uninformed reader.

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FEATURE #3: PERFORMANCE PLAN

(continued)

CONCERNS/SUGGESTIONS

21. Does not address employee-supervisor communication problem.
22. Supervisors will not do their part to make this work. The proposed feature does not have adequate safeguards against this.
23. Will not prevent supervisors from playing favorites.
24. I feel the automated plan is restrictive. A job might evolve into something unexpected due to employee turnover or new responsibilities. At the end of the rating period, a person might be doing an excellent job, even though it doesn't encompass original plans.
25. The current system is not bad, just poorly executed. The proposed changes won't work well either if poorly executed.
26. Since the supervisor is free to disregard the information in the performance plan, I don't see what help this would be to the employee.
27. Jobs change too often and have too many hidden factors to use such a rigid system.
28. The performance plan must be customized for the employee. For more experienced employees, the key elements of the last PAR may be satisfactory, while new EODs and transferees would require a full fledged performance plan. The automated plan is not a good idea because the data base cannot have enough substance.
29. What is the impact of the plan on the amount of time management will spend evaluating personnel? How much time will individuals spend on personnel matters in the new system?
30. Not much different than present AWP/PAR procedures. Proposed automated support may be difficult to implement in the field. Do not believe proposed system would significantly improve employee-supervisor communications.
31. It is not clear that this is much different than the present AWP/PAR structure. While the present system is cumbersome and time consuming, I fail to see how an "automated" performance plan can adequately define what is expected of the employee.

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FEATURE #4: PERFORMANCE EVALUATION

CONCERNS/SUGGESTIONS

1. Never use the word "average" when evaluating or promoting. An employee should be evaluated against the standards of his/her position and not against another employee. An employee should be seen as "above standard," and not as "above average."
2. For performance evaluation of employees, there is no need for a major rework of the existing PAR system. No need for tailored PAR for managers and supervisors. Interim discussions are a good idea and apparently are held extensively now.
3. Concept of performance evaluation is good. Improved communications would solve many problems, but this is dependent upon people and not organizational structure. Have reservations about the pragmatic reality of trying to define job requirements in such a diverse organization.
4. Little advantage to proposed automated system. It's still subjective. However, if it requires less time to use and still address an employee's performance, it should be adopted.
5. Use of automated data bases will allow weighting of supervisor's bias toward severe or lenient evaluation, thereby providing some equity to employees assigned different types of supervisors.
6. The proposed system requires more detailed and constantly updated AWP's. Automating system will not make system simpler than present system. Management personnel and overhead time will increase with the proposed system.
7. Believe that the present PAR system is satisfactory and that the OSO panel system is working well. Therefore, no general changes to the current PAR are needed.
8. I fail to see the advantage of a 5-point scale over a 7-point scale. The number on the PAR is the least significant factor in the CER exercises, when they are fairly run in an open panel.
9. I see the potential here for a much greater abuse of the system by supervisors who give personal agendas or personality conflicts more impact than they deserve.
10. What happens to the "average" worker--one who comes to work religiously, gets the job done, has a good attitude, but just isn't "outstanding?"

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FEATURE #4: PERFORMANCE EVALUATION

(continued)

CONCERNS/SUGGESTIONS

11. Basing incentive/bonus increases on PARs will really put pressures on evaluating officers. Supervisors will be subjected to new pressures by employees who will see them as directly responsible for how they fare in contest for bonus percentages.
12. I'm all for streamlining the present appraisal process but I don't believe in the sort of centralized control depicted in the proposal. I have to note that in my 20 years here I've seen the paper process evolve in various forms of FR's, LOI'S, AWP's and PAR's. All of the changes at their times represented contemporary thinking of ways to ensure uniformity and "fairness". I think those goals are futile. Since appraisal reports are inherently subjective, I see those qualities as directions, not realistic goals. While many would privately acknowledge this, it's probably also time to officially move the PAR to a lower pedestal. One way, as described, is to make it easier to complete with the essentials and little or no narrative. In the present system, diligent managers do and should spend a lot of time getting the narratives right to satisfy the very internalized promotion and appraisal process. Much of this pressure can be taken off if the Agency succeeds in Feature 1 (realistic grade and pay levels).
13. Don't see much difference in what is supposed to occur now.
14. Any performance evaluation system that is "automated" will not be accepted by manager or employees. Such a system may not allow for enough substance in the evaluation. The use of the AWP should be flexible except for most new or reassigned employees who need to have some official means of identifying their responsibilities.
15. A new system that more closely ties money to performance means more documentation, not less.
16. If favoritism exists in the present PAR system, this new system will exacerbate it.
17. Such a system would undoubtedly improve communications between supervisor and employee if properly managed. However, fill-in-the-blank PARS are a little too easy for the manager looking for shortcuts and perhaps don't require as much thought as the narrative-type PAR we now have.
18. The numbering system should be abolished; the narrative section should reflect performance.
19. The lack of employee-supervisor communication is the real problem--the proposed system does not resolve it.

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FEATURE #4: PERFORMANCE EVALUATION

(continued)

CONCERNS/SUGGESTIONS

20. Fewer ranking levels create broader levels which do not measure performance within the range (i.e., 5 vs 7) and will make it harder to distinguish one employee's performance from another's.
21. If we believe that the current system is broken because people have not tried to make it work, what in the new system guarantees that it will be any different?
22. Works as well as managers are trained to make it work.
23. Present system more than adequate if correctly utilized.
24. All formal performance evaluation systems are inadequate. (We pay Harry Levinson and his cohorts a lot of money for senior manager training. Why don't we listen to his wisdom?) The current system seems as good as it can get. The goodness or badness is in the execution of the day-to-day process.
25. This feature involves too much standardization. The criticism of the lengthy comments on PARs is unjustified: supervisors write about the qualifications that are most important to them.
26. Management training is at the heart of this evaluation system and needs to be addressed much more thoroughly.
27. The present PAR categories seem to be sufficient, and the PAR narrative often helps panels to make a better decision and should not be limited.
28. Dropping back from 7 to 5 rating levels is probably a good idea. However, without forced distributions among the levels there will always be inflated evaluations. The idea that supervisors should be required to sit down one-on-one with their subordinates and talk about performance more frequently than once a year is a good one. Evaluation against tightly structured written objectives (such as LOIs and AWP's) often fails because our business is a dynamic one and those things that seem most important at the beginning of an evaluation period rarely turn out to be those that were in fact most important when viewed retrospectively. In effective organizations individuals are trusted and empowered to seize the initiative and reset their priorities as the occasion demands even when this means that something which previously seemed highly important

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FEATURE #4: PERFORMANCE EVALUATION

(continued)

CONCERNS/SUGGESTIONS

is neglected. A system could be adopted which required semi-annual or more frequent reviews of detailed performance plans and written revisions and amendments or certifications that the plans as written were still current. However, I believe this would be a mistake; in my experience, when an organizational element is carrying a heavy work load and being most effective, there is little time to follow such cumbersome practices.

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FEATURE #5: OCCUPATIONAL CAREER HANDBOOKS

CONCERNS/SUGGESTIONS

1. The handbooks would be as good as the panels that draft them and the process that keeps them updated.
2. Career handbooks seem a good way to stifle a career by requiring a person to conform to the mold. A person can decide (or his supervisor can guide him) on the training he wants or needs. Training is available to those who make the effort; just provide easy access to it.
3. Why do new books? Why not update and validate those which already exist? Having "occupational representatives" design, develop, and deliver training is similar to the group that came together to design a horse and ended up with a camel! What are their skills? Anybody can be a training officer.
4. Career handbooks are a bad idea because they imply that the path is black and white.
5. The panel generally accepts this feature. The panel recommends that Occupation Career Handbooks contain generic position descriptions and occupation specific training which are generated by occupation panels.
6. The only drawback is that it appears that the system would be less flexible for cross training and developmental assignments in other career areas.
7. Handbooks will promote "ticket punch" promotions.
8. I do not believe the proposed occupational handbooks will be "living" unless a mechanism (read bureaucracy) is established for periodic review -- like PMCD.
9. The Occupational Career Handbooks should explicitly state the steps open to a manager in dealing with a chronic underachiever. The characteristic and consequences of poor performance must be fully understood by everyone concerned.
10. I suggest that the career handbooks be kept unclassified so that employees can take them home.
11. While a handbook can be a good reference tool, it cannot be "at the heart of the career development improvements in the proposed system." People, specifically managers and employees acting together, must be at the heart of any system.

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FEATURE #5: OCCUPATIONAL CAREER HANDBOOKS

(continued)

CONCERNS/SUGGESTIONS

12. Appoint office advisors for career planning.
13. Include appendices for specific offices.
14. Succession planning is a better tool.
15. Need to avoid ticket punching and rule books.
16. I am strongly in favor of most of the items proposed here. However, the career handbook approach smacks of some "cookbook" methods required to progress up the ladder. Linking promotion to this "cookbook" I feel may be dangerous since the intangibles like personality, ability to work in a group, etc. cannot be covered. The quality of the handbook would be a big swinger in my case.
17. An excellent idea, let the employee know what has to be done to be promoted.
18. Handbooks and specific training requirements are good, but, in some assignments, finding time for essential training is difficult.
19. If handbooks are used as guides and not rigid cookbooks, it would provide a good baseline.
20. Career handbooks would give the employee information about the location of other similar jobs in the organization. The occupation-specific job descriptions are handy for employees and recruiters. But the information must not be allowed to become too specific because of the problem involved in continually updating such a document.
21. A career isn't a ticket-punching experience. To standardize the system would be an inaccurate portrayal of what is an individual experience. Where do you factor in politics and personality?
22. Good--needs rework. Need more published regulations, more published career progression plans, and more succession planning.
23. This is do-able anytime that we can devote the manpower/resources to it; it isn't tied to a new program. It won't be any easier than it is today but documenting the intention to do it may give it the impetus it needs.
24. The employee handbooks should contain generic and specific information relative to the operational and training requirements necessary to progress from one level to the next. Sufficient information and guidelines should be available for an employee to set personal goals.

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FEATURE #6: INDIVIDUAL CAREER DEVELOPMENT PLANS

CONCERNS/SUGGESTIONS

1. Supervisors need to be more committed to career development and training and not worry primarily about losing "a body" for training or allow understaffing to become an excuse for denying training.
2. Career Development: Must almost exclusively be the province of the employee and local management.
3. Here it was suggested that more emphasis needs to be focused on career planning than on pay issues.
4. The Panel recommends that general Career Development Plans for each occupation be written during the next phase. We are looking for examples here. Younger employees like this feature. Older employees like it less.
5. Training is not the way to success at CIA; sustained high-quality daily performance is. An individual's career development plan would need to be counterweighed by the Agency's assessment of an individual's skills relative to other employees. All the career development plans seem to have training courses as a basis. Many Agency training courses require only sustained breathing for successful completion.
6. Only one person commented that each individual is responsible for his/her own career.
7. Individual career development plans would be very helpful for new people, to set themselves some goals, and also for people already on board to recognize their potential and strive toward it.
8. My experience is that the career plans, being optional, will, if actually written, be merely a compendium of whatever is relevant to satisfy the career handbook. I don't really think employees will make these career plans in writing and because of this the supervisors should not be evaluated on them.
9. This feature is a waste of time to placate and mislead employees who are not being promoted. It will make them think here is a ticket-punching formula for advancement.
10. I question whether goals, especially long-term ones, can be spelled out.

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FEATURE #6: INDIVIDUAL CAREER DEVELOPMENT PLANS

CONCERNS/SUGGESTIONS

11. It would be a mistake to try to map out a career in great detail. If an employee concentrates on doing the best job possible in his current position, he will naturally--I hope--be considered for positions at the next level.
12. The listing of duties could become a mechanical exercise and a substitute for direct communication between employee and supervisor.

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NEW FEATURES

This section of the DS&T response to the HRMCTF report contains a compilation of new features suggested by DS&T employees. The Task Force is requested to consider each for incorporation in the revised report. The new feature descriptions in this section are passed along in essentially the same form in which they were received from employees.

The new suggested features are organized into the following categories:

1. Frequent Travelers Benefits
2. Undercover Benefits
3. Overseas Service Benefits
4. Quality of Life
5. Professional Society Fees
6. Retirement Benefits
7. Miscellaneous Suggestions

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1. FREQUENT TRAVELERS BENEFITS

1. An employee who travels extensively pays a family and social price for that travel. Most of the people who travel extensively do so in order to discharge their assigned duties at the level of performance demanded of them--and most fortunately at the level they have come to demand of themselves. We propose the following benefits for extensive travelers:
 - a. Granting of Administrative Leave to be taken by the employee after long periods away from home. The amounts of leave and the triggerpoints for its granting need to be studied in detail before a complete system can be specified. We believe that the amount of leave should depend on the fraction of time in travel status and on the duration of the individual trips and that there should be levels of leave benefit based on escalating amounts of travel.
 - b. Travelers should be reimbursed for lost and damaged luggage to its full replacement cost where claims against the carrier involved are impractical or leave the traveler paying out-of-pocket costs.
 - c. Travelers should be reimbursed for annual flight insurance up to \$100,000.
 - d. For travelers who spend most of their travel status in foreign countries with less than perfect airport amenities, the Agency should reimburse the costs of membership in airline clubs such as the Ambassador Club.
 - e. For domestic travelers, the Agency should seek a flat rate per diem to avoid the myriad hassles and approvals imposed by B&F for travel accountings.
2. Cash incentives for TDYs in excess of six months.
3. Increase annual leave ceiling to 360 for individuals serving TDY.
4. Frequent flyer clubs - I think we should be able to use the mileage credits we accumulate. Accumulating mileage is a by-product of official travel. It doesn't cost the government anything (we all report to someone and the idea that we will start making up trips to accumulate mileage is not only wrong, it is insulting). I am gone from home over 100 days each year and getting a free airline ticket for it

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doesn't seem like overcompensation or waste/misuse of government resources. How much time is spent looking after airline coupons. I spoke to someone in Central Travel who said that many coupons sit in desk drawers until they expire and are then thrown away.

5. Travel and per diem - Under the travel regulations if I go on a two-day TDY which gets extended to two weeks (or any length of time), I am not authorized to call home at government expense unless I am calling for someone to meet me at the airport, and now that comes out of MI&E. I think a phone call every few days on a domestic trip of more than a few days would be reasonable.

The new per diem regulations are supposed to benefit the traveler as well as reduce the administrative costs of processing travel vouchers. It would be far easier on everyone to just give the traveler the established maximum rate and only account for the incidentals, which should include laundry and phone calls. Currently there are many \$25 MI&E locations and there are many places where that doesn't go too far. When that has to include laundry and phone calls, it get worse.

As for the "non-established" areas, the \$25-a-day motel is a thing of the past.

6. When traveling, count time worked over eight hours per day as overtime, up to the limit for all employees.
7. Change per diem requirements for more than three-day trips where transportation carrier does not cover all meals. Problem exists since the current allotment is one-half a full day's per diem on those trips where the traveler travels to destination point as well as one-half full day's per diem on return trip. This allotment does not cover expenses incurred when more than one meal is necessary on these days.

Recommendations - base per diem allocation on the number of meals required--if traveler has two meals, provide two-thirds of per diem allocation; if traveler has three meals, give full per diem.

8. There was general disappointment that none of the proposed benefits program changes addressed any of the unique contributions made by specific Agency populations. In the case of OD&E, program management engineers routinely spend 40-60 percent of their time TDY away from their families and regularly travel after normal business hours. Other specific Agency populations make similar contributions. In compensation one could, for instance, consider granting CIARDS for TDY time.

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- 9 . Long overdue! Should be implemented as soon as possible. Many government rules and procedures tend to degrade the professional, e.g., travel restrictions which require staying at cheaper hotels, driving the cheapest cars, flying on the cheapest flights. Removal of these restrictions may encourage more professional work force.
10. We believe that additional compensation is needed for those employees required to travel extensively. Examples that should be considered are:
 - a. Agency-provided travel insurance;
 - b. Agency-provided luggage;
 - c. Reimbursement for membership costs of red carpet airline clubs for employees who travel extensively to Third World airports;
 - d. A means by which employees may use the frequent flyer benefits for personal use;
 - e. Two hours of compensatory leave for each day of TDY travel to recognize the fact that a large percentage of TDY travel is conducted on the employee's time.

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4. QUALITY OF LIFE

1. We believe that an initiative should be developed that addresses the issue of quality of life in the workplace. The working environment and the tools provided to the employees are key factors in recruitment, retention, and overall productivity of the work force.

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5. PROFESSIONAL SOCIETY FEES

1. We believe that consideration should be given to paying for membership in professional organizations that are directly related to the employee's occupation.

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6. RETIREMENT BENEFITS

1. In addition to the retirement options mentioned, consideration might be given to phased-in retirement, perhaps part-time employment for a year or two. Also, increased hiring of retirees on a contractual basis might have merit.
2. People who spend years working a rotating 24-hour, 7-day shift should be given at least the same retirement considerations as those persons assigned to overseas posts. Night shifts impact on life styles, personal health, marriages, and employees enduring these hardships should be compensated.
3. When SPS personnel are deployed on training, this time should count towards CIARDS.

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7. MISCELLANEOUS SUGGESTIONS

- STAT
-
2. Create appropriate spouse awards (to be awarded when deserved and not after the employee's retirement).
 3. Routine eye examinations and glasses for imagery analysts should be paid for by the Agency.
 4. The Agency should pay employee insurance costs, as much as private industry does.
 5. Overtime - How about real paid overtime for all?
 6. Job sharing should be considered with one employee working in the morning and another in the afternoon.

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INTRODUCTION

In November 1986, a Task Force was formed consisting of senior representatives from each Directorate and the DCI area. This effort was chaired by a senior DDA officer.

Under the general guidance of the Executive Director of the Agency this Task Force set out to construct and design a Proposal for establishing an improved compensation and benefit system for this Agency and its people. The genesis of this effort began in the summer of 1986 when the-then DCI informed our oversight colleagues on the Hill of his intentions to develop a CIA pay and benefit system which served the needs and requirements of this unique Organization.

Among the features that this effort intended to develop included, but were not limited to;

- o A pay and classification system that better relates pay to performance;
- o A competitive total compensation package that allows employees more choice than met their personal needs;
- o A career development policy that expands the concept of dual career tracks for substantive managers and;
- o A comprehensive review of the appeal, automation, and training required to implement and support the proposed new system.

After eight months of intensive deliberations, the use of recognized consultants in this field, and substantial intra-Agency coordinations and soundings, the Task Force produced a preliminary proposal and system design which were circulated to Agency managers and employees in July 1987.

Under the guidance of the DDCI, every employee was to have an opportunity to comment on the proposal and submit comments and recommendations on any portion of the proposal as each saw fit. This action has now been completed. Since July, the undersigned have been involved in assuring that the substance of this proposal has reached every level of the Directorate of Administration. Using the Deputy Directors as focal points within each office, we have encouraged and supported the communication of this Proposal to one and all. After two more months of auditorium informational briefs, and individual/group discussions on the Proposal, the data are before us. What follows is a compilation of employee and Office management opinions, comments and recommendations. We have synthesized these data and have endeavored to present for your consideration what we believe is a fair and objective assessment of our findings and perceptions.

The next step in the overall process is to have each Directorate by 30 September report its findings including reactions and recommendations on how to proceed to the Task Force. The following document provides a basis for the DDA submission to this next phase of the review process.

THE COMMUNICATIONS PROCESS TO EMPLOYEES IN THE DDA

1. Before the various DDA offices could begin to gauge their employees' feelings toward the Human Resources Management and Compensation Task Force Proposal, they had to first inform the DA work force. The Offices provided Proposal details and information to DA employees by several means in order to obtain feedback.

2. Initial dissemination of the Proposal was accomplished through the following means:

- o Distribution of copies of the abbreviated 16-page version to Directorate personnel; STAT
- o Distribution of copies of the System Design to Directorate personnel; STAT
- o Work sessions with the Deputy Directors serving as focal point coordinators for each office;
- o Auditorium presentations by the Chairman of the Task Force and DDA Rep directed to individual office populations and allowing unlimited time for questions and answers.
- o WWSB was sent to inform domestic/overseas locations describing the Proposal and soliciting comments and recommendations.

3. In addition to the initial dissemination efforts, many DA office Managers and Supervisors held group and/or individual meetings with their employees to explain the process within the Proposal. They de-emphasized the "predetermined" perception people tended to make about this new initiative and invited them to give their sincere reaction to the Proposal on or off the record, confidentially or openly. Feedback to the Task Force Reps from each Deputy Director was required.

4. Each office also used a survey to ascertain the population's reaction and comments to each feature of the Proposal. In 8 of 9 offices, response to the survey was not mandatory although some offices closely monitored response to the Survey. Attribution of the survey response was at the employee's option. In this manner we hoped to assure that everyone had the opportunity to not only rate every feature of the proposal, i.e. favor, strongly favor, against, strongly against, etc., but also to suggest enhancements or modifications or even to reject the entire proposal without any substitution, all without attribution if they so chose.

5. Employees were encouraged by their management to attend one of the three HRMCTF explanation sessions held in the auditorium during August. The purpose was for the employee to gain a feeling for the content of the Proposal and how it could affect their professional lives in the Agency. These sessions were designed to be "straight talk" sessions with ample time for questions and answers. (As you will note in the survey comments, these sessions were considered "promotional" by many of the attendees even though there was a conscious effort to present the facts clearly and objectively.)

6. Throughout this communications process which lasted approximately 60 days, meetings were held within most offices and at the Directorate level to monitor the progress and to assure that questions were being given timely responses. Toward the end of August each component began aggregating its survey data and compiling a synopsis of both employee and office management opinions and recommendations. On 9 September each Deputy Director presented his office's position verbally and in hardcopy to the Directorate representatives. Two three-hour sessions were held to complete this process. Notwithstanding these efforts, many employees chose not to respond to the survey for whatever reason. Of the [] Directorate employees to whom a survey was sent only [] responses were received. In some offices the percentage of responses was good, others were fair, and some poor. On balance, approximately 37 percent of the personnel surveyed responded. These responses represented 31 percent of the entire Directorate of Administration personnel.

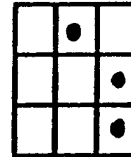
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SURVEYING TECHNIQUES

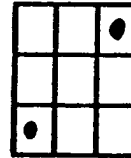
COMMUNICATION OF PROPOSAL

The following three communication techniques were used by DA Office Management to ensure the distribution of surveys to DA employees.

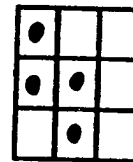
- A. Survey form with limited or no personal contact with employee.
(3 Offices - OIT, ODDA, OL)



- B. Survey form with personal contact with employee. (2 Offices - OMS/OF)



- C. Survey form with employee contact and follow-up/follow through.
(4 Offices - OP/OC/OE/OS)



NOTE: Six offices employed an all-employee type survey. Three offices used selective sampling survey techniques. One office tried a mandatory approach for responses while the remaining eight offices used an "optional" response technique.

RESPONSES

STAT The DA Offices surveyed roughly employees and received

STAT approximately This translates into 31% of all DA employees.

SUMMARY OF SOME OF THE BEST FEATURES

(AS REPORTED BY OFFICE MANAGEMENT)

FEATURES

OFFICES

	OP	O TE	OMS	OIT	OC	OS	OF	OL	O/DDA
1. Occupational Banding			•	•					
2. Incentive Pay	•		•	•					
3. Performance Plan									
4. Performance Evaluation									•
5. Occupational Career Handbooks	•		•						
6. Individual Career Development									
7. Occupational-Specific Training									
8. Improved Availability of Training	•					•		•	•
9. Dual Track	•	•	•		•				•
10. Promotion	•								•
11. Flexible Benefits	•	•	•				•		•
12. Leave Conversion	•				•	•		•	
13. Educational Assistance					•				
14. Staffing Management Tools									
15. System Controls									
16. Projection Tools									

SUMMARY OF LEAST ATTRACTIVE FEATURES

(AS REPORTED BY OFFICE MANAGEMENT)

FEATURES

OFFICES

	OP	OTE	OMS	OIT	OC	OS	OF	OL	O/DDA
1. Occupational Banding	•	•				•	•	•	
2. Incentive Pay		•			•				
3. Performance Plan			•		•				
4. Performance Evaluation				•					•
5. Occupational Career Handbooks									
6. Individual Career Development									
7. Occupational-Specific Training									
8. Improved Availability of Training			•	•					
9. Dual Track									
10. Promotion									
11. Flexible Benefits									
12. Leave Conversion									
13. Educational Assistance	•								
14. Staffing Management Tools	•								
15. System Controls						•		•	
16. Projection Tools									

OFFICE OF PERSONNEL

SUMMARY ASSESSMENT

OP employees and careerists are very sensitive to the impact of the new system on themselves as well as the components in which they serve. Their concerns relate to:

- the ability of the Agency to provide sufficient ADP and human resources to successfully support a new system.
- how supervisors/managers are trained and how adaptable are they to the new system.
- taking care not to make implementation any more complex than absolutely necessary.
- assuring that occupational equity in our Agency culture be maintained to ensure an esprit de corps at a high level.
- ensuring that incentive pay be administered, and perceived, as credible and fair.
- taking care to proceed with caution but not lose sight of the need to ensure that the Agency has the most modern, up-to-date personnel system possible.

OP MANAGEMENT POSITION

If and when Agency employees/management agree on a proposal, we recommend incremental implementation within an occupation or component where the acceptance of change is judged to be high, thus optimizing the chance of success. ADP, human resources, management, and other necessary support (handbooks and PAR tools) must be in place before any component or occupation enters the new system. We recommend that we begin by evolving into the new integrated system, and then use the transition period to implement those aspects where we have the authority to do so. After obtaining additional legislative authority, the balance of the system can then be put in place.

Change is Traumatic. Employees are comfortable with the current system. They understand it and the status it provides. We must remain sensitive to the loss and "pain" caused as we move to a new system. We must also remain sensitive to the expectations we have built and both maintain momentum and insure we are prepared to implement change. Lastly, we recognized that potential large system change (even a demonstration project) comes on top of extraordinary change taking place across the Agency (moves to new Hqs Building and Reston, retirement, leadership).

*Features:

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Individ. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF TRAINING AND EDUCATION

SUMMARY ASSESSMENT

OTE people are generally openminded about the proposal. They are sympathetic to the view that CIA is a unique place to work and that we should pursue a separate system that reflects that uniqueness. Somewhat inconsistently, however, there is a strong perspective--although not necessarily a majority one--that many of the Task Force's recommendations could be implemented within the GS system.

There are many unresolved questions and concerns about;

- o how market pricing would actually work;
- o whether pay for performance will be fair to the poorer performer;
- o the difficulties of implementation;
- o and the effect of banding on CIA's unique culture.

OTE MANAGEMENT PERSPECTIVE

Implementation of a banding system will, at least in the short term, make it harder for OTE to recruit quality rotationals from the Directorates. A new system will cause individuals to hunker down until they understand how it --

works. This is particularly true when a mistake could directly affect an individual's take-home pay. This is a problem that is particularly important for OTE because of our dependence on a significant number of rotationals to help us conduct quality training.

We are also very concerned about the support required for the system described in the Proposal. We, and our support people, are not convinced that enough thought, planning and anticipation have been given to the resources needed to support the system. Financial counseling, career counseling, panel support and ADP support are just some of the features that will need to be in place before the system can function properly. We are also concerned that implementation at too fast a pace could swamp OTE's ability to provide quality training in a timely fashion.

Therefore, for the above reasons, OTE recommends an incremental, evolutionary approach to the occupational groups so that we can learn and cope as we go.

Our specific recommendations are as follows:

Proceed with Flexible Benefits, Leave Conversion and Educational assistance for Dependents.

- Implement as many of the Career Development Features (3 thru 9) as possible. All of these items, some with modifications, seem to be possible with or without occupational groups.

- Complete definition of occupational groups for remaining 25% of employees.

- Implement occupational banding for a limited number of occupations (suggest maximum of 3) in FY 1988. Further recommend that the occupations chosen be ones to which market pricing applies and which are having demonstrable problems recruiting and retaining personnel.

- Reassess for FY 89.

***Features:**

- | | | |
|-------------------------|-------------------------|----------------------|
| 1. Occupational Banding | 6. Individ. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail Trng. | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf Mgmt tools - |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF MEDICAL SERVICES

SUMMARY ASSESSMENT

The majority view within the Office, both among the rank and file and management, was that the data presented was either insufficient or too complicated to allow successful assessment. This was compounded by a promotional presentation aimed at selling the product rather than preparing listeners or readers to make an informed decision. The result is that the majority of the office either responded skeptically or with great qualifications.

So far as an overall office response, most of our employees seem to prefer either to remain with the GS system as is, or with modifications that still retain the present general structure. In both cases they feel that many of the goals proposed by the Task Force still can be achieved. They endorse an effort to gain unique additional benefits, but do not favor a significant change in management structure. A unique pay structure is endorsed if it means more pay, and only if there are not offsetting costs because of associated management changes.

OMS tasked those professionals qualified within the Research and Information Systems Division (RISD) to prepare a tactical critique of the Task Force. Their review was favorable to the proposed system with expressed concerns relating almost exclusively to implementation issues. Among other points, they concluded:

- a. Given the array of choices presented in the Report it seems reasonable to make a change which would break totally from the GS system.
- b. Changing the pay system to one of performance-and-rewards does reflect current management wisdom in the private sector.
- c. The proposed career development system does make necessary inroads in this area and, perhaps can serve the Agency requirements for a career work force well.

See Tab ____, for the RISD analysis which conveys the positive and negative aspects of the whole Proposal.

OMS MANAGEMENT RECOMMENDATIONS

OMS Management holds essentially the same opinion as expressed by the overall office. In the absence of any meaningful indication of the costs of this proposal--in manpower, money, or management terms--we feel that any wholesale shift in the Agency system would be unwarranted and likely counterproductive. We support seeking additional benefits and increased pay, but are not persuaded this is impossible within our present basic structure. Any movement in the direction of a new structure should be only experimental and involve highly selective and carefully studied subgroups to allow a better evaluation of the costs and benefits before proceeding to the Agency on a larger scale. If it is intended that the Agency proceed with Task Force proposals, and if rank-and-file input is genuinely sought, a more

sophisticated tutorial and questionnaire should be prepared for Phase II to insure that credence can be placed in the responses obtained.

***Features:**

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Indiv. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF INFORMATION TECHNOLOGY

SUMMARY ASSESSMENT

The proposed system is viewed with little interest by the majority of OIT. However, of the 25% responding to a survey, 85% favored the proposed system and 75% believe they were sufficiently informed. Feature 1 (52%) and Feature 2 (60%) were the only features favored by a majority of the respondents. Market pricing is considered beneficial. Features 9, 11 and 12 were preferred by 38%, 35% and 33% of respondents, respectively. The remaining features found little support among the troops; there was even a few negative responses. A modified Health Benefit Proposal received some support. There was very little enthusiasm for the Educational Assistance Benefit (9%).

OIT MANAGEMENT RECOMMENDATIONS

Managers and supervisors were generally positive about the proposed system and chose the same features as the employees but with slightly higher ratings. Movement away from GS system seems justified but in a selective, non-disruptive fashion. Management is highly supportive of pay-for-performance as tools of line management, and recommends Incentive Pay decisions be left to supervisors, and promotions be the responsibility of career panels. Management is skeptical that Performance Plans, Performance Evaluation and Projection Tools will produce the desired results. The expanded training concept is considered unrealistic because of the needed increase in resources. In summary, consideration should be given to

implementing 4-5 most desired features and not undertake the entire proposal
all at once.

***Features:**

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Indiv. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF COMMUNICATIONS

SUMMARY ASSESSMENT

Employees are very positive about Features 1, 2, 11 and 12 with nearly an 83 percent endorsement. Feature 2 was endorsed with reservations on how it may be implemented. Features 5, 9, 10, and 13 were received less enthusiastically but with a majority favoring the proposal. Remaining Features 3, 4, and 6-8 received an endorsement from nearly 73% of the respondents but each with some reservation. Features 14-16 were also favorably received but with less enthusiasm.

In sum, although the overall proposal was favorably received by a significant majority of those responding, it is expected to require considerable additional resources to implement and manage. It was recommended that the benefits package, with minor revisions, be implemented regardless. Educational Assistance as proposed is considered inequitable by a vocal majority since a portion of the Agency population cannot avail themselves of this benefit.

OC MANAGEMENT RECOMMENDATIONS

Feature 1 seems workable with some concern over the optimum levels within a band. Feature 2 was endorsed, with Home Office and Career Panels making final decisions vice the Host Component and first line supervisor. Feature 3 and 4 require heavy management investment with little expected return.

Feature 5 is deemed useful but will also require additional resources.

Features 6, 7 and 8 are good goals but overemphasis will create unrealistic expectations of advancement and must also be weighed with needs of the Office. Feature 9 is attractive but has limited application; must retain flexibility to move back and forth. Features 10-12 endorsed with the latter two features receiving universal acceptance. Strong positive reaction to Feature 13; however it is viewed as inequitable by a vocal minority for the same reason cited under the Summary Assessment. Feature 14 received strong endorsement. Feature 15 acceptable provided funding controls are allocated to offices vice directorates. Features 15 and 16 are necessary if the total proposal is to be successful.

In sum, the OC Population, like the Agency's, is unique in processing, cover, and job requirements; and, therefore, can justify a unique pay and benefits system. While GS Schedule is inflexible and mechanistic, the proposed system is extraordinarily complex. Recommend modular approach to both its presentation and implementation. The Benefits package should be implemented regardless.

*Features:

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Indiv. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF SECURITY

SUMMARY ASSESSMENT

Many of our careerists provided general comments which were very supportive to the Proposal. With regard to Occupational Banding (1*), this was one of the Features with the least employee support in the Office of Security. Loss of identity and status which has classically been provided in the GS system, was usually given as the reason. Incentive Pay (2*) fell in the middle of the pack with doubts dealing with a potential for favoritism, if left to first and second line supervisors. Some cautioned that managers will be heavily burdened by this proposed system. Some feared the absence of crucial ADP support and availability of training. A number of people believed the flexible benefits enhancements could be accomplished within the GS system. Some expressed concern that covert employees would not enjoy the same benefits as overt employees and that the Proposal favored persons in grades GS-11 through 15 over those GS-10 and below. There was a belief the change should be managed gradually to ensure success of the proposal.

OS MANAGEMENT RECOMMENDATIONS

OS recognizes that many of its employees have a concern about leaving the GS system for occupational banding and the concerns stem from several things; emotion, the potential for an identity crisis, and fear of something big, new and different. Even with the foregoing, OS Management does not believe there is reason enough to forego proceeding with a modification of the GS system and

accordingly endorses the proposal with the following caveats:

Agency management must;

- o present a stronger and more convincing case for conversion from GS to something else.
- o provide a firm feeling as to what market linkage means to each of the occupations.
- o ensure that the "Proposal promises" can be carried out and especially within the 2 percent funding limit.
- o ensure that controls will be in place to manage the complex incentive-pay equitably for all.

Without the above, the Proposal will not meet with employees support. OS management endorses the proposed performance evaluation (4*) and the individual career development (6*) systems as steps to take ambiguities out of how people develop and progress through their careers. We are concerned however that the design must not over burden managers as they administer the program. We must remember that history shows that "getting the product out" takes precedence over individual career development, if and when a conflict over the two exists. We also believe that dual track (9*) can offer a legitimate career path for experts and thus endorse this as well. However, in

OS we describe only a narrow segment of our employees as experts. Every employee does not become either a manager or expert, as some see it. It is not an either-or situation. We felt there was some confusion on this point.

OS supports the proposed flexible benefits (11*) concept and urges that even if all else fails, we proceed with this useful feature. Lastly, we share the concerns with our people about covert employees receiving and enjoying the same or equivalent benefits. This is essential to us.

*Features:

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Indiv. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
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| | | 16. Project Tools |

OFFICE OF FINANCE

SUMMARY ASSESSMENT

There is a broad based willingness to accept the overall proposal. However, a cautious approach to implementation is strongly recommended regardless of the final design. Feature 2 received the most positive response, Features 5-9, 11, and 12 received very strong support. Feature 14 received a luke warm reception as the younger set was "put off" by the idea of involuntary retirement. Remaining features received moderate to strong support. More information is needed on Banding particularly its implementation. There seems to be some support for a modified GS system as opposed to Banding, particularly if the benefits package can be incorporated. Feature 10, although universally endorsed, was not viewed as an improvement over the present system.

In sum, although the proposal received generally favorable support, more planning and details need be known prior to final acceptance. The Proposal is very complex and will require "herculean management effort" to implement and administer. Total Proposal may not be required.

OF MANAGEMENT RECOMMENDATIONS

Office of Finance management ran concurrent with employee opinions and recommendations with following added comments. For the incentive pay awards to be handled equitably, OF management believes all MF positions within external components should be transferred to OF. OF management must have the

final decision on incentive pay awards for personnel assigned externally to the main office as well as those assigned within the main office. Management is also of the opinion that any Market Pricing of finance functions be contingent upon management acceptance of the pricing criteria. OF's initial experience with market pricing was less than desirable.

***Features:**

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Individ. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF LOGISTICS

SUMMARY ASSESSMENT

OL respondents were generally supportive of the overall proposal. While not strongly favoring any feature, they were moderately approving of features 5-12, with Features 13 and 14 receiving slightly less than moderate approval, and the remaining Features, 1-4, 15 and 16 receiving little more than a neutral rating. A great deal of skepticism exists with regard to Banding and particularly the Market Pricing aspects. More information and explanation on the overall implementation plans and processes seemed in order. There is also an underlying feeling that breaking with GS scale is desirable but not entirely.

OL MANAGEMENT RECOMMENDATIONS

Features 11, 12 and 14 were favored. There was little enthusiasm for Feature 2 principally because of arbitrary 50% annual eligibility. No support for Market Pricing as a function of Feature 1 pending establishing its credibility with Agency occupations. Feature 1 is considered to have limited application and should not be imposed on everyone. If implemented, several levels of promotion are recommended. Management believes that the current system accommodates Performance Planning and Evaluation. It is recommended that the O/L Education Assistance Plan be substituted for the proposed plan. Why a new system? O/L's Plan encourages Agency longevity and fosters the "Agency Family" concept. OL management recommends that the Home Office vice Host Component make the decision on Incentive Pay.

In sum, implement the best features with existing DCI authority but in a go-slow, modular approach. In addition, the best system would seem to be a combination of the GS System and some portion of the Banding concept.

***Features:**

- | | | |
|-------------------------|---------------------------|----------------------|
| 1. Occupational Banding | 6. Individ. Career Dev. | 11. Flex Benefits |
| 2. Incentive Pay | 7. Occ-Specific Trng. | 12. Leave Conv |
| 3. Performance Plan | 8. Improved Avail of Trng | 13. Educ. Asst. |
| 4. Performance Eval | 9. Dual Track | 14. Stf. Mgmt. tools |
| 5. Occ. Career Handbks | 10. Promotion | 15. System Controls |
| | | 16. Project Tools |

OFFICE OF THE DEPUTY DIRECTOR FOR ADMINISTRATION

SUMMARY ASSESSMENT

The key to this new system is the manager. Will managers be;

- o allowed to manage?
- o willing to manage?
- o rewarded for managing?

If these answers are no, we should seriously reconsider whether we want to do anything at all. If yes, we are undertaking a major departure from tradition and from Agency culture; a departure not adequately addressed in the Proposal.

Under the proposed system, managers now will have to be prepared to play roles that we traditionally have not asked them to play, i.e., serious decisions about peoples' careers, and then be willing to live and continue to manage those affected by their decisions. Employees who do not wish to manage or who simply are not good managers should be allowed to go back to their previous status or the "expert" track without penalty.

We further recommend that the Agency create a cadre of people who, from the end of their probationary period, are groomed to serve as Agency managers. This would include rotationals from different Directorates to develop a "corporate" view of the Organization. There is no guarantee that they will stay managers. They can opt out of the program.

O/DDA MANAGEMENT RECOMMENDATIONS

A recommendation from the Office of the DDA is not appropriate here prior to review of the Office submissions within the DDA.

ISSUES AND CONCERNS

This section of our paper is somewhat controversial. It is included only as a meter to show the kinds of concerns and uneasiness out there and where they are felt.

Over the course of the last year the Task Force Representatives (Reps) have heard many kinds of concerns and issues troubling our people in various degrees. These concerns have come to us in a variety of ways. We have received written comments and papers stating these concerns. We have had scores of conversations with DDA careerists who simply wanted to question the proposal and ventilate their personal concerns. Additionally, in every Deputy Office Director's submission (herewith attached), there are a variety of issues and concerns expressed.

The controversy in this part of our paper relates to our developing a summary listing of all the concerns, major and minor, and asking the Deputy Directors to indicate if they had a sense of these concerns either within their employee ranks or among their senior management. Some Deputies believed that their inputs (only on a sense of the employee's and management's concerns) would have little or no usefulness or importance. Nonetheless, each Deputy participated in this effort. The results are compiled below.

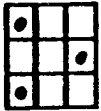
What follows therefore is a random presentation of employee and management concerns and issues which we have received during the review process. In the left and right margins is a graphic presentation showing which offices determined a sense of the stated issue or concern and whether the sense was felt by the people, by the management or both.

*See Office graphics on opposite leaf.

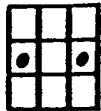
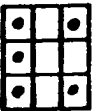
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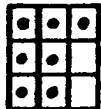
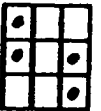
ISSUES AND CONCERNS



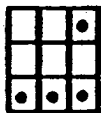
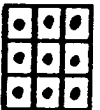
There appears to be a lack of confidence in supervisors and managers.



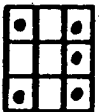
Pay for performance over-emphasizes money as a reward which is the wrong incentive for Agency people.



Many employees expressed a concern over the process, and Agency support to the process, is a great deal of skepticism that we can pull this effort off as proposed.



This proposal is scary to our managers at the junior and senior levels in that it creates new demands on their time, adjustment to their style, and a requirement for training or (re-training) for the new system.

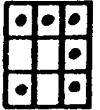
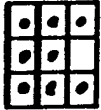


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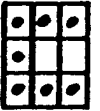
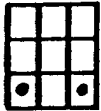
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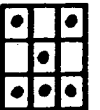
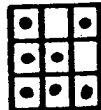
The Agency never says no to additional requirements and thus continues to put additional work on its people without eliminating existing duties. Embracing the Proposal means more pressure for the work force.



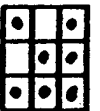
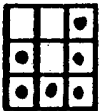
Many mid-level managers may have great difficulty changing their stripes.



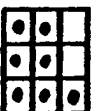
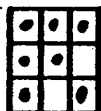
New managers will have to be groomed differently right from the start to function well in a pay-for-performance system.



Much more information is needed to make a good informed decision. The absence of detail is worrisome.



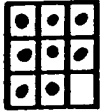
This is a time of enormous change, e.g. new DCI, FERS, THRIFT, New building, Reston, Medical insurance uncertainty. Change equals pressures and stress.



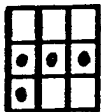
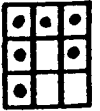
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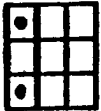
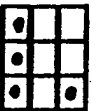
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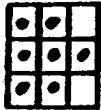
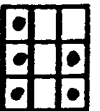
There is real concern over the process and the mechanics.



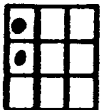
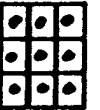
This Proposal is probably too large and too time-consuming.



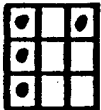
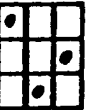
The Proposal is felt to be a fait accompli.



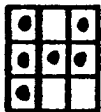
The Proposal presentation was reviewed as a strong sales pitch.



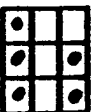
Why change? If it's not broken, don't fix it.



Recruitment and retention as stated in the Proposal are the wrong reasons for coming up with a new system.



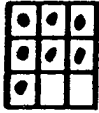
Who says the Agency will get the money?



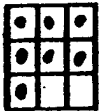
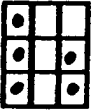
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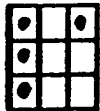
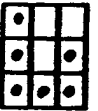
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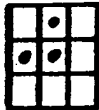
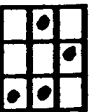
Who says the Agency will get the money each and every year?



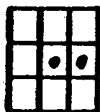
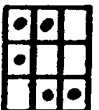
Who says we'll get the political approvals?



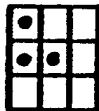
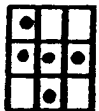
"Training" will become mandatory and turn into ticket-punching exercise.



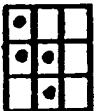
An ADP system probably will not be devised in time to support a system of this magnitude.



I'm "something" under the GS; I lose identity under a Banding System. Identity is very important.



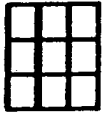
There are so few promotions under a Banding System. This will be frustrating.



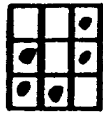
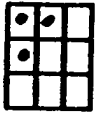
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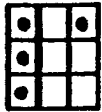
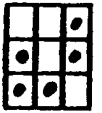
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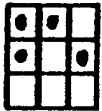
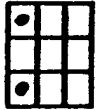
Is there an appeals process for perceived unfair performance appraisal and unfair bonus determinations?



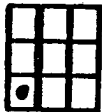
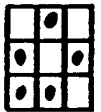
Market pricing - it seems impossible to get a reliable gauge.



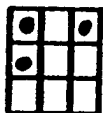
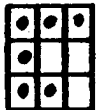
Adopting this Proposal equals considerable disruption at a high price.



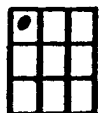
When contrasted with each other, i.e. sound management versus operational results, the latter always wins out in this Agency.



Under this system the employee must have training but often can't be spared. This can therefore turn into a career disadvantage under the Proposal.



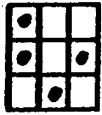
The survey results have generated false impressions as to levels of acceptance of the Proposal.



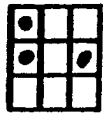
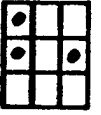
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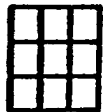
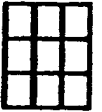
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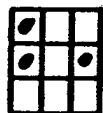
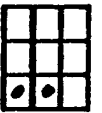
Work ethic will change under this Proposal. Now it will be what's good for me rather than what's good for the Organization.



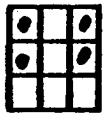
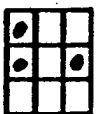
Training seems to be offered now to be at the convenience of the employees. This goes too far.



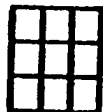
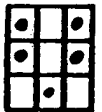
If not a Manager then I surely will be an Expert.



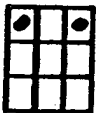
Money will now be our motivation instead of excellence, as it has been.



There is a fear of Market Pricing.



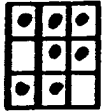
There is a real risk of mismanagement of the funding controls by managers at all levels.



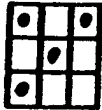
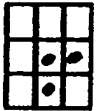
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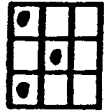
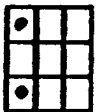
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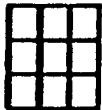
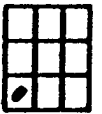
It is of concern that careerists are granted bonuses by the "host" components versus the parent service. The bonuses should be considered and given by the parent service.



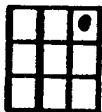
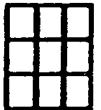
There is skepticism that Congress will be in support of this Proposal.



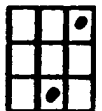
This Proposal raises expectancies without any real assurances that it will be approved and implemented.



Employees may be ranked by a computerized (automated) process rather than by human beings.



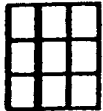
"Early outs" as suggested by the Proposal appears to be a drain on experienced talent.



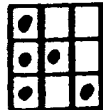
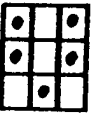
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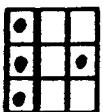
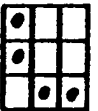
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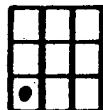
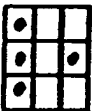
Components with a heavy population of lower-graded personnel feel the proposal favors senior-graded employees.



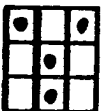
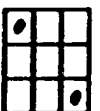
Many raised doubts that the Agency (read: OP) will be unable to accomplish the conversion due to its magnitude and heavy dependence on additional resources.



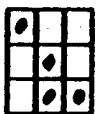
The data presented was either insufficient or too complicated to allow for thoughtful assessment.



There is little mention or reference on how adequate training in the new system will be implemented.



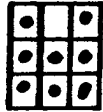
A working mechanism for addressing employee concerns about pay and career decisions must be established, supported, and functioning prior to implementation.



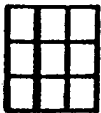
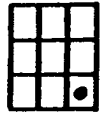
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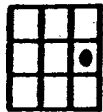
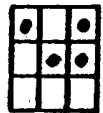
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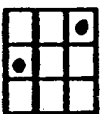
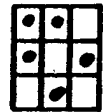
The evaluation process of this Proposal was done differently by each Directorate. This has led to very different feelings and results. Bad process. Should have been the same survey Agency-wide.



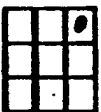
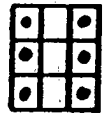
In Banding there is considerable concern about one's initial placement and one's progression through the individual bands.



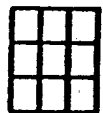
SIS'ers seem to get too much in this Proposal.



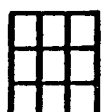
Educational Assistance is inequitable in that everyone doesn't need it or want it. The money for this benefit would be better used if applied to Benefits that all can use.



Retention Bonus is detrimental to our esprit de corps.



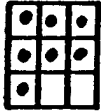
There is now less of an incentive to achieve SIS.



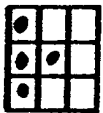
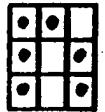
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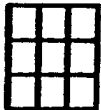
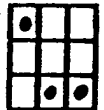
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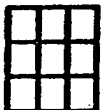
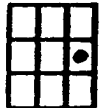
The Proposal is very resource intensive. I feel uncertain that the resources will ever be there to support it.



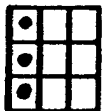
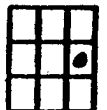
This Proposal has an overly ambitious schedule.



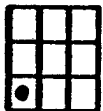
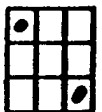
This Proposal unfairly favors managers.



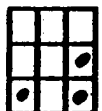
Cashing in A/L for dollars leads to the potential for abusing one's S/L.



We do not seem to be proceeding with caution.



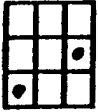
The tremendous effort to implement this Proposal, or any reasonable facsimile, does not seem worth the gain.



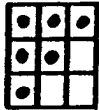
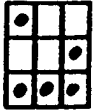
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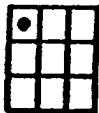
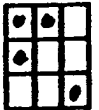
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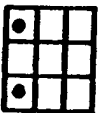
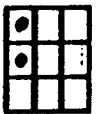
A major shortcoming in the Proposal is the lack of implementation information and actual system detail.



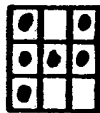
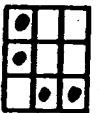
There is no mention of additional staffing for an effort of this magnitude. I fear there will not be sufficient human resources to make it work, as hoped.



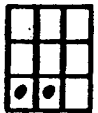
Congressional scrutiny may mean our losing some current benefits.



We really need to improve management and not necessarily improve the system.



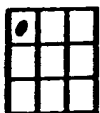
Make more changes now by using the existing DCI authorities more liberally.



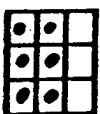
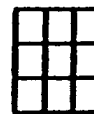
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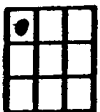
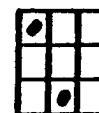
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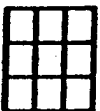
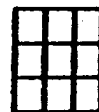
The GS system is a part of the Agency culture - don't jeopardize it.



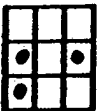
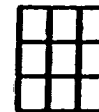
Be sure we can implement before we promise.



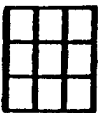
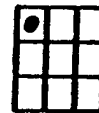
Bad idea but with good packaging.



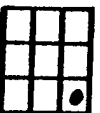
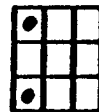
Shouldn't we be looking beyond "banding" since most of Government is heading there?



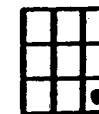
Wait until OC banding and the secretarial systems are fully operational - learn from these "test beds".



It is bad timing to propose a new pay system change on the heels of the new secretarial pay system which was disappointing.



The GS system is obsolete.



PERSPECTIVE AND RECOMMENDATIONS

Perspective

There is a great deal of activity and change in the air these days for our people in the Agency:

- o a new Director of Central Intelligence,
- o an investigative atmosphere in the Agency,
- o retirement decisions being reconsidered for participation in the Civil Service Retirement System vs. FERS,
- o decisions on making THRIFT plan contributions, or not,
- o disturbing medical insurance premium increases,
- o new buildings in Hqs to move into over the next months, and now, STAT
- o the very unusual Compensation and Benefits Proposal...

This time of change is requiring an unusual amount of decision-making on issues outside of the sphere of our employees' normal day-to-day work. Right now, there is probably a need for some stability and settlement in the Agency. Presenting a Compensation and Benefits Proposal (Proposal) such as

ours with the implications for affecting professional lives and livelihood, represents a significant added pressure with which they must deal.

The Proposal asks a lot of our people; but it will also give a lot. It asks them for a period of serious consideration, eventually their acceptance, their willingness to "educate" themselves, their adjustment from old ways to new, their patience as implementation unfolds, and requires them to manage and be managed in very different ways. Under the Proposal we will now pay for performance, allow a benefits choice, consider one's career more than before, and focus on overall emoluments for careerists of this Organization.

We are finding strong support in the Directorate for those Proposals which enhance the well-being of our people:

- o flexible benefits, by far a front runner,
- o leave conversion which allows tangible recognition for the high degree of dedication found in our employees,
- o the dual track system, considered innovative and long overdue.

We are finding some support in the Directorate for:

- o occupational banding, with caveats concerning the reliability of market-pricing which will compare our occupations with "equivalents" (if there are such things) in the private sector marketplace,

- incentive pay, with serious concerns as to the fair and equitable handling of this by supervisors and managers,
- promotions,
- occupational-specific training,
- educational assistance.

We have found only limited support for:

- individual career plans since most employees feel that their careers are largely their own responsibilities,
- staff management tools,
- performance plans, since most harken back to the discomfort and dislike for the former AWP and LOI exercise,
- occupational career handbooks.

We found little or no interest in:

- system controls, and
- projection tools.

The lack of interest for these last two came mostly from employees and not from management.

Our people perform. And usually well. It has even been said that an acceptable level of performance in this Organization equates to strong performance in many large firms and in some components of local and federal government. Adopting our Proposal may not produce a demonstrably big difference in performance levels by our people, however it allows us to recognize and reward the good, the great, and the outstanding performances in new and exciting ways.

There is skepticism out there. Many of our people do not feel an inherent trust in the system nor that its management is really looking out for their interests. They comment that our managers, junior and senior, are often ineffective on the people-side though effective on the production-side. The people-side is the concern here. The statement that production overcomes the professional needs of the worker, has an almost universal ring throughout the Directorate (and probably throughout the Agency).

Our employees gratify themselves in an unusual way. Suffice it to say that government employees do not join government service to become wealthy. Money isn't the motivator; and our Proposal does have money as one of its incentives. It really has to. That frankly has triggered certain adverse reactions within the DA. Accomplishment, and especially accomplishment with excellence, excites, sustains, and gratifies our people. Simply said, it turns them on and they consistently accomplish to the outer limits of their potential.

We complain about excessive tasking and unreasonable workloads but these complaints are not really from the heart. We react in completely predictable ways in our Agency when confronted with the "very difficult" or even "the impossible". We go right at the problem without hesitation! This scenario is played out day after day in each and everyone of our Offices. It has come to be termed the "Agency work ethic". It is incredible and we are justifiably proud of it.

We ask very special kinds of "extras" of our employees. Not only was it a rigorous and onerous ordeal initially to join this Organization but once in, we tend to stay with more regularity than perhaps any major institution or organization in America. Once you are here you are likely to want to stay, and we want to keep it that way.

STAT The Agency puts some of its work force under cover, unquestionably a stressful condition of employment. We are asked "to live a lie" and are expected to follow convincingly and unswervingly a scenario which, though false, is essential to the effectiveness of our intelligence mission. The limitations on us are many. We have no civil service status; we serve at the pleasure of the Director; we do not travel internationally, nor publish, face the courts, develop relationships with foreigners, nor embrace certain private life styles or habits, without notification and/or approvals from our own "system." We are constantly under review for employment suitability and subject to lie detector testing over our whole career. Yet all of this somehow draws us together as "family" even more. We are proud, have exceedingly high personal standards, work incredibly hard, and unflinchingly take on everything we are asked to do-- then do it well.

Our employees serve in very unusual capacities. We are positioned in some of the most remote, backward, dangerous and unhealthy places around the globe. Our range of expertise and skills ranges from paramilitary to the highly scientific. We have a work force that includes all levels from clericals and laborers to senior professional academicians, scientists, engineers, system analysts, weapons specialists, case officers, administrators, general managers, educators, physicians, project engineers, and many others. One-quarter of this Agency is engaged in the most anomalous mission in the US Government, that of collecting by human sources essential intelligence about the intentions and plans of foreign governments around the world.

Our compensation and pay Proposal recognizes all this. It is our intent and focus to improve the lot for the hardworking, dedicated and resilient people we describe above. If it does not improve their lot, then it should not be adopted - much less even be designed in the first place.

So what's missing? Some might say nothing. We say sufficient and meaningful recognition is missing. We say we can "care" more by creating programs which deliver benefits and services to improve the private and working lives of our exceptional people and their families.

Over time we have watched the private sector providing new and better things for their work force. Once the forerunner in this arena, the U.S.

Government, formerly the "most appreciative" employer in town, has now sadly slipped to one of the less appreciative. Until this new initiative, no major Agency effort has been proposed to improve the situation. We suggest that now is the time. We now can care for our work force in ways better than before. We are unique and we deserve unique handling. The Task Force Proposal offers some challenging and exciting ways to attack this.

We now wish to make our recommendations.

RECOMMENDATIONS

The foregoing is intended to provide a basis for the following recommendations and how we proceed from here. Our sense of the Directorate is that the majority of its people are receptive to some change. As we stated above, the degree of change and the manner of implementation appear the greatest cause for concern. Our people are concerned that the entire Proposal cannot be implemented without unacceptable disruption in their daily routine. Management and employees alike echo a cautious, go slow phased approach. We do as well.

We earlier addressed the uniqueness of this Agency and its people. It follows therefore that we should have a pay and benefits system to match this uniqueness. The base pay of our people in the present system does not seem to be a factor of real discontent. Rather, there is a general feeling of fairness for the most part. However, the benefits side of the present system leaves much to be desired. Since the benefits and their income tax consequences can affect "take home pay", and improvement will be beneficial to an individual's pay. We therefore recommend that Features 11 (Flexible Benefits) and 12 (Leave Conversion) be included for immediate action in the DA's recommendations regardless of whether the remainder of the Proposal is accepted. This recommendation was echoed throughout every office within the Directorate.

Next, we recommend that Feature 1 (Banding) be implemented but in a "test bed" mode. We recommend selecting only components which are willing to be banded and observe carefully the results including employee reaction. We are

of the belief that the concept of Banding has been negatively received by some offices in the Directorate due to the inclusion of Market Pricing and the perceptions that market-pricing makes unfair and inequitable comparisons of Agency support functions with those of industry and other routine USG agencies. As said earlier, we are different. Thus, we must find a way to assure reliable Market Pricing before undertaking Banding. We also recommend accepting the use of personal services funds to control the structure of the work force and the delegation of classification authority. However, to minimize the impact on management, we recommend these two elements of Feature 1 be retained at the Office Director level where some centralized control can be used. At a later date when Banding has stabilized, the redelegation of these authorities to a level of management below Office Director, if desired, can be considered.

Feature 2, Incentive Pay, is recommended. This feature of the Proposal receives some support and is believed to be generally acceptable to the Directorate population as a whole. However, there are some major concerns with the implementation of Incentive Pay. First and foremost for DA careerists is the concern for fair and equitable treatment when incentive pay decisions are rendered by the host component vice the parent service. This is a two-edge sword. In one respect, there is concern that the "support" employee will receive less equity by the host component than if the employee were rated by the parent career service. On the other hand, the individual may find "a home" i.e. treatment is superb; annual bonuses, etc. Thus, when the time comes to rotate the employee, that individual may prefer to remain with the host component. Thus, we recommend that the parent service have final approval authority on incentive pay for externally-assigned personnel with the host component recommending the incentive award.

Another concern voiced particularly by various managers within the DA offices is determining at what level the decision on incentive pay will be made. There is considerable concern that the first line supervisors should not have the final say although he/she should have significant recommendation input. However, there is an anomaly here in that preparation of the PAR by the supervisor will directly affect the incentive pay decision under the current Proposal. This revision will leave the final decision to some level above the supervisor offering somewhat of a minor "appeals process" and an objective assessment of the incentive pay recommendation as a result of the PAR rating. If career panels are chosen as the level of decision, it is our recommendation that this be a temporary situation with a view toward bringing the decision back down "near the action" in the next 2-3 years at the outside. Thus, we caveat our recommendation on Incentive Pay to include parent office vice host component approval and that the final decision be made above the first line supervisor level.

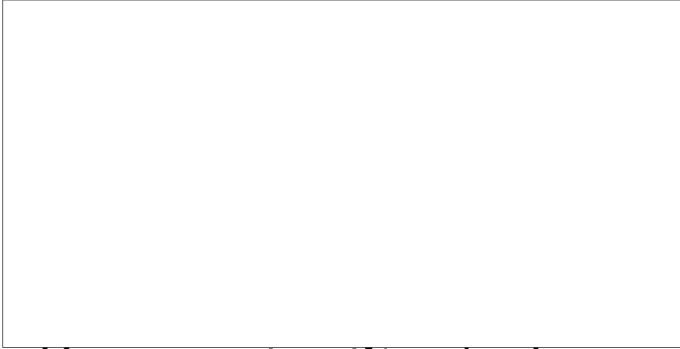
Feature 9, Dual Track, is also included in our recommendation. Dual Track was included by five of the nine offices as among the Proposal's best features. There has long been a concern in almost every corner of the Agency that to "get to the top" an individual has to become a manager. Under the Dual Track Feature this concept is abolished. The "expert" will be able to rise to the top of the pay ladder and still remain within his/her field of expertise. An added benefit to the Agency is that we won't force into management someone who neither wants to manage nor cannot manage. Thus, acceptance of Dual Track bodes favorably for retention of an employee who is happy, well paid, and doing the real job for which he/she was hired.

Another benefit, Feature 13, Educational Assistance for Dependents is included in the Task Force Proposal. However, as presented this feature lacks application to all Agency employees because of its very nature. We recommend a modified version of this Feature as proposed by the Office of Logistics as Appendix III of their submission be substituted and included in the DA recommendations. This substituted version has Agency-wide application and involves credits for either Dependent Education or other non-dependent related benefits earned based on years of Agency service. It espouses the "Agency family" concept.

In summary, we believe the heart of the DA recommendations should include Features 1 (Banding), 2 (Incentive Pay), 9 (Dual Track), 11 (Flexible Benefits), 12 (Leave Conversion), and 13 (Educational Assistance - O/L version). These will offer, we believe, the most to our people in the design of any unique pay and benefits package.

It suffices to say that the remaining Features proposed by the Task Force cannot be disregarded. Criteria for career advancement are directly relatable to Features 3 through 8 while Management's ability to monitor and control this "new" system involves Features 15 and 16. Making these latter statements is not a "cop out" but rather testimony that the total Task Force Package was designed with thoughtful and careful consideration.

Prepared and submitted on 18 September 1987 by:



Task Force Member, Alternate

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