

DOCS CROSS REFERENCE

ATTACHED: PLEASE TRY NOT TO REMOVE FROM DOCUMENTS THANKS...

ER 3249X 86
ICS SC06186 86
ER 3249/1-4 86
ER 3249X/5-6 86
ER TCS 026X 86
ER SC 5156X 86
ER 86-3249X/15
" 86 3249X/19
" 86-3249X/10
" 86-3249X/11
OCA 86-2950

SSCI / personnel  
DCI statement to SSCI

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X >		
2	DDCI				
3	EXDIR	X I			
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	ES		X 4		
18	ER		X Z		
19					
20					
21					
22					

SUSPENSE 14 Aug 86  
Date

Remarks To 3: Copies provided all addressees late 23 July. interim progress report requested prior to DCI departure on leave.

\_\_\_\_\_  
Executive Secretary

\_\_\_\_\_  
Date

STAT

Executive Registry  
88- 3249 /7

23 July 1986

MEMORANDUM FOR: Executive Director  
Deputy Director for Administration  
Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science and Technology  
Director of Personnel

FROM: Director of Central Intelligence

SUBJECT: SSCI Hearing - 23 July 1986

Attached is the statement I made today before the SSCI on personnel management.

I want to move out on this immediately. You should begin now to articulate and schedule the steps I said we are going to take.



William J. Casey

Attachment:  
As stated

cc: DDCI  
D/Ex Staff  
DCI  
ER  
ES



B405-1R

DCI TESTIMONY  
SENATE SELECT COMMITTEE ON INTELLIGENCE  
23 JULY 1986  
CIA PERSONNEL MANAGEMENT

IT IS A PLEASURE FOR US TO BE HERE TODAY TO TALK ABOUT ASPECTS OF PERSONNEL MANAGEMENT IN THE INTELLIGENCE COMMUNITY.

[REDACTED] EXECUTIVE DIRECTOR OF DIA, [REDACTED] DEPUTY DIRECTOR FOR ADMINISTRATION FOR NSA, AND SECRETARY MORTON ABRAMOWITZ FOR INR WILL ADDRESS PERSONNEL NEEDS AND INITIATIVES IN THEIR ORGANIZATIONS. I WILL COMMENT GENERALLY ON THE COMMUNITY AND ADDRESS DEVELOPMENTS IN CIA MORE SPECIFICALLY. IN AN AGE OF HIGH TECHNOLOGY, IT IS EASY TO LOSE TRACK OF THE FACT THAT INTELLIGENCE IS A MANPOWER INTENSIVE BUSINESS.

STAT T

WHEN I CAME TO THIS JOB I FOUND AN ENTHUSIASTIC, DEDICATED AND, ABOVE ALL, HIGHLY TALENTED WORKFORCE. THEY WERE STRETCHED DANGEROUSLY THIN FROM THE CUTS OF THE LATE 1970s, BUT THE SENSE OF DAILY CHALLENGE AND FULFILLMENT THEY GOT FROM THEIR WORK WAS AN INSPIRATION. WITH YOUR SUPPORT, THEIR RANKS HAVE BEEN REBUILT AND THEY HAVE OBTAINED THE RESOURCES THEY NEEDED AND DESERVED.

OUR PERSONNEL SYSTEM HAS SERVED US WELL AND HAS MANY STRENGTHS. IT ACCOMPLISHES OUR MOST FUNDAMENTAL GOAL, DEVELOPING PEOPLE WHO ARE EXPERTS IN THEIR FIELDS AND DEEPLY COMMITTED TO OUR MISSION. BY AND LARGE OUR EMPLOYEES SAY

OUR PERSONNEL SYSTEM IS FAIR. EACH INDIVIDUAL CAN MAKE A DIFFERENCE AND GOOD PERFORMANCE IS REWARDED. TODAY, WE ARE FOCUSING ON MAKING OUR MIX OF TALENT AND EXPERIENCE MESH BETTER WITH THE LANGUAGES AND THE CULTURES AND THE NATURE OF THE PROBLEMS AND THREATS WE MUST DEAL WITH.

THE WORLD IS CHANGING. WE NEED TO CHANGE WITH IT. WE MUST SEE THAT OUR INTELLIGENCE COMMUNITY DOES NOT SUFFER THE MIDDLE AGE MALAISE THAT MANY ORGANIZATIONS EXPERIENCE. WE MUST ANTICIPATE KEY FORCES WHICH WILL SHAPE OUR PERSONNEL NEEDS FOR THE FUTURE.

-- WE NEED A LARGER PERCENTAGE OF EXPERTS IN OUR WORK FORCE, EXPERTS WHO HAVE HIGHLY MARKETABLE SKILLS ON THE OUTSIDE.

-- WE FACE INTENSE COMPETITION FROM THE PRIVATE SECTOR, AND PARTICULARLY FROM BELTWAY CORPORATIONS WITH WHOM WE DO BUSINESS AND WHO INCREASINGLY CAN ATTRACT OUR PEOPLE.

-- THE RATE OF CHANGE IN SOME SKILL AREAS IS SO HIGH THAT CONSTANT, CONTINUING RE-EDUCATION IS IMPERATIVE.

-- WE SEE INCREASING NUMBERS OF VERY TALENTED BUT INEXPERIENCED AND SOMETIMES IMMATURE YOUNG PEOPLE. THE LACK OF MILITARY EXPERIENCE IN OUR RECRUITS, FOR EXAMPLE, SHOWS.

-- TANDEM COUPLES AND SINGLE-PARENT FAMILIES ARE A FACT OF LIFE. WE MUST ADJUST TO THEM OR WATCH OUR RECRUITMENT PROBLEM GROW.

TODAY WE FIND MORE AREAS DENIED TO US. WE HAVE TO COPE WITH RELATIVELY NEW AND RAPIDLY INTENSIFYING THREATS OF TERRORISM, NARCOTICS SMUGGLING, ARMS TRAFFICKING, INSURGENCIES AND COUNTER-INSURGENCIES. THIS IS HEAVILY CONCENTRATED IN LATIN AMERICA, THE MIDDLE EAST, THE INDIAN SUBCONTINENT, SOUTHERN AFRICA, AND THE GREAT PACIFIC ARENA. HERE WE ARE REQUIRED TO WORK WITH LANGUAGES AND CULTURES WHICH UNTIL RECENTLY OCCUPIED ONLY A RELATIVELY SMALL PORTION OF OUR PEOPLE. WE MAY WELL BE DENIED ACCESS TO STILL OTHER AREAS.

THE TERRORISTS AND SOME OF THESE OTHER THREATS HAVE BURGEONED SO RAPIDLY THAT WE CAN'T AFFORD FOUR TO FIVE YEARS TO DEVELOP YOUNG OFFICERS TO HELP US COPE WITH THEM. TO MEET THIS NEW CHALLENGE, WE ARE REACHING OUT TO RECRUIT, TRAIN AND USE MORE PEOPLE WHO BRING WITH THEM THE LINGUISTIC AND CULTURAL APTITUDES RELEVANT TO THESE NEW THREATS. WE ARE REACHING OUT FOR PEOPLE WHO HAVE THE BACKGROUND AND EXPERIENCE TO SUCCESSFULLY LIVE, VISIT OR TRAVEL IN AREAS IN WHICH WE HAVE NOT HAD TO BE SO ACTIVE IN EARLIER YEARS. FOR A BROADER BLEND OF PEOPLE, WE ARE REACHING OUT FOR PEOPLE TEN TO FIFTEEN YEARS OLDER THAN THOSE WE HAVE TRADITIONALLY SOUGHT TO BRING ON DUTY. THIS SHIFTING OF GEARS IS URGENT AND CRITICAL. IT CALLS FOR NEW DEPARTURES AND BOLD INNOVATIONS IN OUR RECRUITING, TRAINING, COMPENSATION, AND GENERAL PERSONNEL MANAGEMENT.

HISTORICALLY, EVEN WITH THE SPECIAL AUTHORITIES GRANTED THE DIRECTOR OF CENTRAL INTELLIGENCE BY LAW, WE HAVE GENERALLY WORKED WITHIN THE BROAD FRAMEWORK OF THE OVERALL FEDERAL PERSONNEL STRUCTURE. THE PRESIDENT HAS FOUND THE GOVERNMENT'S PRESENT COMPENSATION SYSTEM INFLEXIBLE AND OUT OF DATE. AS YOU KNOW, THE OFFICE OF PERSONNEL MANAGEMENT JUST FORWARDED TO THE CONGRESS MAJOR PROPOSALS FOR SIMPLIFYING THE FEDERAL PERSONNEL SYSTEM. WE TOO BELIEVE IT IS TIME FOR CHANGE. WE ARE EXPERIENCING SEVERAL PROBLEMS:

-- TODAY'S SYSTEM DOESN'T FACILITATE LATERAL ENTRY.

-- WE CANNOT ADJUST BENEFITS TO SUIT EMPLOYEE AGE OR CIRCUMSTANCES.

-- OUR ABILITY TO REWARD PERFORMANCE IS NOT NEARLY SO WELL STRUCTURED AND DEVELOPED AS OUR ABILITY TO REWARD LONGEVITY.

-- THE PROCESS RELATING SALARY AND BENEFIT STRUCTURE TO MARKET FORCES (PARTICULARLY IN HIGH-DEMAND, SPECIALIZED SKILL AREAS) IS PONDEROUS.

WE HAVE ALREADY BEGUN THE PROCESS OF ADJUSTING OUR COMPENSATION SYSTEM TO MEET THE CHALLENGES WE FACE. WE ARE ALREADY INTRODUCING INNOVATIONS INCLUDING:

-- SPECIAL AGENCY-SPECIFIC PAY SCHEDULES FOR SCIENTISTS, ADP PROFESSIONALS, ENGINEERS, AND MEDICAL OFFICERS;

-- A PAY BANDING EXPERIMENT IN OUR OFFICE OF COMMUNICATIONS;

-- A NEW SECRETARIAL CAREER AND PAY SYSTEM WITH FOUR BROAD PAY LEVELS, MODIFIED PAY FOR PERFORMANCE, JOB ENRICHMENT AND SIGNIFICANTLY INCREASED TRAINING;

-- NON-SUPERVISORY SPECIALIST TRACKS FOR A LIMITED NUMBER OF PROFESSIONS AND POSITIONS;

-- OVERSEAS PAY THAT IS 9.6% HIGHER THAN DOMESTIC;  
AND

-- AN EMPLOYEE SPOUSE PROGRAM FACILITATING JOINT ASSIGNMENTS AS WELL AS GUARANTEEING REEMPLOYMENT AT CURRENT GRADE ON RETURN TO DUTY WHEN JOINT ASSIGNMENTS CANNOT BE ARRANGED.

NOW LET ME TELL YOU SOME OF THE OTHER STEPS I BELIEVE WE NEED TO TAKE:

-- WE NEED TO ADJUST OUR PAY SYSTEM TO ACCOUNT FOR THE PROBLEMS I ENUMERATED EARLIER, PARTICULARLY TO BETTER RELATE PERFORMANCE AND COMPENSATION. WE NEED TO EXPAND OUR EXPERIENCE WITH PAY BANDING IN THE OFFICE OF COMMUNICATIONS AND OUR NEW SECRETARIAL CAREER SYSTEM TO MOST, PERHAPS ALL, OF OUR WORK FORCE. (WE HAVE NOT HAD A CHANCE TO STUDY THE NEW OPM PROPOSAL IN DETAIL, BUT WE BELIEVE MANY OF THEIR IDEAS TO BE PARALLEL TO OURS.)



-- WE NEED TO MAKE EXTENSIVE CHANGES IN OUR PERSONNEL STRUCTURE TO ALLOW US TO MORE ADEQUATELY REWARD EXPERTS AS OPPOSED TO MANAGERS. WE NEED TO PROVIDE A WAY FOR TECHNICAL AND SUBSTANTIVE EXPERTS WHO DO NOT GO INTO MANAGEMENT TO CONTINUE TO BE RECOGNIZED AND REWARDED SO THAT THEY STAY WITH CIA AND HELP US WITH THE INCREASINGLY COMPLEX COLLECTION AND ANALYTICAL PROBLEMS WE FACE.

-- WE NEED TO RETHINK THE CURRENT SET OF INCENTIVES, ALLOWANCES, AND OTHER BENEFITS SO THAT WE CAN OFFER A BROAD, FLEXIBLE COMPENSATION PACKAGE THAT RECOGNIZES THAT THE NEEDS OF OUR EMPLOYEES VARY AT DIFFERENT STAGES OF THEIR LIVES AND CAREERS.

-- WE NEED TO REFOCUS OUR TRAINING PROGRAMS AND DEVOTE MORE OF OUR RESOURCES TO THEM, BOTH TO BRING NEW EMPLOYEES UP TO SKILL AND MATURITY LEVELS THEY DO NOT HAVE WHEN THEY JOIN US AND TO HELP MANY OF OUR EXPERIENCED PEOPLE REFRESH THEIR SKILLS AND UPDATE THEIR KNOWLEDGE IN THEIR FIELDS.

-- WE NEED TO TAKE FURTHER STEPS TO ENHANCE MANAGEMENT AND LEADERSHIP SKILLS OF THE PEOPLE ENTRUSTED WITH THESE RESPONSIBILITIES. WE LONG AGO REALIZED THAT IN MANY CASES WE CANNOT PAY EMPLOYEES WHAT THEY MIGHT EARN IN THE PRIVATE SECTOR. OUR ABILITY TO ATTRACT AND RETAIN PEOPLE RESTS STRONGLY ON OUR ABILITY TO LEAD AND MANAGE THEM IN WAYS WHICH CONSTANTLY REINFORCE THE EXCITEMENT AND CHALLENGE OF OUR PROFESSION.

THE CULTURE IN OUR INTELLIGENCE COMMUNITY HAS FOSTERED OVER THE YEARS A LEVEL OF DEDICATION AND ENTHUSIASM WHICH I HAVE NOT SEEN IN ANY OTHER ORGANIZATION. WE MUST SEE THAT THIS SPIRIT IS SUSTAINED AND STRENGTHENED AS WE FACE THE UNPRECEDENTED CHALLENGES I SET FORTH FOR YOU IN MY NATIONAL INTELLIGENCE STRATEGY. OUR IMPORTANT AND EXCITING MISSION ATTRACTS PEOPLE TO US. WE HAVE TO PROVIDE THE FRAMEWORK FOR ACCOMPLISHMENT AND FULFILLMENT, AND RECOGNITION THAT KEEPS THEM HERE. WE LOOK FORWARD TO WORKING WITH YOU TO IMPROVE THE MANAGEMENT OF OUR MOST IMPORTANT RESOURCE SO THAT WE CAN CONTINUE TO PROVIDE OUR COUNTRY WITH THE BEST INTELLIGENCE PROFESSIONALS IN THE WORLD.

Executive Registry  
Intelligence Community Staff

7/22

Executive Registry
86- 3249X/6

Jim -

Attached is a marginally legible copy of NSA's personnel statement. I have asked NSA to send another copy directly to you which will hopefully be more readable. We are told DIA has made



B-405-1R

arrangements to send  
their statement directly  
to you. I am still  
hoping for State/INR's  
statement by COB.

John

PS - Also attached  
is a witness list.

~~CONFIDENTIAL~~

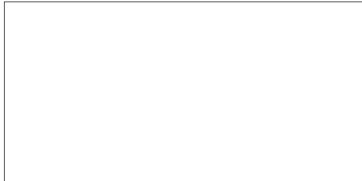
SENATE SELECT COMMITTEE ON INTELLIGENCE

Personnel Hearing  
Wednesday, 23 July 1986  
0930-1200 Hours

WITNESS LIST

WITNESSES:

Mr. William J. Casey



Director of Central Intelligence

STAT

Executive Director  
Defense Intelligence Agency

Deputy Director for Administration  
National Security Agency

Ambassador Morton I. Abramowitz

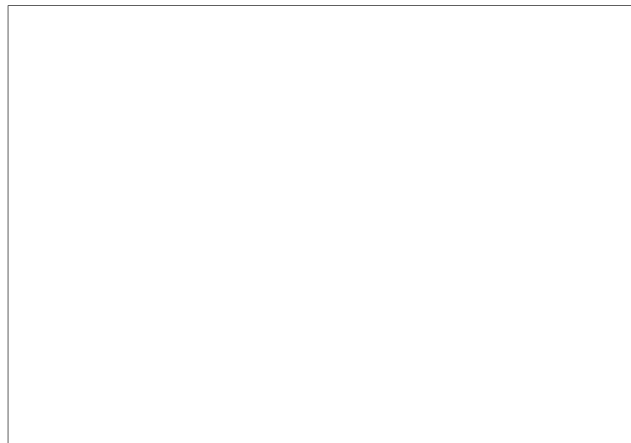
Assistant Secretary of State for INR  
Department of State

ACCOMPANIED BY:

Mr. William F. Donnelly

Deputy Director for Administration  
Central Intelligence Agency

Miss Eloise R. Page



Deputy Director  
Intelligence Community Staff

STAT

Assistant Deputy Director for Attaches  
and Operations  
Defense Intelligence Agency

Assistant Deputy Director for Human  
Resources  
Defense Intelligence Agency

Director of Personnel  
Central Intelligence Agency

25X1

Deputy Director of Personnel for  
Plans, Analysis and Evaluation  
Central Intelligence Agency

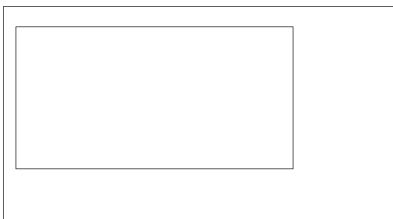
Ambassador Frank McNeil

Deputy Assistant Secretary for INR  
Department of State

Dr. Kathleen Bailey

Deputy Assistant Secretary for  
Interdepartmental Affairs  
Department of State

STAT



Office of Personnel  
National Security Agency

25X1

Office of Personnel  
National Security Agency

~~CONFIDENTIAL~~

CONFIDENTIAL

ALSO ATTENDING:

Mr. David Gries

Director, Office of Congressional Affairs  
Central Intelligence Agency

Legislative Affairs  
Defense Intelligence Agency

Chief, Legislative Affairs  
National Security Agency

Legislative Affairs Office  
National Security Agency

Congressional Affairs  
Federal Bureau of Investigation

Intelligence Division  
Federal Bureau of Investigation

STAT

25X1

Mr. William Schmidt

Mr. James Wong

CONFIDENTIAL

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL		X		
14	D/PAO				
15	D/PERS		X		
16	VC/NIC				
17	<b>DER</b>				
18					
19					
20					
21					
22					
SUSPENSE		_____			
		Date			

Remarks Attached, FYI, is DIA Statement for 23 July SSCI hearing on IC Personnel (DCI/DDCI received advance copies).

\_\_\_\_\_  
Executive Secretary

22 Jul 86

Date

3637 (10-81)

STAT

**Page Denied**



**DISSEMINATION CONTROL ABBREVIATIONS**

<b>NOFORN-</b>	<b>Not Releasable to Foreign Nationals</b>
<b>NOCONTRACT-</b>	<b>Not Releasable to Contractors or Contractor/Consultants</b>
<b>PROPIN-</b>	<b>Caution-Proprietary Information Involved</b>
<b>ORCON-</b>	<b>Dissemination and Extraction of Information Controlled by Originator</b>
<b>REL ...-</b>	<b>This Information has been Authorized for Release to ...</b>

**STATEMENT BY THE EXECUTIVE  
DIRECTOR, DIA, BEFORE THE SENATE  
SELECT COMMITTEE ON INTELLIGENCE  
REVIEW OF INTELLIGENCE COMMUNITY PERSONNEL**

**23 JULY 1986**

(U) Thank you, Mr. Chairman and members of the Committee, for the opportunity to appear before you today to discuss the Defense Intelligence Agency's manpower and personnel goals and strategies to meet the challenges described in the DCI's National Intelligence Strategy.

(U) As the Agency nears its 25th anniversary this October, it is important to reflect on who we are and where we have been over these two and a half decades. It is interesting to note that of the 2.1 million officers and enlisted personnel on active duty today, probably less than 4 percent can ever remember a time when DIA was not providing intelligence support for their plans and operations.

(U) The basic mission of DIA is to satisfy the foreign military intelligence requirements of the Secretary of Defense, Joint Chiefs of Staff and major components and field commanders of the Department of

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

25X1

Copy 1 of 8

Defense. This basic tasking has never changed; however the ways in which we execute our mission, the caliber of personnel who make up the organization known as DIA, the concepts under which we operate, and the tools and technologies at our disposal have undergone tremendous changes over the years. It is through the day in, day out execution of our mission that the Agency fulfills its role as a force multiplier for the commanders in the field. The new DIA of today is radically different in focus, attitude, and ability from that of the 1960s and 1970s. The DIA of tomorrow will be different from that of today. It is the ability to change and adapt to new challenges and circumstances that is the strength of any organization. Our motto for the 25th Anniversary of DIA -- Committed to Excellence in Defense of the Nation -- was not lightly chosen.

(U) As the members of this Committee are aware, it is a goal of General Perroots, as well as mine, to continually improve the effectiveness and responsiveness of Defense Intelligence to all consumers and to seek efficiencies and economies in the utilization of intelligence resources. DIA's role in Defense intelligence management is equally as important as its substantive intelligence production responsibilities.

(S) The early years of DIA were difficult ones for both the Agency and the nation with intelligence requirements and national policies changing rapidly. By 1965, when the last component of the newly established DIA was in place -- the Defense Attache System -- DIA, and

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

the Intelligence Community as a whole, faced an incredibly expanded target structure, intercontinental missiles, SAMs, U-2 and satellite collection platforms, and a growing U.S. involvement in Southeast Asia.

(S) In FY 1968, at its height of the U.S. presence in Vietnam, [redacted]

25X1

[redacted]

The following year

25X1

the Executive Branch and the Congress began a scaling back of the size of the Department of Defense which would last over a decade. DIA was not spared.

[redacted]

25X1

(C) For over a decade DIA's managers faced the constant question of what and how much to eliminate while still meeting mission essential requirements -- standing watch over the Soviet Union/Warsaw Pact, treaty monitoring, technology developments, etc. -- meanwhile finding still further billets to divert to essential new requirements. Every conceivable method was used to absorb the elimination of one out of every three of our personnel, from dropping families of products to wholesale reductions in support operations and services. Finally the Agency found itself one-deep or none-deep in numerous areas not exclusively confined to intelligence analysis. The 1970s were simply an unmitigated disaster for military intelligence in general, and for DIA in particular.

HANDLE VIA

TALENT-KEYROLE-COMINT

CONTROL SYSTEMS JOINTLY

(C) The poor state of the General Defense Intelligence Program and DIA was recognized and acknowledged by this very Committee in the Spring of 1979 during the preliminary hearings on the FY 1980 President's Budget. The SSCI took a leading role in recognizing that the nation was paying too steep a price for the false intelligence economies of the 1970s, and that the General Defense Intelligence Program and DIA needed manpower augmentations, not further reductions. The Congressionally-authorized manpower increases of the early 1980s (FY 1980-1985) were designed to address deficiencies and shortfalls produced by having a skeletal staff in many geographic and functional areas, and similar manpower shortages in the intelligence processing and support side of the Agency.

(S) At first, we requested, and the Congress authorized, manpower increases primarily to augment basic military intelligence analysis with the principal focus on areas of high threat -- USSR/Warsaw Pact and the PRC -- or of increasing strategic and political significance -- the Middle East, Latin America and Africa South of the Sahara.

(U) Additional personnel were authorized not only to restore and enhance basic data analysis, conduct long-range, indepth analysis, and provide current intelligence and support to the JCS, but also to enable DIA to undertake new and important missions. For example, some limited manpower was also authorized to augment the Defense Attache System to accommodate manning requirements of newly opened Defense Attache Offices in countries in which there had been no Defense representation.

HANDLE VIA

**Page Denied**

Next 1 Page(s) In Document Denied

In our recent manpower requests, for Fiscal Years 1986 and 1987, resources were included to intensify research and analysis on Third World countries, especially those in the Middle East, Southwest Asia, Africa, and Latin America. Similarly, progress in Soviet weapons programs, most significantly mobile strategic systems, are forcing DIA to apply additional manpower resources and to develop innovative analytical techniques to monitor and evaluate these new systems. New areas which will consume considerable man-years of effort include low-intensity conflict analysis, such as terrorism and insurgency, narcotics, arms transfer, and nuclear and biological and chemical warfare issues.

(U) While I have highlighted the principal new and expanded areas of endeavor DIA has undertaken in the past few years requiring additional manpower, I would like to emphasize that to accomplish the many new responsibilities, adjust to shifting intelligence priorities, and accommodate increases in data volume since 1979, all levels of DIA management have constantly examined the allocation of scarce manpower resources. The objective of these self-examinations has always been to minimize requirements for new personnel while positioning the Agency to meet the requirements of tomorrow.

(U) Since the end of FY 1979 there have been hundreds of changes in DIA's billet structure ranging from slight adjustments to discrete position specialty requirements to limited billet, section, branch, and division realignments. Each was undertaken by line management and internal Agency

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

SECRET

resource managers with the objective of some qualitative or quantitative improvement, however slight, to the overall structure and organization of DIA.

(U) I should also note that our rebuilding efforts haven't been limited to billets alone. To meet the new challenges of the 1990s and beyond, it was and is clear that our approach to human resource management, if it is to be successful, could not be configured solely on past practices and accomplishments. We must consider the environmental demands of a different tomorrow, focusing not only on optimum workforce size, but on personnel quality factors necessary for building a highly skilled manpower base. There is no doubt that tomorrow we will be required to do more, do it better, and do it faster than ever imagined previously.

[Redacted] we have concluded that additional manpower is needed.

Technically sophisticated foreign weapon systems are being developed and placed in the field, a situation which translates directly into more complex collection requirements, and the need for more coordination and collaboration among SIGINT, HUMINT, Imagery and MASINT requirements and collection operations managers.

25X1

[Redacted]

other than HUMINT, remained essentially constant. The "tyranny of the present" represents a constant pressure on available manpower and there are too few resources remaining to anticipate, plan, and program for the changes in the collection environment, technology, U.S. security interest areas, wartime support planning, and utility evaluations of proposed new systems.

25X1

HANDLE VIA  
TALENT-KEYHOLE-COMINT



(S) The DoD HUMINT system, both overt and clandestine, requires a spectrum of capabilities from those personnel assigned to this duty. They must have recent military operational or management experience, foreign language and area expertise, security reliability, and the dedication and flexibility to devote one-third of their career to HUMINT assignments. These are difficult criteria and DIA HUMINT management and military and civilian personnel operations professionals are working closely to acquire and nurture these types of individuals. Though HUMINT, particularly clandestine HUMINT, is by definition the slowest of the INTs in terms of placing a collection asset near the target, it has the highest potential return on invested resources. The investment cost in manpower, especially support to collection ratio, is very high. The development of a strong integrated DoD HUMINT management and operations system will take time, as it should. The price of haste is a potential "incident" -- a circumstance which intelligence professionals cannot deliberately foster.

(C) In the area of counterintelligence and security, while our counterintelligence support capability has grown in recent years, manning of the more traditional security functions has not kept pace. The FY 1987 President's Budget includes the first significant increases in security manpower since the drawdown of the 1970s. DIA is not only responsible for its own internal security posture, but also provides DoD-wide support for compartmented security policy and procedures other than NSA material. DIA controls the numbers of compartmented accesses authorized, and approves and inspects storage facilities for compartmented material. The number of storage facilities and people cleared for compartmented material has increased exponentially since 1980. DIA manpower serving that population

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

has not. We know we must do a better job in this area and additional manpower is key to success.

{C} As we move forward into the 1990s, there will continue to be a need for additional manpower to satisfy the increasing demands for finished intelligence products as well as to cope with the impacts of emerging technologies on the analytical and dissemination processes. This small growth requirement should level off in the near future as analytical proficiency in and exploitation of new technologies increase and new facilities, communications techniques, and information management systems are placed into operation.

{U} The Agency's commitment to accomplishing the plans outlined in the DCI's national intelligence strategy is reflected in our own personnel policies and plans for the future. In addition to the continuous goal of maintaining an effective, economical balance between workforce size and mission essential requirements, there are two other major human resource challenges being confronted by DIA.

{U} First, the workforce needed to respond to the intelligence demands of tomorrow is changing and will be more technically oriented. Where once individuals with broad academic backgrounds and limited prior work experience could be successfully assimilated into the intelligence disciplines, we must now aggressively pursue and acquire personnel with actual mission related experience, specialized academic credentials, and high skill levels. Our recruitment program has become more vigorous and will continue to broaden to exploit new sources of quality personnel.

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

(U) The second major human resource challenge being faced by the Agency goes hand-in-hand with changing recruitment practices. The Agency is actively working towards establishing a more attractive working environment attuned to the unique needs of individuals comprising the DIA workforce of today and tomorrow. To date, the acquisition and retention of quality personnel has not been a major problem for DIA. Over the last 10 years, the Agency's average attrition rate has been considerably less than the norm for the Federal government. Again, while we recognize that even though retention of quality personnel has been excellent, it may not remain so in the future as competition for specialized and scarce expertise increases in both the private and public sectors. With that in mind, we have initiated an enhanced personnel management and development program for the 1990s. Our goal was -- and is -- to ensure that DIA has a well-trained and educated, highly motivated, loyal workforce proud of its contributions to the security of the United States. We realize that we not only need to attract and retain but also to "nurture" the type of analyst needed to meet the challenges of the 1990s and beyond.

(U) The Intelligence Authorization Act for FY 1982, PL 97-89, did much to bring the Defense Intelligence Agency into alignment with our colleague agencies -- CIA and NSA. Under provisions of PL 97-89, the Defense Intelligence Senior Executive Service (DISES) was established. Although the DISES is patterned after the Senior Executive Service, it is unique in that it recognizes not only leadership capabilities but also the substantive intelligence expertise valued so highly in the community.

HANDLE VIA

TALENT-KEYHOLE-CONTROL

CONTROL SYSTEMS JOINTLY

SECRET

(U) We have developed over 40 career ladder programs to identify progressive knowledges and skills needed to advance in a particular occupation to include all intelligence and intelligence support positions throughout DIA. To complement these career ladders and to better evaluate job performance, a new performance appraisal system is being implemented. The new system is based on performance areas and competencies; i.e., personal attributes, which have been derived from a cross section of the workforce. By the beginning of 1987 the new appraisal system will be in place for all civilian employees.

(U) As added emphasis is placed on knowledges and skill development for progression in the career ladders, emphasis is also being placed on training and education. For example, a Career Programs Selection Board (CPSB) of senior management officials was established last year to oversee all long-term civilian career development and training opportunities, such as rotational assignments and full-time study. Our Defense Intelligence College has also been expanding the numbers and kinds of educational programs to enhance the quality of intelligence personnel for not only DIA but the total Community. New graduate concentrations, weekend course programs, and new mobile training courses are being developed for an increasing number of intelligence professionals throughout the Community.

(U) DIA's success in quality personnel training and education results from a collaborative effort among training administrators, intelligence

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

managers, and the Intelligence Community to assess existing and future training and education requirements and to deliver programs that match those requirements. In response to intelligence management initiatives, the Office of Training, tasked to direct and manage DIA's internal training programs, and the Defense Intelligence College, tasked with the education and training of military and civilian personnel for command, staff, and policymaking positions in the DoD, national, and international intelligence structures, have initiated new and innovative programs in the areas of Joint Space Intelligence/Operations; management training for intermediate and senior intelligence personnel; counterterrorism analysis; strategic deception awareness; and, HUMINT collection.

(U) Both the College and Office of Training have been proactive in dealing with advancing technology in intelligence systems, participating in the planning and programming stages of new systems so as to have curriculum materials and courses available when new systems reach operational capability. An ongoing evaluation process controls the quality of our training and education efforts. All courses are subject to annual review, keeping content and focus current and ensuring professional training requirements are met.

(U) In addition, the College is placing greater emphasis on intelligence research and scholarship. In 1986 the College hosted conferences, round tables, and symposia on Terrorism, Low Intensity Conflict, and the Horn of Africa. To meet total force requirements, weekend courses on National Intelligence, Human Intelligence, Reconnaissance and Technical Information Collection, and Scientific and Technical Intelligence, to name a few, are offered.

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

(U) Military career development opportunities have also been emphasized over the last few years. Two years ago, we started a military career enhancement program where key personnel from all branches of the Armed Forces discuss assignments, career incentives, and educational opportunities. DIA sponsors its own program to select the Enlisted Military Member of the Quarter and Year, has initiated an Outstanding Junior Officer of the Year Program, and actively participates in the Stripes for Exceptional Performance Program.

(U) Another area of major importance to DoD and DIA is crisis and mobilization planning and DIA subscribes fully to the mandate that it is the role of all DoD components to deter war but if deterrence fails, we must fight to win. DIA has undertaken a major review of the status of efforts in these areas within the Agency. Improved crisis and mobilization planning is recognized as one of the strongest methods of deterrence and it is for this reason that several new activities and programs have been initiated.

(U) The ability to stabilize existing manpower of the Agency during crisis or wartime conditions was the primary factor which led the Agency to request the Services to exempt from recall to active duty all military retirees employed as civilians by DIA. Successful completion of this action has resulted in the assurance that over 300 well trained and experienced personnel will remain at their stations during crisis or mobilization conditions.

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

NOT

(U) Efforts have been taken to improve the mobilization manpower planning for the Agency. The result has been a tightened set of augmentation requirements that will insure adequate manpower, both military and civilian, to fulfill DIA's wartime mission. One of the major problems facing the Agency concerns the ability to find qualified personnel to fill civilian positions created during crisis or wartime conditions. DIA has a new and innovative program that will assist in this area. In April 1986, the Agency established the DIA Retired Civilian Reserve (RCR) Program. Recent civilian Agency retirees are canvassed as to their willingness to return to work should a national emergency be declared. Those retirees volunteering for the program are assigned to specific mobilization positions and will be offered training on an annual basis. The creation of this program insures that DIA will be able to call on an experienced cadre of individuals to assist in the wartime efforts of the Agency.

(U) One of the major contributions to an enhanced personnel system to meet unique Intelligence Community situations ~~is~~ the provisions authorized in the Intelligence Authorization Act of FY 85, PL 98-618. It provides broadened personnel authorities to the Secretary of Defense for DIA. Primarily, it gave DIA the much needed exemption from the Classification Act making it comparable to CIA and NSA. We are currently adopting limited pay-setting flexibilities to attract and retain critical skills such as engineers, scientists, and ADP specialists.

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

X

(U) With respect to the need for additional personnel-related legislation at this time, we feel the Agency must acquire more operational experience with those authorities already granted by the Congress prior to initiating further requests in this area. Once we have two or three years' experience and have conducted an evaluation, indicators of the need for minor adjustments may surface. We will then call this to the attention of the Department, DCI, and the Congress.

(U) What we need in DIA, and the intelligence business as a whole, is to somehow reverse the trend of the past decade of denigrating the competence and dedication of the civil servant. Public service is one of the highest callings in the nation and requires committed personnel willing to perform their duties with modest compensation and recognition as the most they can hope for as rewards. In the intelligence functions, public recognition for success is not compatible with the security of the nation or the protection of sources and methods. Pay, as we all know, is not generally regarded as a long-term motivator.

(U) Thus, we are left with concentrating on the quality of worklife -- job satisfaction if you will. These areas can be enhanced by providing career opportunities, rotational assignments, improved physical facilities, educational and training assignments, and internal recognition and awards programs. Much progress has been made in these areas in recent years, but none of us can ever be complacent. Service in the Intelligence Community must always be a career, not a job. The old ways of people

HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY



management, where individuals were quickly cast into a narrow career field and pointed <sup>to</sup> the top are obsolete. The young worker today is the product of a mobile society, is looking to make a meaningful contribution to his employer and nation, and wants to experience new challenges often. Management must recognize these needs and encourage their development.

(U) Improving the quality of worklife will become more pertinent to the survival of an effective DIA. As I have indicated, we are involved in a number of programs to improve career opportunities within DIA and improve communications to ensure effective performance evaluations are in place and working. Rounding out this work environment is providing an attractive and stimulating work station capable of providing state-of-the-art tools to accomplish assigned tasks and responsibilities.

(U) Additionally, although recent legislation has brought DIA's personnel system in closer alignment with CIA and NSA, there are still varying legislation statutes among DIA, CIA, and NSA. I believe that we should continue to work towards legislative consistency among the intelligence components, creating a more positive effect throughout the community. Consolidation of civilian intelligence personnel systems within the DoD would permit greater movement and career development opportunities across the community, enhancing our ability to "sell" intelligence as a challenging and rewarding career.

HANDLE VIA

TALENT-KEYHOLE-COMINT

CONTROL SYSTEMS JOINTLY

(U) In closing, I would like to summarize the challenges that DIA is preparing to face in the foreseeable future. To begin, greater emphasis will be placed on technology. The number of professionals and scientists and their influence within DIA and the community will increase. To be competitive, we have already begun exploring new approaches to compensation work schedules, time sharing strategies, and restructured job responsibilities.

(U) I, and General Perroots, look forward to working with the Committee and its staff in conducting the review of Intelligence Community personnel.

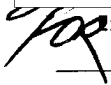
HANDLE VIA  
TALENT-KEYHOLE-COMINT  
CONTROL SYSTEMS JOINTLY

**Page Denied**

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D <del>XXX</del> OCA		X		
14	D/PAO				
15	D/PERS		X		
16	VC/NIC				
17	<b>DER</b>				
18					
19					
20					
21					
22					
		SUSPENSE	_____ Date		

Remarks  
 Attached, FYI, is NSA statement for 23 July SSCI hearing: An Overview of NSA's Personnel Capabilities and Requirements. (DCI/DDCI received advance copies.)

  
 Executive Secretary  
 22 Jul '86  
 \_\_\_\_\_ Date

STAT

Declassified in Part - Sanitized Copy Approved for Release 2013/12/30 : CIA-RDP88G01116R000200260012-9

*Hand carried  
to C/S*  
22 JUL 1986

Declassified in Part - Sanitized Copy Approved for Release 2013/12/30 : CIA-RDP88G01116R000200260012-9

**Page Denied**

DISSEMINATION CONTROL ABBREVIATIONS

NOFORN-	Not Releasable to Foreign Nationals
NOCONTRACT-	Not Releasable to Contractors or Contractor/Consultants
PROPIN-	Caution-Proprietary Information Involved
USIBONLY-	USIB Departments Only
ORCON-	Dissemination and Extraction of Information Controlled by Originator
REL ...-	This Information has been Authorized for Release to ...

**SECRET**

**STATEMENT FOR THE RECORD  
OF  
LOUIS J. BONANNI  
DEPUTY DIRECTOR FOR ADMINISTRATION  
SENATE SELECT COMMITTEE ON INTELLIGENCE**

23 July 1986

Classified By NSA/CSSM 123-2  
Declassify On: Originating Agency's Determination

25X1

**HANDLE VIA COMINT CHANNELS ONLY**

Copy 1 of 8

**SECRET**



**SECRET****I. An Overview of NSA's Personnel Capabilities and Requirements (U)**

(U) As a result of Congress approving significant increases in our manpower authorization, NSA has been in an extended growth period over the last several years in terms of the size of our work force. The end result of that growth has been an increase in our capability to satisfy our mission of analysis and technical program development and operation. Most of the growth has been in the hard-to-recruit, hard-to-retain technical skills, like engineering, computer programming, and the mathematics, with a large group of linguists included as well.

(S-CCO) For the future, we must look to a steady, continuing manpower growth in order to ensure that we obtain the skills needed for the U.S. SIGINT system to meet the demands for national security support which will be placed on it during the 1990s.

25X1

Furthermore, as this technology produces the systems of the 1990s, the size of our support organizations can no longer be constrained because their increased availability is equally essential to successful mission operations and systems support. To ensure that we maintain the capability to provide the best response to national security requirements, we need the engineers, mathematicians, and computer scientists possessing the most up-to-date techniques and the skilled staff people capable of supporting the new technologies.

(C) SIGINT is a manpower-intensive business. A potential circumstance that would provide for no manpower growth, or a reduction in current manpower levels, would have serious implications for future NSA intelligence production. Support staffs are now maintained at minimal manning levels and offer no flexibility to absorb decrements. Manpower stagnation or reduction would cut into the very fabric of mission operations, disrupting the critical manning paths leading to the essential operational expansions required for the 1990s and beyond.

(U) The following chart summarizes the Agency's capabilities and requirements by job skill. It lists the number of individuals assigned in each skill (our current personnel capability) and the number authorized for that skill (our requirement). The chart breaks the Agency's mission down into its intelligence function (CA, TA, etc.), its communications security function, and its computer security function. Also included are the technical support areas of engineering, data systems, etc., as well as the management area (at division level and above). This total represents a sizeable portion of the Agency work force. The main groupings of skills not included are: clerical, logistics and personnel.

**HANDLE VIA COMINT CHANNELS ONLY 2****SECRET**

**Page Denied**

(U) Twenty-one years ago the National Security Agency introduced its first formal career development program, for reasons not dissimilar to those concerns expressed by the SSCI regarding the quality of personnel supporting key intelligence functions in the future. The cornerstone of cryptologic career development was and still is professional certification in Agency occupations. Today NSA offers professional certification in 23 career fields; certification is a prerequisite for promotion to grade 13 and above in those fields. Certification is based on criteria of education, experience, performance and testing, as established and updated by the respective Career Panels.

(U) These programs have served NSA exceedingly well up to the present. Each Career Panel is well informed, both by its members who are senior executives and technicians in the career field and by interns actively engaged in collection, processing, analytic and other technical tasks, about the current state of technology and target activity, and about emerging challenges and opportunities. They routinely use such information to review the criteria for professional certification to ensure that they are effective in preparing employees to use state-of-the-art tools and to cope effectively with new challenges identified in the foreseeable future. Although we are concerned about the implications of recent studies focusing on the manpower needs of the future, we are confident that the needs of the future can be met by building on a solid base of career development programs.

## II. NSA's Personnel Goals to Meet the Long and Short Range Challenges Outlined in the National Intelligence Strategy (U)

(U) NSA is attempting to meet the long and short-range challenges set forth in the National Foreign Intelligence Strategy by increasing its efforts to recruit, develop, and retain the best personnel possible.

(U) Specific goals and initiatives to meet these challenges include:

- (U) Concentrating our recruitment efforts against critical skill personnel (engineers, data systems personnel, mathematicians);

- (U) Developing a very successful, nationally recognized, CO-OP program;

- (U) Setting special pay scales for critical skill personnel;

- (U) Rewarding excellence with appropriate promotions and awards programs;

4

- (U) Supporting our employees' development by funding academic (bachelor's and advanced degree) work (both full-time and after hours); and

- (U) Funding participation in seminars and conferences sponsored by major universities, other Government agencies, and private industry.

(FOUO) Our recruitment of an increasingly high quality work force will ensure our future ability to overcome foreign efforts to deny information to our collection effort. Experts in new technological advances will help in the effort to sort through large quantities of data and make real-time analysis more of a reality. Our "world-class" cryptanalysts and mathematicians will provide even more intelligence support to military commanders as tactical intelligence problems become more technical.

### III. Present and Future Personnel Issues Which Will Detract from Our Ability to Carry Out Missions (U)

(U) NSA enjoys a very successful recruitment program that has resulted in the Agency being 100% manned for several years. Our recruitment effort has been complemented by an exceedingly low attrition rate--about five percent over the same time period. However, regardless of our past accomplishments, several present and future personnel issues threaten to stymie the Agency's progress.

(U) Of paramount concern is the actual and perceived erosion of federal employee benefits. This issue affects both the recruitment and retention of employees. In recent years, employees have been saddled with reduced cost of living pay increases and substandard health insurance benefits while being forced to contribute to Medicare. Recently hired employees are covered under a new retirement system that will require additional employee contributions to equal benefits under the old retirement system. In addition to actual changes, there are a variety of proposals currently under consideration that would adversely affect Agency employees. These include the proposed immediate taxation of retirement annuities, future within-grade increase freezes, and rescission of the sick leave accrual incentive.

(U) Not only does the actual and threatened further reduction in benefits demoralize the current work force, which could lead to increased attrition, it aggravates the already difficult task of recruiting highly qualified applicants. If benefits continue to shrink, an increasing number of possible recruits will elect careers in the private sector.

(U) Adding to the dilemma, the public perception of federal employees has diminished in recent years. Federal employment has been portrayed as consisting of mundane work, substandard pay, and as being less desirable than that in the private sector. Like many other agencies, we are involved in a struggle to replace a

4  
5  
FOR OFFICIAL USE ONLY

gradually aging work force through recruiting and retaining younger, talented, well-educated employees. Unfortunately, these are the very people who are being discouraged from considering Government service as a career. NSA has combated this stigma with an aggressive public relations program but the struggle is becoming increasingly more difficult.

(U) Another personnel issue we must address involves NSA's substantial expansion over the past six years. This has led to some alarming changes in work force demographics. Over one-third of the work force has six years or less of experience. The skill mix of this group is quite different from that of those hired in the past. For example, in FY85, 60% of the new hires were in technical career fields--double the percentage in FY67. Much has been written about the changing value systems and increased mobility of the new breed of professional employees. We can expect to retain fewer of this group based strictly on their lack of commitment to Government service.

(U) Employees with over 20 years of service make up another third of our work force. This subgroup includes most of our senior executives, managers, and technical experts. Over 40% of these employees are currently eligible to retire. If any significant changes are made to the retirement system, the Agency could expect a tremendous loss of expertise that would be difficult to replace.

(U) The relative size of the 31 to 40 year old population will continue to decline while the 21 to 30 year old and the 41 and up population expands. The large number of newer pre-professional and professional employees will be competing for a lesser number of more responsible positions as their careers progress. Considering their high marketability and tendency towards career mobility, we will be hard pressed to provide career progression that meets their expectations.

(U) Yet another issue is the increased marketability of Agency employees in the private sector. In particular, critical skill employees are more marketable than ever because their skills are no longer Agency-specific. Cryptanalysts, engineers, computer scientists, contracting technicians, and even polygraph examiners have a variety of outside career opportunities. As more private sector firms become aware of the need for secure communications, the demand for these skills will accelerate.

(U) National demographic projections reveal a shrinking entry level talent pool over the next ten years from which we can recruit new employees. In particular, since 1969 there has been a gradual decline in the number of college graduates majoring in Russian. The number of Russian majors receiving degrees at all levels (BA, MA, PhD) fell from 990 in the peak year of 1969 to a low of 380 in the 1983 college year. Enrollments have remained low since. Considering that almost half of all Russian language hires have come from colleges, we are facing a serious future recruitment problem in satisfying our requirements for Russian linguists.

(U) In response to current personnel issues and anticipation of future ones, we have devised many innovative human resource programs and policies to strengthen the quality of personnel. These include premium pay scales for critical skills, foreign language incentive pay for linguists, technical track career programs, internships, enhanced training coordinated through the National Cryptologic School, a new mid-level staffing program, and an upgraded personnel administration function geared to meet the needs of today's employees. Looking to the future, we have dedicated manpower and resources to developing and implementing human resource programs designed to reward and retain a highly skilled, trained, and motivated work force.

#### IV. Efforts in Progress to Strengthen the Quality of Personnel in the Development and Operations of Technical Programs and Analysis (U)

##### A. The Changing Face of the NSA Work Force (U)

(U) The NSA work force of today is the result of an evolutionary process that has involved both internal and external forces over the last 20 years. During this period, we have experienced large hiring programs in the 1960s and 1980s, with manpower reductions during the 1970s sandwiched between. We have had to be responsive to increasing "high-tech" manpower requirements for scientific and technical people. Further, we have faced constantly emerging new technologies and mission changes that have changed our skill and skill mix requirements. As a result, our emphasis during the last five years has been the recruitment of "Critical Skill" individuals (e.g., engineers, computer professionals, mathematicians and linguists).

##### B. Agency Success in Critical Skill Hiring (U)

(FOUO) We have been remarkably successful in attracting the numbers and quality of critical skill individuals to NSA as the following statistics show:

<u>Skill</u>	<u>FY82</u>	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>*FY86 (as of 860705)</u>
Engineering Professionals	92	107	244	229	196
Computer Professionals	235	309	271	248	252
Mathematicians	69	65	50	79	50
Linguists	253	279	246	228	121

\* (The original hiring program of 2156 was dropped to 1179 because of the impact of Gramm-Rudman-Hollings. That number was later increased to 1234, and finally to 1434).

7

### C. Quality Indicators of Recent Hires (U)

(U) The success of our efforts to strengthen the quality of our personnel is demonstrated by the quality of individuals we have attracted to the Agency in recent years. For example, one third of the engineers we hired in FY85 were from the top 50 United States engineering schools as defined by the "Gourman Report: A Rating of Graduate and Professional Programs in American Universities. During that same fiscal year, our critical skill hires had the highest average grade point averages of any past years:

Engineers: 3.0/4.0  
Computer Scientist: 3.2/4.0  
Mathematicians: 3.3/4.0

Further, our liberal arts and support personnel hires all had well above the minimum aptitude scores on the NSA Career Qualification Batteries of tests.

### D. Employment Incentive Programs (U)

(U) The Agency aggressively uses its special authorities to establish policies and programs to attract and retain top quality people. For example:

- (U) The Director's use of his pay authorities has allowed us to establish pay scales and starting salaries that make us competitive. At present, engineers, computer professionals and mathematicians are covered by NSA "premium" salary scales.

- (U) We pay relocation travel and transportation expenses for all shortage skill hires (including linguists).

- (U) The Foreign Language Incentive Program (FLIP) is a bonus paid to linguists to develop and maintain their language skills and to stay in language jobs.

- (U) We are increasing emphasis on the NSA "Tech Track" program to allow critical skill individuals to progress professionally and financially without seeking managerial responsibilities. This program encourages continued growth in technical skills for individuals who prefer the scientific and technical arena to the managerial arena.

- (U) The Agency emphasizes continuing education at all levels. We provide graduate study sponsorship through our Fellowship Program and our "20/20" Program (half time work/study for up to four semesters). The National Cryptologic School sponsors on-going in-house short courses and seminars for professional development. We also encourage attendance and participation at professional society conferences and conventions.

- (FOUO) Opportunities for special language training, especially in esoteric languages, allows us to develop needed linguistic skills in-house. Advanced and special training is available through our National Cryptologic School and through attendance at special programs at places such as Monterey and Garmisch.

- (U) Our Intern Programs provide three-year developmental programs in some 14 different career fields. These programs emphasize formal classroom instruction and on-the-job training and experience, and lead to professional certification in the respective career fields.

- (U) "Challenging technical opportunity" was the reason cited by 90% of the respondents to a survey of newly hired engineers and computer scientists in FY84 on why they accepted the Agency.

#### E. Recruiting Programs and Approaches (U)

(U) We manage a number of specific recruitment programs to help us attract and recruit the high quality individuals our missions require. These programs include:

- (U) College Relations Program: Our nationwide college relations and recruitment program involves on-campus visits to 150 to 200 colleges and universities each year. We do extensive advertising in various campus media, and maintain close associations with the college placement offices and departments. Advance publicity is done by Agency professionals in the skill areas we are seeking to recruit, and we arrange for speakers to give presentations at student groups such as the Institute of Electrical and Electronic Engineers (IEEE) and the Association of Computing Machines (ACM) campus chapters.

- (U) Advertising Program: We advertise in a variety of media - newspapers, professional journals, radio - and have a contract with a major advertising firm for professionally produced literature and brochures.

- (U) Regional Recruitment Offices: Our regional offices in Boston and Atlanta manage our recruitment efforts in the northeast and southeast regions of the U.S.

- (U) "Team" Recruiting and Placement Approach: During our main recruitment season, professional engineers, computer specialists and linguists are detailed to the Employment Division to provide specialized support to our critical skill applicants. These individuals conduct interviews, conduct tours, and provide a unique applicant interface for technical questions and answers and solving individual problems.



- (U) Cooperative Education Program: NSA's "Co-Op" Program has been cited as a model program for both government and industry. We have over 300 participants from 40+ schools, nationwide. Although most of our co-ops are engineers and computer scientists we recently inaugurated a language co-op program, and our first "graduating class" of Russian linguists was held this summer. Our recapture rate is approximately 85%, and some of the graduating co-ops go on to graduate school and maintain their relationship with the Agency as graduate co-ops.

- (U) Summer Program: Our summer Program is open to college students with at least Junior standing and a minimum 3.0/4.0 grade point average who are majoring in engineering, computer science or specified languages. We employ approximately 50 students per summer, and have a recapture rate of 50%-60%.

- (U) Professional Recruitment: This program focuses on attracting experienced professionals, and concentrates on advertisements in professional journals and publications, and attendance at job and technical fairs. NSA, in fact, conducted its own Career Fairs in 1983 and 1984.

- (U) Prior Military Recruitment: The Employment Division maintains liaison with the military services to recruit individuals with needed skills who have elected to leave the service.

- (U) Affirmative Action Program: We maintain special efforts to recruit qualified minorities from all sources. While the program focuses primarily on traditionally minority schools, we are placing additional emphasis on identifying minorities at non-minority campuses. We advertise in special interest media (such as "Black Engineer"); attend career fairs, provide speakers at campuses and conduct special public relations visits. The Employment and Equal Employment Opportunity Offices work closely in managing this program, and we have two full time recruiters assigned as minority recruitment specialists. As a result of these efforts, the percentage of minorities hired has risen from 5.1% in 1982, to approximately 10% in both 1983 and 1984. This sustained emphasis resulted in a 11.4% minority hiring level in 1985, the highest rate achieved in 13 years. Furthermore, in 1985, minorities accounted for 12% of all engineers hired, 11% of entry level computer scientists, and 10% of all personnel hired grades 7 thru 15.

#### F. Disadvantages in Recruiting (U)

(U) While we have been quite successful in our recruiting in general over the past several years, there are still some situations that put us at a disadvantage in recruiting the top quality individuals. These include:

- (U) Salaries: Many private firms can still out-bid us for the top 10% of graduates. Minimal or non-existent pay increases also work to our detriment.

- (U) Benefits: Most private companies pay the full costs of life and health insurance and other benefits.

- (U) Location: The Baltimore/Washington area is considered one of the highest cost areas in the country. Many firms are now locating in much lower cost areas.

- (U) Educational Benefits: A few firms offer much more comprehensive 100% tuition payment and salary programs.

- (U) Travel Restrictions: Some linguists are opposed to the idea of travel restrictions because they are restricted from visiting the countries whose language they studied (especially Russian majors!).

- (U) Advanced Job Knowledge: Some individuals are concerned that they cannot know exactly what the Agency does or what they will do in their job assignment.

- (U) Esoteric Linguists: It is always a problem to find sufficient numbers of esoteric linguists who can meet our security requirements.

#### G. Career Development Programs (U)

(U) A total of 14 intern programs offer an opportunity for accelerated development and professional certification in cryptologic and cryptologic related fields. They are open on a competitive basis to on-board personnel as well as to people just beginning their professional careers. Interns, which currently number over 300, follow personally planned curricula and operational assignments to complement their academic background with specialized experiences. The intern program for each career field has a structure and core requirements. Interns may take elective courses and arrange operational assignments that provide desired diversity and lead to the professional area in which they plan to concentrate. Career professionals manage the intern program. These Executives provide guidance and counseling, facilitate assignments and reassignments, schedule training and testing, and monitor the performance and progress of each intern.

(U) In addition to the pre-professional intern programs, NSA operates ten technician training programs in such diverse occupations as computer operations, signals conversion, telecommunications, and foreign languages. Entry into these programs, most of which last for 24 months, requires at least a high school diploma or equivalent.

(U) The Senior Cryptologic Executive Development Program (SCEDP) aims at creating a cadre of highly trained individuals ready for senior leadership positions. Each participant works with a mentor in designing a developmental plan.

This mentor also acts as a career advisor and sponsor. A development program usually includes several management development courses offered by the National Cryptologic School; external executive development training conducted by such activities as the Office of Personnel Management, the Federal Executive Institute, senior service colleges, various universities; and developmental assignments. Special work experiences to strengthen the participants' competence to perform well in an executive position are central to the program. Developmental assignments typically consist of the opportunity to gain new competence by performing a job in a different type of functional area. Participants who have spent much of their career in a production environment, for example, pursue developmental assignments with a staff activity such as planning and policy, budgeting, or human resources management.

(U) Within NSA there is a major career ladder leading to the most senior levels which is parallel to or complements the managerial track. Because of the highly sophisticated technical work performed at NSA, and the scarcity of talent able to perform that work, the Agency provides distinct career paths for upward mobility in technical occupations. The Technical Track is a framework of jobs within three broad occupational families: Intelligence, Science and Technology, and Communications Security. It is for both technical specialists who may have no management or supervisory responsibility, and for technical leaders who may supervise a project office or a team. Anyone who is in a job in one of the listed families of occupations, is professionally certified, and is in grade 13 or above, is eligible for the Technical Track. People in these jobs can focus their talents, training and development toward becoming experts in their technical areas, if that is their interest. In many occupations, the Technical Track offers a career pathway extending from grade 13 through supergrade (Senior Technical Expert) for those who develop the necessary expert knowledge and skills. In the last two years, over 55 technical positions in NSA were created or reidentified as supergrade positions in recognition of the degree of technical specialization required to perform those jobs today.

(U) Because many military personnel are assigned to key cryptologic functions, provision is also made for NSA professional certification along with their civilian counterparts. In addition, three special developmental programs are operated by the Agency for military personnel. The Junior Officer Cryptologic Career Program and the Middle Elected Cryptologic Career Advancement Program are essentially three-year intern programs to broaden the knowledge of selected military personnel in key cryptologic skills and management practices. They employ a series of operational assignments and training courses to ensure that members of the Service Cryptologic Elements have quality preparation for their military careers, both at NSA Headquarters and in the field. A highlight of the military career development efforts at NSA is the

Director's Fellowship Program, a year-long opportunity to participate in and observe decision making at the most senior level of Agency management. The program combines training on the job and in the classroom, and also is open to one civilian a year.

(U) In 1978 NSA established a Career Resource Center, a central source of counseling and referral services, information on educational resources, and materials to assist in self-assessment and career planning. Personnel use this resource at a rate of 70 visits a day. The demand for these services is resulting in increasing automation which, in turn, will make information about Agency jobs/careers available to more employees at more locations. The goal of this activity is to find the best match between individual interests, abilities, and opportunities as a means to a) achieving maximum individual potential, and b) maximizing the quality and retainability of the work force.

(U) An essential future addition is a research capability to perform two key functions. The first is to provide an independent evaluation of the present adequacy of the professionalization program in light of the recent large infusion of new employees and to determine whether or not the program is responsive to their needs. The second is to move beyond the Career Panels' ability to anticipate changes in skill needs by conducting studies and performing future needs analyses, and providing guidance to the Career Panels. A research capability will enable the Career Panels to exert greater leadership and perform in a less reactive manner.

(U) The Director's Senior Council has been given the task of describing the cryptologic skill needs of the 1990s. This is an essential element of information in assessing the adequacy of individual career programs' ability to produce the (multi) disciplined analysts and technicians of the future.

#### H. Summary and Conclusions (U)

(U) Over the past several years, our use of employment incentives and our innovative recruitment programs and techniques have enabled us to be highly competitive for quality new hires. We are very pleased to learn that in the Third National Engineering Student Employer Preference Survey (conducted by "Graduating Engineer" magazine and Deutsch, Shea and Evans, Inc. -1986), NSA was named one of the top 50 employer choices by electrical engineering students. Concurrently, through comprehensive, aggressive career development and incentives programs, we have limited our attrition to a very low and manageable rate while successfully assimilating large numbers of high quality, highly skilled new hires into our workforce. But, we also realize that if we are to continue our success, we cannot rest on our laurels. We must continue to seek new and better ways of attracting and

retaining top quality individuals we work so hard to recruit. Some of the problems and challenges we face include:

- (U) We must continue to study and examine innovative pay systems.
- (U) We must explore new recruitment techniques and approaches.
- (U) We must continue to provide quality training for new hires and to upgrade the skills of our current work force.
- (U) We must implement new tangible and intangible incentive systems.
- (U) We must continue to provide meaningful, productive jobs for our new employees so that we continue to live up to their expectations.

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
	1 DCI				
	2 DDCI		X		
	3 EXDIR		X		
	4 D/ICS		X		
	5 DDI		X		
	6 DDA		X		
	7 DDO		X		
	8 DDS&T		X		
	9 Chm/NIC				
	10 GC				
	11 IG				
	12 Compt		X		
	13 D/OLL		X		
	14 D/PAO				
	15 D/PERS		X		
	16 VC/NIC				
	17 <i>ER</i>				
	18				
	19				
	20				
	21				
	22				
		SUSPENSE	_____ Date		

Remarks NSA input for 23 July SSCI hearing in personnel. (Advance copies provided SA/DCI).

\_\_\_\_\_  
Executive Secretary

22 July 86  
\_\_\_\_\_  
Date

STAT

Executive Registry

86- 3249X/5

DDA STATEMENT BEFORE SSCI HEARING  
ON NFIP PERSONNEL

23 July 1986

(U) NSA has been and will continue to be a human enterprise dependent for its excellence on the number and quality of its people. We have come to understand that unique human factors, working above all reasonable expectations, have many times been responsible for much of our success. In terms of information derived from collection, analysts and managers at every level routinely develop insightful results beyond that immediately apparent in available data.

(U) Thanks to your support, NSA has been in an extended growth period over the last several years in terms of the size of our work force. The end result of that growth has been an increase in our capability to satisfy our mission of analysis and technical program development and operation. Most of the growth has been in the hard-to-recruit, hard-to-retain technical skills of engineering, computer science, and mathematics, with a large group of linguists included as well. For the future, we must look to a steady, continuing manpower growth in order to ensure that we obtain the skills needed for the U.S. SIGINT system to meet the demands for national security support which will be placed on it during the 1990s. A potential circumstance that would provide for no manpower growth, or a reduction in current manpower levels, would have serious implications for future NSA intelligence production.

(U) Our long and short-range personnel goals to meet the challenges set forth in the National Foreign Intelligence Strategy

DCI  
EXEC  
REG

B-405-1R

are to recruit, develop, and retain the best personnel possible. Recruitment, development and retention of an increasingly high quality work force will ensure our future ability to overcome foreign efforts to deny information to our collection effort. Experts in new technological advances will help in the effort to sort through large quantities of data and make real-time analysis more of a reality. Our cryptanalysts and mathematicians will provide even more intelligence support to military commanders as tactical intelligence problems become more technical.

(U) NSA enjoys a very successful recruitment program that has resulted in the Agency being 100% manned for several years. Our recruitment effort has been complemented by an exceedingly low attrition rate--about five percent over the same time period. However, regardless of our past accomplishments, several present and future personnel issues threaten to stymie the Agency's progress.

(U) Of paramount concern is the actual and perceived erosion of federal employee benefits. This issue affects both the recruitment and retention of employees. In recent years, employees have been saddled with reduced cost of living pay increases and substandard health insurance benefits while being forced to contribute to Medicare. In addition to actual changes, there are a variety of proposals currently under consideration that would adversely affect Agency employees. These include the proposed immediate taxation of retirement annuities, the threat of future freezes in within-grade increases, and rescission of the sick leave accrual incentive.



(U) Not only does the reduction in benefits demoralize the current work force, which could lead to increased attrition, it aggravates the already difficult task of recruiting highly qualified applicants. If benefits continue to shrink, we fear an increasing number of possible recruits will elect careers in the private sector.

(U) Adding to the dilemma, the public perception of federal employees has diminished in recent years. Federal employment has been portrayed as consisting of mundane work, substandard pay, and as being less desirable than working in the private sector. Like many other agencies, we are involved in a struggle to replace a gradually aging work force through recruiting and retaining younger, talented, well-educated employees. Unfortunately, these are the very people who are being discouraged from considering Government service as a career. NSA has combated this stigma with an aggressive public relations program but the struggle is becoming increasingly more difficult.

(U) Another personnel issue we must address involves NSA's substantial expansion over the past six years. This has led to some significant changes in work force demographics. Over one-third of our people have six years or less of experience. The skill mix of this group is quite different from that of those hired in the past. For example, in FY85, 60% of the new hires were in technical career fields--double the percentage in FY67. Much has been written about the changing value systems and increased mobility of the new breed of professional employees. If

predictions prove to be true, we can expect to retain fewer of this group based strictly on their lack of commitment to Government service.

(U) Employees with over 20 years of service make up another third of our work force. This subgroup includes most of our senior executives, managers, and technical experts. Over 40% of these employees are currently eligible to retire. If any significant changes are made to the retirement system, the Agency could experience a tremendous loss of expertise that would be difficult to replace.

(U) The relative size of the 31 to 40 year old population will continue to decline while the 21 to 30 year old and the 41 and up population expands. The large number of newer pre-professional and professional employees will be competing for a lesser number of more responsible positions as their careers progress. Considering their high marketability and tendency towards career mobility, we will be hard pressed to provide career progression that meets their expectations.

(U) Yet another issue is the increased marketability of Agency employees in the private sector. In particular, critical skill employees are more marketable than ever because their skills are no longer Agency-specific. Cryptanalysts, engineers, computer scientists, contracting technicians, and even polygraph examiners have a variety of outside career opportunities. As more private sector firms become aware of the need for secure communications, the demand for these skills will accelerate.

(U) National demographic projections reveal a shrinking entry level talent pool over the next ten years from which we can recruit new employees. For example, since 1969 there has been a gradual decline in the number of college graduates majoring in Russian. The number of Russian majors receiving degrees at all levels (BA, MA, PhD) fell from 990 in the peak year of 1969 to a low of 380 in the 1983 college year. Enrollments have remained low since. Considering that almost half of all Russian language hires have come from colleges, we are facing a serious future recruitment problem in satisfying our requirements for Russian linguists. All indications are that we will experience similar difficulties in our search for people in all of what we consider to be critical skill categories.


(U) In response to current personnel issues and anticipation of future ones, we have devised many innovative human resource programs and policies to strengthen the quality of personnel. These include premium pay scales for critical skills, foreign language incentive pay for linguists, technical track career programs, internships, enhanced training coordinated through the National Cryptologic School, a new mid-level staffing program, and an upgraded personnel administration function geared to meet the needs of today's employees. Looking to the future, we have dedicated manpower and resources to developing and implementing human resource programs designed to reward and retain a highly skilled, trained, and motivated work force.

(U) In summary, pay, benefits, and the offer of challenging work attract highly qualified people to the workforce. The fascination of the work itself, more than any other single factor, keeps people in the Intelligence business. We are not gravely concerned that either the attraction or retention power of the Intelligence business will fail, but we fear that tightening budgets and changes to government-wide personnel policies could diminish the ability of our Agency to attract and hold the caliber of people it needs.

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
	1 DCI		X		
	2 DDCI		X		
	3 EXDIR		X		
	4 D/ICS				
	5 DDI				
	6 DDA	X			
	7 DDO				
	8 DDS&T				
	9 Chm/NIC				
	10 GC				
	11 IG				
	12 Compt				
	13 D/OLL		X		
	14 D/PAO				
	15 D/PERS	X			
	16 VC/NIC				
	17 C/S		X		
	18 ES		X		
	19 <i>ER</i>				
	20				
	21				
	22				
	SUSPENSE _____				
			Date		

Remarks EA/DCI phoned D/Pers re tasking requirements of this memo.

  
 Executive Secretary  
 22 Jul 86  
 Date

STAT

SECRET

3249/4

22 July 1986

MEMORANDUM FOR: Director of Personnel  
FROM: Director of Central Intelligence  
SUBJECT: SSCI Hearing - 23 July 1986

I need a paragraph or two explaining to the Committee exactly what we've done with secretaries and communicators and the significance of it.

I also need the basic statistics on our progress in recruiting overall and in specific categories and divisions, and our progress in deployment of case officers overseas

[Redacted]

25X1  
25X1

William J. Casey

[Redacted]

25X1

DCI  
EXEC  
REG

B-405-1R

SECRET

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI				
6	DDA	X			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL		X		
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	D/Security	X			
18	C/S		X		
19	ES		X		
20	<b>ER</b>				
21					
22					
		SUSPENSE	_____		
			Date		

Remarks EA/DCI phoned D/Scty re tasking requirements of this memo.

[Redacted Signature Box]

Executive Secretary  
*[Signature]*  
22 Jul 86  
Date

STAT

86-3249/3

22 July 1986

MEMORANDUM FOR: Director of Security  
FROM: Director of Central Intelligence  
SUBJECT: SSCI Hearing - 23 July 1986

I need the basic numbers on polygraphers on hand at the end of 1984, now and programmed, and the status of repolygraphing in numbers and methodology in creating uncertainty and expectation.

I need these on hand as background for the SSCI hearing on personnel.



William J. Casey

DCI  
EXEC  
REG

B-405-1R



**Page Denied**

**DISSEMINATION CONTROL ABBREVIATIONS**

NOFORN-	Not Releasable to Foreign Nationals
NOCONTRACT-	Not Releasable to Contractors or Contractor/Consultants
PROPIN-	Caution-Proprietary Information Involved
ORCON-	Dissemination and Extraction of Information Controlled by Originator
REL ...-	This Information has been Authorized for Release to ...

SECRET

DCI/ICS 3567-86

21 July 1986

MEMORANDUM FOR: Director of Central Intelligence  
FROM: Director, Intelligence Community Staff  
SUBJECT: Testimony Before SSCI on Personnel (U)

Attached is a suggested script for your testimony on NFIP personnel matters before the SSCI on 23 July. (U)

[Redacted Signature]

25X1

E. A. Burkhalter, Jr.  
Vice Admiral, USN

Attachment: [Redacted]  
Testimony Before SSCI

25X1

Attachment contains SCI material.  
Regrade to UNCLASSIFIED when  
separated from attachment

SECRET

SECRET

SUBJECT: Testimony Before SSCI on Personnel (U)

ICS/PBS/ED  18 July 1986)

25X1

Distribution: DCI/ICS 3567 w/att. .... SC 06186-86

Orig. - DCI	Copy #1
1 - ER	Copy #2
1 - OCA	Copy #3
1 - D/ICS & DD/ICS	Copy #4
1 - ICS/LL	Copy #5
1 - PBS Subject (Testimony File)	Copy #6
1 - PBS Subject (SSCI File)	Copy #7
1 - PBS Chrono	Copy #8
1 - ICS Registry	Copy #9

SECRET

SECRET

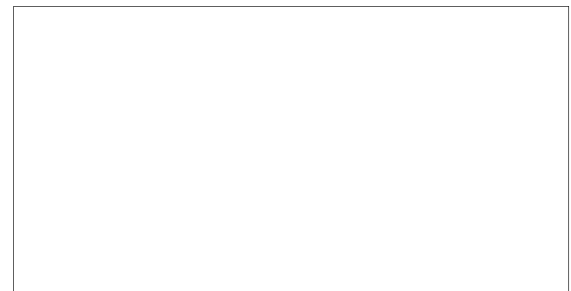
DCI STATEMENT BEFORE SSCI HEARING ON NFIP PERSONNEL  
23 July, 1986

The people of the Intelligence Community are its greatest asset--ground of our success, shield against our adversaries, hope against the challenges to come. This simple fact is easy to lose sight of in the age of high technology, and I am pleased that you have chosen to examine our personnel situation in this systematic way. We have much to tell you about it. We have cause for satisfaction in our progress thus far, and for some alarm as we look ahead.

25X1

Our satisfaction comes because Congress has provided us with the large numbers of additional people we have asked for over the last several years. This has enabled us to put the past behind us and catch up with a lot of problems that only people can solve, such as creating a linguist database and increasing our human intelligence and analyst cadres to levels more suitable to today's collection environment and rapid information flows. In addition, we are devoting a great deal of attention, as you know, to rebuilding our support infrastructure. If I may digress for a moment, I understand that support is not a subject that you wish to cover today, but

25X1



SECRET

SECRET

I strongly recommend that you return to it. You cannot appreciate the personnel needs of the collection, processing, and analytical functions unless you also examine support. My colleagues and I stand ready to help you do that. [REDACTED]

25X1

As the National Foreign Intelligence Strategy points out in detail, the Intelligence Community in the future will be pressed as never before to provide indications and warning, analysis, and support to diplomatic and/or military initiatives against a wide variety of issues. These no longer focus mainly on military problems, as in the past. Today we also worry about global economic, social, technological and scientific developments that could threaten the position of the U.S. in the world. If we don't have the people on hand who can see these developments coming and provide timely warning to policymakers, we're too late. As we all know from watching OPEC's trials in the past year, events of very significant world-wide importance can happen in a great hurry. I would argue that it is the responsibility of the Intelligence Community to "scout the future," as the Strategy puts it, because we have the right mix of people and information resources to do so. [REDACTED]

25X1

The increased personnel ceilings you have provided have helped a great deal. We have been able to hire the kind of people we think we need, and our improved performance shows

25X1

-2-

SECRET

SECRET

it. But even though our present status is a source of satisfaction in many ways, there are also many causes of concern.

25X1

I would like to take this opportunity to expound on how personnel matters relate to some of my highest priorities. I have already alluded to HUMINT and analysis. These two disciplines both needed help badly over the past few years, and only more of the right kind of people could provide the cure. Both are now and will forever be highly manpower-intensive, no matter what technological help we manage to provide. HUMINT is getting tougher all the time. All U.S. personnel overseas are increasingly vulnerable to attack, which makes long periods of overseas service just that much more unattractive for many. In addition, different skills will be required of the operations officer of the future. We will move more toward non-official cover, which places a premium on people who can blend into the foreign environment. Some of the targets we are after are highly technical, which means more training for our officers. Finally, more than two-thirds of our most senior officers are eligible for retirement. This makes retaining our current group of mid-level officers and their expertise a matter of critical importance, since it takes a long time to make a good operations officer.

25X1

-3-

SECRET 

25X1

## SECRET

Turning to analysis, our analysts are our "front office"--the people who talk to our customers and deliver the final product. As the Strategy points out, the number of analytical disciplines we must cover is growing fast, and so must our numbers of people. Further, many of our problems are unique, and can't be solved simply by hiring someone with a relevant background. We constantly have to invent analytical techniques as we go along for problems such as terrorism and narcotics, for example. Adapting to new problems is something only people can do. We have a continuing need for individuals with foreign language competence, particularly for those areas of the world where instability or terrorist activity can threaten American interests or lead to the commitment of American forces, conventional or otherwise. Finally, it is not enough for our analysts to be experts in their fields. They must increasingly be intelligence experts too, capable of providing informed, timely feedback to the collectors so that they can apply their limited assets against a myriad of changing targets. One thing our investment on the collection side has bought us is flexibility. We can cover a lot more targets than we used to, and change coverage much faster. But these advantages are lost unless the analyst can communicate with the collector. Unfortunately, unlike substantive



SECRET

expertise, which we can often hire off the street, an analyst acquires familiarity with the intelligence system only by being exposed to it over a long period of time. Thus we not only have to recruit people with substantive expertise, we have to keep them for quite a while before they become fully productive.

25X1

I would like to talk briefly now about the more highly technical side of the NFIP, specifically the imagery and SIGINT disciplines. I think that we often lose sight of how important people are here because of the glamor of the technology and the huge amounts of money involved. The concept and design of the big collectors is so important that it requires the best people available. The systems last so long and are so expensive that they must be built from the beginning with the best possible insight into the future collection environment. The government simply must have at least some of the people capable of doing this. The same is true of the ground processing systems. We must be involved with our own people from the outset if we are going to get what we want in the end. Experience has shown, though, that good design is only part of getting the most from your collection investment. Time after time, systems have been turned on to targets which didn't even exist when they were designed, and provided vital information. Smart, dedicated

25X1

-5-

SECRET

SECRET

people do this--people with experience they can acquire only by working for years in the intelligence community. [redacted]

25X1

Entirely new missions, such as direct support to military operations using data from certain of our satellites, have been discovered purely by human ingenuity. Another good example is provided by cryptanalysis. For all its emphasis on computer power, a cryptanalytic attack depends for its success primarily on a correct analysis by trained and gifted human beings.

[redacted]

25X1

Turning to the future, the main reason why I am a bit worried is that the pool of people available to do these jobs is shrinking. I think that there are three main reasons for this. [redacted]

25X1

First, there is competition with other employers, who are frequently after the same sorts of people we are. This is particularly true in the case of certain science and technology specialities. In many cases we simply can't match in salary what the private sector will offer. Plus, of course, much of the work of our people is classified, and the security restrictions on their activities on and off the job are part of doing business. Many people simply do not want to work under these conditions and either will not associate with intelligence in the first place or tire of it. [redacted]

25X1

[redacted]

25X1

## SECRET

Second, and related, is the perceived instability of a career with the government in any capacity. The turbulence in the last few years in the areas of pay and retirement benefits has hurt. I fear both for retention and recruiting. Frankly, I am less concerned for the moment about retention because I believe that intelligence work is highly rewarding in itself, and that, once involved, people tend to stick with it despite the current level of uncertainty about pay and benefits. I cannot predict how much longer we will benefit from their dedication and enthusiasm, however. Of more immediate concern is recruiting. Most of our recruits have not done intelligence work before, and do not know of its rewards. They do know that government service has become controversial, particularly as a career, and that they will be subject to a comprehensive security system that most of their fellow citizens will never experience.

25X1

Finally, the security system not only dissuades some from joining us, it also rejects many who try. This is just something we have to live with--I am not interested in making compromises on security.

25X1

I am nevertheless confident that we can overcome these challenges. For example, we will have to recruit better, and give more emphasis to describing the challenges and benefits of

25X1

SECRET

a career in intelligence. Also, we can make better use of co-op arrangements for undergraduates and employ special pay categories for highly qualified people. But most importantly, we have to make our people aware that they are doing unique jobs under demanding circumstances, and that they can be proud of it. I ask for your continued support, not just for the special needs of the Intelligence Community, but in preserving in general the attractiveness of employment by the federal government. Our starting point is the notion that public service is a good idea, both personally and professionally. We all have to work hard to keep it so.

25X1

-8-

25X1

SECRET

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X 3		
2	DDCI		X 4		
3	EXDIR		X 5		
4	D/ICS				
5	DDI				
6	DDA	X 1			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	C/S		X 6		
18	ES		X 7		
19	ER		X 2		
20					
21					
22					

SUSPENSE 22 July 86  
Date

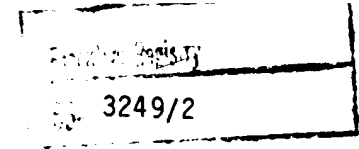
Remarks  
To 6: Please provide requested input soonest.

[Signature Box]

Executive Secretary

21 July 86  
Date

STAT



21 July 1986

MEMORANDUM FOR: Deputy Director of Central Intelligence  
Deputy Director for Administration

FROM: Director of Central Intelligence

SUBJECT: SSCI Hearing - 23 July 1986

REF: DA Paper "The DA - An Action Agenda"

I would like for you to develop some paragraphs on reflecting the suggestions in your above-referenced memorandum to be injected into the attached draft of a statement before the SSCI on personnel this week. I refer specifically to the first three paragraphs beginning on page 3 and paragraph (e) on page 4.

William J. Casey

Attachment:

Draft DCI Statement for the Record - SSCI, 23 July 1986



B-405-125X1

SECRET

S E C R E T

STATEMENT FOR THE RECORD  
DCI [REDACTED]

SENATE SELECT COMMITTEE ON INTELLIGENCE

23 JULY 1986

CIA PERSONNEL MANAGEMENT

AS I LOOK AT PERSONNEL AT CIA, I FIND A YOUNG, VIGOROUS AND TALENTED WORK FORCE PLEASED BY CUSTOMER RESPECT FOR THEIR PRODUCT AND CHALLENGED DAILY TO ACCOMPLISH TASKS PREVIOUSLY THOUGHT IMPOSSIBLE. MORALE IS HIGH. [REDACTED]

[REDACTED]

[REDACTED]. AS A SNAPSHOT IN TIME, I WOULD SAY THE ORGANIZATION IS IN A VERY HEALTHY STATE. [REDACTED]

25X1

DESPITE ALL OF THIS, IT HAS BEEN A PARTICULAR CONCERN OF MINE, AS THE CIA NEARS ITS FOURTH DECADE, TO AVOID THE SORT OF ORGANIZATIONAL MIDDLE AGE WHICH COMES TO MOST INSTITUTIONS, A KIND OF BUREAUCRATIC HARDENING OF THE ARTERIES CHARACTERIZED BY THE GROWTH OF RED TAPE AND OVERREGULATION AND BY A LOSS OF CREATIVITY AND INITIATIVE. [REDACTED]

25X1

OVER THE PAST COUPLE OF YEARS, WE HAVE PAID INCREASING ATTENTION TO OUR PERSONNEL SYSTEMS TO ENSURE THAT WE WERE CREATING AN ENVIRONMENT WHICH CONTINUED TO ENCOURAGE OUR EMPLOYEES TO WORK TO THEIR FULLEST POTENTIAL AND CAPACITY AND WHICH PERPETUATED THE SENSE OF COMMITMENT AND DEDICATION WHICH LONG HAS BEEN A HALLMARK OF CIA'S CORPORATE CULTURE. WE CUT THROUGH SOME OF THE RED TAPE WHICH HAD DEVELOPED AND TOOK STEPS TO REMOVE CERTAIN OF THE IRRITANTS AND IMPEDIMENTS WHICH HAD CREPT INTO OUR SYSTEM. THIS PROCESS OF SCRAPING THE BARNACLES OFF OUR CURRENT PERSONNEL SYSTEM IS CONTINUING BUT IT IS MY BELIEF THAT MORE FUNDAMENTAL CHANGES NEED TO BE CONSIDERED. [REDACTED]

25X1

[REDACTED]

25X1

S E C R E T

INDEED, I WOULD SUBMIT HERE TODAY THAT WHAT WE NEED IS A NATIONAL INTELLIGENCE PERSONNEL STRATEGY TO ENSURE THAT WE CAN CONTINUE TO HAVE AND . RETAIN THE BEST INTELLIGENCE CADRE INTO THE 21ST CENTURY. AS I MENTIONED IN THE NATIONAL FOREIGN INTELLIGENCE STRATEGY PRESENTED TO YOU IN FEBRUARY OF THIS YEAR, WE MUST CONSTANTLY STRIVE TO ENHANCE THE QUALITY AND MOTIVATION OF OUR WORK FORCE. WE HAVE IMPLEMENTED THE MOST IMPRESSIVE ARRAY OF TECHNICAL CAPABILITIES IN THE WORLD. BUT, TO GET WHAT WE SHOULD OUT OF THEM, WE COUNT ON PEOPLE WHO CONCEIVE THEM, INTERPRET AND USE THEIR PRODUCTS, AND PROVIDE SUPPORT TO THE ENTIRE INTELLIGENCE PROCESS. THE EFFECT OF CHANGES IN FEDERAL PERSONNEL POLICIES ON OUR ABILITY TO RETAIN TALENTED AND PROMISING CAREERISTS MUST BE CAREFULLY MONITORED AND NEW FORMULATIONS FOUND TO PREVENT THE APPEAL OF AN INTELLIGENCE CAREER FROM DETERIORATING.

25X1

AT CIA, I ALREADY HAVE A TASK FORCE HARD AT WORK ON THIS ISSUE AND I AM AWARE OF OTHER INITIATIVES WITHIN THE COMMUNITY. IT IS, THEREFORE, A GREAT PLEASURE FOR ME TO BE HERE TODAY TO SHARE WITH YOU OUR VISION OF THE FUTURE AS YOU BEGIN TO STUDY PERSONNEL ISSUES IN THE INTELLIGENCE COMMUNITY. I AM CONFIDENT THAT AS A RESULT OF OUR JOINT AND COOPERATIVE EFFORTS WE WILL DEVELOP THE PROGRAMS AND STRATEGIES WHICH WILL KEEP OUR INTELLIGENCE PROFESSION AT THE CUTTING EDGE IN THE COLLECTION AND ANALYSIS OF INFORMATION NEEDED TO INFORM THE POLICY PROCESS AND PROTECT OUR NATIONAL SECURITY.

25X1

I WANT TO TAKE A FEW MOMENTS TO SET FORTH CERTAIN GUIDING PRINCIPLES, TO TRACE THE CONSERVATIVE EXERCISE OF OUR SPECIAL AUTHORITIES, TO IDENTIFY CERTAIN INITIAL STEPS WE HAVE TAKEN TO USE THESE AUTHORITIES IN NEW AND CREATIVE WAYS AND FINALLY TO EXPLORE WITH YOU THE DIRECTION IN WHICH I FEEL WE MUST HEAD.

(U)



S E C R E T

GUIDING PRINCIPLES:

EVERY SUCCESSFUL ORGANIZATION HAS A BELIEF SYSTEM, A CULTURE WHICH DEFINES ITS PLACE IN THE UNIVERSE AND WHICH ENCOURAGES PEOPLE TO WANT TO BECOME AND REMAIN A PART OF THAT ORGANIZATION. I AM SURE, FOR EXAMPLE, THAT YOU HAVE SEEN OUR CREDO BUT I THINK YOU CAN BOIL DOWN OUR BELIEF SYSTEM TO THREE CLUSTERS OF IDEAS. [REDACTED]

25X1

FIRST, OUR PEOPLE BELIEVE WE ARE THE BEST INTELLIGENCE ORGANIZATION IN THE WORLD. WE ARE APOLITICAL BUT WE ARE POLICY RELEVANT. [REDACTED]

25X1

SECOND, AS AN INSTITUTION, WE BELIEVE THAT PEOPLE ARE OUR MOST IMPORTANT RESOURCE. WE ARE A FAMILY AND WE TAKE CARE OF OUR PEOPLE. WE ARE A MERITOCRACY AND WE BELIEVE THAT THE INDIVIDUAL EMPLOYEE MAKES A DIFFERENCE, SO WE VALUE THE VIRTUOSO PERFORMER AND WE REWARD THOSE WHO PRODUCE. [REDACTED]

25X1

AND THIRD, WE ARE A CAN-DO ORGANIZATION. WE ACCOMPLISH THE MISSION AND MEET THE CHALLENGE. WE ARE FORWARD LEANING, FLEXIBLE AND LESS BUREAUCRATIC.

25X1

[REDACTED]

WE MUST PERPETUATE THIS CULTURE. OUR HUMAN RESOURCE MANAGEMENT SYSTEM, THEREFORE, MUST SAFEGUARD THESE CENTRAL BELIEFS YET BE SUFFICIENTLY FLEXIBLE TO MEET THE CHALLENGES OF THE DECADES AHEAD. LET ME TOUCH UPON A FEW OF THESE CHALLENGES:

' THE AGENCY MISSION HAS EXPANDED. THE INTELLIGENCE ISSUES WE DEAL WITH ARE DIFFERENT FROM, AND FAR MORE COMPLEX THAN, THOSE WE HAVE TACKLED IN THE PAST. THE NUMBER OF OUR CONSUMERS LIKEWISE HAS GROWN. WE NOW MUST SERVE SUCH ELEMENTS OF THE GOVERNMENT AS THE DEPARTMENTS OF

S E C R E T

ENERGY, TREASURY, AND COMMERCE; NASA, THE ARMS CONTROL NEGOTIATORS, THE SPECIAL TRADE REPRESENTATIVES, YOUR OWN JOINT ECONOMIC COMMITTEE AND SO FORTH.

- ' TO ACCOMPLISH OUR TASK WE REQUIRE TEAMS OF EXPERTS FROM A VARIETY OF ANALYTICAL AND COLLECTION FIELDS, EACH CONTRIBUTING SPECIAL SKILLS AND KNOWLEDGE. WE ALREADY FACE KEEN COMPETITION FOR THESE HIGHLY SKILLED, EDUCATED AND TALENTED PEOPLE AND FIND IT DIFFICULT TO OBTAIN THE ETHNIC AND LINGUISTIC MIX WHICH IS ESSENTIAL TO OUR BUSINESS.
- ' LOOKING TO THE FUTURE, WE ARE TOLD THAT THE BABY-BOOM GENERATION ALREADY HAS ENTERED THE LABOR MARKET AND THE GROUP BEHIND THEM IS MUCH SMALLER IN SIZE, SO THE COMPETITION FOR TALENT IN THIS EMERGING WORK FORCE IS GOING TO INCREASE FURTHER.
- ' WE INCREASINGLY FIND THAT OUR PEOPLE, ONCE ON BOARD AND POSSESSING SPECIALIZED CLEARANCES AND ACCESS, ARE HIGHLY ATTRACTED TO THE PRIVATE SECTOR; PARTICULARLY THOSE WHO HAVE TECHNICAL OR REGIONAL SKILLS OR OVERSEAS EXPERIENCE.
- ' DUAL-CAREER COUPLES AND SINGLE-PARENT FAMILIES WILL BE THE NORM, MAKING THE MOBILITY REQUIRED FOR MANY CIA OCCUPATIONS DIFFICULT. IN ADDITION, TERRORIST ACTIONS OVERSEAS HAVE CLEARLY LOWERED INTEREST IN WORKING ABROAD, MUCH LESS IN JEOPARDIZING FAMILIES FURTHER BY WORKING FOR AN INTELLIGENCE ORGANIZATION.
- ' THE AMERICAN EDUCATION SYSTEM IN THE LAST TWO DECADES HAS DONE AN EXCELLENT JOB OF PRODUCING HIGHLY EDUCATED, TECHNOLOGICALLY COMPETENT GRADUATES, BUT HAS GIVEN FAR LESS EMPHASIS TO LANGUAGES, INTERNATIONAL RELATIONS AND POLITICS, AREAS IN WHICH WE EARN OUR BREAD AND BUTTER.

S E C R E T

(A TEST OF THIS TREND WOULD BE FOR YOU TO ASK SOME OF YOUR CHILDREN A BASIC GEOGRAPHY QUESTION.)

AND IF THIS WERE NOT ENOUGH, THE TECHNOLOGY IS CHANGING SO RAPIDLY IN SO MANY FIELDS THAT GRADUATES SIX - EIGHT YEARS OUT OF SCHOOL MAY NEED TO BE RETRAINED TO STAY AT THE CUTTING EDGE IN THEIR DISCIPLINES.

25X1

ALL OF THIS IS OCCURRING IN AN ENVIRONMENT IN WHICH FEDERAL EMPLOYMENT IS INFREQUENTLY PORTRAYED AS PARTICULARLY WORTHY OR HIGHLY VALUED, AND THE LOW ESTEEM IN WHICH CIVIL SERVANTS ARE HELD IS NOT SIMPLY A MATTER OF RHETORIC. THERE IS THE EVEN HARSHER REALITY OF A STAGNATING AND EVEN DECLINING SALARY AND BENEFIT STRUCTURE FOR FEDERAL WORKERS.

25X1

HISTORIC USE OF DCI AUTHORITIES:

AT CIA, RIGHT FROM THE BEGINNING, THE DCI HAD THE AUTHORITIES TO CREATE A PERSONNEL SYSTEM TO ENABLE HIM TO MEET THE UNIQUE DEMANDS OF THE INTELLIGENCE PROFESSION. BUT AS YOU KNOW, FOR MOST OF OUR HISTORY, WE FELT WE COULD ACCOMPLISH OUR MISSION AND MOTIVATE OUR PEOPLE WITHIN THE BROAD CONTOURS OF THE OVERALL GOVERNMENT PERSONNEL STRUCTURE. AND SO, AS A MATTER OF CHOICE WE BASICALLY FOLLOWED TITLE 5 RULES ON PAY, LEAVE, OVERTIME, STEP INCREASES, AND INCENTIVE AWARDS. INDEED, WE ADOPTED THE GENERAL SCHEDULE (GS) PAY SCALE AND GS GRADE STRUCTURE.

25X1

MORE RECENTLY, WE RECOGNIZED THAT CERTAIN CHANGES WERE REQUIRED AND WE INVOKED OUR SPECIAL AUTHORITIES TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT. WE HAVE IMPLEMENTED:

S E C R E T

- ' SPECIAL AGENCY-SPECIFIC PAY SCHEDULES FOR SCIENTISTS, ADP PROFESSIONALS, ENGINEERS, AND MEDICAL OFFICERS:
- ' A PAY BANDING EXPERIMENT IN OUR OFFICE OF COMMUNICATIONS;
- ' A NEW SECRETARIAL CAREER AND PAY SYSTEM WITH FOUR BROAD PAY LEVELS, MODIFIED PAY FOR PERFORMANCE, JOB ENRICHMENT AND SIGNIFICANTLY INCREASED TRAINING;
- ' NON SUPERVISORY SPECIALIST TRACKS FOR A LIMITED NUMBER OF PROFESSIONS AND POSITIONS;
- ' OVERSEAS PAY THAT IS 9.6% HIGHER THAN DOMESTIC; AND
- ' AN EMPLOYEE SPOUSE PROGRAM FACILITATING JOINT ASSIGNMENTS AS WELL AS GUARANTEEING REEMPLOYMENT AT CURRENT GRADE ON RETURN TO DUTY WHEN JOINT ASSIGNMENTS CANNOT BE ARRANGED.

25X1

WHILE THESE INITIATIVES ARE BENEFICIAL MOVES IN THE RIGHT DIRECTION, THEY ARE ONLY BAND AIDS. THEIR CUMULATIVE EFFECT IS NOT SUFFICIENT TO MEET THE CHALLENGES OF THE FUTURE.

25X1

FUTURE DIRECTIONS:

OVER THE NEXT COUPLE OF YEARS WE PLAN TO:

1. REPLACE THE CURRENT AND RATHER INFLEXIBLE GS ARCHITECTURE WITH A MORE FINELY TUNED PAY SYSTEM WHICH WILL MAKE US MORE COMPETITIVE, WHICH WILL BETTER TAKE INTO ACCOUNT THE VALUE TO US OF CERTAIN PEOPLE AND CERTAIN OCCUPATIONS, AND WHICH WILL BETTER MOTIVATE THE GOOD EMPLOYEE AND HELP RETAIN THE STELLAR EMPLOYEE BY MORE CLEARLY LINKING PAY WITH PERFORMANCE.

2. RETHINK THE CURRENT SET OF INCENTIVES, ALLOWANCES, AND OTHER BENEFITS SO THAT WE HAVE AVAILABLE A MORE FLEXIBLE, "CAFETERIA-STYLE" COMPENSATION PACKAGE, WHICH

S E C R E T

TAKES INTO ACCOUNT THE NEEDS OF OUR EMPLOYEES AT DIFFERENT STAGES OF THEIR LIVES AND CAREERS.

3. REDESIGN A CAREER DEVELOPMENT PROGRAM TO CLEARLY ALLOW FOR SPECIALIST AND MANAGEMENT TRACKS.

' WE NEED TO ENCOURAGE TECHNICAL AND SUBSTANTIVE EXPERTS WHO DON'T GO INTO MANAGEMENT TO STAY WITH CIA.

' WE ALSO NEED TO DEVELOP A NEW GENERATION OF MIDDLE AND SENIOR MANAGERS WHOSE BREADTH OF EXPERIENCE AND VISION WILL ALLOW US TO CAPITALIZE ON NEW INTELLIGENCE OPPORTUNITIES, EXPLOIT EMERGING TECHNOLOGIES, AND BRING TO BEAR GREATER INTERDISCIPLINARY SYNERGISM ON THE MORE COMPLEX COLLECTION AND ANALYTICAL PROBLEMS WE WILL FACE.

4. REVITALIZE OUR TRAINING PROGRAM TIEING IT TO OUR COMPENSATION SYSTEM NOT ONLY TO MAINTAIN EXISTING SKILL LEVELS IN A RAPIDLY CHANGING TECHNOLOGICAL ENVIRONMENT BUT ALSO TO GIVE EFFECT TO OUR PERSONNEL PLANNING, WHICH INCREASINGLY WILL MEAN THE ANALYSIS OF OUR CURRENT SKILLS MIX IN THE CONTEXT OF FUTURE NEEDS AND THEN RETRAINING OUR EMPLOYEES.

25X1

LET ME EXPAND ON EACH OF THESE POINTS:

ALTERNATIVE PAY SYSTEMS:

EARLIER THIS YEAR PRESIDENT REAGAN EXPRESSED HIS APPROVAL OF A DOMESTIC POLICY COUNCIL RECOMMENDATION TO REPLACE THE 18 GS PAY GRADES WITH A PERFORMANCE PAY SYSTEM WHICH PROVIDES MANAGERS WITH MORE FLEXIBILITY AND AUTHORITY TO REWARD GOOD EMPLOYEES.

25X1

AS I EXPLAINED EARLIER, CIA, FOR ITS PART, HAS EXPERIMENTED WITH VARIANTS

S E C R E T

TO THE GS SYSTEM, AND I AM PERSUADED THAT ALTERNATIVE PAY STRUCTURES MAKE SENSE FOR CIA. I BELIEVE THAT WE MUST ADOPT A MORE FLEXIBLE SYSTEM WHICH REDUCES BUREAUCRACY, GIVES MANAGERS MORE AUTHORITY AND MAKES THEM MORE ACCOUNTABLE FOR THE PRODUCTIVE AND EFFICIENT USE OF THEIR HUMAN RESOURCES.

25X1

SUCH AN APPROACH, PATTERNED AFTER PRIVATE SECTOR PRACTICES, AND CONSTRAINED BY THE MANAGER'S BUDGET WOULD :

1. GIVE MANAGERS GREATER ABILITY TO ATTRACT AND RETAIN EMPLOYEES WITH THE CRITICAL SKILLS WE NEED TO ACCOMPLISH OUR MISSION.

2. REPLACE ESSENTIALLY AUTOMATIC LONGEVITY BASED INCREASES WITH AN ENHANCED FOCUS ON PAY FOR PERFORMANCE. THIS WILL ALLOW MANAGERS TO REWARD EXCELLENCE THROUGH A COMBINATION OF PAY INCREASES AND AWARDS WHILE RESERVING PROMOTIONS FOR SIGNIFICANT CHANGES IN LEVELS OF SKILL AND RESPONSIBILITY, AND:

3. GIVE MANAGERS GREATER RESPONSIBILITY FOR POSITION MANAGEMENT, ALLOWING THEM TO RESTRUCTURE THEIR ORGANIZATIONS TO MAKE OPTIMUM USE OF EMPLOYEE SKILLS AND TO MEET CHANGING REQUIREMENTS.

25X1

FLEXIBLE BENEFITS AND ALLOWANCES:

AS I LOOK TO THE FUTURE, I SEE A NEED TO BUILD IN GREATER FLEXIBILITY TO HIRE THE DIFFERENT TYPES OF PEOPLE WE WILL NEED. FOR EXAMPLE, THERE IS A PLACE IN OUR ORGANIZATION FOR THE ACCOMPLISHED INDIVIDUAL COMING TO US IN MID-LIFE AFTER A SUCCESSFUL FIRST CAREER. NATURALLY, THE BENEFITS PACKAGE WE NEED TO OFFER SUCH AN INDIVIDUAL IS GOING TO BE VERY DIFFERENT FROM THAT WHICH WE WOULD WANT TO OFFER A NEW EMPLOYEE FRESH OUT OF COLLEGE. AND EVEN LOOKING

S E C R E T

AT OUR PRESENT WORK FORCE, I WOULD SUGGEST THAT OUR EMPLOYEES, THE MAJORITY OF WHOM ARE UNDER 40 YEARS OF AGE, WITH FEWER DEPENDENTS AND AN INCREASED LIFE EXPECTANCY COMPARED TO THEIR PREDECESSORS, HAVE DIFFERENT NEEDS AND DESIRE DIFFERENT BENEFITS THAN DID THEIR PARENT'S GENERATION. EVEN WORKING WITHIN A CLEAR BUDGETARY BOTTOM-LINE, WE OUGHT TO BE ABLE TO CHANGE THE MIX OF LEAVE, INSURANCE, AND OTHER ELEMENTS WITHIN THE TOTAL COMPENSATION PACKAGE TO TAKE INTO ACCOUNT THE CHANGING NEEDS OF OUR EMPLOYEES FROM GENERATION TO GENERATION, AND EVEN DURING THE COURSE OF A CAREER.

25X1

DUAL CAREER TRACKS :

MY EMPHASIS ON SPECIALIST AND MANAGEMENT TRACKS DERIVES FROM THE FACT THAT OVER THE YEARS OUR STRENGTH AS AN AGENCY HAS BEEN A DIRECT RESULT OF OUR ABILITY TO DEVELOP AND RETAIN A LARGE CORPS OF EXPERTS WHO STAY WITH US ON A CAREER BASIS.

25X1

WE WILL CONTINUE TO USE INDEPENDENT CONTRACTORS AND CONTRACTOR FIRMS TO ASSIST US IN VARIOUS OF OUR FUNCTIONS, BUT THEY ARE NO SUBSTITUTE FOR A CAREER WORK FORCE WHICH POSSESSES AN INSTITUTIONAL MEMORY, A BROAD BASE OF EXPERIENCE AND A HIGH DEGREE OF SUBSTANTIVE DEPTH.

25X1

MANAGING SPECIALISTS IS SOMEWHAT OF AN ART BECAUSE, PARTICULARLY IN THESE CHANGING TIMES, TOO MANY NARROWLY FOCUSED, OVERSPECIALIZED PEOPLE ARE AS MUCH A PROBLEM AS TOO MANY GENERALISTS. WE FOUND THAT WE COULD NOT AFFORD VERY MANY PEOPLE WHO WOULD SPEND THEIR ENTIRE CAREER ON SOME BACKWATER, BUT WE ALSO ESCHEWED THE STAFFING APPROACH OF SOME ORGANIZATIONS WHICH MOVE PEOPLE FROM SPECIALTY TO SPECIALTY EVERY COUPLE OF YEARS, THUS TRADING DEPTH OF EXPERTISE

## S E C R E T

FOR BREADTH OF EXPERIENCE. INSTEAD, WE HAVE DEVELOPED OUR PEOPLE WITHIN A NUMBER OF SPECIALIST CONES, BROAD ENOUGH, FOR EXAMPLE, TO PRODUCE CASE OFFICERS AND ANALYSTS ABLE TO GO WHERE THEY WERE NEEDED BUT TRULY EXPERTS IN THEIR TRADE.

25X1

ONE OF OUR PROBLEMS HAS BEEN THAT TRADITIONAL CAREER PATTERNS HAVE FORCED SUBSTANTIVE EXPERTS TO BECOME MANAGERS. SOMETIMES WE TURN SUPERB SPECIALISTS INTO MODERATELY TALENTED MANAGERS. OTHERS, UNWILLING OR UNQUALIFIED TO BECOME MANAGERS, BECOME UNDERSTANDABLY FRUSTRATED AND SOME LEAVE THE AGENCY TO WORK AT ENHANCED PAY IN THE PRIVATE SECTOR. SOME EVEN COME BACK AS CONTRACTOR EMPLOYEES TO WORK ON AGENCY PROJECTS. THIS SITUATION IS TROUBLESOME, ESPECIALLY WHEN WE CONSIDER THAT OUR LONG-TERM EXPERIENCE BASE HAS BEEN GRADUALLY BUT STEADILY SHRINKING. IN 1976, 14% OF OUR PEOPLE HAD LESS THAN THREE YEARS OF CIA EXPERIENCE, BY 1981 THIS NUMBER HAD RISEN TO 16% AND BY THE BEGINNING OF FY 86, 23% OF OUR EMPLOYEES HAD LESS THAN THREE YEARS WITH THE AGENCY. TO SOME EXTENT THIS REFLECTS THE RAPID GROWTH IN CIA, PARTICULARLY IN THE 1981-1986 TIMEFRAME, WHEN AGENCY PERSONNEL GREW 21%. HOWEVER, THE GROWING COMPETITION FOR SPECIALISTS IN CERTAIN FIELDS MAY EXACERBATE THIS TREND UNLESS WE ARE BETTER ABLE TO REWARD THOSE WHO DO NOT GO INTO MANAGEMENT.

25X1

NO LESS IMPORTANT, PARTICULARLY IN A TIME OF RESOURCE CONSTRAINTS, IS OUR NEED TO IDENTIFY AND DEVELOP A SKILLED MANAGEMENT CADRE. MANAGERS MUST CREATE ENVIRONMENTS THAT DEVELOP LOYALTY AND MOTIVATE EMPLOYEES TO PERFORM AT THEIR HIGHEST POTENTIAL. IN ADDITION, OUR MANAGERS MUST BE CAPABLE OF INTEGRATING HUMAN RESOURCE PLANNING WITH PROGRAM PLANNING AND DEALING WITH THE GROWING COMPLEXITIES OF INTEGRATING THE RESOURCE REQUIREMENTS OF MULTIFACETED COLLECTION, PROCESSING AND ANALYTIC ACTIVITIES. WE ALSO KNOW THAT THE



S E C R E T

MANAGEMENT FUNCTION IS GOING TO BE VITALLY IMPORTANT IN IDENTIFYING PERSONNEL REQUIREMENTS FOR THE FUTURE AND IN PLANNING TRAINING AND ASSIGNMENTS TO ENSURE EFFECTIVE CAREER DEVELOPMENT AND SUCCESSION PLANNING.

25X1

EARLY IDENTIFICATION OF OUR MANAGEMENT CADRE COMBINED WITH A SIGNIFICANT EXPERIENTIAL ASSIGNMENT PROCESS WILL SERVE TO ENHANCE MANAGEMENT AND PLANNING CAPABILITIES; AND, WITH A SUFFICIENT CADRE OF EXPERIENCED MANAGERS, WE WILL BE ABLE TO KEEP SUBSTANTIVE EXPERTS WHERE THEY CAN MAKE THEIR MAXIMUM CONTRIBUTION TO THE ORGANIZATION.

25X1

TRAINING:

FINALLY, WE NEED TO FOCUS ON TRAINING, BECAUSE NO MATTER HOW GOOD OUR PERSONNEL PLANNING, THE PEOPLE WE HIRE IN THE 1980'S ARE UNLIKELY TO HAVE THE MIX OF SKILLS WE WILL NEED IN THE 1990'S. INDEED, OUR YOUNG PEOPLE ARE LEARNING WHAT MANY OF THEIR SENIORS HAVE KNOWN FOR SOME TIME--THAT THE HALF-LIFE OF ONE'S SKILLS, PARTICULARLY IN THE TECHNICAL AREA MAY BE LESS THAN SIX- EIGHT YEARS. WHAT THIS MEANS IS THAT WHETHER WE ARE TALKING ABOUT SKILLS MAINTENANCE OR RETRAINING, EDUCATION IS GOING TO BE A CONSTANT FOR OUR PROFESSIONAL WORK FORCE.

25X1

TRAINING IS IMPORTANT FOR ANOTHER REASON. GIVEN THE MULTIDISCIPLINARY NATURE OF OUR TASKING AND THE NEED TO SHIFT OUR WORK FORCE TO ACCOMMODATE RAPIDLY CHANGING WORLD EVENTS, WE MUST DEVELOP A CADRE OF PERSONNEL WHO ARE NOT JUST FUNCTIONAL SPECIALISTS, BUT WHO ARE PRIMARILY INTELLIGENCE OFFICERS. INDEED, YOU MIGHT SAY THAT IN A PERSONNEL SENSE OUR MISSION IS TO TAKE POLITICAL SCIENTISTS, COMPUTER SCIENTISTS, AND PHYSICAL SCIENTISTS AND, TO

S E C R E T

S E C R E T

SOME EXTENT, CHANGE THEIR FOCUS FROM BEING, FOR EXAMPLE, A SCIENTIST WHO HAPPENS TO WORK AT CIA TO AN INTELLIGENCE OFFICER WHO HAPPENS TO BE A SCIENTIST.

25X1

THIS IS NOT TOTALLY OUT OF THE QUESTION BECAUSE WE ARE TOLD THAT, ON AVERAGE, OVER THE COURSE OF ONE'S WORK, LIFE PEOPLE CHANGE CAREER FIELDS TWO - THREE TIMES AND CHANGE EMPLOYERS FOUR - FIVE TIMES. SINCE WE TEND TO HIRE MULTIFACETED, MULTITALENTED PEOPLE, WE CAN EXPECT OUR EMPLOYEES TO BE SUSCEPTIBLE TO SIMILAR CAREER MIGRATIONS; AND IF WE WANT TO KEEP A CAREER WORK FORCE, WE WILL NEED TO PROVIDE THEM WITH OPPORTUNITIES TO CHANGE CAREER FIELDS WITHOUT LEAVING CIA.

25X1

AT THE CENTER OF OUR THINKING, AS WE EXPLORE THESE AND OTHER INITIATIVES, IS THE REALIZATION THAT, HOWEVER WE IMPROVE OUR SYSTEM, THE GOVERNMENT GENERALLY IS NOT GOING TO BE ABLE TO OUTBID THE PRIVATE SECTOR. MOREOVER, OUR EMPLOYEES HAVE NEVER COME TO OR STAYED WITH CIA SOLELY BECAUSE OF PAY AND BENEFITS. IT IS THE IMPORTANT AND EXCITING MISSION WHICH ATTRACTS THEM. IT IS THE SENSE OF ACCOMPLISHMENT AND RESPONSIBILITY WHICH KEEPS THEM HERE.

25X1

EVERYTHING I HAVE TALKED ABOUT RELATES TO OUR ABILITY TO MAINTAIN A HIGH LEVEL OF JOB SATISFACTION, AND THAT MEANS GIVING OUR EMPLOYEES THE TRAINING AND TOOLS THEY NEED TO DO THE JOB AND MAKING THEM FEEL THAT THEY ARE SPECIAL. WE CONSTANTLY SEEM TO BE RATCHETING UP THE EDUCATIONAL AND SKILL REQUIREMENTS AND INCREASING THE LIFESTYLE AND SECURITY CONSTRAINTS, YET THE CONTINUED DEDICATION AND ENTHUSIASM OF OUR PEOPLE CAN BE SEEN IN A CULTURE WHICH FORFEITS OVER 100,000 HOURS OF ANNUAL LEAVE EACH YEAR AND AN OFFICER CORPS WHICH ROUTINELY FAILS TO PUT IN FOR OVERTIME FOR DOING THE JOB.

25X1

THIS IS NOT SOMETHING WHICH CAN BE SUSTAINED BY EFFORTS TO HOMOGENIZE THE

S E C R E T

CIA INTO THE REST OF THE GOVERNMENT OR EVEN TO MAKE CIA LOOK EXACTLY LIKE THE OTHER COMMUNITY AGENCIES. I BELIEVE THAT EACH AGENCY SHOULD HAVE THE AUTHORITIES IT REQUIRES TO BUILD AND MAINTAIN A SYSTEM WHICH WILL BE ATTRACTIVE TO ITS CAREER CADRE AND WHICH WILL ENSURE THE HIGH QUALITY STAFF WHICH IS EXPECTED IN OUR BUSINESS. BUT IT WOULD BE A MISTAKE TO ERASE THE FUNDAMENTAL DIFFERENCES IN CULTURE AND AMBIENCE. WHILE EACH OF US WITHIN THE INTELLIGENCE COMMUNITY WILL BE LEARNING FROM EACH OTHER, THE DIFFERENT PERSONNEL EXPERIMENTS AND DEMONSTRATION PROJECTS IN OUR RESPECTIVE AGENCIES REPRESENT HEALTHY EFFORTS TO BUILD TOWARD THE FUTURE WHILE PRESERVING OUR ESSENTIAL CULTURES.

25X1

FROM MY PERSPECTIVE, THEREFORE, YOUR SURVEY OF OUR PERSONNEL NEEDS COULD NOT BE MORE TIMELY, AND WE WILL WANT TO WORK CLOSELY TOGETHER TO SEE HOW WE MIGHT USE OUR EXISTING AUTHORITIES, AND OBTAIN ANY ADDITIONAL AUTHORITIES WHICH MIGHT BE REQUIRED, TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT SYSTEM SO THAT WE CAN CONTINUE TO PROVIDE OUR COUNTRY WITH THE BEST INTELLIGENCE PROFESSIONALS IN THE WORLD.

25X1

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X 3		
2	DDCI		X 4		
3	EXDIR	X 1			
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
16	VC/NIC				
17	C/S		X 5		
18	ES		X 6		
19	ER		X 2		
20					
21					
22					
		SUSPENSE	22 July 86		
			Date		

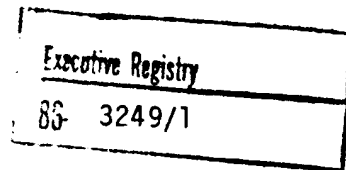
Remarks  
To 3: Please provide requested input soonest.

Executive Secretary

21 Jul 86  
Date

STAT

SECRET



21 July 1986

MEMORANDUM FOR Deputy Director of Central Intelligence  
Executive Director

FROM: Director of Central Intelligence

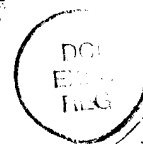
SUBJECT: SSCI Hearing - 23 July 1986

I would like to develop some paragraphs for my statement to the SSCI on personnel this week which would reflect the interesting ideas you expressed to me on Friday. I think this appearance before the SSCI should boldly suggest the new initiatives on personnel which we will want to get underway next year. I made a similar request to Bill Donnelly for some paragraphs to reflect suggestions made in the first three paragraphs on page 3 and paragraph (e) on page 4 of his paper entitled, "The DA - An action Agenda."

A handwritten signature in cursive script, appearing to be "W. J. Casey".

William J. Casey

Attachment:  
Draft DCI Statement for the Record - SSCI, 23 July 1986



B-405-11



25X1

SECRET

S E C R E T

STATEMENT FOR THE RECORD  
DCI [REDACTED]

SENATE SELECT COMMITTEE ON INTELLIGENCE

23 JULY 1986

CIA PERSONNEL MANAGEMENT

AS I LOOK AT PERSONNEL AT CIA, I FIND A YOUNG, VIGOROUS AND TALENTED WORK FORCE PLEASED BY CUSTOMER RESPECT FOR THEIR PRODUCT AND CHALLENGED DAILY TO ACCOMPLISH TASKS PREVIOUSLY THOUGHT IMPOSSIBLE. MORALE IS HIGH. [REDACTED]

[REDACTED]. AS A SNAPSHOT IN TIME, I WOULD SAY THE ORGANIZATION IS IN A VERY HEALTHY STATE. [REDACTED]

25X1

DESPITE ALL OF THIS, IT HAS BEEN A PARTICULAR CONCERN OF MINE, AS THE CIA NEARS ITS FOURTH DECADE, TO AVOID THE SORT OF ORGANIZATIONAL MIDDLE AGE WHICH COMES TO MOST INSTITUTIONS, A KIND OF BUREAUCRATIC HARDENING OF THE ARTERIES CHARACTERIZED BY THE GROWTH OF RED TAPE AND OVERREGULATION AND BY A LOSS OF CREATIVITY AND INITIATIVE. [REDACTED]

25X1

OVER THE PAST COUPLE OF YEARS, WE HAVE PAID INCREASING ATTENTION TO OUR PERSONNEL SYSTEMS TO ENSURE THAT WE WERE CREATING AN ENVIRONMENT WHICH CONTINUED TO ENCOURAGE OUR EMPLOYEES TO WORK TO THEIR FULLEST POTENTIAL AND CAPACITY AND WHICH PERPETUATED THE SENSE OF COMMITMENT AND DEDICATION WHICH LONG HAS BEEN A HALLMARK OF CIA'S CORPORATE CULTURE. WE CUT THROUGH SOME OF THE RED TAPE WHICH HAD DEVELOPED AND TOOK STEPS TO REMOVE CERTAIN OF THE IRRITANTS AND IMPEDIMENTS WHICH HAD CREPT INTO OUR SYSTEM. THIS PROCESS OF SCRAPING THE BARNACLES OFF OUR CURRENT PERSONNEL SYSTEM IS CONTINUING BUT IT IS MY BELIEF THAT MORE FUNDAMENTAL CHANGES NEED TO BE CONSIDERED. [REDACTED]

25X1

[REDACTED]

25X1

S E C R E T

S E C R E T

INDEED, I WOULD SUBMIT HERE TODAY THAT WHAT WE NEED IS A NATIONAL INTELLIGENCE PERSONNEL STRATEGY TO ENSURE THAT WE CAN CONTINUE TO HAVE AND RETAIN THE BEST INTELLIGENCE CADRE INTO THE 21ST CENTURY. AS I MENTIONED IN THE NATIONAL FOREIGN INTELLIGENCE STRATEGY PRESENTED TO YOU IN FEBRUARY OF THIS YEAR, WE MUST CONSTANTLY STRIVE TO ENHANCE THE QUALITY AND MOTIVATION OF OUR WORK FORCE. WE HAVE IMPLEMENTED THE MOST IMPRESSIVE ARRAY OF TECHNICAL CAPABILITIES IN THE WORLD. BUT, TO GET WHAT WE SHOULD OUT OF THEM, WE COUNT ON PEOPLE WHO CONCEIVE THEM, INTERPRET AND USE THEIR PRODUCTS, AND PROVIDE SUPPORT TO THE ENTIRE INTELLIGENCE PROCESS. THE EFFECT OF CHANGES IN FEDERAL PERSONNEL POLICIES ON OUR ABILITY TO RETAIN TALENTED AND PROMISING CAREERISTS MUST BE CAREFULLY MONITORED AND NEW FORMULATIONS FOUND TO PREVENT THE APPEAL OF AN INTELLIGENCE CAREER FROM DETERIORATING. 25X1

AT CIA, I ALREADY HAVE A TASK FORCE HARD AT WORK ON THIS ISSUE AND I AM AWARE OF OTHER INITIATIVES WITHIN THE COMMUNITY. IT IS, THEREFORE, A GREAT PLEASURE FOR ME TO BE HERE TODAY TO SHARE WITH YOU OUR VISION OF THE FUTURE AS YOU BEGIN TO STUDY PERSONNEL ISSUES IN THE INTELLIGENCE COMMUNITY. I AM CONFIDENT THAT AS A RESULT OF OUR JOINT AND COOPERATIVE EFFORTS WE WILL DEVELOP THE PROGRAMS AND STRATEGIES WHICH WILL KEEP OUR INTELLIGENCE PROFESSION AT THE CUTTING EDGE IN THE COLLECTION AND ANALYSIS OF INFORMATION NEEDED TO INFORM THE POLICY PROCESS AND PROTECT OUR NATIONAL SECURITY. 25X1

I WANT TO TAKE A FEW MOMENTS TO SET FORTH CERTAIN GUIDING PRINCIPLES, TO TRACE THE CONSERVATIVE EXERCISE OF OUR SPECIAL AUTHORITIES, TO IDENTIFY CERTAIN INITIAL STEPS WE HAVE TAKEN TO USE THESE AUTHORITIES IN NEW AND CREATIVE WAYS AND FINALLY TO EXPLORE WITH YOU THE DIRECTION IN WHICH I FEEL WE MUST HEAD.

25X1

S E C R E T

S E C R E T

GUIDING PRINCIPLES:

EVERY SUCCESSFUL ORGANIZATION HAS A BELIEF SYSTEM, A CULTURE WHICH DEFINES ITS PLACE IN THE UNIVERSE AND WHICH ENCOURAGES PEOPLE TO WANT TO BECOME AND REMAIN A PART OF THAT ORGANIZATION. I AM SURE, FOR EXAMPLE, THAT YOU HAVE SEEN OUR CREDO BUT I THINK YOU CAN BOIL DOWN OUR BELIEF SYSTEM TO THREE CLUSTERS OF IDEAS. [REDACTED] 25X1

FIRST, OUR PEOPLE BELIEVE WE ARE THE BEST INTELLIGENCE ORGANIZATION IN THE WORLD. WE ARE APOLITICAL BUT WE ARE POLICY RELEVANT. [REDACTED] 25X1

SECOND, AS AN INSTITUTION, WE BELIEVE THAT PEOPLE ARE OUR MOST IMPORTANT RESOURCE. WE ARE A FAMILY AND WE TAKE CARE OF OUR PEOPLE. WE ARE A MERITOCRACY AND WE BELIEVE THAT THE INDIVIDUAL EMPLOYEE MAKES A DIFFERENCE, SO WE VALUE THE VIRTUOSO PERFORMER AND WE REWARD THOSE WHO PRODUCE. [REDACTED] 25X1

AND THIRD, WE ARE A CAN-DO ORGANIZATION. WE ACCOMPLISH THE MISSION AND MEET THE CHALLENGE. WE ARE FORWARD LEANING, FLEXIBLE AND LESS BUREAUCRATIC.

[REDACTED] 25X1

WE MUST PERPETUATE THIS CULTURE. OUR HUMAN RESOURCE MANAGEMENT SYSTEM, THEREFORE, MUST SAFEGUARD THESE CENTRAL BELIEFS YET BE SUFFICIENTLY FLEXIBLE TO MEET THE CHALLENGES OF THE DECADES AHEAD. LET ME TOUCH UPON A FEW OF THESE CHALLENGES:

' THE AGENCY MISSION HAS EXPANDED. THE INTELLIGENCE ISSUES WE DEAL WITH ARE DIFFERENT FROM, AND FAR MORE COMPLEX THAN, THOSE WE HAVE TACKLED IN THE PAST. THE NUMBER OF OUR CONSUMERS LIKEWISE HAS GROWN. WE NOW MUST SERVE SUCH ELEMENTS OF THE GOVERNMENT AS THE DEPARTMENTS OF

S E C R E T



S E C R E T

ENERGY, TREASURY, AND COMMERCE; NASA, THE ARMS CONTROL NEGOTIATORS, THE SPECIAL TRADE REPRESENTATIVES, YOUR OWN JOINT ECONOMIC COMMITTEE AND SO FORTH.

TO ACCOMPLISH OUR TASK WE REQUIRE TEAMS OF EXPERTS FROM A VARIETY OF ANALYTICAL AND COLLECTION FIELDS, EACH CONTRIBUTING SPECIAL SKILLS AND KNOWLEDGE. WE ALREADY FACE KEEN COMPETITION FOR THESE HIGHLY SKILLED, EDUCATED AND TALENTED PEOPLE AND FIND IT DIFFICULT TO OBTAIN THE ETHNIC AND LINGUISTIC MIX WHICH IS ESSENTIAL TO OUR BUSINESS.

LOOKING TO THE FUTURE, WE ARE TOLD THAT THE BABY-BOOM GENERATION ALREADY HAS ENTERED THE LABOR MARKET AND THE GROUP BEHIND THEM IS MUCH SMALLER IN SIZE, SO THE COMPETITION FOR TALENT IN THIS EMERGING WORK FORCE IS GOING TO INCREASE FURTHER.

WE INCREASINGLY FIND THAT OUR PEOPLE, ONCE ON BOARD AND POSSESSING SPECIALIZED CLEARANCES AND ACCESS, ARE HIGHLY ATTRACTED TO THE PRIVATE SECTOR; PARTICULARLY THOSE WHO HAVE TECHNICAL OR REGIONAL SKILLS OR OVERSEAS EXPERIENCE.

DUAL-CAREER COUPLES AND SINGLE-PARENT FAMILIES WILL BE THE NORM, MAKING THE MOBILITY REQUIRED FOR MANY CIA OCCUPATIONS DIFFICULT. IN ADDITION, TERRORIST ACTIONS OVERSEAS HAVE CLEARLY LOWERED INTEREST IN WORKING ABROAD, MUCH LESS IN JEOPARDIZING FAMILIES FURTHER BY WORKING FOR AN INTELLIGENCE ORGANIZATION.

THE AMERICAN EDUCATION SYSTEM IN THE LAST TWO DECADES HAS DONE AN EXCELLENT JOB OF PRODUCING HIGHLY EDUCATED, TECHNOLOGICALLY COMPETENT GRADUATES, BUT HAS GIVEN FAR LESS EMPHASIS TO LANGUAGES, INTERNATIONAL RELATIONS AND POLITICS, AREAS IN WHICH WE EARN OUR BREAD AND BUTTER.

S E C R E T

(A TEST OF THIS TREND WOULD BE FOR YOU TO ASK SOME OF YOUR CHILDREN A BASIC GEOGRAPHY QUESTION.)

AND IF THIS WERE NOT ENOUGH, THE TECHNOLOGY IS CHANGING SO RAPIDLY IN SO MANY FIELDS THAT GRADUATES SIX - EIGHT YEARS OUT OF SCHOOL MAY NEED TO BE RETRAINED TO STAY AT THE CUTTING EDGE IN THEIR DISCIPLINES.

25X1

ALL OF THIS IS OCCURRING IN AN ENVIRONMENT IN WHICH FEDERAL EMPLOYMENT IS INFREQUENTLY PORTRAYED AS PARTICULARLY WORTHY OR HIGHLY VALUED, AND THE LOW ESTEEM IN WHICH CIVIL SERVANTS ARE HELD IS NOT SIMPLY A MATTER OF RHETORIC. THERE IS THE EVEN HARSHER REALITY OF A STAGNATING AND EVEN DECLINING SALARY AND BENEFIT STRUCTURE FOR FEDERAL WORKERS.

25X1

HISTORIC USE OF DCI AUTHORITIES:

AT CIA, RIGHT FROM THE BEGINNING, THE DCI HAD THE AUTHORITIES TO CREATE A PERSONNEL SYSTEM TO ENABLE HIM TO MEET THE UNIQUE DEMANDS OF THE INTELLIGENCE PROFESSION. BUT AS YOU KNOW, FOR MOST OF OUR HISTORY, WE FELT WE COULD ACCOMPLISH OUR MISSION AND MOTIVATE OUR PEOPLE WITHIN THE BROAD CONTOURS OF THE OVERALL GOVERNMENT PERSONNEL STRUCTURE. AND SO, AS A MATTER OF CHOICE WE BASICALLY FOLLOWED TITLE 5 RULES ON PAY, LEAVE, OVERTIME, STEP INCREASES, AND INCENTIVE AWARDS. INDEED, WE ADOPTED THE GENERAL SCHEDULE (GS) PAY SCALE AND GS GRADE STRUCTURE.

25X1

MORE RECENTLY, WE RECOGNIZED THAT CERTAIN CHANGES WERE REQUIRED AND WE INVOKED OUR SPECIAL AUTHORITIES TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT. WE HAVE IMPLEMENTED:

S E C R E T

S E C R E T

- ' SPECIAL AGENCY-SPECIFIC PAY SCHEDULES FOR SCIENTISTS, ADP PROFESSIONALS, ENGINEERS, AND MEDICAL OFFICERS;
- ' A PAY BANDING EXPERIMENT IN OUR OFFICE OF COMMUNICATIONS;
- ' A NEW SECRETARIAL CAREER AND PAY SYSTEM WITH FOUR BROAD PAY LEVELS, MODIFIED PAY FOR PERFORMANCE, JOB ENRICHMENT AND SIGNIFICANTLY INCREASED TRAINING;
- ' NON SUPERVISORY SPECIALIST TRACKS FOR A LIMITED NUMBER OF PROFESSIONS AND POSITIONS;
- ' OVERSEAS PAY THAT IS 9.6% HIGHER THAN DOMESTIC; AND
- ' AN EMPLOYEE SPOUSE PROGRAM FACILITATING JOINT ASSIGNMENTS AS WELL AS GUARANTEEING REEMPLOYMENT AT CURRENT GRADE ON RETURN TO DUTY WHEN JOINT ASSIGNMENTS CANNOT BE ARRANGED. 25X1

WHILE THESE INITIATIVES ARE BENEFICIAL MOVES IN THE RIGHT DIRECTION, THEY ARE ONLY BAND AIDS. THEIR CUMULATIVE EFFECT IS NOT SUFFICIENT TO MEET THE CHALLENGES OF THE FUTURE. 25X1

FUTURE DIRECTIONS:

OVER THE NEXT COUPLE OF YEARS WE PLAN TO:

1. REPLACE THE CURRENT AND RATHER INFLEXIBLE GS ARCHITECTURE WITH A MORE FINELY TUNED PAY SYSTEM WHICH WILL MAKE US MORE COMPETITIVE, WHICH WILL BETTER TAKE INTO ACCOUNT THE VALUE TO US OF CERTAIN PEOPLE AND CERTAIN OCCUPATIONS, AND WHICH WILL BETTER MOTIVATE THE GOOD EMPLOYEE AND HELP RETAIN THE STELLAR EMPLOYEE BY MORE CLEARLY LINKING PAY WITH PERFORMANCE.
2. RETHINK THE CURRENT SET OF INCENTIVES, ALLOWANCES, AND OTHER BENEFITS SO THAT WE HAVE AVAILABLE A MORE FLEXIBLE, "CAFETERIA-STYLE" COMPENSATION PACKAGE, WHICH

S E C R E T

TAKES INTO ACCOUNT THE NEEDS OF OUR EMPLOYEES AT DIFFERENT STAGES OF THEIR LIVES AND CAREERS.

3. REDESIGN A CAREER DEVELOPMENT PROGRAM TO CLEARLY ALLOW FOR SPECIALIST AND MANAGEMENT TRACKS.

' WE NEED TO ENCOURAGE TECHNICAL AND SUBSTANTIVE EXPERTS WHO DON'T GO INTO MANAGEMENT TO STAY WITH CIA.

' WE ALSO NEED TO DEVELOP A NEW GENERATION OF MIDDLE AND SENIOR MANAGERS WHOSE BREADTH OF EXPERIENCE AND VISION WILL ALLOW US TO CAPITALIZE ON NEW INTELLIGENCE OPPORTUNITIES, EXPLOIT EMERGING TECHNOLOGIES, AND BRING TO BEAR GREATER INTERDISCIPLINARY SYNERGISM ON THE MORE COMPLEX COLLECTION AND ANALYTICAL PROBLEMS WE WILL FACE.

4. REVITALIZE OUR TRAINING PROGRAM TIEING IT TO OUR COMPENSATION SYSTEM NOT ONLY TO MAINTAIN EXISTING SKILL LEVELS IN A RAPIDLY CHANGING TECHNOLOGICAL ENVIRONMENT BUT ALSO TO GIVE EFFECT TO OUR PERSONNEL PLANNING, WHICH INCREASINGLY WILL MEAN THE ANALYSIS OF OUR CURRENT SKILLS MIX IN THE CONTEXT OF FUTURE NEEDS AND THEN RETRAINING OUR EMPLOYEES.

25X1

LET ME EXPAND ON EACH OF THESE POINTS:

ALTERNATIVE PAY SYSTEMS:

EARLIER THIS YEAR PRESIDENT REAGAN EXPRESSED HIS APPROVAL OF A DOMESTIC POLICY COUNCIL RECOMMENDATION TO REPLACE THE 18 GS PAY GRADES WITH A PERFORMANCE PAY SYSTEM WHICH PROVIDES MANAGERS WITH MORE FLEXIBILITY AND AUTHORITY TO REWARD GOOD EMPLOYEES.

25X1

AS I EXPLAINED EARLIER, CIA, FOR ITS PART, HAS EXPERIMENTED WITH VARIANTS

S E C R E T

S E C R E T

TO THE GS SYSTEM, AND I AM PERSUADED THAT ALTERNATIVE PAY STRUCTURES MAKE SENSE FOR CIA. I BELIEVE THAT WE MUST ADOPT A MORE FLEXIBLE SYSTEM WHICH REDUCES BUREAUCRACY, GIVES MANAGERS MORE AUTHORITY AND MAKES THEM MORE ACCOUNTABLE FOR THE PRODUCTIVE AND EFFICIENT USE OF THEIR HUMAN RESOURCES.  25X1

SUCH AN APPROACH, PATTERNED AFTER PRIVATE SECTOR PRACTICES, AND CONSTRAINED BY THE MANAGER'S BUDGET WOULD :

1. GIVE MANAGERS GREATER ABILITY TO ATTRACT AND RETAIN EMPLOYEES WITH THE CRITICAL SKILLS WE NEED TO ACCOMPLISH OUR MISSION.

2. REPLACE ESSENTIALLY AUTOMATIC LONGEVITY BASED INCREASES WITH AN ENHANCED FOCUS ON PAY FOR PERFORMANCE. THIS WILL ALLOW MANAGERS TO REWARD EXCELLENCE THROUGH A COMBINATION OF PAY INCREASES AND AWARDS WHILE RESERVING PROMOTIONS FOR SIGNIFICANT CHANGES IN LEVELS OF SKILL AND RESPONSIBILITY, AND:

3. GIVE MANAGERS GREATER RESPONSIBILITY FOR POSITION MANAGEMENT, ALLOWING THEM TO RESTRUCTURE THEIR ORGANIZATIONS TO MAKE OPTIMUM USE OF EMPLOYEE SKILLS AND TO MEET CHANGING REQUIREMENTS.  25X1

FLEXIBLE BENEFITS AND ALLOWANCES:

AS I LOOK TO THE FUTURE, I SEE A NEED TO BUILD IN GREATER FLEXIBILITY TO HIRE THE DIFFERENT TYPES OF PEOPLE WE WILL NEED. FOR EXAMPLE, THERE IS A PLACE IN OUR ORGANIZATION FOR THE ACCOMPLISHED INDIVIDUAL COMING TO US IN MID-LIFE AFTER A SUCCESSFUL FIRST CAREER. NATURALLY, THE BENEFITS PACKAGE WE NEED TO OFFER SUCH AN INDIVIDUAL IS GOING TO BE VERY DIFFERENT FROM THAT WHICH WE WOULD WANT TO OFFER A NEW EMPLOYEE FRESH OUT OF COLLEGE. AND EVEN LOOKING

S E C R E T

S E C R E T

AT OUR PRESENT WORK FORCE, I WOULD SUGGEST THAT OUR EMPLOYEES, THE MAJORITY OF WHOM ARE UNDER 40 YEARS OF AGE, WITH FEWER DEPENDENTS AND AN INCREASED LIFE EXPECTANCY COMPARED TO THEIR PREDECESSORS, HAVE DIFFERENT NEEDS AND DESIRE DIFFERENT BENEFITS THAN DID THEIR PARENT'S GENERATION. EVEN WORKING WITHIN A CLEAR BUDGETARY BOTTOM-LINE, WE OUGHT TO BE ABLE TO CHANGE THE MIX OF LEAVE, INSURANCE, AND OTHER ELEMENTS WITHIN THE TOTAL COMPENSATION PACKAGE TO TAKE INTO ACCOUNT THE CHANGING NEEDS OF OUR EMPLOYEES FROM GENERATION TO GENERATION, AND EVEN DURING THE COURSE OF A CAREER. 25X1

DUAL CAREER TRACKS :

MY EMPHASIS ON SPECIALIST AND MANAGEMENT TRACKS DERIVES FROM THE FACT THAT OVER THE YEARS OUR STRENGTH AS AN AGENCY HAS BEEN A DIRECT RESULT OF OUR ABILITY TO DEVELOP AND RETAIN A LARGE CORPS OF EXPERTS WHO STAY WITH US ON A CAREER BASIS. 25X1

WE WILL CONTINUE TO USE INDEPENDENT CONTRACTORS AND CONTRACTOR FIRMS TO ASSIST US IN VARIOUS OF OUR FUNCTIONS, BUT THEY ARE NO SUBSTITUTE FOR A CAREER WORK FORCE WHICH POSSESSES AN INSTITUTIONAL MEMORY, A BROAD BASE OF EXPERIENCE AND A HIGH DEGREE OF SUBSTANTIVE DEPTH. 25X1

MANAGING SPECIALISTS IS SOMEWHAT OF AN ART BECAUSE, PARTICULARLY IN THESE CHANGING TIMES, TOO MANY NARROWLY FOCUSED, OVERSPECIALIZED PEOPLE ARE AS MUCH A PROBLEM AS TOO MANY GENERALISTS. WE FOUND THAT WE COULD NOT AFFORD VERY MANY PEOPLE WHO WOULD SPEND THEIR ENTIRE CAREER ON SOME BACKWATER, BUT WE ALSO ESCHEWED THE STAFFING APPROACH OF SOME ORGANIZATIONS WHICH MOVE PEOPLE FROM SPECIALTY TO SPECIALTY EVERY COUPLE OF YEARS, THUS TRADING DEPTH OF EXPERTISE

S E C R E T

## S E C R E T

FOR BREADTH OF EXPERIENCE. INSTEAD, WE HAVE DEVELOPED OUR PEOPLE WITHIN A NUMBER OF SPECIALIST CONES, BROAD ENOUGH, FOR EXAMPLE, TO PRODUCE CASE OFFICERS AND ANALYSTS ABLE TO GO WHERE THEY WERE NEEDED BUT TRULY EXPERTS IN THEIR TRADE.

25X1

ONE OF OUR PROBLEMS HAS BEEN THAT TRADITIONAL CAREER PATTERNS HAVE FORCED SUBSTANTIVE EXPERTS TO BECOME MANAGERS. SOMETIMES WE TURN SUPERB SPECIALISTS INTO MODERATELY TALENTED MANAGERS. OTHERS, UNWILLING OR UNQUALIFIED TO BECOME MANAGERS, BECOME UNDERSTANDABLY FRUSTRATED AND SOME LEAVE THE AGENCY TO WORK AT ENHANCED PAY IN THE PRIVATE SECTOR. SOME EVEN COME BACK AS CONTRACTOR EMPLOYEES TO WORK ON AGENCY PROJECTS. THIS SITUATION IS TROUBLESOME, ESPECIALLY WHEN WE CONSIDER THAT OUR LONG-TERM EXPERIENCE BASE HAS BEEN GRADUALLY BUT STEADILY SHRINKING. IN 1976, 14% OF OUR PEOPLE HAD LESS THAN THREE YEARS OF CIA EXPERIENCE, BY 1981 THIS NUMBER HAD RISEN TO 16% AND BY THE BEGINNING OF FY 86, 23% OF OUR EMPLOYEES HAD LESS THAN THREE YEARS WITH THE AGENCY. TO SOME EXTENT THIS REFLECTS THE RAPID GROWTH IN CIA, PARTICULARLY IN THE 1981-1986 TIMEFRAME, WHEN AGENCY PERSONNEL GREW 21%. HOWEVER, THE GROWING COMPETITION FOR SPECIALISTS IN CERTAIN FIELDS MAY EXACERBATE THIS TREND UNLESS WE ARE BETTER ABLE TO REWARD THOSE WHO DO NOT GO INTO MANAGEMENT.

25X1

NO LESS IMPORTANT, PARTICULARLY IN A TIME OF RESOURCE CONSTRAINTS, IS OUR NEED TO IDENTIFY AND DEVELOP A SKILLED MANAGEMENT CADRE. MANAGERS MUST CREATE ENVIRONMENTS THAT DEVELOP LOYALTY AND MOTIVATE EMPLOYEES TO PERFORM AT THEIR HIGHEST POTENTIAL. IN ADDITION, OUR MANAGERS MUST BE CAPABLE OF INTEGRATING HUMAN RESOURCE PLANNING WITH PROGRAM PLANNING AND DEALING WITH THE GROWING COMPLEXITIES OF INTEGRATING THE RESOURCE REQUIREMENTS OF MULTIFACETED COLLECTION, PROCESSING AND ANALYTIC ACTIVITIES. WE ALSO KNOW THAT THE

S E C R E T

S E C R E T

MANAGEMENT FUNCTION IS GOING TO BE VITALLY IMPORTANT IN IDENTIFYING PERSONNEL REQUIREMENTS FOR THE FUTURE AND IN PLANNING TRAINING AND ASSIGNMENTS TO ENSURE EFFECTIVE CAREER DEVELOPMENT AND SUCCESSION PLANNING. [REDACTED]

25X1

EARLY IDENTIFICATION OF OUR MANAGEMENT CADRE COMBINED WITH A SIGNIFICANT EXPERIENTIAL ASSIGNMENT PROCESS WILL SERVE TO ENHANCE MANAGEMENT AND PLANNING CAPABILITIES; AND, WITH A SUFFICIENT CADRE OF EXPERIENCED MANAGERS, WE WILL BE ABLE TO KEEP SUBSTANTIVE EXPERTS WHERE THEY CAN MAKE THEIR MAXIMUM CONTRIBUTION TO THE ORGANIZATION. [REDACTED]

25X1

TRAINING:

FINALLY, WE NEED TO FOCUS ON TRAINING, BECAUSE NO MATTER HOW GOOD OUR PERSONNEL PLANNING, THE PEOPLE WE HIRE IN THE 1980'S ARE UNLIKELY TO HAVE THE MIX OF SKILLS WE WILL NEED IN THE 1990'S. INDEED, OUR YOUNG PEOPLE ARE LEARNING WHAT MANY OF THEIR SENIORS HAVE KNOWN FOR SOME TIME--THAT THE HALF-LIFE OF ONE'S SKILLS, PARTICULARLY IN THE TECHNICAL AREA MAY BE LESS THAN SIX- EIGHT YEARS. WHAT THIS MEANS IS THAT WHETHER WE ARE TALKING ABOUT SKILLS MAINTENANCE OR RETRAINING, EDUCATION IS GOING TO BE A CONSTANT FOR OUR PROFESSIONAL WORK FORCE. [REDACTED]

25X1

TRAINING IS IMPORTANT FOR ANOTHER REASON. GIVEN THE MULTIDISCIPLINARY NATURE OF OUR TASKING AND THE NEED TO SHIFT OUR WORK FORCE TO ACCOMMODATE RAPIDLY CHANGING WORLD EVENTS, WE MUST DEVELOP A CADRE OF PERSONNEL WHO ARE NOT JUST FUNCTIONAL SPECIALISTS, BUT WHO ARE PRIMARILY INTELLIGENCE OFFICERS. INDEED, YOU MIGHT SAY THAT IN A PERSONNEL SENSE OUR MISSION IS TO TAKE POLITICAL SCIENTISTS, COMPUTER SCIENTISTS, AND PHYSICAL SCIENTISTS AND, TO

S E C R E T



S E C R E T

SOME EXTENT, CHANGE THEIR FOCUS FROM BEING, FOR EXAMPLE, A SCIENTIST WHO HAPPENS TO WORK AT CIA TO AN INTELLIGENCE OFFICER WHO HAPPENS TO BE A SCIENTIST. [REDACTED]

25X1

THIS IS NOT TOTALLY OUT OF THE QUESTION BECAUSE WE ARE TOLD THAT, ON AVERAGE, OVER THE COURSE OF ONE'S WORK, LIFE PEOPLE CHANGE CAREER FIELDS TWO - THREE TIMES AND CHANGE EMPLOYERS FOUR - FIVE TIMES. SINCE WE TEND TO HIRE MULTIFACETED, MULTITALENTED PEOPLE, WE CAN EXPECT OUR EMPLOYEES TO BE SUSCEPTIBLE TO SIMILAR CAREER MIGRATIONS; AND IF WE WANT TO KEEP A CAREER WORK FORCE, WE WILL NEED TO PROVIDE THEM WITH OPPORTUNITIES TO CHANGE CAREER FIELDS WITHOUT LEAVING CIA. [REDACTED]

25X1

AT THE CENTER OF OUR THINKING, AS WE EXPLORE THESE AND OTHER INITIATIVES, IS THE REALIZATION THAT, HOWEVER WE IMPROVE OUR SYSTEM, THE GOVERNMENT GENERALLY IS NOT GOING TO BE ABLE TO OUTBID THE PRIVATE SECTOR. MOREOVER, OUR EMPLOYEES HAVE NEVER COME TO OR STAYED WITH CIA SOLELY BECAUSE OF PAY AND BENEFITS. IT IS THE IMPORTANT AND EXCITING MISSION WHICH ATTRACTS THEM. IT IS THE SENSE OF ACCOMPLISHMENT AND RESPONSIBILITY WHICH KEEPS THEM HERE. [REDACTED]

25X1

EVERYTHING I HAVE TALKED ABOUT RELATES TO OUR ABILITY TO MAINTAIN A HIGH LEVEL OF JOB SATISFACTION, AND THAT MEANS GIVING OUR EMPLOYEES THE TRAINING AND TOOLS THEY NEED TO DO THE JOB AND MAKING THEM FEEL THAT THEY ARE SPECIAL. WE CONSTANTLY SEEM TO BE RATCHETING UP THE EDUCATIONAL AND SKILL REQUIREMENTS AND INCREASING THE LIFESTYLE AND SECURITY CONSTRAINTS, YET THE CONTINUED DEDICATION AND ENTHUSIASM OF OUR PEOPLE CAN BE SEEN IN A CULTURE WHICH FORFEITS OVER 100,000 HOURS OF ANNUAL LEAVE EACH YEAR AND AN OFFICER CORPS WHICH ROUTINELY FAILS TO PUT IN FOR OVERTIME FOR DOING THE JOB. [REDACTED]

25X1

THIS IS NOT SOMETHING WHICH CAN BE SUSTAINED BY EFFORTS TO HOMOGENIZE THE

S E C R E T

S E C R E T

CIA INTO THE REST OF THE GOVERNMENT OR EVEN TO MAKE CIA LOOK EXACTLY LIKE THE OTHER COMMUNITY AGENCIES. I BELIEVE THAT EACH AGENCY SHOULD HAVE THE AUTHORITIES IT REQUIRES TO BUILD AND MAINTAIN A SYSTEM WHICH WILL BE ATTRACTIVE TO ITS CAREER CADRE AND WHICH WILL ENSURE THE HIGH QUALITY STAFF WHICH IS EXPECTED IN OUR BUSINESS. BUT IT WOULD BE A MISTAKE TO ERASE THE FUNDAMENTAL DIFFERENCES IN CULTURE AND AMBIENCE. WHILE EACH OF US WITHIN THE INTELLIGENCE COMMUNITY WILL BE LEARNING FROM EACH OTHER, THE DIFFERENT PERSONNEL EXPERIMENTS AND DEMONSTRATION PROJECTS IN OUR RESPECTIVE AGENCIES REPRESENT HEALTHY EFFORTS TO BUILD TOWARD THE FUTURE WHILE PRESERVING OUR ESSENTIAL CULTURES.

25X1

FROM MY PERSPECTIVE, THEREFORE, YOUR SURVEY OF OUR PERSONNEL NEEDS COULD NOT BE MORE TIMELY, AND WE WILL WANT TO WORK CLOSELY TOGETHER TO SEE HOW WE MIGHT USE OUR EXISTING AUTHORITIES, AND OBTAIN ANY ADDITIONAL AUTHORITIES WHICH MIGHT BE REQUIRED, TO IMPROVE OUR HUMAN RESOURCE MANAGEMENT SYSTEM SO THAT WE CAN CONTINUE TO PROVIDE OUR COUNTRY WITH THE BEST INTELLIGENCE PROFESSIONALS IN THE WORLD.

25X1

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS	X			
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL	X			
14	D/PAO				
15	D/PERS		X		
16	VC/NIC				
17	C/S		X		
18	ES		X		
19	<b>ER</b>		X		
20					
21					
22					
		SUSPENSE	23 July 1986		
			Date		

Remarks To 4: Yours for action re Community Effort re 23 July hearing.  
To 13: Yours for action re request in last para which is addressed to DCI role as head of CIA.

[Signature Box]

Executive Secretary  
18 Jul 86

Date

DAVE DUNNEBERGER, MINNESOTA, CHAIRMAN  
 PATRICK J. LEAHY, VERMONT, VICE CHAIRMAN

WILLIAM V. ROTH, JR., DELAWARE  
 WILLIAM S. COHEN, MAINE  
 FRANK HATCH, UTAH  
 FRANK MURKOWSKI, ALASKA  
 ARLEN SPECTER, PENNSYLVANIA  
 CHIC HECHT, NEVADA  
 MITCH MCCONNELL, KENTUCKY

LLOYD BENTSEN, TEXAS  
 SAM NUNN, GEORGIA  
 THOMAS F. EAGLETON, MISSOURI  
 ERNEST F. HOLLINGS, SOUTH CAROLINA  
 DAVID L. BOREN, OKLAHOMA  
 BILL BRADLEY, NEW JERSEY

Executive Registry  
 86- 3249X

# United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
 WASHINGTON, DC 20510

ROBERT DOLE, KANSAS, EX OFFICIO  
 ROBERT C. BYRD, WEST VIRGINIA, EX OFFICIO

BERNARD F. McMAHON, STAFF DIRECTOR  
 ERIC D. NEWSON, MINORITY STAFF DIRECTOR

July 16, 1986

IN RESPONSE PLEASE  
 REFER TO 86- 2641

The Honorable William J. Casey  
 Director of Central Intelligence  
 Central Intelligence Agency  
 Washington, D.C.

Dear Bill:

In April 1985, the Committee outlined its three goals during the 99th Congress. To date, two of these goals are well on their way in great part through your efforts and cooperation, namely the development of a National Intelligence Strategy and a comprehensive review of the federal government's counterintelligence and countermeasures capabilities and requirements to stem the loss of classified information. Our third goal was a review of Intelligence Community personnel. Since personnel capabilities and requirements are integral to accomplishing the plans in the National Intelligence Strategy, it is important that we understand each agency's personnel goals, policies, and programs which support the key intelligence functions. Personnel -- quality personnel -- are the critical linch pin if the Intelligence Community is to meet the challenges outlined in the National Intelligence Strategy. In this review, we would focus only on personnel issues as they relate to the major intelligence functions: human intelligence collection, counterintelligence, development and operation of technical programs, and analysis. We would, therefore, look first at personnel assigned these functional responsibilities by agency (CIA, NSA, DIA, INR and FBI (CI)), and then evaluate each function across the Community. We expect that in this process we should be able to identify the principle issues which relate to hiring and retaining the best intelligence cadre into the 21st Century. To accomplish this, the Committee will need:

1. To review more fully these major intelligence functions.
2. To understand the personnel goals and strategies for those functional requirements as evidenced by policies, objectives and long and short range planning.
3. To review your capabilities, based upon your authorities and your programmatic efforts to achieve these needs.



The Honorable William J. Casey  
July 16, 1986  
Page Two

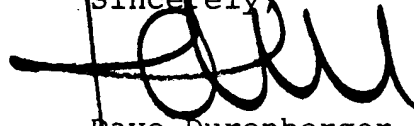
4. To determine the efficacy of current personnel programs (recruiting, training, pay, incentive, equal opportunity, and retirement) to attain the goal of the finest quality personnel for the Intelligence Community.

In the past ten years, the Intelligence Community personnel has grown by nearly 18 percent. While this statistic would appear to be healthy, the SSCI would need to examine whether more or less is needed as well as the implications for national security if more or less is provided.

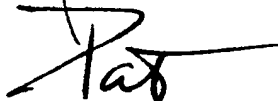
On July 23, at 9:30 am, the SSCI will hold its initial personnel review hearing in Hart 219. The hearing will provide you or your representative the opportunity to give us an overview of your personnel capabilities and requirements in relation to the four missions, as applicable, mentioned above. We would also expect you to define your agency's personnel goals to meet the long and short range challenges outlined in the National Intelligence Strategy. At the hearing, we would also expect you to identify present and future personnel issues which will detract from your ability to carry out missions, and to describe efforts in progress to strengthen the quality of personnel. We will also expect you to identify areas where enabling legislation may be necessary.

For the next three or four months, staff members will be meeting with your agency officials to conduct this review and to prepare a Committee report. Charles Battaglia will serve as the director of this project while John Despres will be heading the team which will be reviewing personnel issues within your agency. To assist us, we would like a personnel point of contact who would serve as a focal point for this effort.

Sincerely,



Dave Durenberger  
Chairman



Patrick J. Leahy  
Vice Chairman

Central Intelligence Agency



Washington, D.C. 20505

OCA 86-2950  
05 SEP 1986

The Honorable Dave Durenberger  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

The Director has asked me to respond to your letter of 15 August 1986 enclosing a series of questions on our personnel planning, recruitment, training and management. As suggested in your letter, [redacted] has been in touch with John Despres of your staff to facilitate receipt of the requested material.

STAT

This letter was also sent to Vice Chairman Leahy.

Sincerely,

/s/ David D. Gries

David D. Gries  
Director of Congressional Affairs

Distribution:

Original - Addressee

- 1 - DCI
- 1 - DDCI
- 1 - EXDIR
- ✓ 1 - ER
- 1 - DDA
- 1 - D/PERS
- 1 - D/OCA
- 1 - EO/OCA
- 1 - [redacted] Chrono
- 1 - OCA Record
- 1 - OCA Chrono

STAT

OCA [redacted] aw (3 September 1986)  
Retyped: aw (4 September 1986)

STAT



B-405-JL

Central Intelligence Agency



Washington, D.C. 20505

OCA 86-2948  
05 SEP 1986

The Honorable Patrick Leahy  
Vice Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Vice Chairman:

The Director has asked me to respond to your letter of 15 August 1986 enclosing a series of questions on our personnel planning, recruitment, training and management. As suggested in your letter, [redacted] has been in touch with John Despres of your staff to facilitate receipt of the requested material.

STAT

This letter was also sent to Chairman Durenberger.

Sincerely,

/s/ David D. Gries

David D. Gries  
Director of Congressional Affairs

Distribution:

- Original - Addressee
- 1 - DCI
- 1 - DDCI
- 1 - EXDIR
- 1 - ER
- 1 - DDA
- 1 - D/PERS
- 1 - D/OCA
- 1 - EO/OCA
- 1 - [redacted]
- 1 - OCA Record
- 1 - OCA Chrono

STAT

OCA [redacted] (3 September 1986)  
REYTPED:aw (4 September 1986)

STAT



B-405-IR

**SECRET**

4 September 1986  
OCA 86-2970

NOTE FOR: The Director  
The Deputy Director  
Deputy Director for Administration

FROM: Dave Gries *DG*

SUBJECT: SSCI Personnel Report

After your 23 July testimony to SSCI on personnel, the Committee formed staff teams to gather data and write reports about personnel practices at each of the major NFIB agencies. The question of what kind of report is prepared and to whom it is addressed is crucial. We have suggested to senior SSCI staff on a number of occasions that since the due date for the report comes up after the 99th Congress has adjourned but before the 100th Congress meets, the report should be kept at the staff level. The suggestion has now been accepted. The letter of instruction from SSCI Members to their staff describes the report as a staff report to the Members. Thus, it will not have the status of a Committee report and probably will have little impact.

cc: DDO  
DDI  
DDS&T

Distribution:

Original - Addressees

- |                  |                |
|------------------|----------------|
| 1 - ExDir        | 1 - DD/HA/OCA  |
| 1 - ER ✓         | 1 - DD/SA/OCA  |
| 1 - OCA Record   | 1 - DD/Leg/OCA |
| 1 - D/OCA Chrono | 1 - OCA Chrono |
| 1 - EO/OCA       |                |

D/OCA:DDG:mdo (4 September 1986)



*B-405-11*

ALL PORTIONS CLASSIFIED SECRET

**SECRET**

25X1



**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X 3		
2	DDCI		X 4		
3	EXDIR		X 5		
4	D/ICS				
5	DDI				
6	DDA		X 6		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL	X 1			
14	D/PAO				
15	D/PERS		X 7		
16	VC/NIC				
17	ER		X 2		
18					
19					
20					
21					
22					
		SUSPENSE	5 Sept 86		
			Date		

**ER**

Remarks To 13: Please see the requested material, as appropriate, is provided.

[Signature Box]

Executive Secretary  
15 August 1986  
Date

STAT

DAVE DURENBERGER MINNESOTA CHAIRMAN  
 PATRICK J. LEAHY VERMONT VICE CHAIRMAN

WILLIAM V. ROTH JR. DELAWARE  
 WILLIAM S. COHEN MAINE  
 ORRIN HATCH UTAH  
 FRANK MURKOWSKI ALASKA  
 ARLEN SPECTER PENNSYLVANIA  
 CHIC HECHT NEVADA  
 MITCH MCCONNELL KENTUCKY

LLOYD BENTSEN TEXAS  
 SAM NUNN GEORGIA  
 THOMAS H. EAGLETON MISSOURI  
 ERNEST F. HOLLINGS SOUTH CAROLINA  
 DAVID L. BOREN OKLAHOMA  
 BILL BRADLEY NEW JERSEY

Executive Registry  
 86- 3249X/11

# United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
 WASHINGTON, DC 20510

ROBERT DOLE KANSAS, EX OFFICIO  
 ROBERT C. BYRD WEST VIRGINIA, EX OFFICIO

BERNARD F. McMAHON, STAFF DIRECTOR  
 ERIC D. NEWSOM, MINORITY STAFF DIRECTOR

#86-2995

August 15, 1986

The Honorable William J. Casey  
 Director of Central Intelligence  
 Central Intelligence Agency  
 Washington, D.C. 20505

Dear Bill:

We again thank you for your forward looking and insightful testimony on personnel management issues before the Committee on July 23, 1986. We also appreciate the CIA's cooperation with the Committee staff in initiating our review of the Intelligence Community's personnel needs and programs.

To facilitate our review, it would be most helpful if the Agency would supply readily available information on the CIA's personnel planning, recruitment, training, and management. An Appendix to this letter details the needed information. We request that this data be provided to the Committee by September 5, 1986. John Despres of the Committee staff will stay in touch with the Deputy Director of Personnel in the CIA,  to arrange for the receipt of these materials.

STAT

Sincerely,

*[Signature]*  
 Dave Durenberger  
 Chairman

*[Signature]*  
 Patrick Leahy  
 Vice Chairman



Enclosure: Appendix

B-405-15

APPENDIX

Background Data Requested From CIA

I. GENERAL

- a. The current number of positions authorized and actually filled for both career Civil Service and contract employees -- Agency-wide, by Directorate, and by office.
- b. The current number of career employees in each grade by classification -- Agency-wide, by Directorate, and by office.
- c. The number of new hires, and separations/attritions of career Civil Service each year (1980, 1984, 1985, 1986) -- Agency-wide, by Directorate, and by office.
- d. The starting and average salary for those career Civil Service in each grade for each classification -- Agency-wide, by Directorate, and by office.
- e. The average age and range of ages for those in each grade for each classification of career Civil Service employees. A similar breakdown for contract employees.
- f. The average length of Agency and other government service and the number of individuals with at least 15 years of service in each grade for each classification.
- g. The number and percentage of males and females, and minorities, in each classification for career Civil Service. A similar breakdown for contract employees.
- h. Organization charts and functional statements and appropriate job descriptions -- Agency-wide, by Directorate, and by office.
- i. Personnel policies, regulations and directives.
- j. Current and previous five year workforce profile data -- Agency-wide, by Directorate, and by office.
- k. Current workforce, staff needs, strategic personnel plans and related plans; similar plans for the past five years -- Agency-wide, by Directorate, and by office.
- l. Any reports or drafts addressing personnel management issues in areas such as recruiting, pay and training -- including the 1979 NAPA study to the present.

## II. RECRUITING

- a. Plans or description of selection process for both career Civil Service and contract employees, including samples of forms and related materials used in process. If applicable, include copies of any recruiting brochures and materials provided to applicants.
- b. Reports or studies done on recruiting and selection process (internal and external studies) since 1979.
- c. Statistical reports for 1984, 1985, and 1986 on vacancies, applications and selections that are normally maintained Agency-wide and by Directorate.
- d. Annual recruiting plans (for FY 1986 and FY 1987) and strategic recruiting plans -- Agency-wide and by Directorate.
- e. Manuals, instructions, and related materials used by recruiters.
- f. Curricula or description of training for recruiters.
- g. Agency studies, if any, comparing future critical personnel requirements to projected personnel supply (e.g., future need for engineers versus future estimated production and/or availability of engineers).

## III. TRAINING

- a. Training needs assessments or similar documents which identify the training needs of the Agency, Directorate or function.
- b. Organization charts and functional statements for in-house training programs.
- c. Training policies, regulations, and directives.
- d. Curricula or description of training for occupations in HUMINT, technical collection, analysis, CI, and management. Also, examples of curricula or description of retraining and career development programs.
- e. List and description of professional certifications required or desired by Agency.

TRAINING (Continued)

- f. Statistical reports for 1984, 1985, and 1986 that are normally maintained by the Agency on extent and type of training provided.
- g. Description of qualifications and training of trainers/instructors.
- h. Reports or studies done on training.
- i. Description with sample forms, etc., of the course evaluation process.

IV. HUMAN RESOURCES MANAGEMENT

- a. Regulations, directives, manuals and related materials describing policy, procedures, and organizational structure for performance appraisal, disciplinary actions, awards and employee grievance programs.
- b. Copies of performance appraisal forms, instructions, training/orientation materials and related documents for each system.
- c. Any studies on morale, advancement, quality of life, etc., of CIA personnel and dependents overseas.
- d. Any studies identifying problems/issues in retaining employees in intelligence career fields.

V. CONTRACTING OUT

- a. Policy, studies and data on contracting out and use of Schedule B civilian employees. Of interest are discussions on the rationale for, and any problems with, contract hires.

VI. PLANNING

- a. Planning documents, studies, evaluations and related documents on the CIA's experiments on alternative pay systems for secretaries and communications employees and proposed expansion of such systems.

PLANNING (Continued)

- b. Planning documents, studies, evaluations, and related documents on the proposed "cafeteria style" benefits and allowances packages.

### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Registry

66- 3249X/10

FROM:  
William F. Donnelly  
Deputy Director for Administration

EXTENSION

NO.

STAT

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED	FORWARDED
----------	-----------

1. Executive Director  
7D55 Hqs Bldg.

Jim:

The attached memorandum indicates the direction OP is now taking after the DCI's recent statement to the SSCI, which has been forwarded to the HPSCI as well--note paragraph 3. We intended to focus early in the game on the ADP careerists across the Agency and specifically on Case Officers as well. Please pass this memorandum on to the Comptroller.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

William F. Donnelly

STAT

Attachment:

Memo re Design of New Agency Job Evaluation and Compensation System



B-405-15

**Page Denied**

Next 1 Page(s) In Document Denied



ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: Design of a New Agency Job Evaluation  
and Compensation System

e. OFFICE OF MEDICAL SERVICES SUPPORT: We will require support from the Office of Medical Services' (Psychological Services Division) research psychologists in the development of the performance standards and performance evaluation systems required by the new compensation program.

f. AGENCY SUPPORT: Five or six subject matter experts from each of the occupations to be evaluated will need to be made available to work with PMCD full time for approximately two weeks and then on an intermittent basis as needed during the job analysis phase of the program.

g. SENIOR MANAGEMENT SUPPORT: A working group will need to be constituted to assist the Office of Personnel and its consultant in reaching conclusions concerning the internal alignments of the various occupations.

6. Your approval of the following recommendations is requested.
  - a. Consultant support and funding as described in paragraph 5a.
  - b. Computer support as described in paragraph 5c.
  - c. Office of Finance support as described in paragraph 5d.
  - d. Office of Medical Services support as described in paragraph 5e.

[Redacted Signature Box]

Robert W. Magee

STAT

Attachment

ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: Design of a New Agency Job Evaluation and Compensation System

Recommendation a

APPROVED (✓) DISAPPROVED ( )

Recommendation b

APPROVED (✓) DISAPPROVED ( )

Recommendation c

APPROVED (✓) DISAPPROVED ( )

Recommendation d

APPROVED (✓) DISAPPROVED ( )

Approved as noted:

[Redacted Signature Box]

Deputy Director for Administration

STAT

5 Aug 86  
Date

ADMINISTRATIVE - INTERNAL USE ONLY

DRAFT WORK PLAN

The significant phases of the job evaluation program are summarized below:

Project Guidelines:

- a. The Office of Personnel will be provided with sufficient qualified manpower and computer equipment (personal computers with "tempest" protection, and adequate access to mainframe terminals with sufficient programming resources to develop databases and systems required from the program).
- b. PMCD will no longer conduct office-wide position management surveys. For the duration of the program, PMCD will be dedicated to the development of the new compensation system, continuation of the secretarial job enrichment program and maintenance of essential current pay and classification programs. Components will be granted the flexibility to make adjustments in their organizations within their current average grade to maintain the currency of Staffing Complements, with cursory reviews by PMCD to assure equity is maintained. If upgrades are required, PMCD will provide the necessary support on a prioritized basis.
- c. Career Services will commit subject-matter experts to serve on the job analysis panels for the occupations being evaluated.
- d. The DDA will identify funding for an external consultant to assist in the design and implementation of the program.

PHASE ONE - PROJECT INITIATION:

- a. Obtain concurrence of the proposed work plan. Establish a 5 member task force of senior representatives from the Directorates and the DCI area to assist the Office of Personnel and its consultant in reaching conclusions concerning the internal alignments of the various occupations. Provide briefings to the EXCOM and Task Force on the proposed methodologies.
- b. Appoint and indoctrinate a PMCD action group which will be responsible for the technical aspects of the program.
- c. Develop schedule of steps where consultant interaction, validation and review of proposed actions will be required.
- d. Develop an internal communications process to keep Agency employees informed about the progress of the job evaluation program.

ADMINISTRATIVE - INTERNAL USE ONLY

PHASE TWO - JOB ANALYSIS:

- a. The Task Force will review the proposed 35 benchmark occupations which are representative of Agency functions and responsibilities. The Heads of the five Career Services will propose and assign subject matter experts for the job analysis panels which will evaluate each of these occupations.
- b. Panel leaders from PMCD will be briefed by the consultant on the methodology to be used in data identification and collection.
- c. The job analysis panels will evaluate each benchmark occupation.
- d. PMCD and the consultant will analyze all data, identify the common and unique job factors, and establish the levels of responsibility for each benchmark occupation.

PILOT PROGRAM (concurrent with Phase Two):

- a. The consultant and PMCD will evaluate data on the ADP and Case Officer occupations collected by the job analysis panels to identify common and unique job factors and levels of responsibility within the occupations.
- b. The consultant will conduct marketplace comparisons using private sector and federal sector data to establish a total compensation program.
- c. The consultant and PMCD will establish tentative linkage points to other Agency occupations consistent with available marketplace data.
- d. The consultant and PMCD will develop procedures for conversion, implementation and the administration of the new compensation system for the pilot program.

PHASE THREE - JOB EVALUATION

- a. The consultant and PMCD will develop an internally consistent job evaluation plan which reflects Agency requirements and Agency unique job factors for review by Task Force.
- b. The consultant and PMCD will apply the job evaluation plan to all benchmark occupations to identify job responsibility and skill levels required to satisfy Agency objectives.
- c. PMCD will evaluate nonbenchmark occupations against the job evaluation plan.
- d. The consultant and PMCD will review the occupational rankings with the Task Force and seek Agency approval of the job evaluation plan.

ADMINISTRATIVE - INTERNAL USE ONLY

PHASE FOUR - COMPENSATION SYSTEM DEVELOPMENT:

- a. The consultant will conduct marketplace analysis of available benchmark occupations.
- b. The consultant will identify link points between benchmark occupations and marketplace values to construct the compensation system.
- c. The consultant and PMCD will establish the linkage between the proposed Agency compensation structure and that of other Federal compensation systems.

PHASE FIVE - ADMINISTRATIVE PROCEDURES:

- a. The consultant and PMCD, using the pay and benefits schedules developed in Phase Four, will assign compensation levels for all occupations based on internal and marketplace values and seek approval by Agency management.
- b. The consultant and PMCD will evaluate current Agency premium pay policies and recommend policy changes required to implement and administer the new compensation system.
- c. The consultant and PMCD, in consultation with the Comptroller, will develop procedures for performance reviews, performance-based pay adjustments, and budgetary linkages for operation of the system.

PHASE SIX - IMPLEMENTATION/ADMINISTRATIVE PROCEDURES:

- a. The consultant will develop documentation for maintenance of the new compensation system.
- b. The consultant and PMCD will develop implementation procedures and conversion criteria.
- c. PMCD will compute short-term and long-term costs projections for administration of the new salary program.
- d. Agency management will advise OMB and the Congressional oversight committees of the proposed implementation of the new compensation system.
- e. PMCD and Agency management will communicate the details of the new system through briefings, managerial education, and a variety of publications.

BENCHMARK OCCUPATIONS

Administrative Assistant  
Attorney - General Counsel  
Budget and Finance Officer  
Computer Operator  
Computer Programmer  
Computer Systems Analyst  
Document Analyst  
Electronic Engineer  
Electronic Specialist/Technician  
Economist  
Editorial Assistant  
Engineer  
Imagery Analyst  
Imagery Scientist  
Information Control Officer/Assistant  
Information Resource Officer  
Instructor - Foreign Language  
Intelligence Analyst  
Intelligence Officer - Foreign Broadcast  
Intelligence Officer - Foreign Documents  
Intelligence Officer - General  
Intelligence Operations Research Assistant  
Intelligence Assistant  
Logistics Officer  
Medical Officer  
Operations Officer  
Operations Support Analyst  
Personnel Officer/Assistant  
Physical Scientist - Research  
Polygraph Officer  
Project Management Engineer  
Reports and Requirements Officer  
Secretary  
SIGINT Officer  
Telecommunications Officer

*ck*



Central Intelligence Agency  
Office of the Deputy Director for Science & Technology

Executive Number
86- 3249x/9

29 July 1986

NOTE FOR: EXDIR

FROM: DDS&T

Jim,

Every time I turn around I find some additional information pertaining to incentives for linguists. Attached is a copy of a statement made by the NSA before the SSCI on 23 July. Please note the statement which is highlighted on page 5.

Your idea of turning off the Language Use Awards for our FBIS linguists is wrong. I do not agree that a mere QSI will solve the problem. We need to come up with a scheme that lets them know that they are a desired commodity in this Agency.

[Redacted Signature]

Evan Hineman

STAT



*B-405-1R*

EXECUTIVE REGISTRY

86- 3249X/5

DDA STATEMENT BEFORE SSCI HEARING  
ON NFIP PERSONNEL

23 July 1986

(U) NSA has been and will continue to be a human enterprise dependent for its excellence on the number and quality of its people. We have come to understand that unique human factors, working above all reasonable expectations, have many times been responsible for much of our success. In terms of information derived from collection, analysts and managers at every level routinely develop insightful results beyond that immediately apparent in available data.

(U) Thanks to your support, NSA has been in an extended growth period over the last several years in terms of the size of our work force. The end result of that growth has been an increase in our capability to satisfy our mission of analysis and technical program development and operation. Most of the growth has been in the hard-to-recruit, hard-to-retain technical skills of engineering, computer science, and mathematics, with a large group of linguists included as well. For the future, we must look to a steady, continuing manpower growth in order to ensure that we obtain the skills needed for the U.S. SIGINT system to meet the demands for national security support which will be placed on it during the 1990s. A potential circumstance that would provide for no manpower growth, or a reduction in current manpower levels, would have serious implications for future NSA intelligence production.

(U) Our long and short-range personnel goals to meet the challenges set forth in the National Foreign Intelligence Strategy



are to recruit, develop, and retain the best personnel possible. Recruitment, development and retention of an increasingly high quality work force will ensure our future ability to overcome foreign efforts to deny information to our collection effort. Experts in new technological advances will help in the effort to sort through large quantities of data and make real-time analysis more of a reality. Our cryptanalysts and mathematicians will provide even more intelligence support to military commanders as tactical intelligence problems become more technical.

(U) NSA enjoys a very successful recruitment program that has resulted in the Agency being 100% manned for several years. Our recruitment effort has been complemented by an exceedingly low attrition rate--about five percent over the same time period. However, regardless of our past accomplishments, several present and future personnel issues threaten to stymie the Agency's progress.

(U) Of paramount concern is the actual and perceived erosion of federal employee benefits. This issue affects both the recruitment and retention of employees. In recent years, employees have been saddled with reduced cost of living pay increases and substandard health insurance benefits while being forced to contribute to Medicare. In addition to actual changes, there are a variety of proposals currently under consideration that would adversely affect Agency employees. These include the proposed immediate taxation of retirement annuities, the threat of future freezes in within-grade increases, and rescission of the sick leave accrual incentive.

(U) Not only does the reduction in benefits demoralize the current work force, which could lead to increased attrition, it aggravates the already difficult task of recruiting highly qualified applicants. If benefits continue to shrink, we fear an increasing number of possible recruits will elect careers in the private sector.

(U) Adding to the dilemma, the public perception of federal employees has diminished in recent years. Federal employment has been portrayed as consisting of mundane work, substandard pay, and as being less desirable than working in the private sector. Like many other agencies, we are involved in a struggle to replace a gradually aging work force through recruiting and retaining younger, talented, well-educated employees. Unfortunately, these are the very people who are being discouraged from considering Government service as a career. NSA has combated this stigma with an aggressive public relations program but the struggle is becoming increasingly more difficult.

(U) Another personnel issue we must address involves NSA's substantial expansion over the past six years. This has led to some significant changes in work force demographics. Over one-third of our people have six years or less of experience. The skill mix of this group is quite different from that of those hired in the past. For example, in FY85, 60% of the new hires were in technical career fields--double the percentage in FY67. Much has been written about the changing value systems and increased mobility of the new breed of professional employees. If

predictions prove to be true, we can expect to retain fewer of this group based strictly on their lack of commitment to Government service.

(U) Employees with over 20 years of service make up another third of our work force. This subgroup includes most of our senior executives, managers, and technical experts. Over 40% of these employees are currently eligible to retire. If any significant changes are made to the retirement system, the Agency could experience a tremendous loss of expertise that would be difficult to replace.

(U) The relative size of the 31 to 40 year old population will continue to decline while the 21 to 30 year old and the 41 and up population expands. The large number of newer pre-professional and professional employees will be competing for a lesser number of more responsible positions as their careers progress. Considering their high marketability and tendency towards career mobility, we will be hard pressed to provide career progression that meets their expectations.

(U) Yet another issue is the increased marketability of Agency employees in the private sector. In particular, critical skill employees are more marketable than ever because their skills are no longer Agency-specific. Cryptanalysts, engineers, computer scientists, contracting technicians, and even polygraph examiners have a variety of outside career opportunities. As more private sector firms become aware of the need for secure communications, the demand for these skills will accelerate.

(II) National demographic projections reveal a shrinking entry level talent pool over the next ten years from which we can recruit new employees. For example, since 1969 there has been a gradual decline in the number of college graduates majoring in Russian. The number of Russian majors receiving degrees at all levels (BA, MA, PhD) fell from 990 in the peak year of 1969 to a low of 380 in the 1983 college year. Enrollments have remained low since. Considering that almost half of all Russian language hires have come from colleges, we are facing a serious future recruitment problem in satisfying our requirements for Russian linguists. All indications are that we will experience similar difficulties in our search for people in all of what we consider to be critical skill categories.

(U) In response to current personnel issues and anticipation of future ones, we have devised many innovative human resource programs and policies to strengthen the quality of personnel. These include premium pay scales for critical skills, foreign language incentive pay for linguists, technical track career programs, internships, enhanced training coordinated through the National Cryptologic School, a new mid-level staffing program, and an upgraded personnel administration function geared to meet the needs of today's employees. Looking to the future, we have dedicated manpower and resources to developing and implementing human resource programs designed to reward and retain a highly skilled, trained, and motivated work force.

(U) In summary, pay, benefits, and the offer of challenging work attract highly qualified people to the workforce. The fascination of the work itself, more than any other single factor, keeps people in the Intelligence business. We are not gravely concerned that either the attraction or retention power of the Intelligence business will fail, but we fear that tightening budgets and changes to government-wide personnel policies could diminish the ability of our Agency to attract and hold the caliber of people it needs.

Executive Registry

86-3249X/8

29 July 1986

NOTE FOR: DCI  
 VIA: DDCI  
 SUBJECT: SSCI Hearing -- 23 July 1986

Just a quick update on where we stand with regard to the steps outlined in your testimony on personnel management.

[redacted] one of the Deputy Directors of Personnel, is nearing completion of a large task force effort which will provide us a roadmap for changes in our personnel structure and incentive programs, and give us some food for thought on how to sustain the dedication and enthusiasm of our employees. This has been a six-month effort conducted on a half-time basis by some of our more free-thinking officers from all the Directorates. You should receive the end product by late August.

25X1

I have just received the recommendations from the Executive Development Task Force for beefing up our people-development process. It calls for a complete restructuring of OTE's Management School and some interesting changes in our approach to executive development. We will be ready to discuss this shortly.

In your testimony you referred to adjustments to our pay system. As you know, we have been working steadily toward getting off the General Schedule and into a more responsive and competitive pay mechanism. The recent OPM proposal in this regard and your pitch to the SSCI offers us an opportunity to move much faster now without raising alarms on the Hill and elsewhere. There are two ways to approach this problem: 1) OPM's simplistic idea of just collapsing the 18 GS grades into 6 bands; or 2) doing something more meaningful and effective--and thus more radical.

We seek the latter, more thoughtful, approach. It involves us in banding along functional, vice directorate, lines. For the long-term, we have to determine how many banding systems we must have in the Agency to accommodate the various occupations which make up the intelligence business. For starters, OP has identified 35 occupational categories which cover 80-85% of our employees. I think considerable aggregation is required. When a minimum number is arrived at, we then must determine the appropriate level of compensation for each banding system--probably a 12-18 month undertaking. In the meantime, we probably ought to apply the

CONFIDENTIAL

DCI  
EXEC  
REG

B-405-1R

lessons we have learned in implementing the Commo and Secretarial pay systems and band another element of our population--perhaps our ADP employees Agency-wide. I think Bill Donnelly has told you we're prepared to move on this.



25X1

cc: DDA  
DDI  
DDO  
DDS&T  
Compt

M -  
C-gram response  
(P 3 EC 3249/7)  
Return to Suspense  
14 Aug 80

CONFIDENTIAL

Central Intelligence Agency



Washington D C 20505

21 JUL 1986  
OCA 86-2481

The Honorable Dave Durenberger  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am responding to your letter of 16 July 1986 to the Director of Central Intelligence on the personnel review your Committee is conducting.

As you probably know, our staffs have already met to discuss the goals and objectives of your review of CIA personnel procedures. Our Office of Personnel will oversee our responses to the Committee's team. [redacted] Deputy Director of Personnel for Plans, Analysis and Evaluation will be the principal action officer. Please submit your requests for interviews or information to [redacted] on my staff.

STAT

STAT

This letter was also sent to Vice Chairman Leahy.

Sincerely,

/s/ David D. Gries

David D. Gries  
Director of Congressional Affairs

Distribution:

Original - Addressee

- 1 - DCI
- 1 - DDCI
- 1 - EXDIR
- 4 - ER
- 1 - D/ICS
- 1 - DDI
- 1 - DDA
- 1 - DDO
- 1 - D/S&T
- 1 - Compt
- 1 - D/OCA
- 1 - OCA/EXO
- 1 - D/PERS
- 1 - C/S
- 1 - ES
- 1 - [redacted]
- 1 - OCA Record
- 1 - OCA Chrono



STAT

CA: [redacted] 22 July 1986)

B-405-TR  
CR - P-100-TR STAT



Central Intelligence Agency



Washington, D.C. 20505

24 JUL 1986  
OCA 86-2482

The Honorable Patrick Leahy  
Vice Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Vice Chairman:

I am responding to your letter of 16 July 1986 to the Director of Central Intelligence on the personnel review your Committee is conducting.

As you probably know, our staffs have already met to discuss the goals and objectives of your review of CIA personnel procedures. Our Office of Personnel will oversee our responses to the Committee's team. [redacted] Deputy Director of Personnel for Plans, Analysis and Evaluation will be the principal action officer. Please submit your requests for interviews or information to [redacted] on my staff.

STAT

STAT

This letter was also sent to Chairman Durenberger.

Sincerely,  
/s/ David D. Gries

David D. Gries  
Director of Congressional Affairs

Distribution:

Original - Addressee

- 1 - DCI
- 1 - DDCI
- 1 - EXDI?
- 1 - ER
- 1 - D/ICS
- 1 - DEI
- 1 - DDA
- 1 - DDO
- 1 - DDC&T
- 1 - Compt
- 1 - D/OCA
- 1 - OCA/EXO
- 1 - D/PERS
- 1 - C/S
- 1 - ES
- 1 - [redacted]
- 1 - OCA Record
- 1 - OCA Chrono

STAT

OCA:R [redacted] 22 July 1986)

STAT