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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #03947-87
21 September 1987

MEMORANDUM FOR:
Executive Assistant to the Executive Director

FROM: H. F. Hutchinson, Jr.
Vice Chairman

SUBJECT: Proposed Pay, Personnel and Compensation System

25X1

1. Attached are three reports from the National Intelligence Council. We elected to have the NIOs, Assistant NIOs, and secretaries interviewed separately.

2. The results are interesting:

- Most find the proposals overwhelming in detail and do not fully understand them.
- Few have taken the time to read the proposals or attend a briefing.
- Few see incentives in the new system.
- Many are somewhat apprehensive about the proposals.
- Nevertheless, the mood is to go ahead with change.

3. My judgment is:

- The proposal is uninspired.
- Change is required, and soon.
- A tedious, bureaucratic revision of the proposal is not desirable.
- If we can't revise it quickly, let's get on with it.

H. F. Hutchinson, Jr.

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Attachments

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MEMORANDUM FOR: [redacted] 25X1
Executive Assistant to the Executive Director

FROM: H. F. Hutchinson, Jr.
Vice Chairman

SUBJECT: Proposed Pay, Personnel and Compensation System

Distribution:

Orig - Addressee
1 - NIO/LA (Vickers)
1 - ANIO/EA [redacted] 25X1
1 - ONIO/AL [redacted]
1 - O/C/NIC Chrono
1 - HFH Chrono
VC/NIC:HFHutchinson,Jr./ [redacted] 25X1

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11 September 1987

MEMORANDUM FOR: H. F. Hutchinson, Jr.
Vice Chairman, National Intelligence Council

FROM:

SUBJECT: Comments on Proposed Pay, Personnel Management, and
Compensation System

25X1

1. In general, I found a feeling of indifference among the assistant NIOs and AG personnel that responded to my request for input on the proposed compensation system. Despite the fact that all assistants and AG members received a memo and questionnaire, only six were returned to me. Most of the observations made in this memo are drawn from personal contact with about a dozen others from throughout the NIC. Because I tend to favor the new proposals, I found myself doing a somewhat lousy job as a pollster. Too often I found myself defending the proposals--often in reaction to what I thought was lack of understanding of the specifics of the proposals.

2. It became clear very early that no one was prepared, or wanted, to address all of the 16 specific proposals in the package. But it was also clear that most wanted to talk about the pay/bonus/banding proposals. Misgivings were raised about the subjective decisions that will be made in the promotion/pay process--performance plans, performance evaluations, panel discussions. These have been traditional gripes; they will continue to be so.

3. The population sample I had to work with was small, so I was not able to come up with any hard statistical data. There was, however, one issue that seemed to be developing a groundswell--three people zeroed in on it--all employees should continue to receive government-wide salary increases that are approved by the Congress. Nevertheless, I found two general categories of people:

Those who attended a briefing and are generally in favor of the proposals:

--This group, although generally in favor of what was being proposed, is concerned most about how promotions and bonuses will be handed out. There is considerable skepticism about the competency and objectivity of management in this Agency. Almost without exception, these people were leery about trusting their future pay raises to managers who are experts at dispensing patronage or playing favorites. People were most unclear about how the mechanics for all of this would work--panels were not necessarily an answer to their concerns. This having been said, this group said "go for it."

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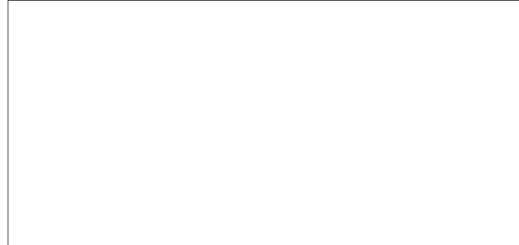
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Those who did not attend a briefing and are against the proposals:

--I guess it really should not have been surprising that those that I spoke to who did not attend a briefing were almost without exception against the proposals. Once again the main fear was how pay raises would be allocated. But, with this group, the old GS system should be left as is, because "we know how it works." It was a little frightening to hear some of their reactions. The word, "plot" was sometimes used by this group. Some of these people are resigned to the FACT that the Agency is going to do what it wants anyway.

4. Because this organization is basically conservative to begin with, I guess it should not have surprised me that there would be such an undercurrent of resistance to change. Maybe we have thrown too many details, at too many people, too soon. Perhaps we should have first sold everyone on the idea that because we differ from the rest of the US Government, we should develop our own pay, personnel and compensation system and be truly different. (No one I spoke to disputes the fact that we are different.) Then perhaps once the stage had been set, we could have launched into the details, with more people participating, more fully.

5. On balance, most of those I spoke to are willing to take a chance on a new, and more flexible system. While one said that they thought it "unprofessional" to be grubbing for a 5 percent bonus, most agreed that it is in our (mid-level officers) interest to try something different. As usual, however, the details are making them somewhat uncomfortable.



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National Intelligence Council

27 August 1987

MEMORANDUM FOR: H. F. Hutchinson, Jr.
Vice Chairman, National Intelligence Council

FROM: Robert D. Vickers, Jr.
National Intelligence Officer for Latin America

SUBJECT: NIO Comments on the New CIA Personnel Management and
Benefit System

1. Most of the National Intelligence Officers were supportive of the overall management and benefits package. Nevertheless, some raised major questions about various aspects of the proposals:

a. Feature 1 - Banding: There was a question about whether four to six bands was really sufficient. Another fundamental question was whether banding would affect the ability of CIA personnel to move to other government agencies, either temporarily or permanently. Finally, there was some doubt about whether we could trust a contractor to do an objective job of assessing salary comparability.

b. Feature 2 - Incentive Pay: Reaction was generally favorable, but there was a question about whether all automatic salary adjustments should be abolished.

c. Feature 3 - Performance Plan: There was considerable concern about the new performance appraisal system and the problems that resulted from the former LOIs.

d. Feature 4 - Performance Evaluation: Same concern as above.

e. Feature 5 - Career Handbooks: Positive response.

f. Feature 6 - Career Development: There was concern about whether individuals would really get any more support than they get under the current system, i.e., very little.

g. Features 7 and 8 - Training: Positive response.

h. Feature 9 - Dual Track: Positive response.

i. Feature 10 - Promotions: Very positive.

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j. Feature 11 - Flexible Benefits: There was some concern that there was too much flexibility and possible confusion. Nevertheless, the response was generally very positive.

k. Feature 12 - Leave Conversion: Very positive.

l. Feature 13 - Education Assistance: Very positive.

m. Feature 14 - Staffing Management: There was concern that older, more senior SIS' would be forced out just to make way for younger officers.

n. Feature 15 - System Controls: Generally positive.

o. Feature 16 - Projection Tools: Generally positive.

2. In terms of overall comments of the NIO's, there was recognition that the new system would place a much heavier burden on the supervisor to manage the performance plan, and that considerable additional training would be absolutely necessary for this task. There was also considerable questioning of whether and how the bonuses would be publicized, i.e, the private sector generally keeps bonus information very secret so as not to promote dissension.



Robert D. Vickers, Jr.

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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

16 September 1987

MEMORANDUM FOR: Vice Chairman, National Intelligence Council

FROM:

Executive Secretary

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SUBJECT: Comments on New CIA Personnel Management and Benefit System

1. Each secretary of the National Intelligence Council received a memo, questionnaire, and telephone call regarding the draft proposal for the New CIA Personnel Management and Benefit System. Needless to say, the response was very poor. Telephone conversations revealed that most secretaries did not have time to read such a lengthy proposal which was difficult to understand; they also felt that they could not afford the time to attend briefings in the auditorium that lasted two to four hours. Although I attended a briefing, it was so poorly represented that few questions were asked and little information was gained. The general consensus of the secretaries is that a change is needed in the GS system.

2. A summary of comments from the "Employee Survey" form are as follows:

- Feature 1 - Occupationally Defined Bands: Secretarial comments - Is four to six levels enough? My thinking is that banding does not provide incentive or merit and that it limits advancement. Why does the Agency have to spend money for contractor support in compiling salary data? It seems to me that the Agency has enough competent people to do the job.
- Feature 2 - Incentive Pay: Secretarial comments - average rating is high for all categories. It is my understanding that under our system now we have a recognition factor--why don't we use special achievement/exceptional accomplishment awards more? Also, incentive pay can be worked into the GS system.
- Feature 3 - Performance Plan: Secretarial comments - average rating.
- Feature 4 - Performance Evaluation: Secretarial comments - Average rating is high.

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SUBJECT: Comments on New CIA Personnel Management and Benefit System

- Feature 5 - Occupational Career Handbooks: Secretarial comments - average rating is high. I think this is good. At least you could map your career and know how to plan for future progress.
- Feature 6 - Individual Career Development Plans: Secretarial comments - average rating is high.
- Feature 7 - Occupation-Specific Training: Secretarial comments - average rating is high.
- Feature 8 - Improved Availability of Training: Secretarial comments - average rating is high. I am not sure how training will be done at the convenience of the employee.
- Feature 9 - Dual Track: Secretarial comments - average rating is high.
- Feature 10 - Promotion: Secretarial comments - average rating is high. I am not sure that the (B) section is clear. I thought "satisfactory performance appraisal rating" was the basis for incentive pay, and "demonstrated ability to assume greater responsibility at a more senior level" was the basis for a promotion. Promotions are not mentioned too much in the new system and it looks as though they may be based on training.
- Feature 11 - Flexible Benefits: Secretarial comments - average rating. This sounds confusing to me. We definitely need a good benefits program. It could be added to our existing program.
- Feature 12 - Leave Conversion: Secretarial comments - average rating is high. My comment is why are none of these benefits in the secretarial career system; it appears these are benefits for the SIS level and non-SIS managers and experts.
- Feature 13 - Educational Assistance for Dependents: Secretarial comments - average rating is high.
- Feature 14 - Staffing Management Tools: Secretarial comments - average rating is high. I don't like the "unreduced benefits" as that does not seem quite fair to other employees.
- Feature 15 - System Controls: Secretarial comments - average rating. We are now in the hands of computers.

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SUBJECT: Comments on New CIA Personnel Management and Benefit System

- Feature 16 - Projection Tools: Secretarial comments - average rating.
- The question you posed that secretaries focus on: "How would this affect the IS System?" The booklet does not say much on this. The only thing I recalled was that the secretarial force would be phased into the system, if adopted, over a two year period. *Most secretaries did not realize this involved them since they had their own system.*
- 3. The average opinion of the secretaries is--"What are we waiting for?"--go ahead. I am a little more reserved. I agree with most of the proposed changes but think that we ought to adopt as many of them as we can under the present (GS) pay system. Why not improve what we have--making existing things better. Something so totally new only frightens people.



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