

Central Intelligence Agency



Washington, D. C. 20505

MAR 22 1988

MEMORANDUM FOR: Donald Wortman
NAPA Project Director

FROM: Hugh E. Price
Director of Personnel

SUBJECT: 1979 National Academy of Public Administration (NAPA) Report

Don

Enclosed is a copy of the report you requested. If you have
any questions, please call or me.

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Hugh E. Price

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THE CIA PERSONNEL MANAGEMENT SYSTEM

Prepared by

THE NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

March 15, 1979

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OFFICE OF PUBLIC ADMINISTRATION
1225 Connecticut Avenue, N.W. Washington, D.C. 20036
202/659-9165

March 15, 1979

Admiral Stansfield Turner
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Admiral Turner:

The National Academy of Public Administration Team charged with reviewing the CIA personnel management system is pleased to present its final report to you. The basic thrust of the report is to provide a personnel management system for the Agency that will meet its present and future needs.

The Team appreciates the opportunity it has had to be of service. The challenges involved have been unique, and the cooperation the Team received was outstanding.

It is our hope that the report will serve as a useful basis for long-term adjustments that will enable the Agency and its people to better fulfill the vital CIA mission.

Sincerely,

Bertrand M. Harding

Bertrand M. Harding

Carol C. Laise

Carol C. Laise

Richard D. Chapman

Richard D. Chapman

George S. Maharaj

George S. Maharaj

Enclosure

THE CIA PERSONNEL MANAGEMENT SYSTEM

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EXECUTIVE SUMMARY

The review of the CIA Personnel Management system undertaken by the National Academy of Public Administration is set forth in the accompanying report. The report contains three major sections: (1) an Introduction; (2) a description of the Present System, highlighting problem areas; and (3) Conclusions and Recommendations. This summary attempts to capulize the contents of the report.

Introduction

Reviews the original assignment given the NAPA Team, the Team's composition, its methodology and the considerations which guided its study.

The Team concludes that the current CIA personnel system, characterized by rank-in-the-person and decentralized management to Directorates, has served the Agency well. NAPA believes that, with some adjustments, the existing arrangements are the best available for the organization and sufficiently flexible to accommodate to environmental changes most likely to affect the Agency's future.

The Present System

1. Personnel Management in the CIA

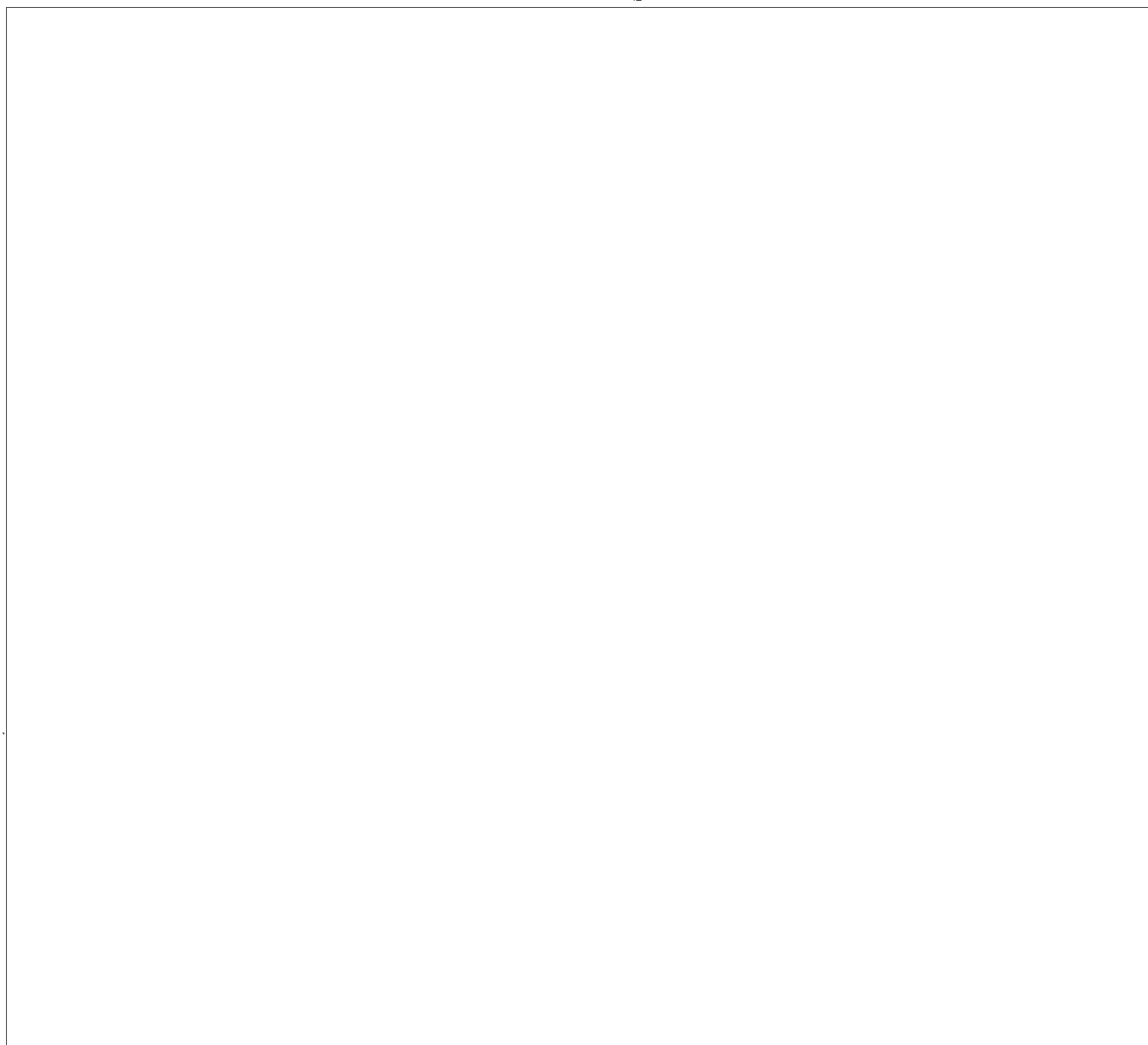
Reviews the statutory base upon which the present system is founded; examines personnel policy development, implementation

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and evaluation within the Agency; comments on the roles and relationships of the various participants in personnel management; and attempts to summarize the costs involved in CIA personnel management.

A major finding in this section is that the CIA statutory base grants an extraordinarily flexible authority on which to develop personnel policy. This flexibility, however, generates problems. Specifically:

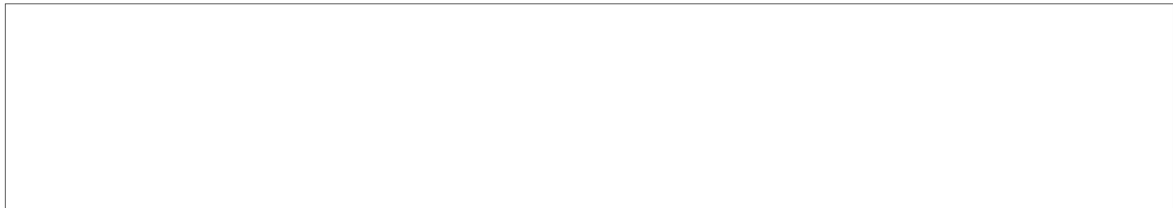


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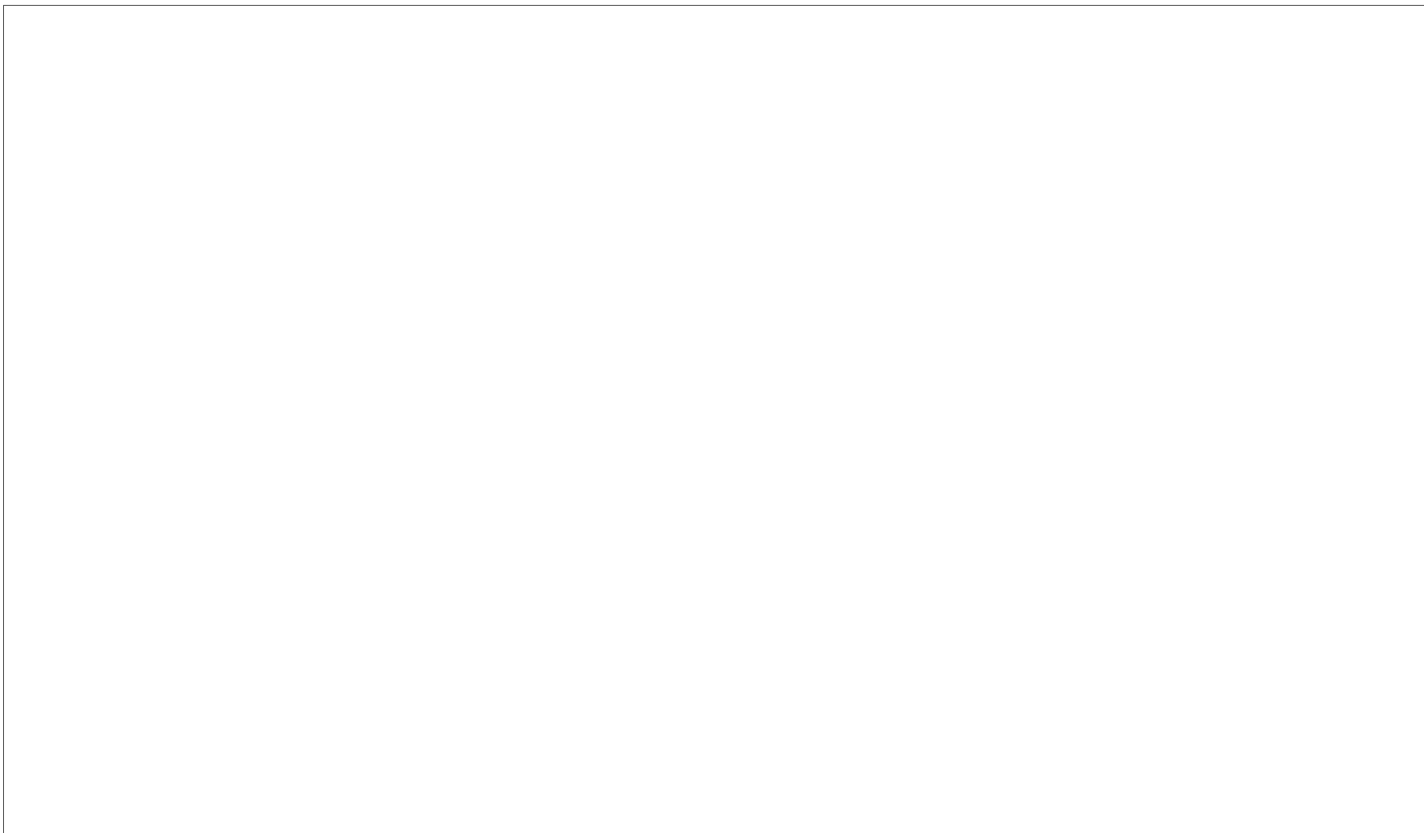
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2. The Career Services

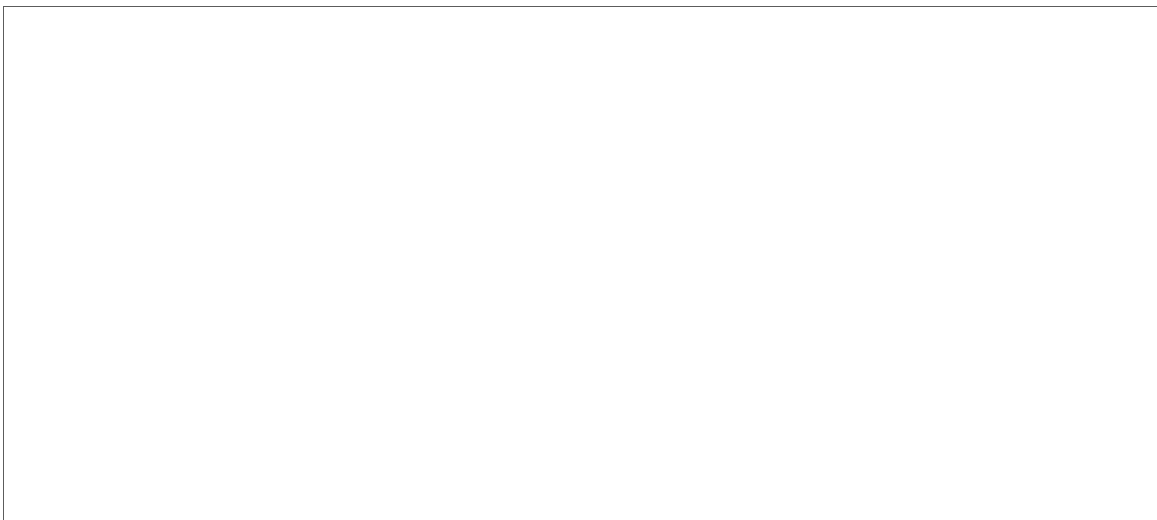
Describes the concepts and coverage of the CIA's five career services and addresses the problem inherent in a system which follows organizational lines while the interests of some employees are more associated with occupational categories.

Findings resulting from our review of the five career services disclose:



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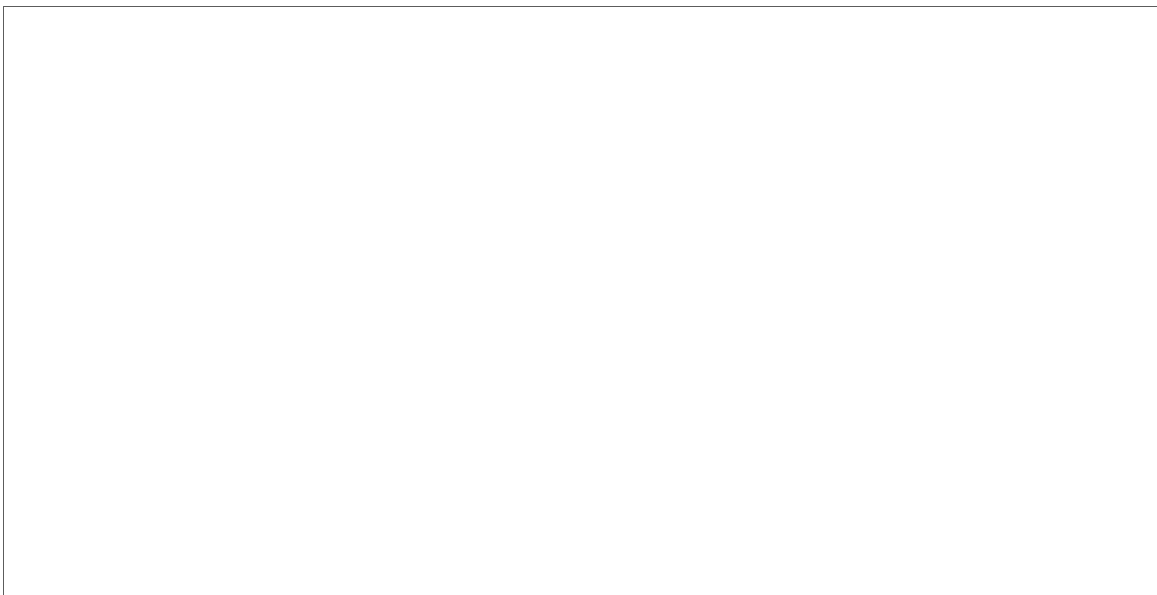
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3. Specific Personnel Management Activities

Discusses a broad spectrum of personnel functions and activities, including: Performance Evaluation, Panels, Promotions, Assignments, Separation, Recruitment, Placement, Vacancy Notices, Training and Equal Employment Opportunity.

The major findings set forth in this section are:



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4. The Relationship of Personnel Management to Mission

Accomplishment

Discusses the programs for executive identification and development; indoctrinating new employees, supervisors and managers; efforts to improve and reward teamwork; rewards for breadth of experience; and rotational assignments.

Findings include:

[Redacted area]

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Conclusions and Recommendations

This part of the report restates and expands on the Team's judgment regarding the overall effectiveness of the CIA personnel system; sets forth the general considerations which should guide the Agency in making adjustments on current practices; makes specific suggestions for improvement; and sets forth guidelines for implementation of the report's recommendations.

1. Conclusions Concerning Effectiveness of the Present System

While again emphasizing that the Present System does not require radical surgery, the report concludes that:

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° The most effective system for the Agency involves policy guidance, goal-setting and evaluation of results centralized to top management, with implementation decentralized to operating components.

° In many areas of personnel management, Agency-wide standards have not been established and where they have been, there is no adequate mechanism for assuring compliance.

° The centralization of personnel management at the Directorate level is sufficient to assure relatively uniform treatment of Directorate employees.

° The CIA system involves a large variety of people and organizations in personnel management -- line managers, Career Management staffs, Panels, Offices of Personnel and Training. The roles and relationships of these participants are not entirely clear and the costs of operating in this mode must be given appropriate attention.

2. Considerations Upon Which Revisions Should be Based

Suggests that:

° The DCI/DDCI should assert leadership in the formation of Agency personnel policy, planning for future personnel needs, the development of Executive/Managers, and the evaluation of program accomplishments.

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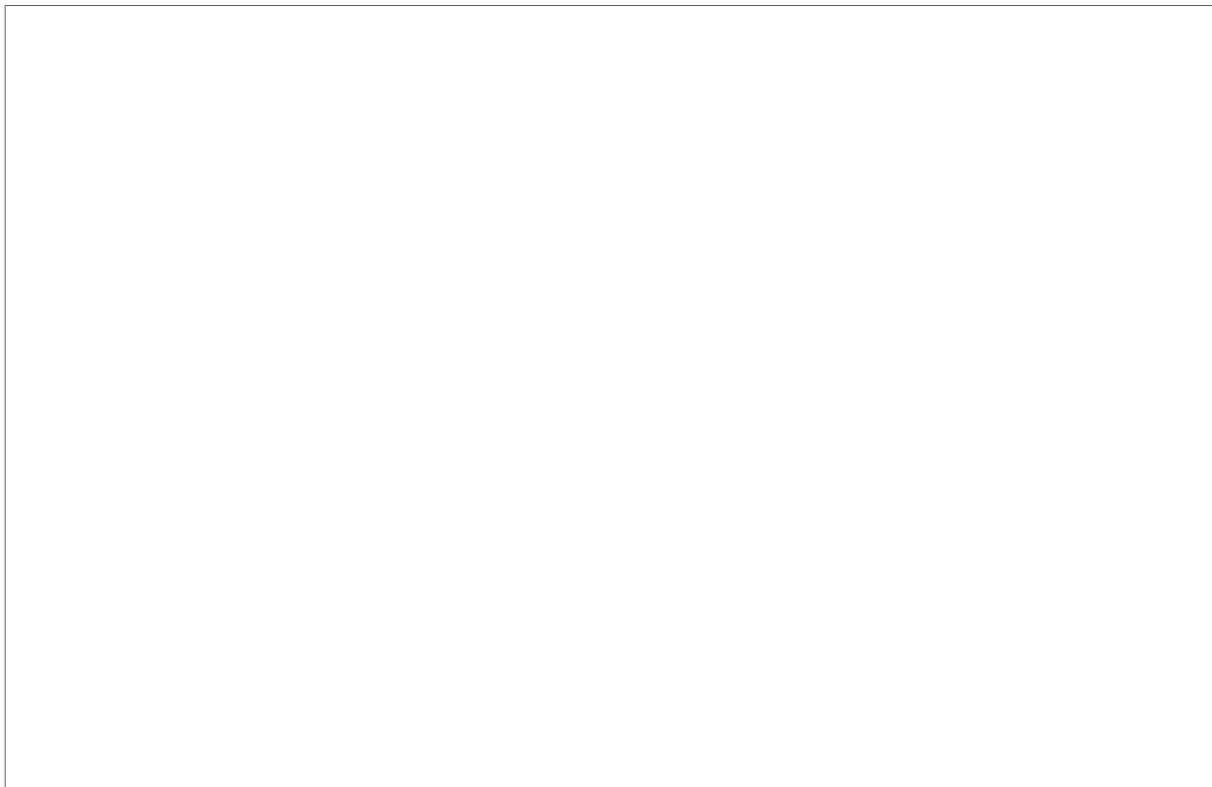
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3. Suggestions for Revising Various Aspects of the Present Personnel Management System

Discusses the fact that the CIA, in theory has a single system but in practice, operates under two personnel concepts: (1) a rank-in-the-person system; and (2) the classical Civil Service arrangement in which the position occupied determines the employee's grade level. Considers the possibility of openly adopting separate systems for the domestic and overseas components, but rejects that option for the following reasons:

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Concludes, therefore, that the Agency is best served by

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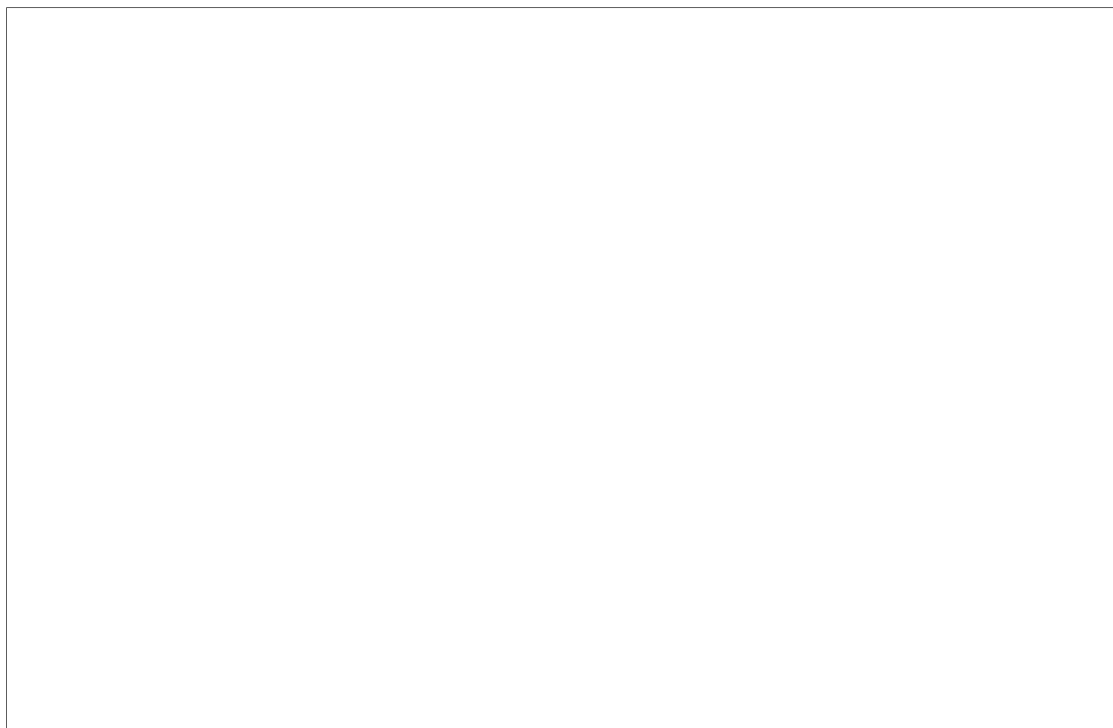
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retaining rank-in-the-person authority for both overseas and domestic components even though Agency needs will result in applications amounting to a dual system.

In addition, makes general and specific comments and recommendations for improvement in the areas of: career planning; executive selection and development; employee evaluation, promotion, assignment and retention; the function of panels; recruitment; equal employment; work force planning; and personnel policy development, implementation and evaluation.

The major recommendations contained in this section are: 25X1



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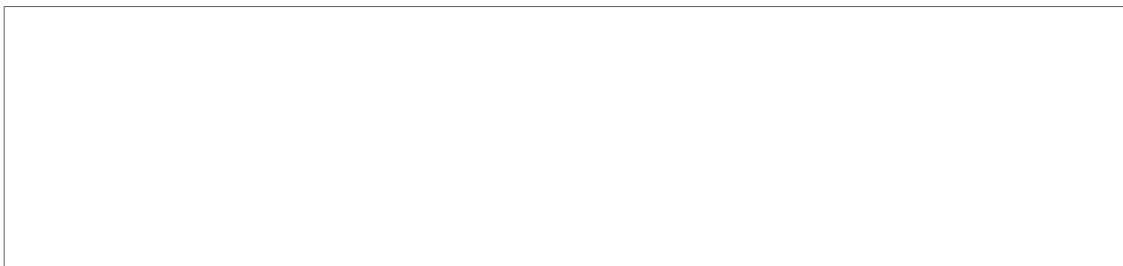
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4. Roles and Relationships in Personnel Management

This section deals with a number of roles and relationships involved in Agency personnel management. Specifically:



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5. Implementation of This Report

Suggests that the cumulative effect of the changes recommended could have a disruptive effect on the organization if not carefully evaluated and adopted in a phased fashion.

We recommend the following steps:

- Widest feasible distribution of the major portions of this report in order to avoid employee mistrust of management motives and to detect valid reactions of a negative nature.
- In-depth appraisal by the EAG with appropriate staff support from the Office of Personnel.
- Development, by the EAG/DDCI, of an implementation schedule which establishes priorities and target dates.

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INTRODUCTION

1. The NAPA Team's Assignment

The National Academy of Public Administration was requested to undertake a major and thorough examination of the CIA's personnel management system. The Academy Team assigned to conduct this study was requested to include in its report:

- basic findings concerning the effectiveness of the present system,
- principles upon which revisions, if necessary, should be based,
- basic concepts for revising various aspects of the present personnel management system and options, if and where appropriate,
- organizational concepts for any proposed changes and suggestions for implementing any changes.

The National Academy of Public Administration Team included Bertrand Harding, Carol Laise, Richard Chapman, and George Maharay. The study started on November 20, 1978 and concluded on March 15, 1979.

2. The Focus of the Study

The present personnel management system has served the

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Agency well. The calibre of employees in the organization is considered by Agency managers and NAPA Team members to be extremely high and this is tangible proof of the effectiveness of the system in the past. In every discussion the Team members have had with Agency managers, managers have evidenced their interest in the personnel management system and recognize their responsibilities for administering the system. They also are acutely aware of the importance of balancing the needs of the Agency and the needs of employees.

There are a variety of factors which we believe will affect the Agency in the immediate future: These include: (1) the present attempts to define the Agency's role and methods of operation, i.e., charter legislation; (2) the limitations on personnel and dollar resources that is affecting all government agencies; (3) continuing publicity about CIA and Freedom of Information demands; (4) changes in methods of collecting intelligence, and (5) the changing leadership due to the large number of persons retiring who entered the Agency service in the late forties and early fifties.

In the light of what we see forthcoming in the Agency's future, the central issue we sought to address was whether the personnel structure and management system as it has evolved in the Agency is conceptually sound and flexible

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enough to meet both the changing needs of a highly important and unique national security agency as well as to adjust to societal changes and a shrinking resource base.

Other foreign affairs agencies have, in general, tried to solve the complex task of organizing and managing a worldwide component and a domestic component through dual personnel system -- Foreign Service and Civil Service -- centrally managed. The CIA, unlike the other agencies, has had the latitude, by virtue of being designated an excepted service, to adapt the Civil Service system to accommodate the distinctly different requirements of a disciplined mobile worldwide service and a stable domestic system. At the same time, the personnel management function has been largely decentralized to line managers with the prime responsibility residing, since the 1973 reforms, with the heads of the Directorates. The Office of Personnel is assigned an almost entirely servicing role, some monitoring, and administration of the classification system.

Keeping in mind top management's desire to achieve greater coherence in the system as a whole, to strengthen its own personnel management role, and to improve executive development, the Team took a hard look at possible alternative systems. We have concluded that the basic concepts on which the CIA personnel system is built are

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both sound and capable of adaptation to changing needs. The goals which top management seeks can be accomplished within this framework.

In other words, the Team supports: (1) The concept of a single rank-in-person personnel structure for both domestically based and worldwide available personnel so long as it is recognized that the different conditions of employment will require different application of common policies and principles. Though more expensive to administer than is the normal Civil Service system, it affords the Agency a surer system of identifying and rewarding merit and a more flexible one for assignments. (2) The principle of decentralizing as much personnel management to the line operators as possible with the Personnel Office playing a servicing and monitoring role. Fixing responsibility is the key to program results and line officers must be held accountable for the management and performance of their people. While this concept necessarily means that career ladders for the bulk of the personnel will be within their parent organization, this is, after all, in accord with the realities. The strengthening of the executive policy role, the necessary correctives to parochialism, the career development of leaders with breadth and vision as well as professional competence, and the requirements of equal opportunity and due process can all be met through

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other measures. These are set forth in the body of the report.

3. The Approach Taken -- Methodology

The basic approach taken by the Team was to consider personnel management in a broad sense -- i.e., the utilization of human resources of CIA to accomplish the Agency's mission. Within this broad definition, the Team attempted to look at: (1) the personnel management system of the Agency, and (2) how it is being administered.

Every effort was made to obtain a variety of perspectives on the subject from many levels within the organization and from as many as possible who are directly involved in administering the system. The Team talked with key people in CIA, all five MAGs, the DCI Senior Secretarial/Clerical Group, the EEO Advisory Group, the Federal Women's Advisory Board, the NFAC Review Staff, four former Agency executives, and personnel at several field stations, and six employees who dropped in on their own. A complete list, exclusive of the last six is contained in Appendix A.

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In addition, volumes of studies, regulations, reports, and files were made available to the Team. There was complete cooperation from everyone in the Agency in making information available.

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4. The Report

The report of the NAPA Team has been put together with the following considerations in mind in its organization and presentation:

- The first is to start with a basic understanding of the present system and how it is being administered.
- The second is to be concerned with sustaining sufficient stability and continuity in the organization while recommending changes which would help to meet Agency needs; changes which can be dealt with incrementally, based upon internally established priorities.
- The third is to recognize the importance of adhering to a systems approach which takes into account the impact of changing any one aspect of the system upon the total system.

The report is presented in two parts, as follows:

- Part I - A description of the present personnel management system, highlighting good points and problem areas.
- Part II - Conclusions and Recommendations.

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