

ROUTING AND RECORD SHEET

STAT

SUBJECT: (Optional)				
FROM: Daniel A. Childs, Jr. Director of Finance 1212 Key Bldg.			EXTENSION	NO. OF-0297-88
			DATE 13 September 1988	
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.)
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FORM 1-79 **610** USE PREVIOUS EDITIONS

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OF-0297-88

13 September 1988

MEMORANDUM FOR: Deputy Director for Administration
Associate Deputy Director for Administration

FROM: Daniel A. Childs, Jr.
Director of Finance

SUBJECT: The First 60 Days

Rae/Hand:-

1. As you know, I have now been the Director of Finance for about two months. I thought it would be useful to give you my impressions of the health and well-being of the Finance career service; highlight some of the problems/issues I've found; and outline the steps we are taking to resolve these problems.

A. The Health and Well-being of the Service

1. Overall, I've found that the Finance career service is staffed by a dedicated, hard-working group of folks. The quality and professionalism of the service is sound, but it is not without its problems. They are experiencing a "crisis in confidence" because of a failure to prepare adequately for the generational change that has occurred; they lack a strategic vision of the future and its implications for the service; and morale is not particularly good.

2. In my view, although previous management accomplished some good things, it was too narrowly focused on a limited set of issues. Fundamentally the service is suffering from a lack of leadership and direction. As an illustration, before assuming the job, I had private one-on-one discussions with each SIS officer and senior GS-15 in the service. I was particularly struck by the broad consensus among these officers not only about their perceptions of problems that exist in the service but also about what they felt needed to be done to fix them. Either nobody asked before, or if they did, nobody was listening!

3. The senior officer corps in the service, with some minor exceptions, is very capable and versatile. They are every bit as capable as their contemporaries elsewhere in the Agency. Their only shortcoming is that they seem not to have been challenged in recent years to use their imagination and creativity. As a result, they - and the service as a whole - tend to define their roles fairly narrowly and are too cautious about even prudent risk-taking. They clearly have the ability to be imaginative and creative; they simply need encouragement in that direction. I'm already impressed with how they are responding to the challenge.

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4. Some of our most challenging problems are among the GS-13/14 cadre of officers. I gather this results from moving officers along too rapidly to fill vacancies created by growth in the service -- although, in my view, it has not grown commensurate with the mission and workload -- and retirements. A number of the officers at this level, while basically good, solid officers capable of successfully fulfilling any number of less demanding finance jobs, simply have been advanced beyond their ability to perform effectively at the GS- 13/14 level. We plan to counsel these folks, upgrade their skills where possible, or eventually move them to jobs more commensurate with their abilities.

5. The younger officers are outstanding. This is an area where previous management gets high marks. As a group, they are extremely bright and aggressive, and very ambitious. If we can keep them challenged, they will be an important part of the service's future. There are, however, some potential difficulties that have surfaced with one element of this group, the career trainees (CTs). Apparently previous management devoted so much attention to the CT's, and made them so many promises, it has created a chasm in the service -- a "we/they" environment -- which is counter-productive for everybody. It is my intent to take a more balanced approach to this issue and I have made that known to the service. I have told them that CT's are an important part of our future, and that we will continue to need an influx of such people in the future; but, that they will not be given preferential treatment and will be expected to compete with their colleagues throughout the service for promotions and prized assignments, such as those abroad. Indeed, we have implemented a new policy of announcing overseas vacancies to ensure that folks are aware of these openings and have the opportunity to express interest in these assignments. I believe we can use this not only as a career management tool but also as a means to eliminate the perception of preferential treatment that clearly exists in identifying officers for overseas jobs. In essence, I am trying to instill a sense of "equal-opportunity" within the service, which I believe everyone will find more appropriate over the long run.

6. On a related matter, I also intend to bring more balance to our recruitment efforts. We will clearly have a continuing need for four-year degree candidates; but as a practical matter -- given that a large number of finance jobs tend to be fairly narrowly focused -- it will be difficult to keep large numbers of college graduates challenged throughout a career in the Finance service. Consequently, I plan to target some junior college and bright high school graduates who have the ability and desire to grow and succeed in our service.

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7. Automation is another area where previous management can point to some major accomplishments. My concerns here have to do with scope and focus. I am concerned about the lack of an overall architecture for our automation efforts. We need a better road map that tells us where we need to go, how we are going to get there, and whether our current efforts make any sense in the broader scheme of things. The bulk of our efforts are devoted to the BARS/CLAS initiative which will unquestionably have major implications for how we and Logistics do business in the future. But there are a broader range of day-to-day problems that would benefit greatly from automation support, that are not getting adequate attention in the meantime because of lack of resources. I am also concerned that we are putting too many of our eggs in the BARS/CLAS basket too soon, and allowing our current systems to dangerously atrophy. We are already experiencing serious degradation in response-time and availability with the current systems. I have serious reservations that BARS/CLAS will meet either the schedule or specifications currently planned, and believe that OIT must allocate more resources to maintaining the integrity of our current systems. We have become so engrossed in the BARS/CLAS programs that I fear we have lost sight of the need to implement quick fixes that would result in short-term gains.

8. The morale problem stems from a variety of things, some of which I have already alluded to such as the CT issue. In my view, the major factor effecting morale is what I refer to as a "crisis in confidence." This results from the generational change in the service, the lack of a sound training program, and instability in assignments. As I indicated earlier, the service did not plan well for the generational change that has taken place. Most of the knowledge and experience in the service departed in a fairly short time frame without adequate preparation of the junior officers. This, coupled with the lack of a sound basic skills training program, has left the younger cadre of officers with little to fall back on for advice and assistance. The explosive grow in the Agency's mission and the demands it has placed on the service, has only exacerbated the problem -- people have not been able to stay in jobs long enough to learn from or be held accountable for their mistakes. As a result, the depth of knowledge and expertise in the service is quite thin, which has created a sense of uncertainty and cynicism.

B. The Agenda

1. I have created a number of small teams to examine some of the major problem areas and have tasked several individuals to review specific issues. The following summarizes the actions underway, all of which should be completed by the end of the year.

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Major Problem Areas

- Development of a long-range strategic plan that lays out where we need to be as a service 3-5-10 years from now and how we are going to get there, with specific goals, objectives and milestones. (Note: This may have to be augmented with a specific office ADP plan.)
- Reexamination of our organizational structure to streamline it, force management responsibility further down in the organization, and ensure our structure is consistent with and will facilitate the direction we need to take to meet future challenges.
- Development of a revised career development system that emphasizes sound succession planning, assignment policy, and training. We also will examine methods to streamline the career panel and performance appraisal system.
- Reexamination of our philosophy and approach to advances of funds, with the goal of placing more responsibility on the individual advancee and their supervisors for timely accounting for funds.
- Examination of all administrative and fiscal plans to determine whether they are current, being complied with and accounts are up-to-date. We also will examine ways to streamline and expedite procedures for developing and implementing these plans.
- Examination of our various arrangements with Price Waterhouse to ensure the effort is properly focused and that the results are worth the cost.

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Other Items

2. I have a broad range of other actions underway to deal with problems/issues. The following is just a sampling of the types of actions that have been tasked.

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- All division and staff chiefs and senior directorate B&F officers are now required to attend my weekly staff meeting. The executive officer will summarize major items of interest and distribute throughout the service via AIM.
- All division and staff chiefs, and senior directorate B&F officers have been tasked to provide goals, objectives, and milestones for FY 1989, and to justify their operating budgets for FY 1989.
- Certain division and staff chiefs have been tasked to develop key performance measures and report monthly against them, with appropriate analytic comment.
- Monetary Division was tasked to reassess its various operations in terms of the adequacy of current safeguards and identify any vulnerabilities.
- Security B&F and Accounts and Certification Division are examining the feasibility of transferring to Personnel unique payrolling operations still being performed by these officers.
- The Career Management Staff has been asked to develop procedures for giving division and staff chiefs responsibility for promotions through GS-8.
- Liaison and Accounts and Certification Division are examining additional steps that can be taken to facilitate prompt payment to our vendors.
- Accounts Division has been tasked to completely revise the annual financial report to make it more useful as a management tool.

Morale

3. Improving morale is probably the most difficult issue we face. A number of the actions outlined above seem to be having a positive effect. In addition, the following are either already underway or planned:

- We are improving communications among the service by expanded and more frequent staff meetings, by a revised and more frequent newsletter, and by greater use of AIM.

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- Larry and I will begin weekly visits to the major elements of the external service. We also will create a new element in our organization structure to support and provide advice and guidance to the external service on a full-time basis.
- We will continue monthly one-on-ones with the division and staff chiefs and senior directorate B&F officers.
- I will reinstitute the weekly coffees that I began as Comptroller to informally reach out to a cross-section of finance careerists.
- I am planning short visits this fall to Europe, East Asia, and South/Central America to meet our careerists abroad, explain our agenda, and get an understanding of the problems they face.
- We are planning an end-of-fiscal year party and an office picnic in the spring.

2. On balance, I believe the service is basically sound. Although there are some problems, none in my view are intractable. I will need your strong support in certain areas to be successful -- policy changes we are likely to recommend; key personnel assignments; and, reorganizing the office and the related requirement for two additional SIS positions.

3. I will be happy to discuss this with you more fully if you desire.

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Daniel A. Childs, Jr.

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