Department of the Army

Program Evaluation Report

Defense Civilian Intelligence Personnel System: Assessment of the First Year

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EXECUTIVE SUMMARY

The Headquarters Department of the Army (HQDA), Assistant Deputy Chief of Staff (ADCS), G-2 and the Director of the Intelligence Personnel Management Office (IPMO) assigned the Kadix consulting evaluation team to conduct an evaluation of the Army's Defense Civilian Intelligence Personnel System (DCIPS) implementation with advisory services and staff resources provided by the AG-1 (CP) Evaluation, Proponency and Communications Division (EPCD). The review focused on the overall implementation and effectiveness of DCIPS policies, processes, and outcomes. The scope of this review includes the Army's initial DCIPS implementation activities from approximately October 2008 through the processes and results of the first performance management period and performance-based bonus program in January 2011, as well as the impact of the fiscal year (FY) 2010 National Defense Authorization Act (NDAA),[1] and overall workforce perceptions of DCIPS.

Site visits occurred in July and August 2011 in three geographic locations, Fort (Ft.) Belvoir and HQDA, ODCS, G-2, Pentagon, Virginia (VA); Ft. Shafter/Schofield Barracks, Hawaii (HI); and Ft. Huachuca, Arizona (AZ), representing approximately 200 employees from eight commands[2] and the Ft. Huachuca Civilian Personnel Advisory Center (CPAC). During the site visits, the review team met with civilian and military senior leaders, DCIPS transition managers, reviewing officials, rating officials, employees, and human resource (HR) specialists from the Ft. Huachuca CPAC, as well as G-1 command staff. As part of its evaluation approach, the evaluation team designed an Army DCIPS Evaluation Framework, which is described in more detail in this report. Additionally, the team also conducted an analysis of time-to-fill positions and employee separation data.

Overall, there were a few positives, but mostly challenges experienced during the first year of the Army DCIPS implementation. Some turmoil existed over the past two years due to the passage of the Fiscal Year (FY) 2010 National Defense Authorization Act[3] (NDAA) in October 2009 placing a hold on performance-based salary increases, as well as the August 2010 decision of the Secretary of Defense (SECDEF) to return to DCIPS grades. While senior leaders demonstrated commitment to the successful implementation, both they and the workforce were disappointed that the pay for performance aspect of DCIPS did not occur as planned.

[1] The National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84 (2009) enacted changes affecting DCIPS employees.
[2] US Army Corps of Engineers, US Army Installation and Management Command, US Army Intelligence and Security Command, US Army Medical Command, US Army Network Enterprise Technology, US Army Pacific Command, US Army Space and Missile Defense Command, US Army Training & Doctrine Command
[3] The National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84 (2009).

The majority of those interviewed experienced a number of challenges with the structure of DCIPS performance management processes, including developing Specific, Measurable, Achievable, Relevant, Timely (SMART) [4] objectives, a perceived lack of rating consistency across branches, divisions, commands, geographic locations, and perceptions of the lack of fairness in the bonus system, among other things. Additionally, nearly all of those interviewed expressed extreme dissatisfaction with the functionality of the Performance Appraisal Application (PAA) Tool.

Most participants identified the quality of communication for the initial DCIPS implementation as satisfactory from HQDA, ODCS, G-2, but found that the IPMO lagged in providing timely policy and guidance to the workforce. Increased training and communication on performance management processes may help the Army DCIPS workforce adjust to DCIPS and the changes it has generated. The Army DCIPS workforce did experience some attrition over the past two fiscal years. However, it is not clear whether DCIPS contributed to this turnover. The Army may benefit from additional workforce analysis to identify specific root causes that contributed to the increased rate of attrition. Moving forward, there are opportunities for improvement in the administration and acceptance of DCIPS by the Army workforce.

SELECTED KEY FINDINGS AND PERCEPTIONS

The key findings and perceptions presented below are grouped by the four selected dimensions of the Army DCIPS Evaluation Framework described in more detail in the report and selected based on frequency and criticality to implementation.

<u>Leadership Commitment and Accountability</u>

- Senior leaders demonstrated commitment through engagement in activities to support the initial Army DCIPS implementation
- Initial training resources viewed as a success though quality varied by training staff
- Military supervisors' commitment and understanding of DCIPS varied across command and location
- Many found the Combat Support Agency (CSA) centralized organizational approach of DCIPS flawed and not appropriate for command delegated authorities of the military Services

[4] The use of the SMART performance objective is the required format for DCIPS performance planning.

Diversity, Fairness, and Transparency

- Lack of consistency and fairness in assigned ratings and performance-based bonuses was seen as major challenge by employees, rating officials, and reviewing officials

- Use of SMART performance objectives problematic for majority of employees

- Widespread frustration with the PAA Tool regarding the need to address both performance objectives and performance elements, as well as the Tool's problematic functionality

Stakeholder Involvement, Outreach, and Communication

- Senior leaders and the workforce found the EYE newsletter, toolkits, town halls, and command guidance helpful, but thought the organization of the Army DCIPS website could use improvement

- Lack of timely guidance and information from the IPMO to the Army DCIPS community identified by stakeholders as a top challenge

- Perception of inadequate collaboration among the staffs of the HQDA, G-1 and command G-1, and HQDA, G-2 for Army DCIPS implementation

Workforce Quality

- The effects of the FY 2010 NDAA may have led to hiring challenges affecting the time-to-fill positions

- Retention of employees not perceived as major problem in current federal budgetary environment, but concerns exist that those leaving are transferring to Combat Support Agencies (CSAs)

RECOMMENDATIONS

- Advertise supervisory-enabling raining to supervisors to improve general and performance management related supervision and communication skills

- Ensure military supervisors receive DCIPS training and know where to go for assistance when managing DCIPS personnel

- Keep HR community informed if guidance and policies cannot be issued in a timely manner; when there is a delay, let them know when they will receive information
- Provide rating consistency training for supervisors
- Provide SMART objective writing workshops and job aids to the workforce
- Improve workforce understanding of the function of the PM PRA by issuing fact sheets on the role of the PM PRA and rating reconsideration process
- Provide clear guidance on administration of bonus process and ensure leaders are aware of other ways to reward employees
- Issue PAA Tool guides and process flows to ensure supervisor and workforce understanding
- Continue to monitor and refine website, such as adding a search capability or document index, for clarity and ease of use
- Improve frequency of communication to senior leaders and the field; if there is a delay, let them know when they will receive information
- Institute communication flash emails or “G-2 sends” to keep senior leaders and workforce informed
- Engage with HQDA, G-1 staff including CHRA and CPAC staff through teleconferences and face-to-face meetings more frequently to solicit feedback and exchange ideas on HR challenges
- Provide Army-specific sustainment training for new employees and military supervisors through CHRA as part of DCIPS onboarding processes
- Update the workforce with information and guidance related to transition as soon as it is available
- Provide HQDA, G-1 including CHRA, CPAC, and command G-1 staffs with information for transition to grades to ensure consistency in pay setting and other applications of DCIPS policy
- Institute frequent analysis of workforce data to track potential issues related to recruitment and retention

- Identify potential employees who might be at risk for leaving organization and involve senior leaders to help address challenges

- Use succession planning to ensure knowledge transfer of mission-critical occupations

BACKGROUND

In July 2009, civilian intelligence employees in the Department of the Army converted from general government grades to pay bands specified by DCIPS. The statutory authority for this system originated in the NDAA for FY 1997, which provided DoD the authority to create a pay-for-performance system for the Defense Intelligence Community.[5] In October 2009, the NDAA for FY 2010 was enacted by Congress containing provisions that affected DCIPS employees.[6] Specifically, certain pay setting authorities were suspended until 31 December 2010 except for the National Geospatial-Intelligence Agency (NGA). Thus, Army DCIPS employees were no longer eligible for performance-based salary increases but could receive performance-based bonuses for their accomplishments in FY 2010. The first performance-based bonuses under DCIPS were distributed to Army employees in January 2011.

The NDAA further required the SECDEF, the Director of the Office of Personnel Management, and the Director of National Intelligence to jointly designate an independent organization to review the operation of DCIPS. In January 2010, the National Academy of Public Administration (NAPA) was engaged to conduct this independent review of DCIPS and provided its findings and recommendations in June 2010.

On 3 August 2010, the SECDEF informed Congress that he had considered the NAPA findings and recommendations, and would implement several of them, but would not accept their recommendation to move forward with implementation of the DCIPS policies linking employee base pay increases to performance in the Defense Intelligence Enterprise (except within the National Geo-Spatial Intelligence Agency (NGA) that had been operating under pay for performance for over a decade). As a result, the Army which had already converted to the DCIPS pay for performance banded structure, would need to transition to a General Schedule–like grade structure overlaid onto the DCIPS policy framework.

[5] The authority for DCIPS is codified in 10 U.S.C. §§ 1601-1614. Further, 10 U.S.C. § 1601 was amended in 2000 to authorize the Secretary of Defense to include in DCIPS civilian personnel who perform intelligence functions, but who are not employees of a DOD intelligence component. Pub. L. No. 106-398, § 1141 (2000).

[6] The National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84 (2009).

INTRODUCTION

In fall 2010, the ADCS, G-2 and the Director of the IPMO directed an Army DCIPS program evaluation to assess the quality and impact of its initial DCIPS implementation. Based on draft DoDI 1400.25-V2013, it is DoD policy that DoD components with DCIPS positions are to conduct annual evaluations of the effectiveness of DCIPS and take appropriate actions in response to evaluation results. The IPMO engaged Kadix, a contractor evaluation task team with advisory services and staff resources for on-site visits from AG-1 (CP), ECPD. An evaluation plan was designed and implemented to support an objective review and identify lessons learned to assist leadership in future years managing and improving Army DCIPS.

OBJECTIVES AND METHODOLOGY

The objectives of the Army DCIPS Program Evaluation were to:

1) gather the views of the Army and the Army DCIPS community leadership and workforce, including human resource specialists, on the overall effectiveness of DCIPS policies, processes, and outcomes;

2) identify strengths and challenges of the initial Army DCIPS implementation based on the views of leadership, human resource specialists and workforce;

3) measure the impact of DCIPS by examining changes in attrition and time-to-fill positions across the overall Army DCIPS workforce; and

4) provide recommendations for continuous improvement of Army DCIPS based on the views and data analysis gathered.

As part of the evaluation plan, the evaluation task team designed an Army DCIPS Evaluation Framework to guide this review and allow for the evaluation results to be analyzed and organized into meaningful and actionable recommendations. The Evaluation Framework was developed as a flexible approach to comply with the draft DoDI 1400.25-V2013 and also address areas of concern as noted by the National Academy of Public Administration (NAPA)[7] and the U.S. Government Accountability Office (GAO).[8] The evaluation framework is comprised of nine dimensions and 31 elements drawn from a number of relevant and credible sources

[7] National Academy of Public Administration, The Defense Civilian Intelligence Personnel System: An Independent Assessment of Design, Implementation, and Impact. (Washington, D.C.: June 2010).
[8] U.S. Government Accountability Office, *DoD Civilian Personnel : Intelligence Personnel System Incorporate Safeguards, but Opportunities Exist for Improvement,* GAO-10-134, (Washington, D.C.: December 17, 2009).

used to assess personnel systems, especially aspects of performance management and performance-based pay systems.[9] In addition, the framework includes leading practices from the assessment of personnel systems and other transformational change initiatives.

To assist in selecting the most critical dimensions to assess in the Army DCIPS program evaluation, the evaluation team analyzed the results of the 2008 and 2009 *Intelligence Community (IC) Climate surveys*, the Office of the Under Secretary for Defense Intelligence (O*USD(I)) DCIPS Spring 2010 survey*, and the results of the *NAPA Online Dialogue*[10] for the Army. This comparative survey analysis identified potential workforce concerns related to leadership, performance management, compensation, fairness, diversity, and transparency, indicating that these areas were relevant for evaluation. For the initial Army DCIPS program evaluation, the ADCS, G-2 and the Director, IPMO, selected four of the nine dimensions of the Army DCIPS evaluation framework highlighted in green below for the initial evaluation.

Table 1:
Dimensions of Army DCIPS Evaluation Framework

Leadership Commitment and Accountability *Leadership commitment and accountability for effective DCIPS implementation and application*	*Mission Alignment* *Employees alignment of goals and objectives to agency mission*	*Performance Culture* *Promotion of a high performing workforce by differentiating between high & low performers and rewarding employees on the basis of performance*
Diversity, Fairness, and Transparency *Employee perception of fairness, responsiveness to the needs of diverse groups of employees and provision of transparent decision making*	*Workforce Quality* *Attraction of high quality new hires in a timely manner, retention of high performers, and satisfaction with hiring process*	*Workforce Satisfaction* *Employee's satisfaction with operating environment of DCIPS*
Implementation Planning and Execution *Preparation and implementation of a comprehensive management plan to ensure organizational change readiness and employee acceptance of DCIPS*	*Stakeholder Involvement, Outreach and Communication* *Stakeholder involvement, outreach and communication efforts to provide information to and obtain feedback from employees*	*Training Effectiveness* *Implementation and execution of training development, delivery, and evaluation*

[9] U.S. GAO, GAO-10-134); *Intelligence Community Performance Appraisal Assessment Tool* (PAAT), 2009; ECPD, Assistant G-1, *US Army Civilian Human Resources Program Evaluation Operating Manual (Draft),* December 2009; DoD Instruction, Number 1400.25-V2013, P*rogram Evaluation*, 9 July 2010; US DoD, Program Executive Office, *National Security Personnel System, Evaluation Plan,* 30 June 2007; US Office of Personnel Management, Office of Merit Systems Oversight & Effectiveness, *Demonstration Project Evaluation Handbook,* April 1, 1999; US OPM, Office of Personnel Management, *The Human Capital Assessment and Accountability Framework (HCAAF),* September 2005; US Office of Personnel Management, *Alternative Personnel System Objective-Based Assessment Framework,* October and 2008.

[10] In March and April 2010, NAPA used an online dialogue tool that obtained input from program stakeholders and employees. Results for Army employees that participated in the dialogue were obtained from OUSD(I).

To meet the first and second objective, the evaluation task team conducted structured interviews and focus groups that were designed to gather perceptions of the Army and Army DCIPS employees about the first year of DCIPS and identify strengths and developmental areas of the initial Army DCIPS implementation. The results of the interviews and focus groups were analyzed into findings and perceptions using definitions typically used by ECPD. Perceptions are beliefs or feelings about the climate of the organization or the subject under study. Findings can be defined as a factual statement or information that is actually documented and usually linked to statutory and/or regulatory requirements.

The following measures were used in reporting the perceptions obtained during interviews and focus groups:

- "some" means that about 30 percent of those interviewed held the perception reported
- "many" means that less than 50 percent of those interviewed held the perception reported
- "majority" means that between 60-80 percent of those interviewed held the perception reported
- "most" means more than 80 percent of those interviewed held the perception reported.

The quotes used in the report are actual statements made by interviewees and were selected to capture the perceptions of the discussion.

To address the third objective, the team conducted an analysis of workforce data to measure the impact of DCIPS by examining changes in attrition and time-to-fill positions. To address the fourth objective, the information gathered from the interviews, focus groups, and workforce analysis was assessed and built the recommendations contained in this report for continuous improvement of Army DCIPS.

Sample Design

To ensure data validity and the ability to generalize findings across Army Commands (ACOMs), Army Service Component Commands (ASCCs), Direct Reporting Units (DRUs), and the Administrative Assistant of the Secretary of the Army (AASA), the sampling approach was based on the following criteria:

- Multiple Army organizations located in one geographic duty location representing small, medium, and large DCIPS employee populations
- Co-location of HR specialists (i.e., CPAC staff)
- Inclusion of sites outside the National Capital Region, as well as OCONUS

- Significant intelligence organizations
- Personnel assigned to command headquarters and field units.

A Defense Civilian Personnel Data System (DCPDS) data file extract (dated 1 February 2011) including duty location was the source of information used to determine which commands would be included in the sample. See Appendix 1 for list of DCIPS employee populations by command and duty location.

The site visits occurred between July and August 2011 and included three geographic locations, Ft. Belvoir/Pentagon, VA; Ft. Shafter/Schofield Barracks, HI; and Ft. Huachuca, AZ. Video Teleconference (VTC) focus groups were held with OCONUS locations, U.S Army Japan and U.S. Army Alaska. One ad hoc focus group of HQDA, G-2 employees was held at the Pentagon and results incorporated into overall results. In addition, G-1 human resource specialists from selected commands were interviewed, as well as personnel from the Fort Huachuca CPAC that services 98 percent of Army DCIPS employees.

Methodology

The methodology used during the on-site visits included structured interviews and focus groups. The review team conducted 21 structured interviews and 27 focus groups. Specifically, interviews were conducted with 10 senior leaders and six command transition managers (TMs), and five command G-1 staff interviews. Focus groups were conducted with seven groups of rating officials, six groups of reviewing officials, two CPAC staff focus groups, and 12 employee focus groups. Approximately 200 employees were included in these structured interviews and focus groups. Written notes were taken at each session and responses were categorized into common themes. Content analysis was used to assess the results of the 48 separate interviews and focus groups to determine majority views.

To support the analysis of the Workforce Quality dimension in the Army DCIPS Evaluation Framework, the team also analyzed Army employee separation data and time-to-fill position data obtained from the G-1 Civilian Human Resource Agency (CHRA) from DCPDS in February 2011. The time-to-fill position data includes statistics from the initiation date of a Request for Personnel Action (RPA) to Entry on Duty (EOD) by month for calendar and fiscal years 2009 and 2010. The separation data includes frequency distributions for each category of separations (resignations, retirements, and transfers) including calculating the averages for fiscal years 2009 and 2010. The data was also analyzed by occupational series to compare intelligence and non-intelligence occupation separations. In addition, attrition rates were calculated using a standard human resource formula of total number of separations divided by average onboard strength.

The benchmark data for DoD IC agencies was obtained via email on 4 April 2011 from Mr. James Seacord, Office of the Undersecretary for Defense Intelligence. The federal benchmark data for time-to-fill and attrition rates used was cited in the *"Office of Personnel Management, Annual Performance Report and Fiscal Year 2010."*

FINDINGS AND PERCEPTIONS

The evaluation team assessed the first year of the Army DCIPS implementation against four selected dimensions identified in its Army DCIPS Evaluation Framework. The findings reported are based on majority views across all sites along with recommendations to improve the Army DCIPS program.

Leadership Commitment and Accountability

Senior leaders demonstrated commitment through engagement in activities to support the initial Army DCIPS implementation

Across the sites visited, command senior leaders actively supported the DCIPS implementation in its initial stages. Nearly all employees, rating, and reviewing officials agreed that their command leadership demonstrated support during the roll-out of DCIPS in visible ways. For example, information was shared readily by senior leadership via email, VTCs, staff meetings, and shown through their participation in town halls.

Senior leaders agreed that they engaged in public forums but also added DCIPS to the agenda of weekly staff meetings to demonstrate their personal commitment to the implementation. For example, "the Chief of Staff had a top 10 list each week and DCIPS was always on it." Some commanders and senior leaders understood the importance of the initiative and "put the right people in place—high performers" to represent the command and hold them accountable for implementing the system. Another senior leader said he "required periodic updates" on the completion of training requirements and performance timelines from military and civilian supervisors to ensure they were actively engaged in the implementation of DCIPS. In addition, one leader noted that using a supervisory performance objective in DCIPS was a good way to hold supervisors accountable.

Senior leaders agreed with the concept of pay for performance for employees but recognized the cultural transformation was challenging

Nearly all senior leaders believed that bringing pay for performance to Army DCIPS employees was a good idea. Most leaders noted that it was important to recognize our most valued performers. One senior leader also thought that DCIPS was a good way to bring about a change in the workforce sense of "entitlement to an excellent performance rating." However, with significant changes resulting from the FY 2010 NDAA that placed a hold on performance-

based salary increases, the majority of senior leaders believed that DCIPS was no longer a viable reward system.

About half of the employees and supervisors interviewed also thought initially that DCIPS would be a "good thing" and allow supervisors to distinguish those employees that were high-performing. However, these employees also said they were disappointed that "DCIPS was not allowed to work the way it was supposed to" after the passage of the FY 2010 NDAA. Those leaders and those in the workforce who were familiar with the payout from the National Security Personnel System (NSPS) were particularly disappointed with the legislation's potential impact on DCIPS. One HR specialist noted that "the NDAA 2010 had a very negative impact on DCIPS and employee perception. Employees seemed excited about the pay for performance aspect of DCIPS following in summer and early fall 2009, and in October, it was all over."

Across the workforce, acceptance of "3 is the new 5" concept was extremely challenging and the paradigm shift from Total Army Performance Evaluation System (TAPES) to DCIPS was difficult. One employee commented that there is a "perception that we can't have too many people doing a good job—why not?" Another employee commented, "When I went to training, I was informed by the Director of our agency that most everyone would receive "3s" and be rated on a Bell curve…where's the incentive in that?" One senior leader noted that "new is hard…challenging for employees to make this change." Some employees and rating officials expressed concerns that with potential adjustments-in-force expected, they thought a rating of a "3" on their records could be problematic and lead to a job loss.

Senior leaders cited the transparency of PAA Tool reports as a way to monitor accountability for the completion of performance management timelines

Many senior leaders and transition managers noted that the Performance Appraisal Application (PAA) Tool was helpful to them in tracking how well their commands were progressing in required performance management responsibilities. While many noted that the PAA Tool has numerous deficiencies, they did like the ability to track supervisors and employees in meeting the timelines of the performance management cycle using PAA Tool report functions. Employees agreed that the accountability aspect of the PAA Tool was helpful and forced their supervisors to complete their duties.

Increased supervisory and employee interaction viewed as a positive aspect of DCIPS

Senior leaders, employees, and rating officials agreed that DCIPS encouraged more supervisory interaction between employees and supervisors. This increased communication between employees and supervisors was acknowledged as an improvement compared to Army TAPES. One employee liked jointly developing her performance objectives with her supervisor, but thought the TAPES system was easier. Another employee commented that "DCIPS forces supervisors to be supervisors." However, some employees said that they believed that their supervisors needed improved supervisory and communication skills and did not always appear comfortable when engaged in face-to-face conversations with their employees about their performance. In addition, a few employees said that their supervisors did not leave their office and engage in any type of management or supervisory discussions with them.

Initial training resources viewed as a success though quality varied by training staff

Most leaders and the workforce believed that the initial training provided prior to pay band conversion was positive and recognized it as a resource supported by HQDA, ODCS, G-2. However, some focus group participants noted deficiencies with the quality of trainers and that some did not have any understanding or a very limited understanding of how Army works. One HR specialist stated that the training content was the "DoD perspective and not Army's." Others noted that some trainers used NSPS examples and were not able to answer questions at all. Rating and reviewing officials said that inclusion of a mock rating exercise in the initial training would have been helpful in the training. Some others thought the training was rushed out by HQDA, ODCS, G-2 and did not provide enough time to prepare for conversion to pay bands. However, most participants said that the training they received was useful.

Military supervisors' commitment and understanding of DCIPS varied across command and location

Some senior leaders ensured that their military supervisors received DCIPS training and said that the military leadership was committed to DCIPS and did hold them accountable for taking the training. One military commander reminded his military and civilian supervisors that "this was someone's career, so it's important to get it right" and emphasized the importance to them of completing the DCIPS training available to them. However, the perception of many employees was that not all military supervisors were committed to understanding the supervisory functions of DCIPS.

With military reassignments occurring frequently, military supervisors were not always knowledgeable or prepared to act as a DCIPS supervisor. One civilian rating official was told to complete an employee appraisal on behalf of a military supervisor because the military supervisor did not want to do it. However, this civilian rating official did not feel as if he was qualified to complete the appraisal effectively, as he did not directly supervise the employee. A few employees said that there were military supervisors who moved on without completing performance evaluation close-outs and left ratings incomplete. Conversely, one military supervisor said that she used the PAA Tool to review her employees' previous performance evaluations and thought it was helpful in getting to know her employees accomplishments and potential performance issues.

Perception of insufficient dedicated IPMO staff resources for initial DCIPS implementation

Nearly all senior leaders, transition managers, and HR specialists noted that there appeared to be insufficient staff and project planning for the rollout of DCIPS. Many suggested that a team of IPMO resources strictly dedicated to the Army DCIPS implementation might have improved the planning and execution of the implementation. Those that had been involved in or were familiar with NSPS expected that more resources, such as training, staff, and a more informative website, would have been available to help support DCIPS. Some leaders noted that there did not seem to be a project plan that guided the implementation and that there was a lack of timely guidance. In response to the lack of dedicated HQDA, ODCS, G-2 resources, one senior leader felt it necessary to dedicate a full-time person to support DCIPS employees at his command. Another hired two additional employees to support the human resources team at the command.

Lack of timely and approved Army DCIPS policies most challenging for TMs and CPAC staff

One of the most frequently cited challenges across all groups interviewed was the lack of approved Army DCIPS policies to guide the implementation. Most senior leaders, transition managers and CPAC staff agreed that the issuance of final Army DCIPS policies, along with additional staff resources were needed from the IPMO to support the implementation on a full-time basis. Senior leaders expressed strong concerns that the policies needed for the implementation were put in place just prior to conversion and did not provide adequate time for the CPAC or commands to prepare for the conversion.

Many leaders and HR specialists recognized that the lack of approved DoD policies may have resulted in a delay in the issuance of Army Policy-Volumes (AP-Vs). However, many still expressed frustration with the lack of IPMO staff in delivering the AP-Vs in a timely manner. As a result, the late arrival of the AP-Vs did not allow commands to develop local guidance in a timely manner and caused confusion among employees and HR specialists. In particular, with the arrival of the FY 2010 NDAA and the change in pay setting practices, CPAC staff and command G-1 staff answering pay setting questions from hiring managers did not have the information needed or receive timely guidance from IPMO in interpreting policies.

Many found the CSA centralized organizational approach of DCIPS flawed and not appropriate for command delegated authorities of the military Services

Most senior leaders, reviewing officials, and rating officials felt that the centralized organizational approach to managing DCIPS is not a good model for the Army due to its multiple installations, military command structure, and a highly dispersed workforce. One leader stated, “USD(I) is forcing a square peg in a round hole…it won’t work for Army,” while another said that the “Army has too many small organizations” to make DCIPS successful. In addition, some senior leaders said that the Army military command structure with two and three star generals scattered throughout commands was problematic for the structure of DCIPS. Many noted that the centralized command structure of combat support agencies (CSAs) was a more appropriate model for the performance management and bonus functions of DCIPS.

Diversity, Fairness, and Transparency

Lack of consistency and fairness in assigned ratings and performance-based bonuses was seen as major challenge by employees, rating officials, and reviewing officials

The lack of rating consistency was the most frequent challenge identified by the workforce and a variety of concerns were raised. For example, employees in mission-support positions believed that only mission employees received higher ratings, and they would never have an opportunity to receive a “5” rating because of their job duties. One employee commented, “Support personnel do not have jobs that impact national security. We have been told that very few “5” ratings will be given in our agency. People who get them do work that impacts national security or the defense intelligence community, so upper management will always do well.” Others believed that higher ratings were given to those in other commands, mission

occupations, the field, headquarters or in other geographic areas. One reviewing official admitted that he started his rating process at level "4" because he does not have any "average" employees and did not want his employees to suffer under DCIPS.

The majority of employees believed that ratings were being kept artificially low by the "3 is the new 5" concept and that their supervisors were following a forced distribution practice. "We were told by upper management that 80 percent of the workforce would get a rating of a "3." Some also felt that supervisors in other divisions rated their employees higher and "got away with it." One rating official said that employees believed they accepted a rating of a "3" and that it was okay until the distribution and inflation of ratings and bonuses was finally released by the G-2." However, some employees believed the ratings they received were fair.

A common theme heard from about half of rating and reviewing officials was that the DCIPS rating system was all about "gamesmanship." Some felt they had to figure out how to balance the ratings of performance objectives and elements, so that deserving employees would receive a bonus. Many rating and reviewing officials, especially military supervisors, said that differentiating performance levels was difficult with the weighting of objectives and elements and would have preferred a forced distribution. Conversely, many employees said that they believed reviewing officials were using a forced distribution and that no one could ever receive an outstanding rating of a "5." One reviewing official said, "To me DCIPS was meant for factory workers. Trying to put together what a person did in a small amount of words is very hard. In the end it's just a numbering system. It's a very bad system--when it comes to subjective thinking it does not work." One reviewing official noted that he had an employee that was the "Instructor of the Year" and "this person could not receive a rating of a 5; this was very discouraging and raises the question of what really is a 5 rating."

Some employees said that their supervisors were in the same bonus pool and felt that this could be a potential conflict of interest. Other employee perceptions of the bonus process were that those in pay bands 4 and 5 received the majority of bonuses. In addition, employees were aware that a rating in one bonus group might not yield the same bonus results as the same rating in another group.

Use of SMART performance objectives problematic for a majority of employees

The workforce experienced a variety of frustrations with the requirement to write SMART performance objectives in the performance plan. Many thought the system was overly complicated with the inclusion of SMART performance objectives and the performance elements. Others found it difficult to link employee objectives to organizational objectives,

when some organizations did not have them already identified. Some employees had to wait on their supervisors and leadership to complete their objectives. Many were not clear on how to cascade their mission objectives to their position. One employee said that "in the Army war environment, you can't have top level objectives cascade because of uncertainty. DCIPS assumes a level of stability that doesn't exist and doesn't work well with a changing mission." Another frequent comment for those in intelligence positions was that their missions change often, and there was no way to capture these changes in the system--particularly less than 90 days out from the end of the performance cycle.

The majority of employees expressed frustration with the DCIPS performance management processes because they believed that it is a "writing exercise" and "if you are not a good writer, you can't do well in DCIPS." For example, employees expressed difficulties with finding ways to make their objectives quantitative, particularly for those in intelligence positions, who asked for "good examples" that fit their work. This concern was attributed to the writing of SMART performance objectives and the writing to six separate performance elements, as well on the employee self-assessment. One employee said that it seemed if you used "secret words" you could get a 4 or 5 rating even if your performance did not warrant a higher rating.

Most employees did not understand how to differentiate their accomplishments when writing to performance objectives and performance elements and felt that the performance management system was redundant. Many employees said that they would prefer one summary statement for all six performance elements rather than six individual sections. Others wondered if it were possible to select the performance elements most pertinent to their assignments. Many felt that the amount of time and effort put into writing self-assessments was not worth the level of reward.

Senior leaders and the workforce said that improved SMART objective training was very much needed to do well in the DCIPS performance management system. A major area of concern noted by the workforce was that the performance objective examples used by the trainers did not apply to mission occupations and were more suited for those positions that could count "widgets." Many found that quantifying their work was frustrating as intelligence analysts must respond to the ever-changing intelligence mission. Nearly all participants in the focus group sessions said that they would like more examples of SMART performance objectives, especially for intelligence positions.

Senior leaders found the Performance Management Performance Review Authority (PM PRA) process to work well, but many employees did not understand the function of the PM PRA or how to use the rating reconsideration process

For those senior leaders involved in the PM PRA review process, the majority found it to work well and appeared to follow the policy and procedures provided by the IPMO. A few senior leaders made use of big-screen televisions in their offices to view command ratings by rating officials and reviewing officials, as well as geographic locations, pay bands, and occupational series. One commander requested that the Inspector General sit on the PM PRA board as an observer to ensure that the review processes were transparent and executed according to guidelines. The PM PRA senior leaders requested more information from rating and reviewing officials when ratings appeared to be too high. In many cases, adjustments were made to ratings if they were not well-supported. It was also noticed if some branches and divisions had higher ratings when compared to others. One PM PRA sent a standard email (assisted by the transition manager) to those rating or reviewing officials that had ratings significantly above expectations. In the email, those rating officials with ratings lower or higher than expected were asked that they review the performance standards thoroughly to ensure that ratings given met appropriate guidelines and that the narratives matched the assigned ratings.

The majority of employees did not know the function of the PM PRA or its role in ensuring rating consistency; though a few vaguely remembered hearing about it in the initial DCIPS training class. Many believed that the role of the PM PRA was solely to lower ratings and that they had the authority to make direct changes to employee ratings. One reviewing official stated that he was told to “change all his ratings... my job was to defend all my ratings.” Other employees expressed concern that they did not know the membership of the PM PRA and that their ratings were being changed by “people who didn’t know them.” One employee said that “I don’t think that the PM PRA function works well – It seemed all evaluations were rated below 4.1 with no outstanding ratings given.”

Participants were asked if they were aware of the rating reconsideration process, and many were not familiar with the policy or the process or how to find the information on the DCIPS website. One said a number of employees in her office would have requested reconsiderations but did not find out how to do so until after the deadline.

Many leaders and the workforce felt restricted by the 50 percent bonus limit

The majority of the workforce did not see the benefit of the complicated and time-consuming DCIPS performance management and bonus process for the level of reward received. The majority of those interviewed did not like or understand the limit on bonuses for only 50 percent of the workforce. One CPAC staff member expressed concerns that the bonus limit could violate the Merit System Principle[11] of equal pay for equal work. Senior leaders saw the bonus process as extended and not as effective as the previous process under TAPES. Most said that they would much prefer to manage the distribution of performance bonuses the way they did previously under TAPES and have more control of the bonus budget. One noted, "If you can't figure out how to award bonuses to your best performers, then you shouldn't be a senior leader."

Some senior leaders expressed concern that not all DoD organizations followed the guidelines of not to exceed more than 50 percent to receive a bonus. One senior leader said that his "command was .5 over the 50 percent limit and to ensure compliance with HQDA, G-2 instructions, he went to the next natural break in ratings in the Compensation Workbench (CWB) so he did not exceed the limit. This resulted in only thirty-eight percent of those eligible employees receiving a bonus." Later, when he saw the distributions of bonuses by other DoD IC organizations and found that both OUSD(I) and the National Reconnaissance Office did not follow the guidelines, he was very upset and felt that he had "denied excellent performers of a deserved reward." Employees in the workforce across the sites visited also noted that OUSD(I) did not follow its own guidelines.

Rating and reviewing officials also expressed frustration that they could not reward high-performing employees based on the DCIPS structure. One reviewing official stated "30% of my unit is down range yet they get nothing. They get nothing for being in a combat zone; just a pat on the back." Another military reviewing official said, "DCIPS takes my ability away as a commander to reward employees who bust their butts to do a great job. I went by the rules. Next year I will inflate my rating so I can reward my employees." These supervisors found it very hard to reward high-performing employees with the balance of performance objectives and performance elements. Some rating and reviewing officials expressed the challenge in differentiating between ratings of 3.5 and 3.6; one would be considered "successful" and the other "excellent."

[11] Civil Service Reform Act of 1978, 5 U.S.C. § 2301 (b).

Widespread frustration with the PAA Tool regarding the need to address both performance objectives and performance elements, as well as the Tool's problematic functionality

One of the most frequent challenges cited by senior leaders and across all levels of the workforce was the use of the PAA Tool. Many cited that the use of the PAA Tool is frustrating, complex, not user-friendly, and the routing process associated with each performance appraisal was problematic. One reviewing official commented, "The PAA Tool is universally hated." In addition, some employees said that their evaluations were caught in "cyber-space," and it took a great deal of assistance to resolve the problem. Other issues noted were the character limitations within the PAA Tool as well. One rating official said "how can we effectively describe someone's performance with these limits in place?" Many participants noted that the PAA Tool was not accessible "on the road or at home unless you are connected through a dot.mil account." Other employees noted that the PAA Tool is not well-designed to support frequent rotations of military supervisors.

Employees also said that they thought it would have been helpful to receive training on the PAA Tool, as well as a process flow from "start to finish" of how evaluations are supposed to move through the system. Some employees said that they had to show their supervisors how the system worked to make sure that their appraisals were processed according to deadlines. There is no dedicated help desk available for the PAA Tool, and this is problematic during periods of heavy usage.

Stakeholder Involvement, Outreach, and Communication

Senior leaders and the workforce found the EYE newsletter, toolkits, town halls, and command guidance helpful but thought the organization of the Army DCIPS website could use improvement

When asked about the communication tools that were most useful, senior leaders and the workforce said that the "EYE Newsletter" and the toolkits found on the website were helpful in understanding DCIPS. Employees also said that local town halls were helpful, especially when senior leaders were actively involved. Some senior leaders conducted an "Open House" question and answer session to allow employees to get their questions answered. One senior leader said that it would be helpful to have a HQDA, G-2 sponsored town hall using a VTC from top leadership, such as the DCS, G-2 or ADCS, G-2, to provide a more personalized message, especially when disappointing information was forthcoming.

Most of them also said that communications from TMs were also useful. However, those from smaller and more dispersed commands did not receive as much material from their TMs. Human resource specialists found the Within Grade Increase tool very helpful. While senior leaders and TMs did not believe the OUSD(I) Readiness Tool used for pay band conversion was helpful, unless it was truly used as a way to track command accountability.

Many focus group participants did find information on the website useful, but said it was challenging to know which document was the one needed to answer their questions. Many said that there was a great deal of information on the website and it was not always easy to find what was needed. One reviewing official suggested that it would be helpful to have a "BLUF" section on each item to help discern the purpose of each document. Some employees had sent in questions to the IPMO through the DCIPS website and said that they never received a response. Some said that they received a notice that the messages were undeliverable and that the RSS feeds on the site were not working properly. The majority thought that a search function on the website would be a significant improvement.

Most focus group participants were not aware of the recently updated website that took place in late July 2011, as two site visits took place prior to its recent refresh, but those that had seen the new site found it an improvement. CPAC staff said that it would be helpful if information on the website was date stamped so they could always identify the latest guidance.

Lack of timely guidance and information from the IPMO to Army DCIPS community identified as a top challenge

The majority of senior leaders, all levels of the workforce, transition managers, and CPAC staff identified the lack of timely guidance and information from the IPMO as a critical challenge. Many found the information from the IPMO to be helpful but needed it in a much more timely fashion. For example, senior leaders and transition managers said that there was a delay in receiving guidance for conducting performance-based bonus processes for fall 2010, and this caused their commands to have to develop local guidance very quickly. Another example mentioned by senior leaders and TMs was the desire to share FY 2010 ratings and bonus distribution results earlier in the year with employees.

Many senior leaders and transition managers also cited the delay in receiving policies as a major issue prior to pay band conversion, as they did not have enough time to review and develop local guidance. Some transition managers said that they would like responses from the IPMO after the adjudication of comments during the formal policy review process. One TM

noted that the IPMO expected commands to adhere to "short turnarounds but did not respond to command requests for information." For CPAC staff in particular, they found the lack of timely information and responses to policy questions from the IPMO to be lacking, particularly immediately following the FY 2010 NDAA pay setting decision. In particular, CPAC staff mentioned that they would like to comment on the policies before they were sent out for general review, as they believed errors were found in the initial set of policies.

Perception of inadequate collaboration among the staffs of the HQDA, G-1 and command G-1, and HQDA, G-2 for Army DCIPS implementation

Senior leaders were disappointed in the lack of collaboration across the G-1 and G-2 staffs and did not understand why G-1 was not able to assist further in the execution of DCIPS. One leader believed that "CHRA and G-1 should have been brought in day one for implementation." One reviewing official stated that he could not get questions answered by the command G-1 staff and was told that "it was a G-2 program, so call the G-2." One employee said that "it does not seem as though the G-1 is aware of how DCIPS works and therefore cannot help."

Nearly all CPAC staff and HR specialists agreed that there was a lack of G-1 support for the DCIPS Program and felt that more resources, such as training and policy guidance, should have been made available to ensure effective HR support through the CPACs. One CPAC staff said that they felt like "outsiders" in DCIPS and had to learn the system by the "seat of their pants." CPAC staff said that only one person from each organization was allowed to attend DCIPS training sessions. When they did attend the training session, they were told that they could not participate in the session but only observe. One CPAC staff found this frustrating, as she knew that misinformation was being given by the trainers. She did try to correct this after the session but some attendees likely left the session confused.

Lack of sustainment and refresher training for DCIPS employees and supervisors, including military, seen as major challenge

One of the most frequent challenges cited by leaders, employees, rating and reviewing officials, and HR specialists was the lack of sustainment training for DCIPS. When new employees come on-board, they are told to take the online training courses available on the Army DCIPS website. However, many focus group participants noted that the training was not specific to the Army and was not completely accurate given changes caused by the FY 2010 NDAA. Some employees said that they actually trained their supervisors in DCIPS because there was not adequate training available. In addition, military focus group participants said that they were not always aware of where to find the training. Employees did cite one command that conducts in-person training sessions each quarter to address the lack of

classroom sustainment training. Nearly all focus group participants agreed that sustainment and refresher training should be offered as tools to support DCIPS employees and supervisors, both military and civilian.

All levels of the workforce would like information on upcoming transition to the DCIPS graded structure

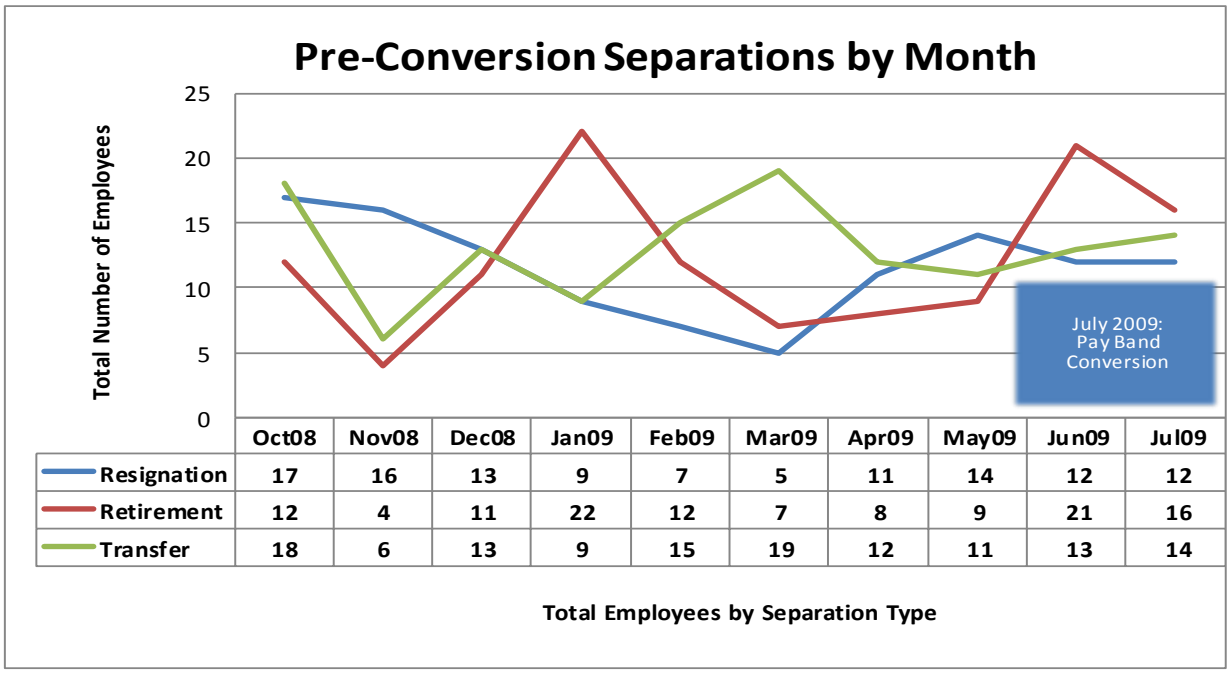
Nearly all of those interviewed expressed a desire for information on the upcoming transition to the DCIPS graded structure. Some senior leaders believed that DCIPS was "going away in March" and were surprised to learn that the DCIPS policy framework and performance management functions would still be in place. Many employees also said they did not have any information and thought DCIPS was ending, while others did not know why the Army was taking longer to transition out of pay bands compared to other DCIPS components. For those employees that were aware of transition, they expressed a need for more information on how it would impact their pay, buy-in dates, and performance management responsibilities, if any.

Workforce Quality

Increase in retirements prior to Army's conversion to pay bands in July 2009

To determine if DCIPS has had an effect on retention in the Army, an analysis of attrition data was performed before and after conversion to pay bands. In Figure 1 below, the number of separations prior to the Army's pay band conversion in July 2009 show that there were two spikes in retirements, one in January 2009, often a month that federal employees choose to retire, and in June 2009, one month prior to the conversion to pay bands. However, it is not conclusive that DCIPS caused these retirements. To determine how significant a factor conversion to DCIPS pay bands was in these retirement decisions, former employees would need to be interviewed.

Figure 1

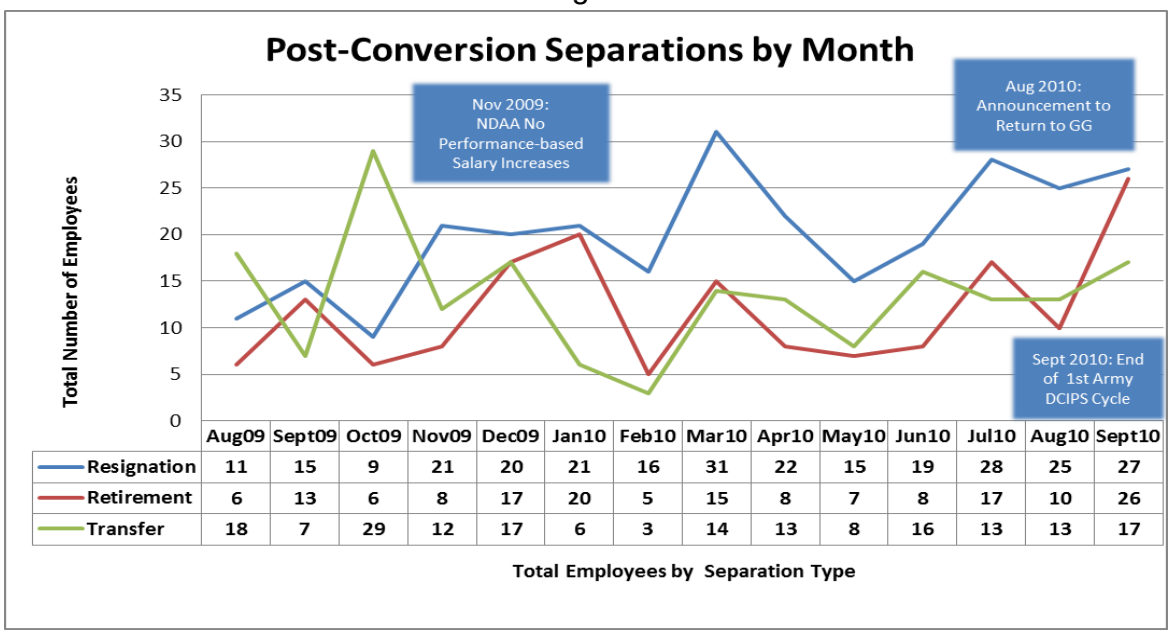


	Oct08	Nov08	Dec08	Jan09	Feb09	Mar09	Apr09	May09	Jun09	Jul09
Resignation	17	16	13	9	7	5	11	14	12	12
Retirement	12	4	11	22	12	7	8	9	21	16
Transfer	18	6	13	9	15	19	12	11	13	14

Note: Five Special Option retirements are included over the time period depicted on chart.

In Figure 2 below, there are fluctuations in separations, but it is not necessarily clear that DCIPS is the cause. Further investigation would be necessary, such as conducting exit interviews with employees, to determine specific reasons for separation.

Figure 2



	Aug09	Sept09	Oct09	Nov09	Dec09	Jan10	Feb10	Mar10	Apr10	May10	Jun10	Jul10	Aug10	Sept10
Resignation	11	15	9	21	20	21	16	31	22	15	19	28	25	27
Retirement	6	13	6	8	17	20	5	15	8	7	8	17	10	26
Transfer	18	7	29	12	17	6	3	14	13	8	16	13	13	17

Note: Nine Special Option retirements are included over the time period depicted on chart.

Effects of the FY 2010 NDAA may have led to hiring challenges affecting the time-to-fill positions

About half of those interviewed said that they believed that DCIPS had affected hiring for Army DCIPS employees, while others did not think there was any effect. Some senior leaders said that it was difficult to hire the specialized skills needed for intelligence work, particularly for engineers, information technology specialists, and instructional designers. One senior leader expressed concerned that recent changes to the Veterans' Preference hiring rule[12] might limit the number of qualified candidates, but recognized this was not attributable to DCIPS.

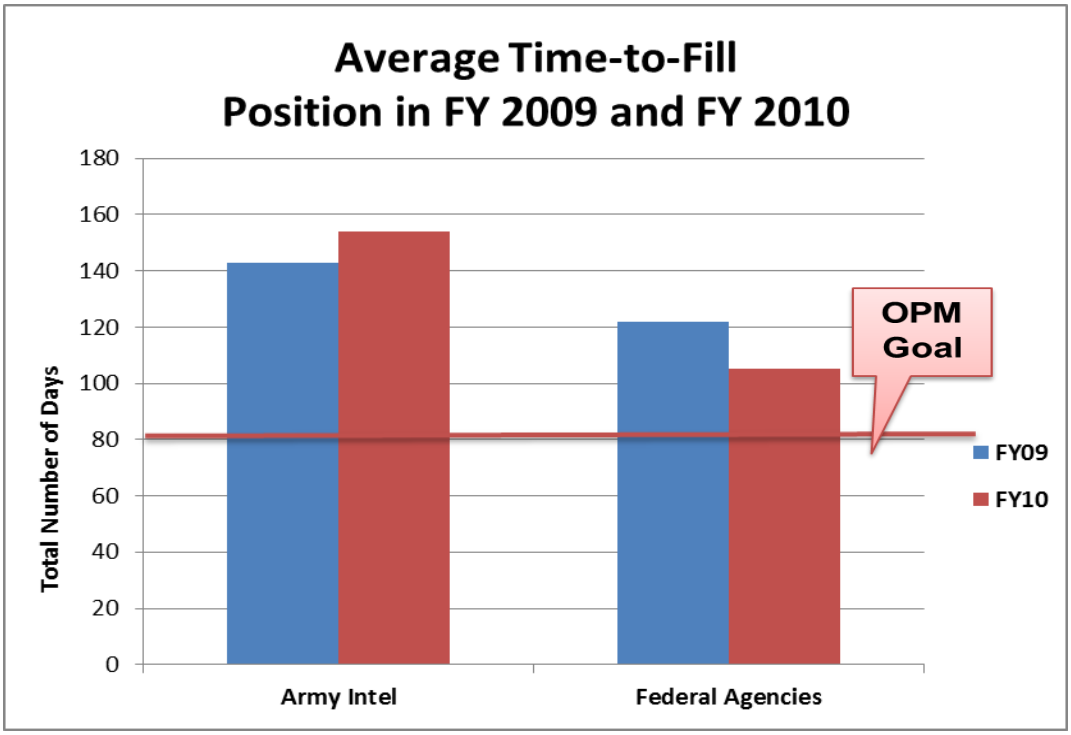
Senior leaders and CPAC staff said that explaining salaries under pay bands, coupled with the GG-13 split between two pay bands, was sometimes confusing to both applicants and hiring managers. Some applicants believed that showing the full range of pay band salaries was misleading, as they assumed they could be hired at the higher end of the pay band. However, salaries were most likely to be set at the beginning or middle of the pay band range. In addition, one senior leader said that this pay setting practice caused a number of declinations because expectations were that salaries would be higher. CPAC staff said that because there were job declinations and misunderstandings using the whole pay band salary range listed on the vacancy announcement, they made a decision to change the salary range on vacancy announcements to grade equivalents and not show the entire pay band range.

CPAC staff found pay setting to be challenging between the time period when the FY 2010 NDAA occurred on 28 October 2009, until USD(I) issued pay setting guidance in early December 2009. A few CPAC staff members said that they thought a few employees that were new to DCIPS, but not to the federal government, may have been disadvantaged during this time period. According to the CPAC staff, while the intent of pay bands was to provide flexibility in hiring, it did not work for these employees during this time period because they could not receive a higher salary. One employee noted that this had happened to him and was very upset. This was misleading to these employees as they did not understand the previous representative rate could not be applied to them. CPAC staff said that for the transition to DCIPS grades that they would like to have very clear pay setting guidance through Army policy and the IPMO.

[12] Memorandum, Under Secretary of Defense Intelligence, 29 Apr 11, Interim Policy Change – 30 Percent Disabled Veterans' Preference Passover. The application of Veterans' Preference in external recruitment was revised to require new procedures for the passover of a Veteran with a compensable service connected disability of 30 percent or more.

As shown in Figure 3 below, the time-to-fill a position[13] for the Army G-2 in FY 2009 was 143 days and in FY 2010, 154 days. The Office of Personnel Management hiring goal is 80 days and the overall federal agency average for this same time period was 122 days in FY 2009 and 105 for FY 2010.[14] CPAC staff said that some factors can cause a delay as to when an Army DCIPS employee comes onboard, such as the wait for an employee physical, drug-testing, or completion of the security clearance process. However, for FY 2010, it is possible that the increase in the days to fill a position, an increase of 11 days or about 7.6 percent, could be attributed to the increased challenges in pay setting caused by the FY 2010 NDAA, as noted previously.

Figure 3



Note: Factors that may impact time-to-fill position are waiting for physical exams, finding available drug testing facilities, and processing of security clearances.

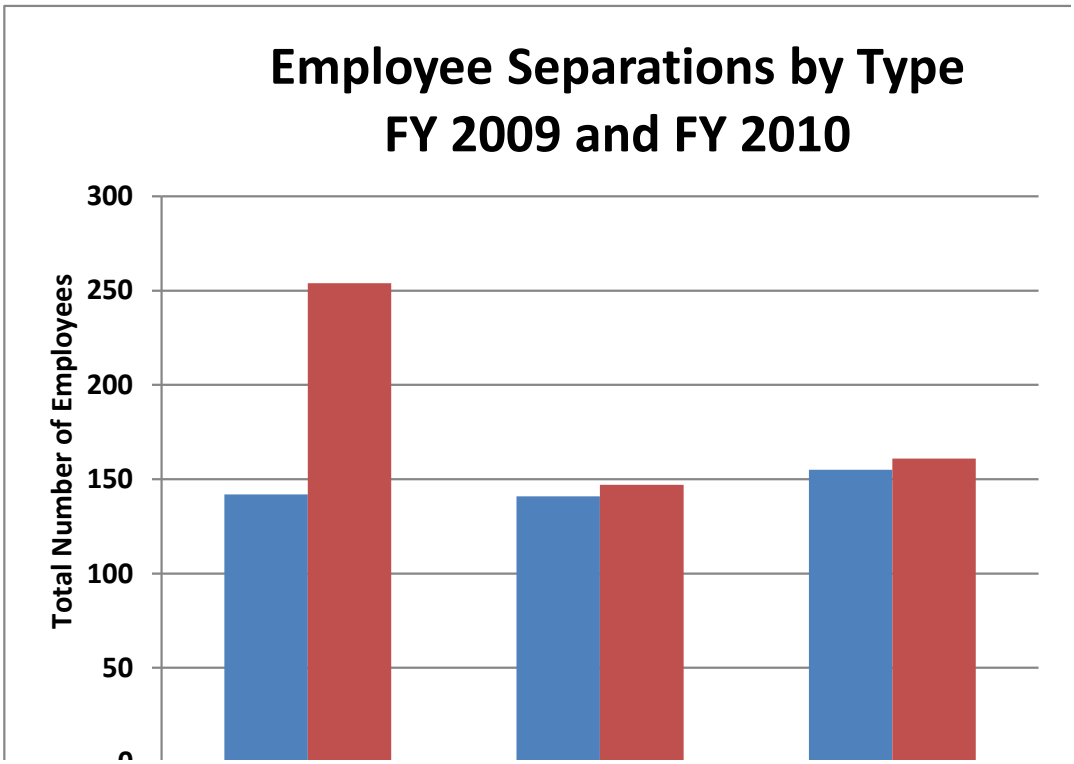
Retention of employees not perceived as major problem in current federal budgetary environment, but concerns exist that those leaving are transferring to CSAs

Employee separations by resignation, retirement, and transfer for FY 2009 and FY 2010 are shown below in Figure 4. While resignations including term appointments, retirements, and transfers are about equally distributed for FY 2009, there are nearly twice as many resignations

[13] Time to fill position is the average number of days to fill a position from the initiation of a Request for Personnel Action (RPA) from the hiring manager to Entry on Duty of the employee.

in FY 2010. Term appointments totaled 45 in FY 2009 and 58 in FY 2010 and could include employees hired through the Army *Stable Shadow*[15] program that would have terminated their employment in the Army after a six to 12 month deployment. Additionally, there are employees in the *Human Terrain*[16] program that also may have left the Army. Specific numbers from these two programs are not identified in the separation data but could be a factor in the increase in overall resignations.

Figure 4



Note: Chart includes term appointments of 45 in FY 2009 and 58 in FY 2010.

The perception of those interviewed was that retention of Army DCIPS employees in the current federal budgetary environment is not a problem. However, some leaders and employees said that they believed employees had left the Army for other DoD intelligence positions. For example, senior leaders and others said that for those co-located with CSAs, such as the Defense Intelligence Agency (DIA) and National Security Agency (NSA), there was a perception that CSA pay setting and bonus practices were more beneficial to their employees

[14] Office of Personnel Management, *Annual Performance Report for Fiscal Year 2010*," (Washington, D.C.).

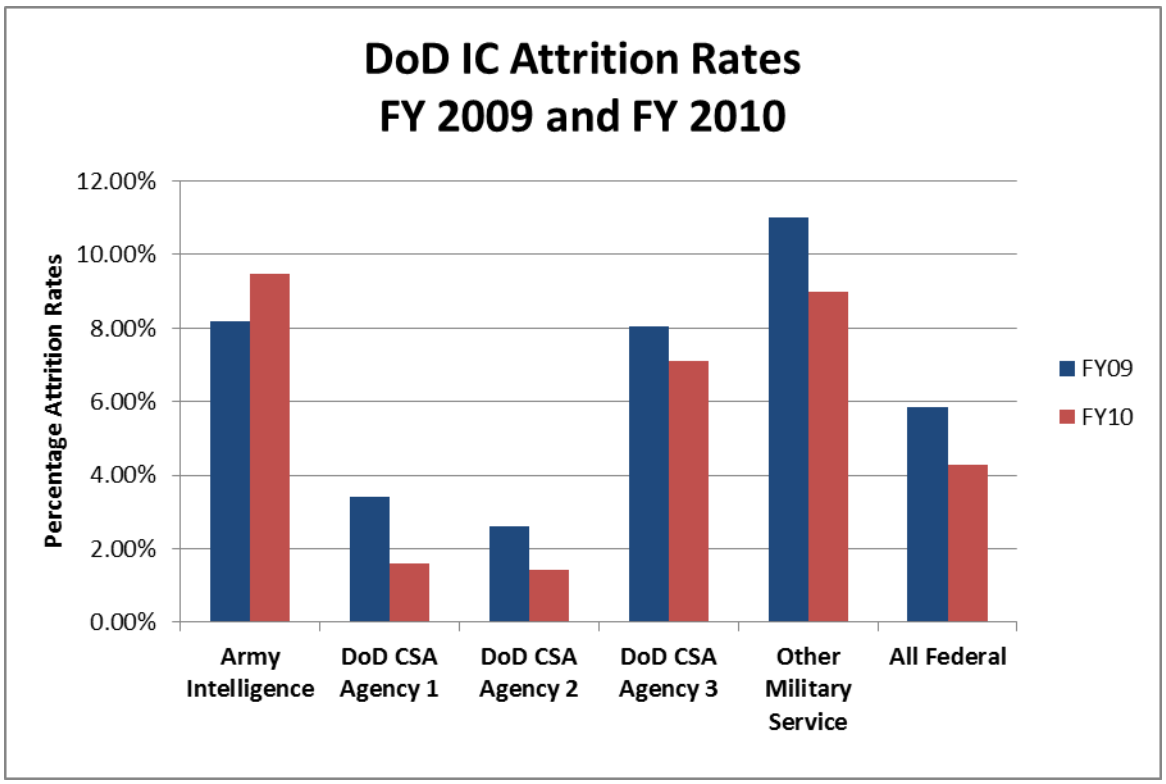
[15] The purpose of the "Stable Shadow" program is to identify qualified civilians, contractors and former military personnel to hire and deploy as temporary Army civilians, in lieu of military personnel, to resource critical military intelligence shortages in specific geographic combatant commands.

[16] The Human Terrain System Project is an Army-led, Office of the Secretary Defense supported initiative to provide sociocultural teams to commanders and staffs at the Army Brigade Combat Team and US Marine Corps Regimental Combat Team, Army Division / Marine Expeditionary Force, & Corps / Theater levels, to improve the understanding of the local population and apply this understanding to the Military Decision-Making Process.

compared to the Army. Employees did know of former colleagues that had left the Army but could not necessarily attribute it to DCIPS.

As shown in Figure 5 below, the attrition rate for all Army DCIPS employees was 8.18 percent in FY 2009 and 9.46 percent in FY 2010. The Army DCIPS attrition rate is much higher compared to the federal average of 5.5 percent in FY 2009 and 4.3 percent in FY 2010, and slightly higher as compared with other DoD IC agencies, especially CSAs. As mentioned previously, resignations from the *Stable Shadow* program may have also affected the Army's attrition rate.

Figure 5



Senior leaders and employees interviewed believe that some Army DCIPS employees were leaving for CSAs, such as the NSA or DIA, due to more beneficial pay setting and bonus practices. For those Army DCIPS employees transferring to other federal agencies as shown in Figure 6 below, the majority of Army DCIPS employees are leaving for other DoD agencies, 45 percent in FY 2009 and 58 percent in FY 2010.

Figure 6 below shows the number of Army DCIPS employees in intelligence positions that transferred to other DoD agencies. However, it is not clear the specific DoD organization to

which these employees are transferring due to limitations in breaking out DoD transfer agency in DCPDS, so it is possible that CSAs are their destination.

Figure 6

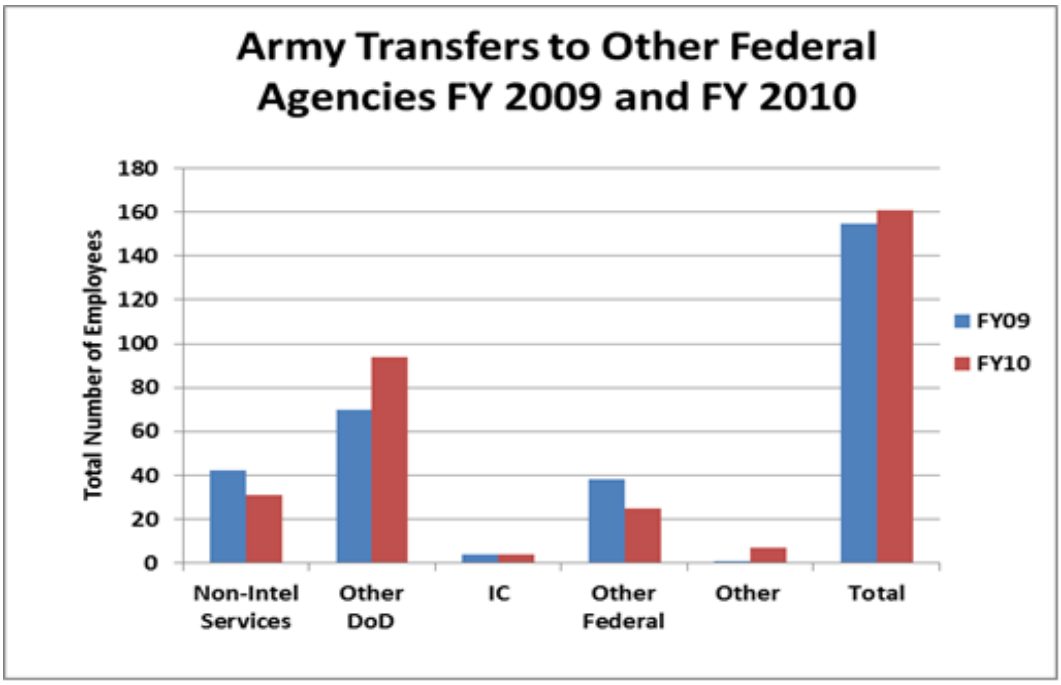


Figure 7

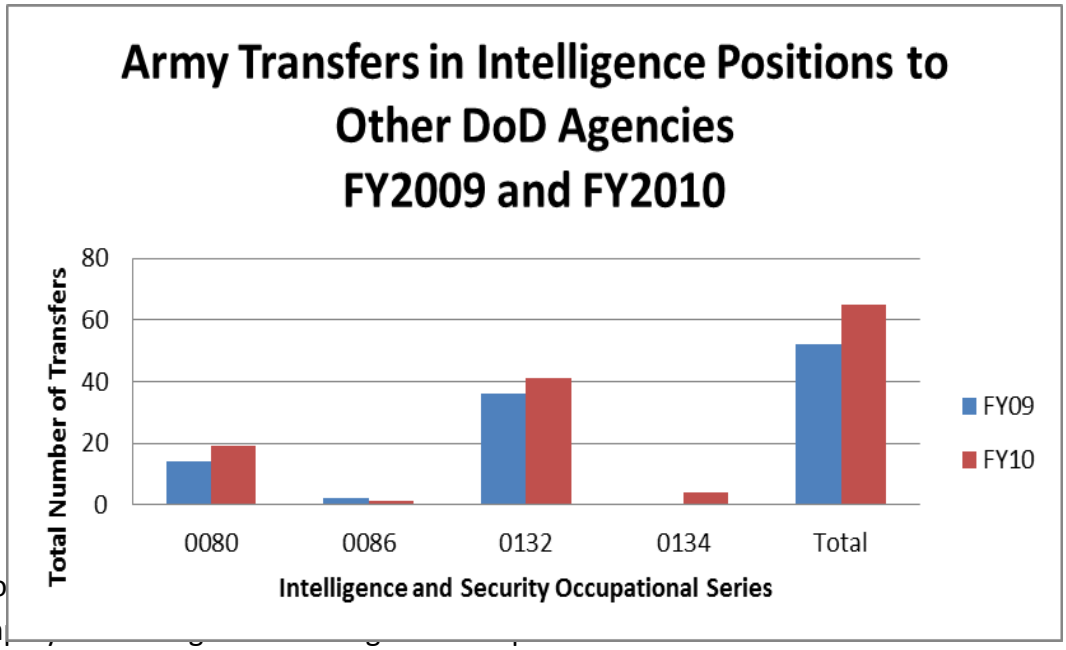


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Figure 8

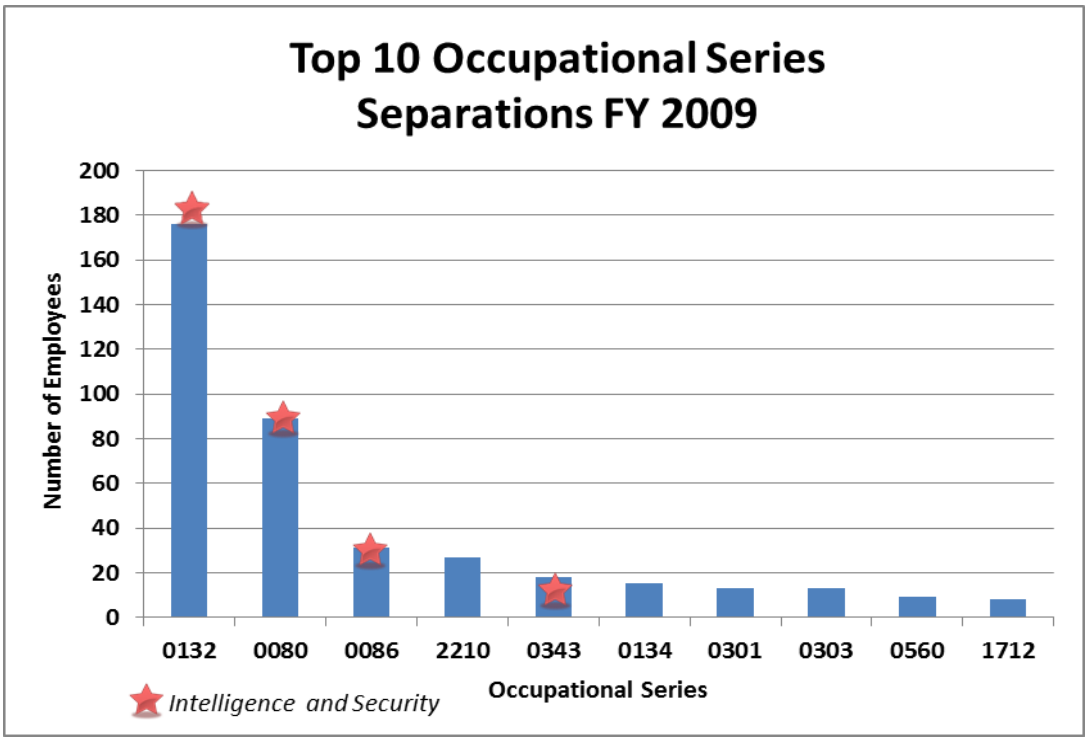
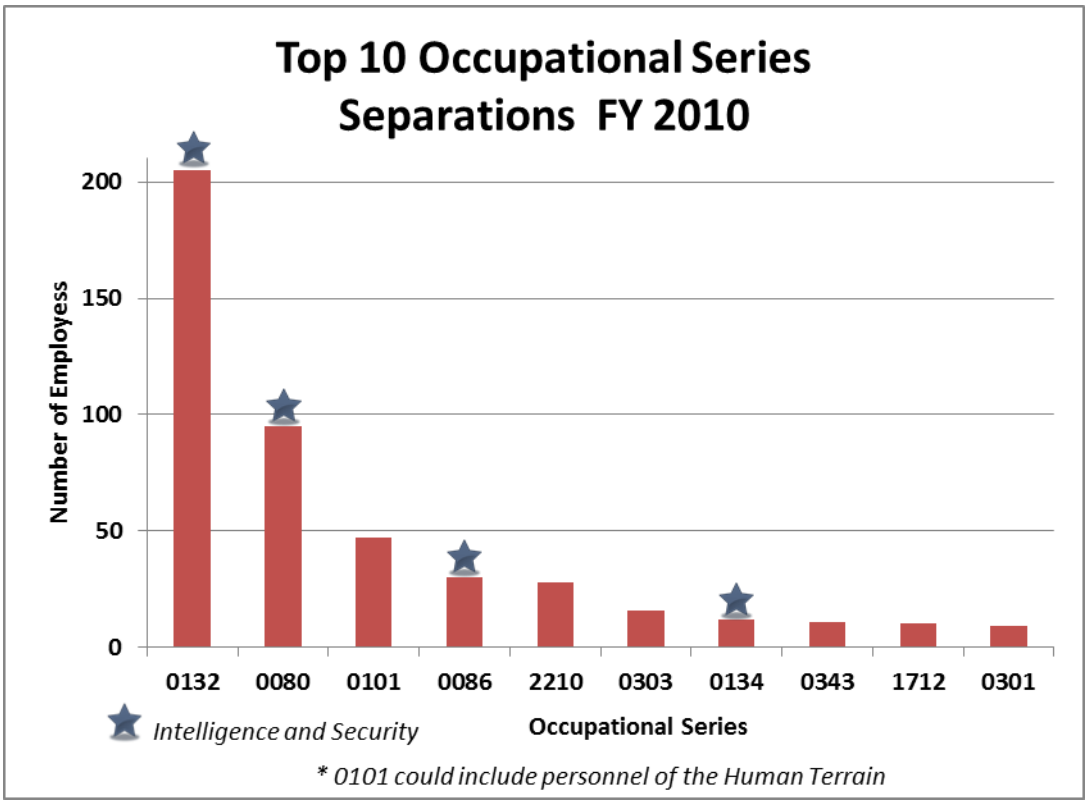


Figure 9



Expiration of DCIPS Personnel Interchange Agreement perceived as "trapping employees"

Many focus group participants in the workforce cited the expiration of the DCIPS Personnel Interchange Agreement [17] as highly disturbing to them, as they felt that they were "stuck in DCIPS" if they had not obtained previous competitive status. This was particularly upsetting to those who felt that if adjustments in force occur due to budget reductions, they would have problems finding new federal employment. Some expressed frustration with not understanding why USD(I) allowed the Personnel Interchange Agreement to expire. One senior leader said that he thought "it would be challenging to attract new employees to DCIPS if they are current non-intelligence Federal employees."

[17] The Defense Civilian Intelligence Personnel System (DCIPS) Personnel Interchange Agreement expired on September 30, 2010. This agreement, executed between the Department of Defense and the Office of Personnel Management (OPM), provided for the movement of DCIPS personnel between the competitive service and DCIPS components specifically covered by the agreement, i.e., the Intelligence components of the Military Services and the Defense Security Service.

SUMMARY CONCLUSIONS

The assessment of the first year of the Army DCIPS implementation shows strengths and many challenges. The strengths identified were that senior leadership clearly demonstrated support for the initial implementation through visible participation in town halls, ensuring employees received training, and making DCIPS a priority for command transition managers and others involved in the implementation. It is also notable that senior leaders and about half the employees interviewed did support the concept of pay for performance for the Army DCIPS workforce. However, many also stated that it was a disappointment that DCIPS was not a viable reward system in its current form due to the passage of the FY 2010 NDAA. Senior leadership also valued the PAA Tool report function as a way to track accountability through monitoring progress in meeting performance management timelines. Most participants identified the quality of DCIPS communication as strong from HQDA, G-2, but found that the IPMO lagged behind in providing timely policy and guidance to the workforce. Many thought the information provided through the EYE Newsletter, HQDA, G-2 website, and commands were helpful, though the website organization needed improvement.

Most perceived challenges with performance management processes and thought they were complicated and time-consuming and combined with the use of the PAA Tool, are a major source of dissatisfaction and frustration across the workforce. The PAA Tool itself was almost immediately mentioned by every group interviewed because of the limits of its functionality and cumbersome performance appraisal structure of performance objectives and performance elements. The limits of the performance-based bonus program are also seen as not worth the time invested for the amount of the reward received. Increased training and communication may help the Army DCIPS workforce adjust to DCIPS and the subsequent changes it has generated in performance management processes. Finally, the Army did experience some attrition, but it is not clear if DCIPS is a contributing factor. As the Army moves forward into the DCIPS graded structure, this evaluation report may provide some direction for future investigation and recommendations for improvement in the ongoing management of DCIPS.

FINDINGS, RECOMMENDATIONS, AND ACTIONS

Table 1 below summarizes findings, corresponding recommendations developed to address each actionable finding, and actions that have been taken or are in the process of completion to address the concerns identified through this program evaluation.

TABLE 1

Leadership Commitment and Accountability		
Finding	**Recommendation**	**Actions**
• Senior leaders demonstrated commitment through engagement in activities to support the initial Army DCIPS implementation	None	
• Senior leaders agreed with the concept of pay for performance but recognized the cultural transformation was challenging	None	
• Senior leaders cited the transparency of Performance Appraisal Application (PAA) Tool reports as a way to monitor accountability for the completion of performance management timelines	None	
• Increased supervisory and employee interaction viewed as a positive aspect of DCIPS	• Advertise supervisory-enabling training to supervisors to improve general and performance management related supervision and communication skills	• Initial pay band conversion training included supervisory skills related to DCIPS performance management • OUSD(I) will begin delivery of web-based training on supervisory-enabling skills related to DCIPS performance management in Fall 2011 • Advertise Mandatory Supervisory Development Courses offered by G-3/5/7

• Initial training resources viewed as a success but quality varied by training staff	None	
• Military supervisors' commitment and understanding of DCIPS varied across command and location	• Ensure military supervisors receive DCIPS training and know where to go for assistance when managing DCIPS personnel	• *Introduction to DCIPS for Military Supervisors* web-based training course sponsored by OUSD(I) expected in January 2012 • Army DCIPS website to be updated with a New Hire/Military Supervisor section
• Perception of insufficient dedicated IPMO staff resources for initial DCIPS implementation	None	
• The lack of timely and approved policies most challenging for TMs and CPAC staff	• Keep HR community informed if guidance and policies cannot be issued in a timely manner; when there is a delay, let them know when they will receive information	• Continue to issue policy status updates in the EYE Newsletter and TM teleconferences
• Many found the CSA centralized organizational approach of DCIPS flawed and not appropriate for command delegated authorities of the military Services	None	

Diversity, Fairness, and Transparency

Finding	Recommendation	Actions
• Lack of consistency and fairness in assigned ratings and performance-based bonuses was seen as major challenge by employees, rating officials, and reviewing officials	• Provide rating consistency training for supervisors	• Initial DCIPS conversion training included discussions of rating consistency • Rater Consistency Workbook to be issued in September 2011 by USD(I)
• Use of SMART performance objectives problematic for majority of employees	• Provide SMART objective writing workshops and job aids to the workforce	• SMART objective training offered to commands as separate course • Issue SMARTer Objective Job

		Aid to the field and publish on HQDA, G-2 website in October 2011
• Senior leaders found the Performance Management Performance Review Authority (PM PRA) process to work well, but many employees did not know the function of the PM PRA or how to use the rating reconsideration process	• Improve workforce understanding of the function of the PM PRA by issuing fact sheets on the role of the PM PRA and rating reconsideration process	• Re-issuance of PM PRA guidance distributed to TMs
• Many leaders and the workforce felt restricted by the 50 percent bonus limit	• Provide clear guidance on administration of bonus process and ensure leaders are aware of other ways to reward employees	• Issuance of implementing guidance for bonus process in FY2010 and FY2011 • Provided online training to bonus group managers in Fall 2010 • Data administrators provided with classroom training and additional materials in Summer 2010
• Widespread frustration with the PAA Tool regarding the need to address both performance objectives and performance elements, as well as the Tool's problematic functionality	• Issue PAA Tool guides and process flows to ensure supervisor and workforce understanding	• Publicize PAA Tool process flow and training manuals placed on HQDA, G-2 website • Post and publicize USD(I) PAA Tool guidance once available

Stakeholder Involvement, Outreach and Communication

Finding	Recommendation	Actions
• Senior leaders and the workforce found the EYE newsletter, toolkits, town halls, and command information helpful , but thought the Army DCIPS website could use improvement	• Continue to monitor and refine website, such as adding search capability or document index, for clarity and ease of use	• Army DCIPS website refresh project began in late July 2011 and will continue
• Lack of timely guidance and information from the IPMO to Army DCIPS community identified as top challenge	• Improve frequency of communication to senior leaders and the field; if there is a delay, let them	• Plans to conduct Senior Leader VTC with ADCS, G-2 to update readiness to

	know when they will receive information • Institute communication flash emails or "G-2 sends" to keep senior leaders and workforce informed	transition • Assessment of communication methods underway to identify best ways to update Army DCIPS community • HQDA, G-2 to encourage DCIPS community to use "Contact Us" email address to close information gaps
• Perception of inadequate collaboration among the staffs of the HQDA, G-1 and command G-1, and HQDA, G-2 for Army DCIPS implementation	• Engage with HQDA, G-1 staff including CHRA, CPAC and command G-1s through teleconferences and face-to-face meetings more frequently to solicit feedback and exchange ideas on HR challenges	• HQDA, G-2 conducted multiple teleconferences with G-1/CHRA/CPAC staff to discuss challenges and solutions of DCIPS implementation
• Lack of sustainment and refresher training for DCIPS employees and supervisors, including military, seen as major challenge	• Provide Army-specific sustainment training for new employees and military supervisors through CHRA as part of onboarding processes	• Sustainment training being prepared by USD(I) for rollout beginning in September 2011
• All levels of the workforce would like information on the upcoming transition to the DCIPS graded structure	• Update the workforce with information and guidance related to transition as soon as it is available • Provide HQDA, G-1 staffs including CHRA, CPAC and command G-1s with information for transition to grades to ensure consistency in pay setting and other applications of policy	• Transition Toolkit to be released in phases • IPMO issued guidance to G-1/CHRA/CPAC as soon as available as a result of FY2010 NDAA • Continue to issue pay setting and other HR guidance to all stakeholders
Workforce Quality		
Finding	**Recommendation**	**Actions**
• The effects of the Fiscal Year (FY) 2010 National	None	• Continue to support

Defense Authorization Act (NDAA) may have led to hiring challenges affecting the time-to-fill positions		workforce planning efforts for G-2 through Civilian Strategic Workforce Planning and Enterprise Competency Management for intelligence occupations • Explore the use of the Office of the Director of the National Intelligence employee exit survey
• Retention of employees not perceived as major problem in current federal budgetary environment, but concerns exist that those leaving are transferring to Combat Support Agencies (CSAs)	• Institute frequent analysis of workforce data to track potential issues related to recruitment and retention • Identify potential employees who might be at risk for leaving organization and involve senior leaders to help address challenges	• Continue to support workforce planning efforts for G-2 through Civilian Strategic Workforce Planning and Enterprise Competency Management for intelligence occupations
• Increase in retirements prior to Army's conversion to pay bands in July 2009	• Use succession planning to ensure knowledge transfer of highly critical occupations	• Continue to support workforce planning efforts for G-2 through Civilian Strategic Workforce Planning and Enterprise Competency Management for intelligence occupations
• Expiration of Personnel Interchange Agreement perceived as "trapping employees in DCIPS"	None	

Appendix 1
G-2 Employee Population by Duty Location for Selection of DCIPS Program Evaluation Site Visits

(Not all employees will be selected as part of focus group/interview process)

Commands Requiring Notification letters	Ft. Belvoir	Ft. Huachuca	Ft. Shafter	Honolulu, Kunia, Oahu	Wheeler Airfield	Schofield Barracks	Total Employees by Command
US ARMY INTELLIGENCE AND SECURITY COMMAND (INSCOM)	621	23	19	15		22	700
US ARMY INSTALLATION MANAGEMENT COMMAND (ARBA)	4	1	5			5	15
US ARMY CRIMINAL INVESTIGATION COMMAND	4						4
US ARMY SPACE AND MISSILE DEFENSE COMMAND (ARSC)	12						12
HQ US ARMY MATERIEL COMMAND (AMC)	4						4
US ARMY TEST AND EVALUATION COMMAND (ARAT)		54					54
NETCOM/9TH ARMY SIGNAL COMMAND		38	5		3		46
US ARMY TRAINING AND DOCTRINE COMMAND		572					572
US ARMY CORPS OF ENGINEERS	2		2				4
US ARMY PACIFIC			48				48
Total Employee Population at Each Site	645	688	79	15	3	27	1459

Source: DCPDS Data as of 1 February 2011