



Ninety Years of Assessing Civilian Cryptologic Performance at the National Security Agency



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Cover: Mural in NSA-Washington's Headquarters Building, designed to depict NSA operations, unveiled in July 1971.

UNITED STATES CRYPTOLOGIC HISTORY

Ninety Years of Assessing Civilian Cryptologic Performance at the National Security Agency

Betsy Rohaly Smoot



National Security Agency
Center for Cryptologic History

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90 Years of Assessing Civilian Cryptologic Performance)

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Foreword

Everybody knows, as the classic witticism has it, that there is nothing sure in this world except death and taxes.

Federal employees of the United States, however, enjoy a third certainty: performance appraisals.

Since the early 1920s all federal agencies, including those in the Intelligence Community, have had to do evaluations of their employees annually. This requirement by the Civil Service Commission, though, did not mandate all the standards by which employees must be judged nor the exact form or format of the evaluation.

The Armed Forces Security Agency (AFSA), NSA's predecessor and the first centralized cryptologic organization in the US government, from the outset in 1950 did performance appraisals on its civilian employees. NSA continued with a variety of appraisal systems after it replaced AFSA in 1952.

Given that AFSA and then NSA had to rate employees on rather arcane lines of work—most of them not found in any other federal agency and many involving activities that are not quantifiable—it has been extremely difficult over the decades for the organizations' human resources offices to devise adequate evaluation systems for the workforce. None of the systems implemented at the Agency has lasted long.

There have been two principal problems with all systems that have been tried at AFSA or NSA. First, it seems to be humanly impossible to design objective measurements for many cryptologic activities: most cannot be observed—much of the action occurs between employees' ears—and it may take months or years before an activity will show tangible results. Second, because promotions and assignments are tied to annual evaluations, and the evaluations are done by supervisors subject to the normal whims of human nature, virtually every system adopted has from the outset fostered a sense of unfairness within the workforce.

Can a system be devised that will surmount both problems? All we can say is that it hasn't been done yet.

Betsy Rohaly Smoot has prepared a thorough study of the performance appraisals used over the past nine decades at AFSA/NSA and their predecessor organizations. She points out clearly the goals of each appraisal system, as well as the strengths and weaknesses of each. In most cases she has been able to identify the reasons systems have been replaced, or why the replacement was thought to be an improvement.

This study is not simply an exercise in baleful nostalgia. This examination of each system indi-

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vidually and of many systems over time should be of interest to everyone who wishes to understand an important facet of management at a large federal agency: those who use the system to rate others, those who are rated, and those who may be called upon to devise new systems in the future.

The analyses which follow are important reading, and their applicability is not limited to NSA. All federal agencies share common concerns about appraisal systems; other components of the Intelligence Community share NSA's dilemma in having to quantify the ineffable.

This study is also interesting to the historian. Smoot's draft was prepared at a time of transition between performance appraisal systems at NSA, and it was provided to the Agency's Human Resources organization to support the design of a replacement system.

Smoot's book has already had a practical effect, and I believe that it will continue to influence these personnel matters for years to come.

David A. Hatch, NSA Historian

Introduction

A sound efficiency record system is one of the most baffling problems of civil service administration.

—Henry Moskowitz, President,
New York City Municipal
Civil Service Commission, 1916¹

The National Security Agency (NSA) and its immediate cryptologic predecessor the Armed Forces Security Agency (AFSA) have struggled over time with systems to rate civilian employee performance.² Rating methods have come and gone, mandated by law and heavily influenced by industry practice and sociological research, but despite best efforts, most systems seem to have frustrated both raters and ratees. Individuals generally desire an understanding of how well they perform, particularly in relationship to their peers. Managers want a simple and rapid system to evaluate those who work for them. When there has been a direct link between performance ratings and monetary compensation or promotion, however, the rating systems sometimes appear to be less a tool managers can use to elicit better performance from staff and more a system that employees can game for financial advantage.

As indicated in the epigram, the problem of “efficiency records,” or performance appraisals, has been a difficult one for all levels of government. Most systems employed by the cryptologic agencies since 1949 share a set of common perceived problems. These issues include equity or “fairness,” complexity, cost, time expended, and inflation of ratings. Some systems used in recent decades had a stated goal of increasing communications between supervisor and employee and providing constructive assistance. Critics of such systems have applauded this goal while thinking it an unrealistic expectation for a system designed to measure performance.

To better understand NSA performance rating systems it is important to examine how such systems evolved in the US government and some of the statutory law that governs the government’s use of rating systems. NSA systems should be considered in the context of the larger problem of civil service systems. Indeed, because of federal policies, AFSA and then NSA appraisals followed federal requirements for such systems until the mid-1960s when congressional exemption from federal standards led to some deviation from those standards. With the delegation of performance management authority from the Office of Personnel Management (OPM) to the Defense

What Are Performance Appraisals and Why Are They Needed?

“The basic difficulties we must accept in the evaluation process are twofold: (1) finding the ways to appraise and report performance that are meaningful and useful in their impact upon the work to be done and (2) find the ways to carry on the process and apply its results in full recognition that the process itself is a prime factor affecting employee motivation and morale.”*

There are at least two goals for measuring job performance—to accurately assess performance and to design and implement a system that will advance the function of an organization, and these goals are supported by two approaches to the theory of appraisal. One approach focuses on measurement—dominated by objective measurement and standardization. The other places emphasis on the appraisal as a tool for communication, motivating employees, and contributing to pay-based decisions.†

The Office of Personnel Management (OPM) defines “performance management” as “the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organization effectiveness in the accomplishment of Agency Mission and Goals.” OPM states that “performance management includes:

- planning work and setting expectations,
- continually monitoring performance,
- developing the capacity to perform,
- periodically rating performance in a summary fashion, and
- rewarding good performance.”§

*O. Glenn Stahl in *Public Personnel Administration*, quoted by Mordecai Lee, *Institutionalizing Congress and the Presidency: The U.S. Bureau of Efficiency, 1916–1933* (College Station: Texas A&M University Press, 2006), 30.

†George T. Mikovich and Alexandra K. Wigdor, eds, *Pay for Performance: Evaluating Performance Appraisal and Merit Pay* (Washington, DC: National Academy Press, 1991), 2.

§“Performance Management,” Office of Personnel Management website, accessed November 20, 2013, www.opm.gov/perform/overview.asp.

Department in 2004, NSA once again needed to conform to a larger system when designing appraisals.

Cryptologists working for the government have been subject to civil service performance appraisal systems since 1924. This monograph will look at the somewhat limited data available on the earliest systems and the much greater amount of information available from the time of the founding of AFSA in 1949 and forward through the first 62

years of NSA’s existence.³ For many early systems, little archival evidence exists that documents the workforce’s opinion and perceptions about them. As we examine more recent systems, particularly those implemented in the era of the NSA intranet, feedback from the workforce is better preserved due to the nature of technology and the changing culture of work place communication. Because of the variance in available information sources, the reader should understand that unequal room and discussion is given to later rating systems.

While in recent times the performance appraisal system is inexorably tied to the system of promotion and rewards (in a partial, but not wholly implemented “pay for performance” scheme), this history will not comprehensively address changes in the cryptologic promotion or awards schemes over time. When relevant, the effect of a particular appraisal system on rewards will be discussed.

It is hoped that this history will provide needed perspective on performance assessment of the cryptologic workforce and assist and inform both the general population and assessment professionals of the history of such systems.

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Summary of performance appraisal systems						
Start date	End date	Number of years used	Form used	System name	Number of levels	Ratings
1924	1934	11	Efficiency Rating Form 8	Graphic Rating Scale	N/A	0-100, calculated to two decimal points
1935	1941	7	Service Rating Form 3201	Uniform Efficiency Rating System	5	Excellent/Very Good/Good/Fair/Unsatisfactory
1941	1950	11	SF 51	Uniform Efficiency Rating System	5	Excellent/Very Good/Good/Fair/Unsatisfactory
1951	1953	3	No form required	Performance Rating System	3	Outstanding/Satisfactory/Unsatisfactory
1953	1956	3	DA Form 1052 (Test)	Test appraisal system	3	Outstanding/Satisfactory/Unsatisfactory
1956	1964	9	NSA Form E2804	Performance Rating System	3	Outstanding/Satisfactory/Unsatisfactory
1965	1974	10	Form E1	Civilian Personnel Performance Appraisal System	5	Outstanding/Strong/Proficient/Adequate/Deficient
1975	1976	2	Form P1	Career Evaluation System	7	1-7 Scale (7 highest)
1977	1980	4	Form P1	Career Evaluation System	5	1, 3, 4, 5, 7 Scale (7 highest)
1981	1983	3	Form P1C	Performance Planning, Evaluation, and Counseling System (PPEC)	5	Outstanding/Excellent/Satisfactory/Marginal/Unsatisfactory
1984	1985	1	Form P1C	Interim System based on PPEC	5	Outstanding/Excellent/Satisfactory/Marginal/Unsatisfactory
1985	1985	1	Form P1C		3	Unsatisfactory/Satisfactory/Excellent
1986	1991	6	Form P1C		4	Unsatisfactory/Satisfactory/Excellent/Training
1992	1993	2	Form P1B	Performance Review and Evaluation System (PRES)	5	1-19/20-39/40-59/60-79/80-99
1994	1997	4	Form P1Z	Performance Review and Evaluation System (PRES)	2	Unsatisfactory/Satisfactory
1998	2008	11	Form P3	Personal Performance Process (P3)	5	Greatly Exceeded Objectives/Exceeded Objectives/Met Objectives/Occasionally Met Objectives/Did Not Meet Objectives
2008	2018	9	ACE	Annual Contribution Evaluation (ACE)	5	Outstanding/Excellent/Successful/Minimally Successful/Unacceptable

CHAPTER I

Efficiency Ratings: 1924–1950

The history of efficiency ratings in the federal government has been the history of a continual struggle between Congress, the old Bureau of Efficiency, and the Civil Service Commission, on one side, and the Departments on the other, to outwit each other.

—Herbert A. Simon, Donald W. Smithburg, and Victor A. Thompson in 1958
as quoted by Mordecai Lee⁴

The Bureau of Efficiency (BOE) in 1921 created what it thought was a “systematic, comprehensive, scientific, and quantitative format” to evaluate the performance of federal employees. This system, intended for employees engaged in clerical or routine work, was put into place on October 24, 1921, with President Warren G. Harding’s Executive Order 3567. The system consisted of four forms and a 24-page booklet for supervisors. Employees were rated on quantity, quality, and efficiency of work as well as conduct; there were initial ratings, revised ratings, and final ratings. The goal was to make sure the government was getting its money’s worth from its employees.⁵ We don’t know if the few civilian cryptologists employed at this time (William Friedman, Elizebeth Friedman, and the first employees of

Herbert O. Yardley’s “Black Chamber”) were subject to this rating system, as their work was not routine, although it could have been mistaken as clerical by the uninitiated.⁶ It was not until 1924 that the first widespread evaluations of civil servants were conducted.

The “Graphic Rating Scale” and “Efficiency Rating Form 8”

1924-1934

In 1924, the BOE developed the “Graphic Rating Scale” which had 15 “service elements,” one of which measured quantity and the others intended to measure quality. The system was intended to include not just clerical personnel, but those engaged in professional, scientific, technical, and administrative positions. All government personnel, including cryptologists in the army, navy, and elsewhere, were rated using the new “Efficiency Rating Form 8.”⁷

During this period the navy employed a few civilian cryptologists as part of its Research Desk (established in 1924), which was subordinate to the Chief of Naval Operations. In the 1920s, the Army Signal Corps employed William Friedman.

Civil Service Reform: Milestones in Federal Performance Management

To truly understand the various performance management systems used by AFSA and NSA one must have some understanding of the broader federal systems for performance appraisal and their history.* Federal employment prior to 1883 was almost uniformly based upon favoritism and patronage and did not encourage performance or mobility, or provide the option to retire with a pension. From 1789 until 1818, the maximum federal pay was set at \$500. In 1818 rates of pay were set for federal employees and these remained unchanged until 1853. However, a rudimentary pay structure, not equitable across departments, was established in 1838. In 1854 Congress established four pay levels but did not provide a job evaluation system—no tasks or duties were specified for each level.

The United States Civil Service Commission, 1871-1874 and 1883-1978. Established by a civil service reform law in 1871 but funding was allowed to expire in 1874. Revived in 1883 by the Pendleton Act, the commission administered the civil service using a commission of three to seven individuals appointed by the president on a bipartisan basis and for limited terms. The system functioned until the end of 1977 when, per the Civil Service Reform Act of 1978, it was replaced by the Office of Personnel Management and the Merit Systems Protection Board. Some commission functions were placed under the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, and the Office of Special Counsel.

Pendleton Act of 1883. This legislation was passed in part due to public distress over the assassination, on September 19, 1881, of President James A. Garfield. Garfield had advocated civil service reform and was subsequently shot by a rejected office seeker. This was the first real milestone in modern civil service reform. The act tried to establish a merit-based employment system to end favoritism. This created a need for a system for determining requirements and assessing candidates.

Commission on Economy and Efficiency, 1910. First “skeleton” of a performance appraisal system emerges in 1912, the Civil Service Commission is directed by Congress to establish a uniform system of efficiency ratings for all federal agencies.†

First Law on Appraisal, 1912. This was an appropriations act directed at the then Civil Service Commission (now the Office of Personnel Management) to establish a uniform efficiency rating system for all agencies.

The Bureau of Efficiency, 1916-1933. Established by Congress in 1913, the Bureau began as a division of the Civil Service Commission. It became an independent office in 1916. It was the first central staff agency for the executive branch and was dedicated to professional management of that branch. The bureau was deactivated on the last day of the Hoover administration in 1933.‡

Classification Act of 1923 and the Graphic Rating Scale of 1924. This is the first attempt to use scientific principles in the federal system, and it legalized the idea of “rank in position.”§ Wages and salary determined by position description and qualifications required. Also created standard rating scale—rate for each “service rendered,” which was implemented in 1924 and used until 1935. The government judged this system effective, but it was unpopular.|| This system was almost immediately attacked by critics and when examined in 1929 and 1935, major problems were found. This resulted in the Uniform Efficiency Rating (UER) of 1935.¶

Uniform Efficiency Rating System, 1935. Established by regulation and used until 1950. Ratings factors were grouped under general categories of “Quality of Performance,” “Productiveness,” and “Qualifications.” Five ratings levels for each of the three categories, also five summary rating levels.

Mead-Ramspeck Act of 1940—Amended the Classification Act of 1923. Established independent Boards of Review to handle rating appeals in each agency; the boards included the Civil Service Commission and employee representatives. This act also authorized the War and Navy Departments to pay cost of living differentials to civilian employees in Alaska and the Atlantic naval bases leased from the government.**

Classification Act of 1949. Established a standard schedule of rates of basic compensation (the General Schedule (GS) Payscale); repealed the Classification Act of 1923. Authorized the Civil Service Commission to establish/revive uniform system of efficiency ratings with the goal of recognizing outstanding performance, determining compensation, and removing employees from the civil service. These actions were taken on the Performance Rating Act of 1950. Established within-grade increases (WGI).

Performance Rating Act of 1950. Intended to identify the best and weakest employees and to improve supervisor-employee relations. Agencies required to establish appraisal systems that had prior approval of the Civil Service Commission. Three “adjective” summary rating levels: Outstanding, Satisfactory, and Unsatisfactory. Ratings could still be appealed, but now through a statutory board of three members, one from an agency, one selected by employees, and the chairman of the Civil Service Commission.

Incentive Awards Act of 1954. This authorized honorary recognition and cash payments for superior accomplishment, suggestions, inventions, special acts or services, or other personal efforts.

Government Employees’ Training Act, 1958. Provided for training to improve performance and to prepare for future advancement.

Federal Salary Reform Act of 1962. Public Law 87-793, enacted October 11, 1962, as the Postal Service and Federal Employee Salary Act, Section 501 referred to as the Federal Pay Reform Act of 1962. The act provided a more equitable schedule of waiting periods for WGI and more opportunity to control granting those increases. Determination of an “acceptable level of competence” determination was required for GS WGI. The act provided for denial of WGI and authorized an additional step increase for “high quality performance.”††

Privacy Act of 1974. This act affected performance appraisal systems because it gave employees the right to see documents written about them, and changed the perceived privacy managers believed they had in an appraisal system.

Civil Service Reform Act of 1978. Required departments and agencies to construct new performance appraisal systems for all employees and required that performance standards be developed jointly by the supervisor and employee, with results of appraisals to be used as basis for personnel actions including reward/pay. The Office of Personnel Management had to approve agency-developed systems. Appeal of appraisal outside the agency was eliminated. The results of an appraisal must be used as a basis for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing employees. Standard of proof for unacceptable performance reduced from preponderance of the evidence to substantial evidence. Employees with unacceptable performance must be provided an opportunity to demonstrate acceptable performance. Reduction in grade and removals appealable to the Merit Systems Protection Board. Separate performance appraisal system established for Senior Executive

Service employees. As for rating levels, required one or more “fully successful” rating levels, a minimally successful level, and an unsatisfactory level. Established Senior Executive Service Meritorious executive and Distinguished executive awards and merit pay for supervisors and management officials in grades 13-15.

Regulatory “pay for performance” system established, 1986. Required a performance award program for GS and Prevailing Rate employees, a fully successful rating for WGI, and an outstanding rating for Quality Step Increases.

Revised regulations on summary rating levels for General Schedule and Prevailing Rate appraisal systems, 1992. Allowed summary ratings to be 3, 4, or 5 levels but required agencies to include Unacceptable, Fully Successful, and Outstanding levels.

Revised performance management regulations, 1995. Further decentralized the performance management program to allow agencies to develop programs to meet their individual needs and cultures. Established eight permissible summary rating patterns, allowing from two to five levels for summary ratings. According to OPM, great care was taken to ensure that these requirements would complement and not conflict with the kinds of activities and actions practiced in effective organizations.^{§§}

Defense Civilian Intelligence Personnel System (DCIPS), 1996. Effective March 19, 1999. Became DoD Directive 1400.35, updated March 18, 2002.

National Defense Authorization Act for Fiscal Year 2004. Provided authority for the Department of Defense (DoD) to design its own human resources system, including a “pay for performance” system. Instituted the National Security Personnel System (NSPS), which was designed to allow the DoD to be a more competitive employer.

Establishment of Human Resources Management System for DoD, 2004 (5 U.S.C. § 9902)

Congress halts DCIPS, 2009 (October 9, 2009)

*For a complete listing of the profusion of acts and regulations post 1978, please see www.opm.gov/perform/chron.htm. Accessed January 20, 2017.

†George T. Mikovich and Alexandra K. Wigdor, eds., *Pay for Performance: Evaluating Performance Appraisal and Merit Pay* (Washington, DC: National Academy Press, 1991), 15.

‡Mordecai Lee, *Institutionalizing Congress and the Presidency: The U.S. Bureau of Efficiency, 1916-1933*, (College Station: Texas A&M University Press, 2006), 4-6.

§Mikovich and Wigdor say that the “rank in person” system is a more common European practice.

||“Chronology of Employee Performance Management in the Federal Government,” Performance Management Overview Page, accessed January 20, 2017, www.opm.gov/perform/chron.htm.

#Mikovich, 15.

**“Special Research Relating to the Nonforeign Area Cost-of-Living Allowance (COLA) program,” Office of Personnel Management, July 17, 2000, accessed on November 20, 2013, www.opm.gov/oca/cola/Rsrch_ap.pdf.

††“Federal Salary Reform Act of 1962,” Personnel Letter number 29-1962, October 22, 1962, NSA Archives, Accession 49412.

§§“Performance Management,” Office of Personnel Management website, accessed November 20, 2013, www.opm.gov/perform/overview.asp.

By 1930, the Army Signal Intelligence Service would be in place and covered by this rating system.

The form was one page, printed on the front and back. The back page included instructions for rating officers and reviewing officers and a place for a narrative conduct report. The conduct report was only to be used if the employee had been negatively rated on deportment and attitude. Each rating official would receive a form for each employee (with name, grade, and position already filled in) that had the elements pre-selected. Before rating employees, the rater had to sort the forms by similar functions and grades.

The rating scale, on the front of the form, was exceedingly complicated. Fifteen service elements were listed, with a blank space for an additional element to be added. For each element there was a scale with five descriptive levels. The descriptive levels varied for each service element, and each level was separated by 10 spaces, for a total of 50 possible ratings. Each mark seems to have been very loosely two points on a scale of 1 to 100. Based on a rather complete collection of Agnes M. Driscoll's appraisal forms, it seems that the navy emphasized the following elements for civilian cryptologists:

- Reliability in the execution of assigned tasks; dependability in following instructions; accuracy of any parts of product appraisable in terms of accuracy
- Industry; diligence; attentiveness; energy and application to duties; the degree to which the employee really concentrates on the work at hand
- Knowledge of work; present knowledge of job and work related to it; specialized knowledge in his⁸ particular field
- Judgment; ability to grasp a situation and draw correct conclusions; ability to profit by experience; sense of proportion or relative values; common sense
- Cooperativeness; ability to work for and with others; readiness to give new ideas and methods

a fair trial; desire to observe and conform with the policies of the management

- Initiative; resourcefulness; success in doing things in new and better ways and in adapting improved methods to his own work; constructive thinking
- For higher grades: Execution; ability to pursue to the end difficult investigations or assignments

It is likely that the same or very similar elements were used for other government cryptologists.⁹

The rating system involved selecting the most important service elements for a job and assigning a weight to each element. The supervisor did not come up with the weight independently; the BOE produced a 1,000-cell chart assigning weights for various jobs. The weight may not have been evident to the employee; in all the examples we have the figure is penciled onto the form next to the boxes used to select the elements. At some point a rating score would be assigned to each element, based upon where the rater placed the check mark on the descriptive scale. The score was calculated by multiplying the weight by the score from the scale. For instance, in Driscoll's¹⁰ 1924 appraisal, she received a score of 91 on the 100-point scale for an element with a weight of 40, for a rating of 3,640 for that service element. All the service element rating scores were totaled and the final rating represented as a percentage of 100, to two decimal places.¹¹ The reviewing official could, and often did, change final scores despite the precise scoring system. A board of review could adjust the ratings to make the marks conform to what was called "the normal frequency curve."¹² Supervisors were not involved in determining the final rating and thus could offer no explanation to employees as to why the final score was given. Employees received a one-page memo with their score and a calculation of "relative efficiency" in their grade and how many others in the grade had the same rating.¹³ This ranking among peers would appear again in systems in the 1970s.

Ratings System Techniques

Graphic Rating Scale

A series of factors, a graduated scale, could be changed by higher echelons; a Board of Review applied weights to opinions. Designed to eliminate the “personal element” from the ratings. Used for 10 years “only succeeded in fomenting wide-spread employee criticism and suspicion, as the employee could not receive an explanation of his rating from his supervisors.”*||

Performance Factors

Grouped factors into three categories: “quality of performance,” “productiveness,” and “qualifications shown on job.” Used Plus (strong), Minus (weak), and “check mark” if neither strong nor weak. Then numerical ratings assigned under each heading (1-2 excellent, 3-4 very good). Final rating was the sum of the three numerical ratings. No guidelines to determine what was meant by excellent, very good, good, fair, or unsatisfactory; no standards. Good in one department might be excellent in another.†

By 1948, the standard form for nonsupervisory personnel had 20 factors and 11 factors were available for administrative, planning, and supervisory positions. Used check, plus, minus. Adjectival rating based on the marks. Each employee had a right to see his rating form, to know the ratings of others in the agency, and to appeal to a board of review.‡

Traits Elements versus Standards of Performance

In the 1940s federal employees and their supervisors began to be dissatisfied with appraisals based on “trait elements.” The trait elements were based on people rather than the needs of the job, and job analyses began to come into use to develop standards of performance that included job descriptions and requirements. The Civil Service Commission allowed organizations that desired to use a standards of performance-based system to do so with the approval of the commission and the proviso that duties were marked using the existing plus/check/minus system and that the five adjectival ratings were used. Employees must have the right to appeal, and ratings were still reviewed by the supervisor’s superior and the local efficiency rating committee. Note that even in the 1940s the problems of setting standards of performance for jobs that did not have measurable/numerical production records were identified.§ The fact that the system could not distinguish between performance and qualifications was also seen as a problem.||

*Audrey DaCruz, “Performance Ratings—Who Needs Them???” *American University Law Review*, Vol. 19, June–August 1970, 509–521.

†Ibid.

‡Ibid.

§Mary S. Schinagl, *History of Efficiency Ratings in the Federal Government* (New York: Bookman Associates, Inc., 1966), 66–67, 71.

||Schinagl, 71.

Researcher Mary Schinagl cites a 1944 Conference on Efficiency Ratings Administration as noting that a review board could only respond to employee inquiries with statements such as “your supervisor put down the facts as to your performance and then we applied the scientific answer given by the highest authority in the government—the rating can’t be wrong.”¹⁴

The “Service Rating Form,” Form 3201

1935-1941

The Bureau of Efficiency was disestablished in 1933, but the Graphic Rating Scale was used through 1934. There was distrust of the old system, and a member of the House of Representatives’ Committee on Civil Service proposed that there be only two levels of rating—“satisfactory” and “unsatisfactory” with “satisfactory” automatically ensuring promotion.¹⁵ However, Congress changed the rating system and in 1935, under the auspices of the US Civil Service Commission, the Uniform Efficiency Rating System came into effect. It was the guide for federal employee performance appraisal until passage of the Performance Rating Act of 1950, and mandated a five-level system of evaluation. The “Service Rating Form,” Form 3201,¹⁶ was quite a bit simpler than the “Graphic Rating Scale,” but a great deal more complicated than later systems.

Fifteen elements (eighteen for supervisors and managers) were still considered but were grouped into three categories: “Quality of Performance,” “Productiveness,” and “Qualifications.” Elements most important for the employee’s position were underlined, and then each element was scored with a check mark if it was neither a strong nor weak point of performance, a plus sign if a strong point, or a minus sign if a weak point. The categories were scored according to the following scale:

- 1 or 2 if Excellent
- 3 or 4 if Very Good
- 5 or 6 if Good
- 7 or 8 if Fair
- 9 or 10 if Unsatisfactory

Examination of four forms completed for Driscoll under this system reveals that, at least in the navy’s operations department, every element in a category had to receive a plus to receive the top rating of 1. Three plus marks out of six elements, with the other three receiving a check mark, resulted in a rating of 3.¹⁷

The reviewing official could override a category score. The sum of the category ratings was given and then translated to an adjectival rating using the following scale:

- | | |
|---------|----------------|
| 3 – 7 | Excellent |
| 8 – 13 | Very Good |
| 14 – 19 | Good |
| 20 – 24 | Fair |
| 25 – 30 | Unsatisfactory |

The form used, Form 3201, was double-sided and, as did its predecessor, contained a space for a conduct report and instructions for the rater and reviewer. Raters were instructed to rate beginning with the lowest grade and to rate categories of workers together. A change from the previous system was a caution to raters that the same standards should be applied to all competing employees in the same grade, “irrespective of the fact that some may be receiving compensation at the minimum pay rate of the grade and others at higher rates.”¹⁸

These ratings were unpopular across the government because of the lack of guidance as to how to distinguish between the adjectival descriptions. What was excellent, and what was merely very

Figure 1. Performance standard used by Standard Form 51, 1942	Adjective	Numerical
All underlined elements marked plus, no element marked minus	Excellent	1
A majority of underlined elements marked plus, no element marked minus	Very Good	2 or 3
All underlined elements marked at least with a check, and minus marks fully compensated by plus marks or a majority of underlined elements marked at least with a check, and minus marks on underlined elements overcompensated by plus marks on underlined elements	Good	4, 5, or 6
A majority of underlined elements marked at least with a check, and minus marks not fully compensated by plus marks	Fair	7 or 8
A majority of underlined elements marked minus	Unsatisfactory	9

Source: SF 51, Appendix C.

good? Employees found that performance judged just good in one department of government was often considered excellent in another place, and the Civil Service Commission received many complaints. Appeals were handled through the employing agency or department.¹⁹ This is doubtless why the next system added narrative but not simplicity.

**“Report of Efficiency Rating,”
Standard Form 51**

1941-1950²⁰

The struggle to find a better method to measure employee performance continued. The Mead-Ramspeck Act of 1940 established boards of review in each agency to handle rating appeals. Executive Order 8657 of February 3, 1941, which implemented the act, was one of a series of orders that adjusted federal personnel policy. A new rating system was ordered to keep up with the changes.²¹

The new Standard Form (SF) 51 “Report of Efficiency Rating” was approved on January 5, 1942, and was first used for the appraisal period that ended on March 31, 1942.²² It retained the performance element system but expanded the number of elements to 31 (11 of these were for administrative or supervisory personnel), with three blank lines for additional elements. The most important elements for each job were underlined. Each element was rat-

ed using a plus if outstanding, a check if adequate, and a minus if weak. The performance standard was measured with both an adjectival and numerical rating as shown in Figure 1.

The rating official would then formally assign an adjective and numerical rating, which would be confirmed or altered by the reviewing official. There was a yes-or-no answer to the question of the employee’s satisfactory conduct, with room on the back of the form for narrative if the question was answered with a no. The remainder of the back page was for a narrative to explain “deviations from standard.” While this is not explained, it presumably meant that if the rating was not in line with the number of pluses/checks/minuses, this must be explained. An example of this narrative was accidentally included in Driscoll’s personnel file as Driscoll is listed as the rating official and the employee in question was Margaret M. Hamilton.²³ The write-up shows that Hamilton exceeded the standard; however, the form itself was not retained so it is impossible to compare the marks to the narrative.

Employees received a separate communication notifying them of their rating, but were entitled to see their completed rating form on request to their supervisor or the personnel officer. Employees were also entitled to see the final ratings (but not the rating forms) of all employees in their office or station upon request. For 1942 and 1943 the rating form

Figure 2. Performance standard used by Standard Form 51 as of December 1943	Adjective
Plus marks on all underlined elements, and no minus marks	Excellent
Plus marks on at least half of the underlined elements, and no minus marks	Very Good
Check marks or better on a majority of underlined elements, and any minus marks overcompensated by plus marks	Good
Check marks or better on a majority of underlined elements, and minus marks not overcompensated by plus marks	Fair
Minus marks on at least half of the underlined elements	Unsatisfactory

Source: SF 51.

included the adjectival efficiency rating and the numerical score, as well as a yes or no as to their satisfactory conduct. When the numerical rating was eliminated, a new notification form, Standard Form 68, was developed to convey the rating decision.²⁴

The form was changed very slightly in December 1943, for the appraisal period ending on March 31, 1944. The Civil Service Commission allowed this “War Revision” to be used by organizations engaged in wartime activities. While element markings were no longer required, the navy seems to have continued to use the plus/check/minus system.²⁵ The conduct question was removed and the numerical rating was dropped. The description of the standard was altered as shown in Figure 2.

The Civil Service Commission’s wartime changes to what was supposed to be a standard, government-wide efficiency rating system were the first move to a less-centralized system of performance appraisal. This flexibility would benefit cryptologic organizations in future years.

The Signal Security Agency’s “Standard Operating Procedure” of March 31, 1945,²⁶ noted that ratings were prepared annually on March 31 for all employees who had completed their probationary period and had served at least 90 days during the year in the same grade as held on March 31. “Administrative-unofficial” ratings were prepared quarterly for all employees (at the end of March, June, September, and December) and represented an

evaluation of work performance for the 90 days prior to the rating. “Probationary or Trial period” ratings prepared for new employees were done after the employee had been on duty for at least nine months. And “Special” efficiency ratings could be rendered at any time on any employee. These procedures complied with the guidelines of the Uniform Efficiency Rating System of 1935. The local Efficiency Rating Committee had final approval of the ratings and would notify the Personnel Branch to send a notice of their adjectival rating to each employee. Ratings could be appealed to the committee.

AFSA was established on May 20, 1949, but it was not until December 25 that the organization had administrative control of allocated civilian personnel.²⁷ AFSA was a blended organization with personnel from the former army, navy, and air force cryptologic organizations. The first evaluations of the AFSA era took place in March 1950. An AFSA Civilian Personnel Memo of April 27, 1950, provided a handbook that explained the system, and which sheds some light on the use of the SF 51. Management emphasized that the purpose of the system was to inform the employee officially of the degree to which their actual performance was measuring up to the requirements of the job over a specified period of time. The system was also to provide a record for management to plan personnel actions for “development and advancement of able people and the correction or elimination of the unfit.” There were five levels—“Excellent,” “Very Good,” “Good,” “Fair,”

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and “Unsatisfactory.” Elements of performance for each job were scored before the appraisal was given, using a plus/check/minus system, but this was not an additive system in that the scores were not totaled to determine the ultimate rating. No rating of Fair or Unsatisfactory could be given unless a warning letter had been issued in advance. Importantly, personnel were told that an employee’s efficiency rating “shall not be dependent upon any predetermined distribution (such as the probability curve).”²⁸

The system allowed for more frequent administrative or unofficial ratings (in place of no-longer-required quarterly ratings) to promote continuous performance evaluation and to provide mechanisms for “encouraging discussion between supervisor and employee that will result in better development of the employee and improvement of supervisor-employee understanding.” An employee’s first rating in any position was considered an “entrance rating,” where the employee was presumed to be qualified as good when one was hired unless a previous government record showed otherwise. Six full months after the entrance rating the employee would be given a six-month rating, and then an anniversary rating completed 12 months after the last official rating—for a new employee this would be at the 18-month point. If used long enough this system would spread ratings paperwork over the year as it would conform to entrance dates. In practice, however, all rating officials received the forms to complete in April 1950 for current employees.²⁹

Part of this process was an Agency “Local Efficiency Rating Committee,” which was required by the Uniform Efficiency Rating system of 1935.

This committee (five members and an alternate) was selected “so far as feasible” to represent the AFSA and the Army Security Agency (ASA). This committee reviewed all official ratings and discussed required adjustments of ratings. Members were authorized to make final adjustments after “proper investigation of the facts.” They also were required to approve all ratings.³⁰

Important points of this system included the following: employees were rated on the requirements of the position and not compared to other employees. The supervisor’s personal opinion of an individual’s personality, habits, and conduct were specifically *not* to determine the rating unless these characterizations actually affected job performance. Ratings were to be based on quality, quantity, and manner of performance. Performance elements were marked with a plus, check, and minus (and the most important elements for the job underlined), but the adjectival rating was not to be determined on an additive basis; as stated in the system regulation, the ratings were discussed prior to the adjectival rating being given and reviewed by the “official highest in line of authority above the rater who has personal knowledge of the employee.”

The Classification Act of 1949 established a new pay scale system for the federal government³¹ and authorized the Civil Service Commission to establish or revive a uniform rating system, which would be accomplished in 1950. The rating systems of the period 1924-1949 contained some of the same burdens as do more modern systems—complexity, varying degrees of transparency, and perceived inequity between departments and agencies.

CHAPTER II

AFSA and NSA under the Performance Rating Act of 1950: 1950–1965

No one best system of appraisal has been found. The value of any system lies not in the system itself, but in the way it is used—by the supervisors who appraise and the employees who are appraised and who appraised themselves.

—NSA “Guide to Supervisors on Performance Appraisal,” 1956³²

A New Rating Methodology

1950-1953

Eight months after AFSA instituted its new system, the requirements of the Performance Rating Act of 1950 became effective on December 29, 1950. The act mandated a three-level rating system. It took a few months to get the paperwork in order, and it was not until May 1, 1951, that details of the new system were distributed to AFSA employees, with the implementation of the program made retroactive to December 29, 1950. A special effort was made to keep procedural methods simple and records to a minimum so that time and effort could be focused on the performance objectives rather than the mechanics of the program. The three rating levels were “Outstanding,” “Satisfactory,” and “Unsatis-

factory,” with ratings of “Outstanding” and “Unsatisfactory” requiring review (and a memo) from a level above the immediate supervisor. Unsatisfactory required a prior warning letter. Ratings were based on quality, quantity, time, and method and personal factors. Interestingly, appearance became one of the personal factors rated. No forms were associated with this system—each month, managers would receive a list of those whose ratings were due.³³

By April 17, 1951, the Local Efficiency Rating Committee was dissolved, as it was not required by the Performance Rating Act.³⁴

The appraisal was said to be a continuous process of observation and evaluation with the intent of determining how well employee performance met job requirements. However, personnel were advised that the emphasis should be placed on “helping the employee to analyze and improve his performance, rather than on rating it.”³⁵ The rating itself was said to be important only if performance was far enough above or below requirements to require a rating other than Satisfactory. While a supervisor was the sole source of a Satisfactory rating, they could only recommend an Outstanding. Recommendations for Outstanding had to be in writing and approved by an office or staff division chief (in AFSA) or a

division or branch chief (in ASA)³⁶ and then by the appropriate Awards Committee.³⁷

A rating of Unsatisfactory had a similar approval process; however, it could not be assigned unless the employee had received a letter of warning at least three months and not more than six months in advance of a proposed official rating. The warning letter had to include the performance requirements that were unmet, and how the performance failed to meet the requirements. The supervisor was required to offer written suggestions on how to improve and give a date by which the improvement must be shown. If the employee failed to meet the requirements by the given date, the supervisor prepared a written statement and a memorandum requesting approval of the Unsatisfactory rating was sent, along with a copy of the warning notice, to the office staff or division chief (in AFSA) or the division or branch chief (in ASA).

A rating of Satisfactory required no review unless requested by the employee. There was an appeal process in place for those who received Satisfactory or Unsatisfactory.

To manage the transition between systems, AFSA converted all ratings of Good or better received prior to December 29, 1950, to a rating of Satisfactory.³⁸ These were considered interim ratings but were also official for all personnel actions. As of May 1, they prepared lists of employees whose new ratings were due as of the end of December, January, February, and March.³⁹

As of March 22, 1951, ratings of Satisfactory or better were eligible for a within-grade increase (WGI).⁴⁰

With the organizational upheaval involved during the transition from AFSA to the newly-created National Security Agency in the fall of 1952, NSA continued to use the existing AFSA performance system likely until December 1953.⁴¹

Test DA Form 1052

December 1, 1953–November 30, 1956

At some point a study of employee performance appraisal at NSA was completed, which not only resulted in modifications to the existing system but also showed a need for further training of supervisors.⁴² As a direct result of this study,⁴³ a new form was developed, the “Test DA Form 1052,” derived from a Department of the Army form; its use was approved by the Civil Service Commission on a trial basis until it could be determined if the system and form met NSA’s requirements.⁴⁴ Improvements made from the earlier, AFSA-derived system included a return to using a form for the appraisal, training for supervisors, an emphasis on continuing assessment of the strengths and weaknesses of employees, and how to take action for “better utilization of employee ability.” The modifications included a test form, a reference manual for supervisors, and related training materials.⁴⁵ The three-level rating scale, mandated by law, remained as “Outstanding,” “Satisfactory,” and “Unsatisfactory.” While the program was introduced in late 1953, it was phased in Agency-wide during 1954.⁴⁶

The form itself contained a block for a supervisor’s written evaluation of performance, with space to identify major strengths and “major areas in which improvement is desired.” Part B, which was not part of the performance rating assigned and not subject to appeal, included blocks for “what is being done to improve performance, to utilize strengths, and to develop potential ability,” “progress since last report or since employee has worked for this supervisor,” and a space for employee comments.⁴⁷

The system provided a list of suggested elements to use in settling requirements and appraising performance; these elements were not rated on a list using the plus/check/minus system present in the early days of AFSA and its predecessors, but on a guideline—and the list was not assumed complete.

Supervisors were to select from the list only those elements appropriate to the job and could add elements needed to cover the job. The system required a clear understanding between the supervisor and the employee on how each element applied to their particular job. Suggested elements were: quality, quantity and timeliness, observance of rules and regulations, care of equipment, tools, and material; adaptability; effectiveness in working with others; effectiveness in selecting and supervising employees; and effectiveness in planning and organizing.

The training program for supervisors included orientation sessions to review the primary objectives of the system as well as follow-up sessions of scheduled classroom training, group discussions, and on-the-job training, as required, in the methods of determining performance requirements, use of appraisal, and the nature of actions to consider in recognizing employee accomplishments.

The reference manual included three pages of guidance on recommending Outstanding ratings (which were only to be used for sustained work performance at a truly exceptional level) and two pages regarding Unsatisfactory.

To spread the burden of appraisals, a schedule was set up based on alphabetical distribution of surnames; appraisals were due at the end of each month.⁴⁸

Performance requirements could be written or orally made known to all employees, but had to be written when the supervisor expresses a requirement with which the employee did not agree or when a rating of Outstanding or Unsatisfactory was recommended.

Form E2804

June 1, 1956-November 30, 1964

The test system lasted through May 1956. Results found that the use of a form (as opposed

Figure 3. Month of appraisal, 1956 transition period	
Surnames beginning with	Month in which rated
A, B, C	June
D, E, F, G, H	July
I, J, K, L, M thru Mc	August
Me thru My, N, O	September
P, Q, R, S	October
T, U, V, W, X, Y, Z	November

Source: Transmittal Letter No. 142, April 27, 1956, "Revision of CPM Chapter P2 – Performance Ratings," signed by Assistant Chief Personnel Division, NSA Archives, Accession 29684.

to not having a form), as well as the training material and manual, proved "generally satisfactory."⁴⁹ A number of unspecified constructive suggestions from supervisors were incorporated into the new program. The updated personnel management chapter was delayed while adverse action procedures were the subject of unspecified court action; by late April 1956 these had been resolved.⁵⁰

On April 3, 1956, the Civil Service Commission approved NSA's new official performance rating program. The program replaced the test performance appraisal systems on June 1, 1956. However, there was a transition period where employees received interim ratings in the period June-November 1956, and the month of the appraisal was determined alphabetically (Figure 3). Employees not rated under the interim rating schedule were rated using the new schedule (Figure 4).⁵¹

The new system, using Form E2804⁵² (submitted in triplicate), retained the federally required three adjectival ratings of "Outstanding," "Satisfactory," and "Unsatisfactory."⁵³ Supervisors were required to write a narrative appraisal for all levels, a change from only having to provide written comments for the highest and lowest appraisals. Outstanding required

Figure 4. Month of appraisal after November 1956	
Surnames beginning with	Month in which rated
A, B	December
C	January
D, E, F	February
G, H	March
I, J, K, L	April
M through Mc	May
Me through My	June
N, O	July
P, Q, R	August
S	September
T, U, V	October
W, X, Y, Z	November

Source: Transmittal Letter No. 142, April 27, 1956, “Revision of CPM Chapter P2–Performance Ratings,” signed by Assistant Chief Personnel Division, NSA Archives, Accession 29684.

a written justification and could be given “only when all aspects of performance not only exceed normal requirements, but are outstanding and deserve special commendation.” Unsatisfactory ratings required a 90-day prior warning in writing to the employee to provide an opportunity to bring performance up to a satisfactory level.⁵⁴ Employees were informed of their rating at the appraisal interview and received written confirmation via the form. Those rated Outstanding or Unsatisfactory were informed orally and only received their form once the rating was approved by the appropriate authority.⁵⁵

Orientation sessions were held for supervisors beginning on May 7, 1956.⁵⁶ A main feature of the system was its comprehensive manual for supervisors. The manual discussed what performance appraisal was and noted that it benefited both the employee and the supervisor, that observ-

ing employee performance was essentially a day-to-day affair, and that regular appraisal would bring improvement. Supervisors would benefit not only from a satisfied employee but also from identification of weaknesses in their own supervisory practice. The manual is exemplary in the detailed specifics of how to accomplish appraisals.

Designed as “an integral part of the Agency’s program for the career development of civilian employees,” the new system provided a “positive Performance Appraisal Program tailored to Agency needs and is sufficiently flexible to be integrated with existing Agency personnel development programs, where necessary.” The test system had indicated that the use of an appraisal form, with other materials, had proved generally satisfactory subject to modifications, which were made.⁵⁷

Discussion between employee and supervisor was a large component of this system, and this discussion was supposed to take place on a continuing basis. The employee was to be given “reasonable assistance” in efforts to improve, and at least an annual discussion indicating where the employee stood in relation to established rating levels and details on how to improve performance.⁵⁸

Employees receiving Unsatisfactory ratings could have their rating reviewed within the Agency by the Grievance Committee and/or externally by the Performance Rating Board of Review. Those receiving Satisfactory could be reviewed internally by the Incentive Awards Committee or the external Performance Rating Board of Review.⁵⁹

A memo dated January 30, 1959, from Henry J. Herczog, Chief of General Studies (GENS),⁶⁰ indicates that at least GENS felt that the Agency system was not comprehensive enough for their purposes.⁶¹ A special GENS appraisal worksheet (Form E4608)⁶² was designed to allow the supervisor to include classified information for the appraisal, as the standard E2804 form did not allow for classified narratives. The worksheet allowed the supervisor of

the rater to review the appraisal and make appropriate comments. This package was accompanied by a document called “Knowledge and Skill Requirements for NSA Technical Career Fields,” which listed technical occupations and broke down each career field by requirements for each grade level within that field. The worksheet and the formal appraisal would be appended to a review sheet (Form A3687)⁶³ and sent through division channels. Only one copy of the GENS worksheet was to be made (it is unclear whether the employee would see it).

By June 1961, at least one proposal for change was presented by an ad hoc committee. This proposal envisioned a four-part form containing an Employee Rating Profile, Employee Performance Appraisal, Justification for an Outstanding or Unsatisfactory rating, and any warning notice of unsatisfactory performance. Interestingly, it suggested dropping the adjectival ratings and instead proposed using the numbers 1, 2, 3.⁶⁴ This proposal was rejected; however, no documentation of discussion can be found.

Acceptable Level of Competence

The passage of the Federal Salary Reform Act of 1962 meant that a rating of Satisfactory on an employee performance appraisal was no longer enough to grant within-grade increases. The law now required certification that an employee’s work was at an “acceptable level of competence.” NSA adjusted its performance appraisal process to include Form E6332, “NSA Employee Appraisal for Within-Grade Step Increase,” to document an employee’s eligibility for the step increase. The form used for certification changed over the years, and a chapter in the Personnel Management Manual was written to provide guidelines for supervisors.⁶⁵

By early 1963 the Agency was implementing DoD Instruction 1416.3, dated December 4, 1962, to formally document that an employee was demonstrating an acceptable level of competence in order to receive a WGI, via Form E4077A.⁶⁶ The same standards for WGI were extended to Wage Board

employees effective April 18, 1965.⁶⁷ Personnel Management Manual Chapter 353, “Within-Grade Increase,” provided guidelines for supervisors.

However, these guidelines may not have been enough, for in July 1968 the “Motivating Employees Through Within-Grade Increase” pamphlet was circulated. Supervisors were reminded that the law provided flexibility in the use of WGIs as incentives, specifically the authority to grant additional WGIs “in recognition of high quality performance above that ordinarily found in the type of job concerned.” Top performers could be given a quality step increase in addition to the regular increase, but not more than one quality increase a year. It was stressed that a quality increase was appropriate when “excellent performance is characteristic of the employee and is expected to be shown continuously in his work.” However, a one-time award was more appropriate for performance related to a particular assignment, a set of circumstances, or a period of time. But the guide acknowledged that there were instances of high-quality performance that were impossible to reward with an additional WGI—such as when the employee was at the top rate of their grade and in these cases a superior performance award was the appropriate form of recognition.⁶⁸

Ten years after the implementation of the Acceptable level of Competence certification, a December 1972 memo indicated that in all those years only 12 NSA employees had been rated as Unsatisfactory in a competence determination. Despite that low number, it was found that subsequent redeterminations of competence reduced the number of Unsatisfactory ratings to only two. Those two employees resigned prior to their formal redeterminations. Associate Director for Personnel Management John J. Connelly, Jr., declared the program to be punitive, not a significant management tool, “nor an acceptable substitute for performance appraisals.” But as it was required by law, NSA was obligated to continue the certification of competence.⁶⁹

The System that Never Was

As early as 1962 work was underway on a new system to eliminate what were perceived to be deficiencies in the old, three-level form. Three specific problems with the systems were noted. First, the three-level system could not well differentiate performance, particularly within the Satisfactory range. On average, from 1959 through 1962, approximately 5% of employees were rated Outstanding, 95% were Satisfactory, and fewer than 1% were Unsatisfactory. The second difficulty was that although the system required a discussion between employee and supervisor, it provided no formal structure for the supervisor to follow in conducting this discussion. And lastly, the requirement for a narrative, no matter what the rating was, consumed supervisory time without adding value to the appraisal.⁷⁰

By August 1962, a very complicated five-part, seven-page appraisal form, the E6223, likely based on a system then in effect at the Central Intelligence Agency (CIA), was drawn up, along with a proposal for its use. This proposal was circulated to all the major group chiefs on February 6, 1963, with feedback requested by February 27. The director of personnel, John L. Sullivan, felt that it would ensure that all employees were rated on the same elements of performance, eliminate the need for awards boards to review Outstanding appraisals, and make it easier to justify a commendation or a warning.⁷¹ The plan included the concept that anyone who was given a warning would be denied a WGI during the mandated 90-day warning period.⁷²

The first part of this system was a two-page (two-sided) Employee Profile,⁷³ which was intended as a management aid for employee development and did not have to be shown to the employee.⁷⁴ The profile was to be used as a basis for the appraisal and for discussing overall performance, but had to be forwarded to personnel no later than 30 days after the due date of the appraisal. The form had a check box system to rate 22 “performance statements” or

factors relating to the “performance category” technical skill and quality of output (on a four-level scale); 11 factors on use of working time and quantity of output; 9 factors on work orientation; and 11 factors on personal relation. Each category had a summary area to be marked as “Needs Improvement,” “Competent,” or “Exceeds Requirements.”⁷⁵ It was felt that this system meant the rating did not “depend upon the rater’s literary skill or lack of it and provides an opportunity for a more objective evaluation of pertinent aspects of performance.”⁷⁶

The second part of this system was the appraisal itself, providing the summary ratings from the profile, using the same three-level marking system. There was an area for comments, and signature blocks for the supervisor, an approving official for a performance commendation, and an approving official for a performance warning. The form was discussed with the employee, who would then sign the third form, the “Employee Appraisal Report,” to acknowledge the discussion. This third report had a check box for a commendation, a warning, or the note “performance unacceptable in current position.” A box for a rating number was given, with 1 equating to “needs improvement,” 2 to “competent,” and 3 to “exceeds requirements.”⁷⁷ A system of five levels was considered, but it was felt that three levels would be better if clearly defined.

If a commendation was approved, another form had to be filled out with a narrative justification and parts one and two of the form. If a warning was being given, the same detail had to be submitted to personnel on another form. The performance commendation was not a monetary award but a paper certificate signed by the director of NSA (DIRNSA).⁷⁸

The deadline for feedback was extended, and review extended to the National Cryptologic management staff. Comments were due back by March 13, 1963.⁷⁹ A favorable review from the deputy chief of the Plans & Programs Division noted that the supervisor’s checklist would be published as a

form for supervisors to have at hand in day-to-day operations.⁸⁰

In June 1963 the new system was submitted to the NSA Personnel Development Board (composed of the Agency's assistant directors). While the system was not implemented, changes suggested by this board were incorporated in the new system that was implemented in December 1964.⁸¹

NSA Is Exempted from the Performance Appraisal Act of 1950

A critical factor in determining the future of NSA performance appraisal systems was an act of Congress. In the wake of the 1960 defections of William Martin and Bernon Mitchell to the Soviet Union, NSA requested, and received, modifications to the Internal Security Act of 1950. The legislation was sponsored by the House Committee on Un-American Activities following its extensive analysis of the security procedures of NSA. Public Law 88-290, passed on March 26, 1964, contained the new Title III of that Act, "Personnel Security Procedures in National Security Agency," and allowed the secretary of defense to make regulations relating to security procedures to govern NSA employment and access to classified material, added the requirement that Agency employees must have full background investigations, and provided authority to the secretary of defense for terminating employees.⁸²

Almost as an afterthought, an amendment to this law exempted NSA from the Performance Rating Act of 1950.⁸³ It is not quite clear how this exemption to the 1950 law came about; however, a memo written in 1977 provides the reasoning behind the exemption. It says "the specific duties

of NSA employees and descriptions of actual performance often contain highly classified sensitive information relating to the mission and activities of NSA. The divulgence of such information could adversely impact on the Agency's security posture and mission. The Agency requires a performance appraisal system compatible with its secure environment which meets both the needs of management and those of individual career development."⁸⁴

On July 29, 1964, then DIRNSA, Lt Gen Gordon Blake, USAF, informed Assistant Secretary of Defense Eugene G. Fubini that a new performance appraisal system "especially tailored to NSA needs" had been developed and would be implemented prior to December 31, 1964.⁸⁵ Despite the fact that the Agency no longer had to follow the performance appraisal guidelines, NSA considered it desirable to construct a rating system that would "evaluate the performance effectiveness of our people annually,"⁸⁶ with the objective of fostering a proper understanding between employee and supervisor of how the employee was performing their job and guiding management in the "career development and utilization of employees."⁸⁷

The period 1950-1965 saw some improvements to the process and modernization of thought on how an appraisal system should work, largely due to the Performance Rating Act of 1950. The concept of continuous observation and evaluation enters history here, as does the intent of helping the employee improve. We see increased training on systems for managers and employees, and an attempt to make the approval of within-grade increases more rigorous. At the end of 1965 NSA was given authority to develop its own appraisal systems, and this is where the story gets more interesting.

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CHAPTER III

Of Our Own Design 1: NSA-Generated Systems to Measure Performance: 1965–1983

Sir Lancelot stopped again and started working on his tenth walnut since the briefing. “You know,” he mused, “something like over 90 percent of all of our vassals receive top performance appraisals every year. I don’t remember exactly, but I think those receiving deficient appraisals are less than 1 percent. My bet is that one reason for that is that you can’t get someone else to take the sluggards off your hands if you establish that kind of negative paper trail. So, instead, you give them a good appraisal, and maybe a promotion to boot, and increase your odds of passing the problem off on some other unsuspecting lord. I’ve seen it happen all too often.”

—The Parable of the Tail with No Teeth
by Patrick Fero⁸⁸

Form E1

1965-1974

The new system was finally put into use beginning January 1, 1965, with the proviso that employees whose rating had been due in December 1964 would be marked under the new system. The system had many of the same goals as previous systems: to ensure sound supervisor-employee relationships, to

give employees a clear understanding of the requirements of their job and their supervisor’s judgment of their performance, to recognize accomplishments, and to provide guidance in personnel actions. The memo stressed this was not a periodic process but the supervisor’s day-to-day responsibility.⁸⁹

Form E1⁹⁰ was devised for this system and had five levels. From low to high they were “Deficient,” “Adequate,” “Proficient,” “Strong,” and “Outstanding.” It was envisioned that “Strong,” “Proficient,” and “Adequate” would allow managers to break out employees previously rated “Satisfactory” into three better-differentiated levels. One section of the form had room for itemization of up to five major duties, each of which would be rated at one of the levels.⁹¹ The intent was to provide at least some structure for discussion between employee and supervisor. There were blocks to note the number of employees supervised directly and indirectly. The form allowed classified information on copies one and two, which would be seen in the management chain, but not on copies three and four, which would be filed in official folders. The previously required narrative for the Satisfactory level was eliminated.⁹² Section C of the form was for an overall rating, which was to consider the ratings given for the specific duties, and “all other factors which influence his effectiveness in his job: for

Figure 5. Month of appraisal for Form E1 beginning in January 1965

Surnames beginning with	Month in which rated
A, B	December
C	January
D, E	February
F, G	March
H, I, J	April
K, L	May
M	June
N, O, P	July
Q, R	August
S	September
T, U, V	October
W, X, Y, Z	November

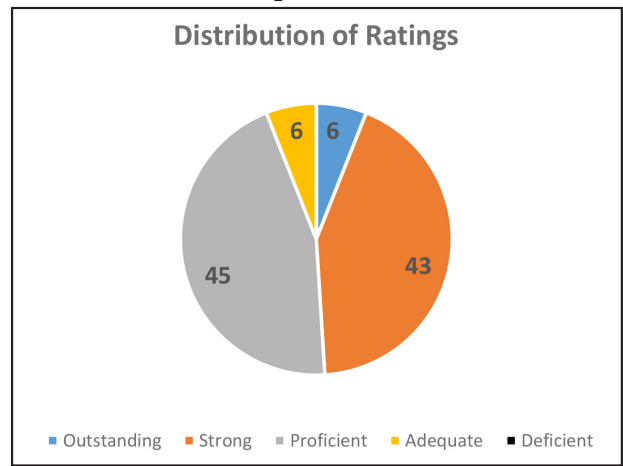
Source: "Personnel letter 17-1966," May 12, 1966, NSA Archives, Accession 49412.

example, cost-awareness in conserving resources and reducing costs, security awareness, and personal traits and habits that affect job performance."⁹³ Ratings of Deficient and Outstanding required a narrative on the back of the form. The employee had to sign an acknowledgment of the form and had the opportunity to provide comments. Organizations could require a reviewer, but it was not mandatory. An approving official had to sign the form if the rating was Deficient or Outstanding. A supervisor's guide for how to conduct performance appraisal was included in NSA Personnel Management Manual (PMM) 30-2 Chapter 340, along with all the details of the system.⁹⁴

Appeal rights were provided in cases where, after discussion with their supervisor, an employee did not agree with the rating, and had to be made in writing within 15 days after the employee was notified of the rating.⁹⁵

One result of NSA's exemption from the Performance Appraisal Act of 1950, which gave the Agen-

Figure 6. Distribution of ratings, in percentages, December 1, 1964–September 25, 1965



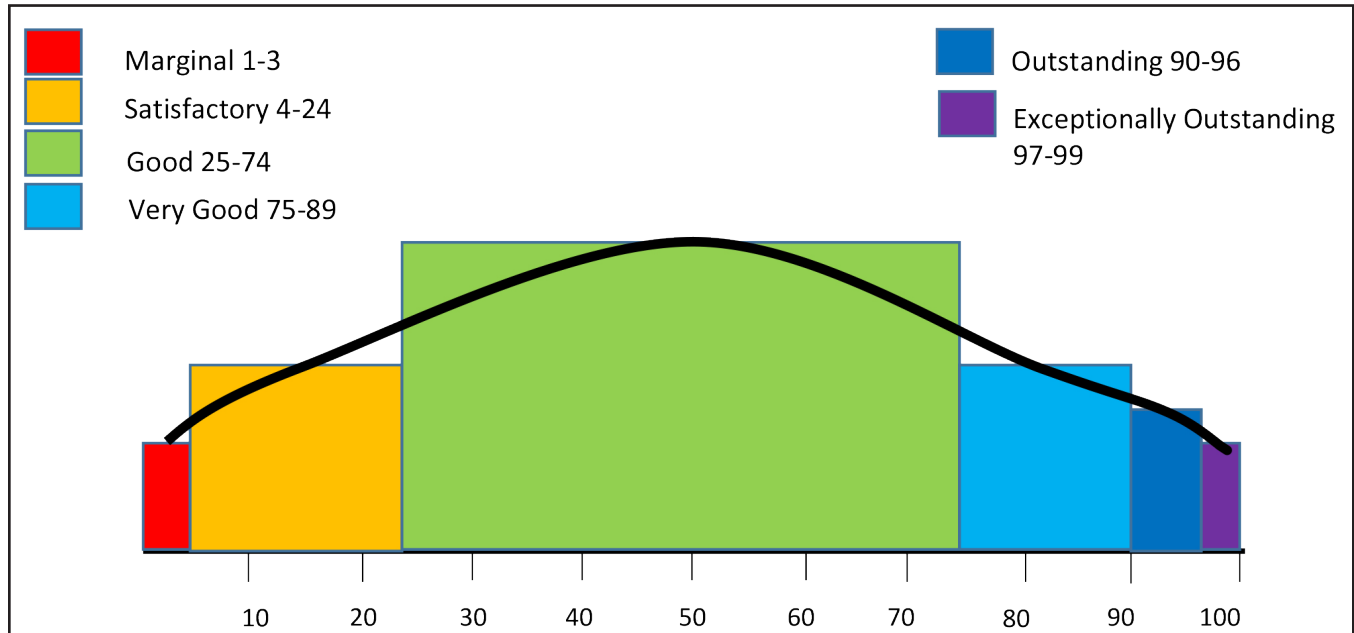
Source: "Civilian Personnel Performance Appraisal System," December 14, 1972, NSA Archives, Accession 49412.

cy the authority to produce appraisals with classified content, was that the appeal process was now entirely under control of NSA, through an ad hoc NSA Grievance Committee arranged by the Office of Civilian Personnel. This took the Civil Service Commission out of the loop.

Appraisals were still scheduled alphabetically by surname for individuals with at least three months of service (beginning with A and B in December, see Figure 5).⁹⁶ A supervisor's check list was added to guide supervisory discussions with the employee.

A review of the new system covering the period December 1, 1964, to September 25, 1965, revealed a better distribution of ratings. Six percent of the Agency were rated Outstanding, 43% Strong, 45% Proficient, 6% Adequate, and less than 1% Deficient (Figure 6).⁹⁷

On May 12, 1966, security supervision responsibilities were added to the appraisal program, ensuring that supervisors were rated on how well they carried out their security duties.⁹⁸

Figure 7. Rating scale for confidential assessment, Form P7743B

This rating scale was accompanied by a diagram depicting a lopsided sideways bell curve, approximated above. Source: Memo from ADPM to Director regarding Civilian Personnel Performance Appraisal System, December 14, 1972, NSA Archives, Accession 49412.

A second study of supervisors was completed in 1966. This study evaluated the effectiveness of the system as viewed by the supervisor as they rated subordinates and as they themselves were rated. The reaction of supervisors was very favorable and, as a result, the decision was made to continue using the system as it was found to be “adequate.”⁹⁹

In July 1968, form P7743B, “Supervisor’s Confidential Assessment of Employee’s Promotion Potential,” was added to the assessment process.¹⁰⁰ This was designed to assist the GG-14 and GG-15 promotion boards to identify which of the eligible employees under consideration were most deserving of promotion. All employees with one or more years in grade at GG-13 and GG-14 were rated, often unbeknownst to them as the rating was not supposed to be discussed with the employee. The form purported to obtain a rating on “potential for future performance” to complement the existing appraisal

system, which was focused on documenting past performance, and to assist DIRNSA “in accomplishing his objective of insuring that the ‘best-qualified’ personnel are promoted.”¹⁰¹ Employees were rated on an unequal numerical scale (see Figure 7) from marginal to exceptionally outstanding, with a short narrative comment possible for six factors:

1. Position Performance—how well the individual performs in his present position: include quantity and quality of productivity, written and oral communications, soundness of decision, thoroughness, accuracy, etc.
2. Effectiveness in Working with People—how well the individual meets and deals with others, effectiveness in establishing and maintaining working relationships with peers, subordinates, and superiors.
3. Drive and Initiative—the extent to which the individual demonstrated attributes such as forcefulness, aggressiveness, and enthusiasm.

Figure 8. Readiness for promotion, Form P7743B

1. Outstanding growth potential based on demonstrated performance. Promote at first available opportunity.
2. Demonstrates capabilities for increased responsibility. Should be promoted.
3. Performing well in present grade. May be promoted.
4. Performance does not demonstrate readiness for promotion at this time.

Source: Memo from ADPM to Director regarding Civilian Personnel Performance Appraisal System, December 14, 1972, NSA Archives, Accession 49412.

4. Personal Characteristics—all personality characteristics as they affect the individual’s job behavior.

5. Subject-Matter Knowledge—depth and breadth of knowledge and skills required at the next higher grade.

6. Promotion Potential—how the individual compares with others for advancement to positions of greater responsibility.

The supervisor then had to check one of four boxes representing how ready the individual was to be promoted compared with others in the same grade (see Figure 8) and to fill in a narrative comment (required when checking boxes 1 or 2).

These assessments of promotion potential were not transmitted through chain-of-command channels so that immediate supervisors could provide the boards with an honest assessment on each employee without fear of influence from below or above. Reportedly, board experience showed that significant differences could exist between the evaluations of immediate supervisors and key component chiefs. Promotion boards placed great weight on the rating sheets for their deliberations. However, these sheets were also subject to a degree of inflation.¹⁰² (See Figure 9 showing the grade distribution of ratings of readiness for promotion.)

Form E1 was amended in May 1970 to add a new specific duty for rating supervisors—“efforts in promoting Equal Employment Opportunity (EEO) objectives.” This was a direct result of Presi-

dent Richard M. Nixon’s Executive Order 11478, Equal Employment in Federal Government.¹⁰³ It was felt that furthering EEO was an integral part of every supervisory position. Supervisors were to be evaluated on their fairness in making selections and assigning work, encouragement and recognition of employee achievements, treatment of women and minority group employees, sensitivity to the developmental needs of all employees, ability to communicate and interpret Agency EEO policy, and performance of tasks assigned by the Agency’s EEO Action Plan.¹⁰⁴

Adjustments continued to be made to the system. In February 1971, the need for an unofficial appraisal when an employee changed offices mid-appraisal period was recognized, particularly by the new (receiving) supervisor. Supervisors of employees who were changing jobs were allowed, but not required, to request such an appraisal from the previous supervisor, unless the employee had been in the losing organization for fewer than three months. An unscheduled, unofficial “Outstanding” was permitted, apparently without the narrative that would otherwise be required.¹⁰⁵

Another change was made to the appraisal form in March 1971 when evaluation of “plain English writing ability” was added to the assessment of NSA civilians at grades GG-12 and above as well as all other NSA civilians in “professional positions where writing skill is a requirement.”¹⁰⁶ Remedial training would be initiated by supervisors when the requirement was not met.

Figure 9. 1972 Figures showing distribution of readiness for promotion scores by grade, Form P7743B, in percentages

Rating	GG-14	GG-13	GG-12	All
1	23.9	18.2	16.9	18.4
2	26.9	27.3	25.6	26.4
3	35.9	37.5	37.5	37.3
4	13.3	17	20	17.9

Source: Memo from ADPM to Director regarding Civilian Personnel Performance Appraisal System, December 14, 1972, NSA Archives, Accession 49412.

Time for a Change

The Multiyear Effort to Fix the System and the Role of DIRNSA Phillips

In June 1972, the Office of the Inspector General (IG) conducted a series of interviews of NSA retirees.¹⁰⁷ Many retirees thought that the system was “not an effective measure of an individual’s promotion potential” and that “supervisors violated the principles of honestly evaluating an individual’s performance of duty.” Some believed that the system was all right but that more emphasis was needed on “honesty, objectivity, and realism in their preparation and use.” The system was felt to be over-inflated.

In that same month, the IG’s survey of managers revealed that senior managers also had a very negative view of the system. The system was described variously as “absolutely meaningless,” “a farce,” “stupid,” “over-inflated,” “useless,” and “a very dangerous tool.” Supervisors were said not to be honestly following instructions or criteria. There was a decided preference to return to a system with two levels (“Satisfactory” and “Unsatisfactory”).¹⁰⁸ The comments from these reports seem to indicate that the system that used Form E1 was nearing the end of its natural life cycle.

History tells us little about Lt Gen Samuel C. Phillips, USAF, who was sent to NSA in August

1972 with a very specific agenda to reduce the size of the Agency, a move made necessary by government-wide reductions in light of the drawdown of US forces in Vietnam. As part of his charge, which would include a system of incentivized early retirements that avoided a reduction-in-force, he appears to have been interested in how civilian performance management was accomplished. Shortly after arriving at NSA he tasked the Assistant Director for Personnel Management (ADPM), John J. Connelly, Jr., to prepare an analysis of the performance appraisal system for him by December 15, 1972. Phillips was interested in to what extent the current system provided management the ability to distinguish between outstanding and unsatisfactory employees and how it compared performances that fell between the extremes, whether the system provided employees with an understanding of management’s assessment of their performance and potential, and whether it provided useful data to promotion boards.¹⁰⁹

Connelly’s study was delivered to the director on December 14. With its multiple annexes, this study is an excellent source for information on the older systems. The memo explained the system prior to the exemption from the Performance Appraisal Act of 1950 and then discussed the new system. Significant problems with the existing system were the inflation of ratings and the delinquency of managers in conducting appraisals. The delinquency fluctuated between 10% and 15%. However, the ADPM’s study recommended that the system be continued as “we have a good mechanism.” The appraisals were thought to be an integral part of employee folders by the promotion boards, albeit as an adjunct to the Supervisory Rating sheets and management presentations for the employee. Management was encouraged to “work on inflation and timeliness with pressure applied by (1) the Personnel Organization, (2) the promotion boards, and (3) the director, at appropriate times and occasions.” It was also recommended that as resources permit “on a relatively low priority,” that a survey be done on the effectiveness

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of the discussions between supervisor and employee as part of the rating system.¹¹⁰

The director acknowledged the ADPM's assessment and noted "the inflation of ratings, delinquencies, age, and other infirmities in the current system." He was also concerned about the cost of administering a system that produced approximately 14,000 appraisals each year, in that NSA was not even required to have a system. Lt Gen Phillips asked that a new system be devised with the following qualities:

- Certifications of acceptable level of competence (or some other equally simple, straightforward device) be substituted for satisfactory ratings.
- Written reports by supervisors only required when needed to make a record of deficient performance, to specially recognize outstanding performance, when employees move from one office to another, and perhaps for promotion board purposes.¹¹¹

Lt Gen Phillips did note that he was inclined to favor a system that produced records on which a board could depend—one that didn't need confidential reports of promotability to give it meaning. He requested an estimate from ADPM as to how quickly such a system could be brought into being.¹¹²

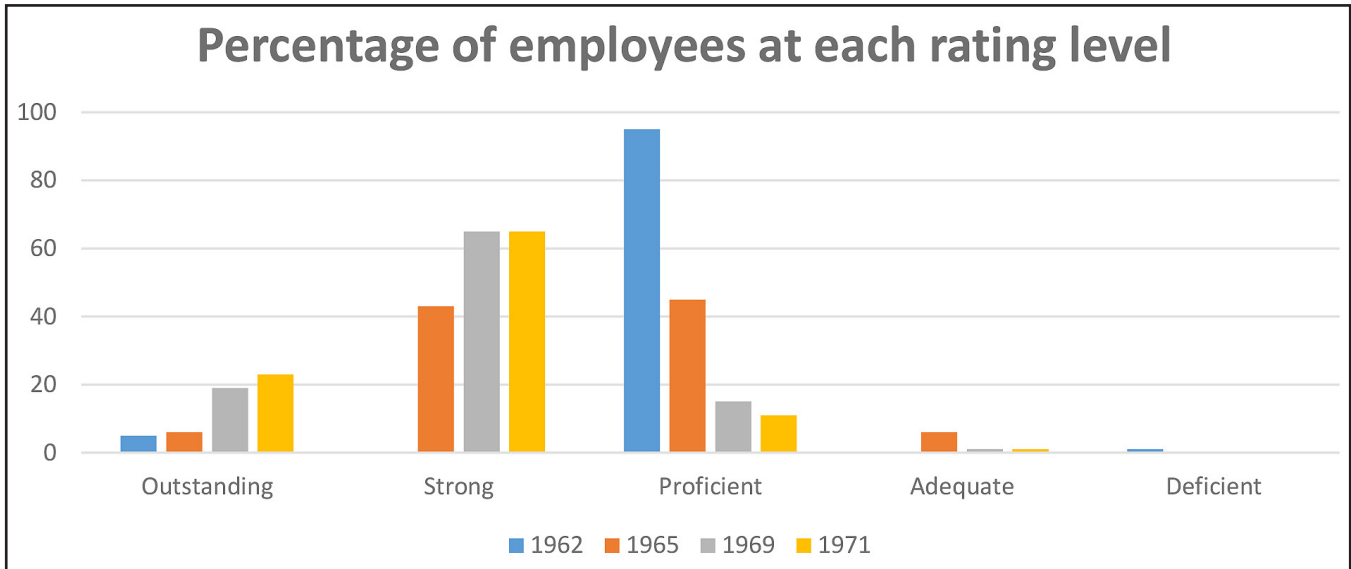
Lt Gen Phillips continued his push to reform the appraisal system. An undated note (likely from December 19, 1972) from someone identified only as Peter to Lt Gen Phillips's civilian executive assistant, commented on the predicament. He noted that a "meaningful evaluation instrument is a necessary component of full utilization, regardless of current financial restrictions, because it encourages and identifies maximum performance."¹¹³ Peter assessed the effectiveness of the current system to be minimal for both employees and management because it lacked the ability to differentiate between levels of performance. Nine out of every ten ratings was "Strong" or "Proficient." He went on to note that the change in 1964 that required up to five major

job elements to be itemized and rated was unrealistic, because it was unrealistic to suppose that NSA's unique occupations could be simplified and reduced to a set number of duties. Positing that most Agency jobs required qualities such as versatility, judgment, and resourcefulness, he felt that an appraisal instrument should measure those things. His recommendations were to discontinue the present system and replace it with a supervisory rating sheet that used a "forced choice instrument."¹¹⁴ (See Figure 10.)

Several lines of research were pursued. Robert X. Boucher of the Public Affairs Office sent a detailed desk note to the director's office on April 6, 1973, recounting his discussion with two professors of personnel management at the University of Maryland on the subject of performance appraisals.¹¹⁵ Boucher had also shared some thoughts on the dilemma in a university class he taught. He told the director's staff that he agreed with DIRNSA's thought on the matter.¹¹⁶ The students were dismayed by the system's "inflationary spiral." One expert agreed that ratings should be used only for the high and low ends of the scale; one felt all employees should be rated but that the system needed re-examination.

Meanwhile, in April 1973, the IG conducted new surveys of senior managers. The top-level executives told the IG that the current performance appraisal system was inflated, unrealistic, and "a tired old system."¹¹⁷ Too many people were "outstanding," and the inflated scores were used for promotion boards and made it difficult to fire ineffective employees. The managers wanted to be able to remove "misfits," "ineffectives," and the "unproductive" from the Agency. Some managers felt the system could be eliminated; some thought it should only be used to identify the top and bottom ends.

The director's staff recommended on May 7 that Lt Gen Phillips take action on recommendation #4 (Revise the present performance appraisal system), #6 (Consider the resubmission of a new plan for a mandatory retirement system for NSA), and #7

Figure 10. 1972 examination of percentage of employees at each rating level, 1961-1971

Data from 1962 reflects older, three-level Outstanding/Satisfactory/Unsatisfactory system mapped to their equivalents in the new system. Source: Memo from ADPM to Director regarding Civilian Personnel Performance Appraisal System, December 14, 1972, NSA Archives, Accession 49412.

(Overhaul the various management controls now in existence in the Agency to reduce or eliminate those controls that hamper managers in discharging their responsibilities), and defer action on the other recommendations until after the reorganization then underway was complete.¹¹⁸

On May 7, 1973, Phillips received the consolidated findings from his staff. The ADPM had recommended that “we continue the march” by conducting an attitude survey on the effectiveness of supervisor-employee discussions. On the history, ADPM had remarked that NSA was not required by law to have such a system and that the current system was administratively introduced by NSA itself. Noting that ratings were inflated and there was a high delinquency rate in getting the appraisals returned (15%), the promotion boards still wanted the supervisors’ confidential assessment as it was the best tool (better than the appraisal) for differentiating among promotion-eligible employees. ADPM also felt that the competence certification was puni-

tive and not a satisfactory management tool. Despite the above, ADPM argued that because of the climate of austerity, the system should not be changed.¹¹⁹

Phillips’s executive assistant took issue with the ADPM conclusion, saying that in his judgment the system needed a major overhaul and noted the IG agreed in their April 20, 1973, report. He told Lt Gen Phillips that the attached folder contained a note for his signature to the ADPM that set out a concept for a new system. Unfortunately, the note cannot be found.¹²⁰

Lt Gen Phillips was replaced by Lt Gen Lew Allen, USAF, on August 15, 1973. Despite his interest and the various efforts he tasked, Phillips had not achieved his goal. He left his successor a folder on the appraisal system with a hand-written note dated August 5 that read, “I had to put this too low on my priority list to have it well in hand—suggest that it needs attention when you can get to it.”¹²¹

**Reacting to Inflation and Delinquency—
P1 “Career Evaluation System”**

1975-1980

Lt Gen Allen did act, and while the records reveal little information as to how the transition was made from Allen’s arrival in August 1973, a new system was in place on January 1, 1975. The system’s objectives were to evaluate job performance, employee attributes, and promotability; to rank employees; and to assess career objectives and establish individual career objectives.

The turmoil that ensued with the start of this new system, and continued for at least three years, seems not to have been anticipated by the unknown designers of the system. Whether through lack of coordination or failure to use the work done by his predecessor, Lt Gen Allen’s tenure was marked by discontent as to how performance management was handled. It is unclear whether the new system was the “major overhaul” judged needed by Phillips’s executive assistant or had its roots in yet another initiative. But it certainly shook up managers across the Agency.

This new “Career Evaluation System” had multiple forms—the P1 appraisal;¹²² P1A workforce assessment data collection; P1B Inventory of Attributes; and Form P8533, the Individual Career Appraisal and Development Plan. The appraisal had seven levels of rating, with 1 being the lowest and 7 the highest (see Figure 11). There was a mandated forced distribution of ratings.¹²³ Supervisors were obliged to numerically rank individuals within each grade. The appraisal form contained preprinted duties based on COSC (Career Occupation Specialty Code, or career field); other duties could be added by the supervisor as appropriate. At least five duties were required but there could be no more than ten which were rated. Each duty was evaluated on the 1-7 scale and then an overall rating was assigned.

Evaluations switched from a schedule based on surname to one based on grade; all individuals in

Figure 11. Rating levels for appraisal under the 1975 Career Evaluation System

- 1 - Never meets performance norms
- 2 - Frequently does not meet performance norms
- 3 - Occasionally does not meet performance norms
- 4 - Meets performance norms
- 5 - Occasionally exceeds performance norms
- 6 - Frequently exceeds performance norms
- 7 - Always exceeds performance norms

Source: “NSA/CSS Performance Evaluation Systems 1975-Present” by M33, in the files of NSA Human Resources; “Chronology of Prior Revisions,” undated, NSA Archives, Accession 37817.

the Agency at any particular grade were evaluated at the same time, to facilitate understanding a relative ranking of employees at each grade. See Figure 12 for the schedule.¹²⁴

The P1B¹²⁵ was easily the most controversial part of this system and contained three sections. Not only did it use a very large rating scale (from 1 through 99, with 99 being the top score), but it was not to be discussed with or shown to employees.¹²⁶ The first section allowed the supervisor to rate each individual on the attributes of innovativeness, effectiveness in working with people, drive and initiative, personal characteristics, subject matter knowledge (at the present and next higher grade), and advancement potential. The manager then had to provide a score as to the employee’s readiness for promotion on a 1 to 4 scale, where 1 equaled “outstanding growth potential based on demonstrated performance, promote at first available opportunity” and 4 being “performance does not demonstrate readiness for promotion at this time.”¹²⁷ Finally, the immediate supervisor had to rank the individual numerically within all those they supervised at the same grade, and the reviewing official had to do the same.

January	GG 12
February	GG 13
March	GG 14, GG 15 and Wage Grades WSA/B 1-8; WOV 1-2; WPU 1-11 and 26-34
April	GG 5, GG 6, GG 8, GG 10 and Wage Grades WSA/B 9-10; WPU 14-15
May	GG 11
June	Wage Grades WLA/B 1-15; WOV 5-6; WPU 16-17
July	GG 9
August	Wage Grades WLA/B 1-15; WOV 7-8; WPU 18-19
September	GG 7
October	Wage Grades WGA/B 6-10; WPU 20-21
November	GG 1, GG 2, GG 3, GG 4 and Wage Grades WPU 12-13 and WOV 3-4
December	Wage Grades WGA/B 11-15; WPU 22-25

Source: “NSA/CSS Performance Evaluation Systems 1975–Present,” in the files of Human Resources; “Chronology of Prior Revisions,” undated, NSA Archives, Accession 37817.

No two employees at the same grade could share the same rank. The form was marked “For Management Use Only” but was included within the Personnel Manual and thus in theory employees would have access to the structure of the form.

By February 1975, there was a growing realization that the impending implementation of the Privacy Act of 1974 (which took effect in September 1975) would mean that the P1B Inventory of Attributes, intended only for managers, would be available to employees on request.¹²⁸ The system had been deliberately designed with this non-transparent third part with the expectation that this would “keep the system honest.” The habit in years past for supervisors to include favorable statements about promotability in the performance appraisals had led to complaints and formal grievances when said promotions did not occur. The secret inventory was thought to be a hedge against inflation of scores by supervisors while providing useful information to promotion boards. Instead, Connelly noted, this could become “good ammunition for grievance actions.” He recommended dropping “Readiness for Promotion” from the form.¹²⁹

Connelly strongly supported retaining the “ranking within peer group” and was convinced that it would make supervisors “bite the bullet,” but without it the system was doomed to go the way of earlier appraisal systems. He felt managers would be very uncomfortable with it and noted that some of his staff felt it would be demoralizing to employees without any real gain for management. Connelly was in favor of retaining this item and reevaluating the issue after the Agency had some experience using this ranking.¹³⁰ Allen agreed with Connelly’s point and requested a meeting, noting that he had been at a conference where the Air Force Judge Advocate General expressed the opinion that the Privacy Act had an exemption for promotion recommendations where the source was discoverable, but he did not elaborate on the matter. Connelly and Allen met on March 11, 1975, but we do not know the outcome of that meeting.¹³¹

A proposed draft memo to the Assistant Director for Personnel and Security (ADPS) from Major General Herbert E. Wolff, USA, the Deputy Director of Operations (DDO), dated May 29, 1975, reflected the concerns of the Operations Group chiefs as

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expressed at a May 27, 1975, staff meeting. While it is unclear that it was ever sent, the message was probably conveyed in other ways.¹³²

The managers working for DDO assessed that the system, in use for just five months, was “costing us more than the benefits are worth.” While the value of the employee-supervisor interaction about employee performance and the identification of career development needs were “an outstanding addition” to an evaluation system, DDO felt that significant changes were needed.¹³³ DDO recommended that the system be “immediately suspended” and no further appraisals done until revisions could be accomplished.

There were many complaints. For the P1 appraisal form itself, managers liked the seven-level adjectival rating for use with the specific duties but felt it was an unsatisfactory system to measure overall performance, which was felt to be “a highly subjective process.” The fine gradations of rating were not only believed to be “difficult to determine, largely intangible” and distracting from evaluation of performance; they led to “argument, misunderstanding and lowered morale.” DDO recommended return to a three-level scale (unsatisfactory, satisfactory, and top xx% performer) or perhaps an average of the ratings of the individual duties.¹³⁴

The forced distribution of ratings was, in the opinion of DDO managers, “totally unsatisfactory” and “not a logical expectation.” The thought that the system demanded that 32% of the population be ranked as less than satisfactory was greatly at odds with NSA’s attempts to be highly selective in hiring and all subsequent efforts of training and employee development. DDO recommended that the forced distribution be eliminated.¹³⁵

The P1B Inventory of Attributes was thought to provide “valuable insights” for the promotion boards if done correctly. However, DDO and his subordinate managers felt that if it was worth a supervisor’s time to complete this form, it would be “doubly prof-

itable” if discussed with the employee, which was not required. It was felt that the implementation of the Privacy Act later that year¹³⁶ would make the information available to the employee. The group suggested that the inventory either be voluntarily discussed or done away with. The numerical rating of the attributes was felt to be prone to inflation, and it was recommended that an adjectival scale be developed for each rating. DDO agreed with the decision (already made) to discontinue section D of the P1B evaluating readiness for promotion.¹³⁷

But that was not all. A long discussion of the system of absolute ranking followed. It was felt that it was not cost-effective to rank all employees as there was probably little difference in the middle 67% of any group. The supervisor “will be called upon to explain these largely indistinguishable differences. The lower ranked employee will feel aggrieved when no logical and rational explanation of the difference is forthcoming.” DDO expressed the thought that “such absolute ranking done at considerable cost of painful and agonizing appraisal by the conscientious supervisor has a high potential for mischief making and little expected utility.” He also felt it was “unsound” to consider all employees in an organization a peer group just because they shared a grade—that there were differences in career fields and they lacked common criteria for ranking. If “some vestige” of ranking were to be retained DDO felt it should be both confined to the top level of ratings and have better defined criteria.¹³⁸

While the DDO did like the Individual Career Appraisal and Development Plan, problems were seen with the supervisory comments that were to be added **after** a discussion with the employee; DDO pushed for greater transparency.¹³⁹

The system for appeal was already consuming a great deal of time, so much so that DDO anticipated this would divert effort from “prime operational missions,” as the estimated work-hours to handle an appeal within a group would be about 150.¹⁴⁰

Walter G. Deeley, then the chief of the Office of SIGINT (Signals Intelligence) Networks, felt the draft comments should be rewritten to be less ambiguous and disjointed, and offered a much shorter alternative. Deeley's main points were that the system was designed to use a "closed" report of attributes, promotion readiness, and ranking that was "totally inappropriate" for use in the current open environment. He noted that the system as used had resulted in demotivating "middle performers" in the attempt to identify those performing at lower levels. He recommended that the system be suspended, noting "the aims were commendable, the approach was innovative and ambitious, but the situation has changed."¹⁴¹

These criticisms made little impact, if they were even sent to upper management. On January 8, 1976, Lt Gen Allen issued a new memorandum on the "Career Evaluation System," noting "After one year's experience with this system, I believe we have proven its value as a meaningful management tool. However, I am not entirely satisfied with the manner in which it has been executed." Allen was pleased that progress had been made toward the deflation of ratings and credited the seven-level system as positive in "sorting out" the top performers. The system lagged, however, with identifying low performers. In an attempt to better differentiate, Allen modified the forced distribution of ratings so that the majority of employees (59%) would be rated at 4, only 3% at 7, and only 1% at 3 or below. DIRNSA stressed that "this system is our system and the Norms are our Norms, which are high indeed," and he expected every supervisor in the chain of command to "strive to achieve the target distribution." Railing against the failure of managers to complete appraisals, Allen noted, "Tardiness cannot be tolerated" (emphasis in the original). But he did thank the many managers whose constructive suggestions he had received, saying that they had been given careful consideration and resulted in changes for the next appraisal cycle. The memo closed with the Director's charge: "The new Career Evaluation

System can and will work. Each of you has an important role to play in assuring its effectiveness. I expect you to comply with its every provision and to do it in an accurate and timely manner."¹⁴²

This strongly worded guidance did not silence those who disliked the new system. On March 29, 1976, Bob Dedad, a division chief, passed an internal R Group memo on the system to Walt Deeley.¹⁴³ The memo, from Deputy Director for Research and Engineering Howard Rosenblum, in open defiance of the director, told the R Group management that he did not intend to force an allocation of ratings within R Group, but that he expected all supervisors to rate their personnel "objectively, fairly and more conservatively than in the past." Rosenblum provided guidelines for each level as follows:

Levels 1-3 "should truly identify the under-achievers." While DIRNSA's guideline was for 1% of the population to fall in this category, only .22% of R Group had been rated at this level the previous year.

Level 4 was for those who met required performance standards. While the guideline was 59% of the workforce, in the previous cycle only 9% of R employees were at Level 4. "Many who were rated Level 5 should be rated 4."

Level 5, intended for those who occasionally surpass required standards, had been given to 32% of the R workforce, as opposed to the desired 20%. "Obviously, many who were rated Level 6 should be rated Level 5."

Level 6 were the people who would have been rated Outstanding under the previous system. While only 17% of the NSA workforce was expected to be at this level, 52% of R employees received a 6. "Many of these should be rated Level 5 or even Level 4."

Level 7 was for the top performers with a set goal of 3%; 6% of R Group was at Level 7.¹⁴⁴

Rosenblum noted that his staff would periodically publish a report looking at the figures in R

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Group by organization, and that R Group would work with the Office of Personnel to “obtain pertinent information regarding the other Key Components to insure [sic] the R&E workforce is not being hurt by our endeavors to abide by the Director’s guidance.”¹⁴⁵

The system of forced distribution surely faced other, less documented attacks, for by May 24, 1976, the director was forced to issue a memo rescinding the requirement for the statistical distribution of rating levels. While the distribution was no longer mandatory, Allen said they should be used as a general guide and that this did not relieve management of their responsibility to use Levels 1 to 3 if an employee’s performance warranted that score. Supervisors were allowed to change ratings already submitted from January 1976.¹⁴⁶ By June 23, 1976, the change had been made to PMM 340 with issuance of Personnel Management Letter 7-1976, which stressed, “Although ratings within individual organizations may not precisely prescribe to the above guide, managers and supervisors are encouraged to refer to it in an effort to keep ratings realistic.”¹⁴⁷

Also in June, a re-evaluation of the Career Evaluation System was underway, with a survey circulated to key component chiefs by the Deputy Assistant Director for Personnel and Security (D/ADPS). This eleven-question survey sought narrative comments on the use of the system from these high-level managers on specifics of the forms used and the rating system. (See Appendix K for the questions.)¹⁴⁸

One statistical report, from B Group, dated September 22, 1976, survives to give us a sample of how organizations were trying to comply with the distribution. The B Group report notes that there were 42 overdue ratings. The distribution across the group was 4% rated Level 7, 28% rated Level 6, 39.5% rated Level 5, 28% Level 4, and .5% Level 3, with no one rated at 2 or 1. There does seem to have

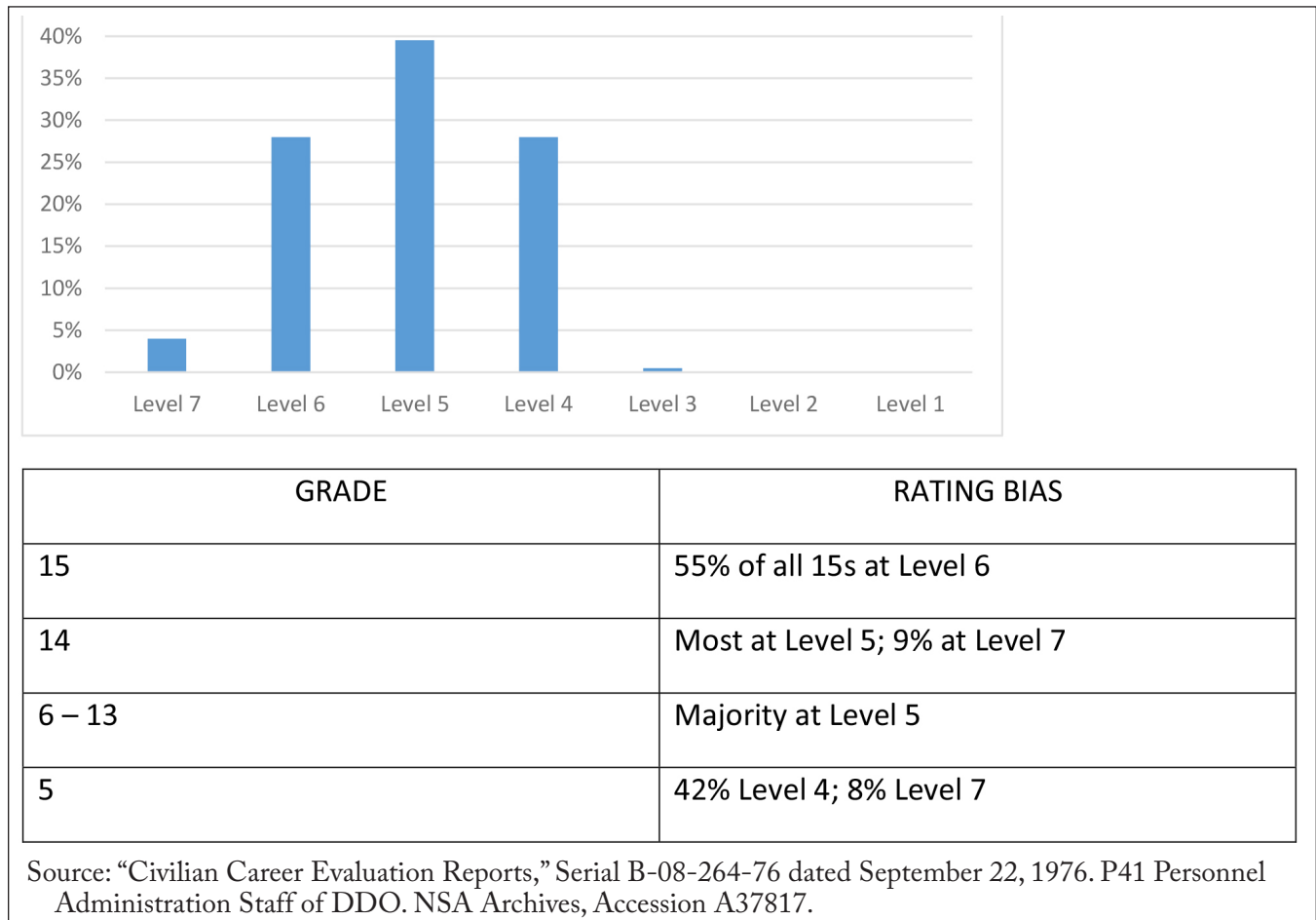
been some grade bias, however: 55% of the grade 15 population was at Level 6; for grade 6 to 14 the vast majority were at Level 5. While 42% of the grade 5 employees were rated Level 4, 8% of that grade were at Level 7, as were 9% of the grade 14 employees.¹⁴⁹ (See Figure 13.)

Near the end of 1976, Lt Gen Allen announced important and fundamental changes to the system as the result of two years of experience, two management surveys, and “numerous observations” from employees. These changes were effective in January 1977. The system moved from seven levels to five, eliminated the rankings of peer groups, reduced the occasions where a reviewer was required, revised the scale for employee attributes, expanded the career development form, and eliminated the forced distribution guidelines for all but the highest level or rating. Allen characterized the refocusing of the system as one that must now consider both past performance and future expectations—away from a system that judged employees against each other in a finite ranking system to one that judged employee performance against predetermined expectations and objectives.¹⁵⁰

Each supervisor was told to identify performance objectives and expectations for each employee and accurately and fairly describe performance against these expectations. DIRNSA continued to caution against inflated ratings and charged supervisors with closely following the definitions of the five levels of performance.¹⁵¹ The top level, Level 7, was limited to 6% by grade within each key component and had to be approved by the chief of the key component but could be delegated no lower than the group chief level.¹⁵²

Rather than assign new numbers in the revised system, Levels 6 and 2 were removed and the levels redefined as follows:

Figure 13. Distribution of ratings and grade bias, B Group, September 1976



- Level 7 – Exemplary performance, top
- Level 5 – Exceeds performance norms
- Level 4 – Meets performance norms
- Level 3 – Occasionally does not meet norms
- Level 1 – In most instances fails to meet norms¹⁵³

On January 21, 1977, Deputy Director of Operations Robert E. Drake delegated authority for approval of Level 7 ratings to DDO group and staff chiefs with the provision that these ratings were limited to 6% of the population of each grade within the group or staff. To ensure that DDO did not exceed its 6%, this was limited to 6% of an

organization’s assigned strength in each grade, with fractions rounded up or down. Drake stressed that “tardiness cannot be tolerated” and ratings needed to be done on time to make the system work.¹⁵⁴ B Group handled the distribution issue by requiring that all appraisals were to be reviewed by the Chief of B before they were presented to the employee.¹⁵⁵

Director Allen had, by February 14, 1977, reviewed more than three quarters of the summaries of the 1976 evaluations and was still unhappy with the excessive number of employees rated above Level 4 and the tardiness of submissions. In mid-February 1977 more than 1,000 employees had yet to receive an appraisal for 1976.¹⁵⁶

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Opposition to the quota on Level 7 ratings continued. On March 3, 1977, Walt Deeley, who was now the chief of B Group, sent a memo to the General Counsel (GC) asking for a ruling on the legality of the predetermined 6% quota.¹⁵⁷ Deeley's query was backed up by DDO Drake, who sent a note on March 10 requesting an early response.¹⁵⁸ Other managers might have been trying to make a point by submitting ratings where each individual duty was rated at Level 7 but the overall appraisal was given only a Level 5. Joseph P. Burke, the chief of Personnel, noted, "Execution of appraisals in this manner is not consistent with the objectives of the system nor in keeping with the guidance provided by the Director." Burke noted that M35 "cannot accept career evaluations which reflect inconsistencies between overall ratings and specific duty ratings and will return them for correction."¹⁵⁹

Then, on April 20, GC Roy R. Banner, issued a memo determining that the director could legally establish a system if the definitions of the rating factors were "set forth clearly enough to assure reasonable and uniform interpretation of the supervisors and employees of NSA"; he noted that the definition of Level 7 needed to be made sufficiently clear to be uniformly construed.¹⁶⁰ This judgment doomed the system. On May 10, 1977, Personnel Management Letter 20-1976, Change No. 1 redefined Level 5 as "occasionally exceeds performance norms" and Level 7 as "in most instances exceeds performance norms." The limit on 6% of the workforce, by grade, being given a Level 7 was removed; however, the key component chiefs were still responsible for identifying the top 6% of employees in grades 12 through 15 and the top 10% in grades 1-11 and the Wage Board grades; this determination could be delegated no lower than the group level. This designation was to be marked by placing an "A" to the left of block 19 of the P1 form and to the right of block 23 of form P1A. Evaluations for 1977 already completed with a rating of 7 would automatically be marked as in the top 6% if the Personnel organiza-

tion was not otherwise notified. Decisions to add or exclude employees from the 6% or 10% groups were due by June 30. Ratings could be changed to fit the new definitions by June 30.¹⁶¹ DDO affirmed that he would delegate responsibility to approve Level 7 ratings and identification of the 6% and 10%, and urged all to make appropriate changes to ratings already submitted.¹⁶²

Just six months later, on November 18, the Office of Personnel circulated a draft memorandum to key component chiefs with recommended changes to streamline and improve the appraisal system. Using continuous reviews and many comments from employees repeatedly highlighted deficiencies in the amount of time the evaluation took managers to complete and the associated delinquency rate. The proposed revisions included discontinuing the Inventory of Attributes (P1B) for GG-11s and below. To serve the promotion boards, M3 proposed that the top 6% of GG-12s and above should be identified on the P1B form (rather than the P1), thus providing about twice the number of people who could expect to be promoted in these critical grades. It was recommended that managers no longer identify the top 10% of GG-11s and below, as the data was not useful for personnel decisions and "it tended to cause sometimes serious inequities and bad morale." Form P1A, the Workforce Assessment Data form, was abolished and this move was expected to free up considerable supervisory time.¹⁶³ It was clear that there were still problems with delinquency, although inflation seems to have been quashed ever so slightly, based on figures compiled in early 1978.¹⁶⁴ (See Figure 14 for data showing the distribution of ratings and delinquencies for the DDO for calendar year 1977.)

Deputy Director for Operations Drake, who would soon become NSA's fifth civilian deputy director, signed off on this with a minor modification, on December 5, 1977,¹⁶⁵ and the changes became effective on January 1, 1978.¹⁶⁶ Forms were not revised, but a Personnel Management Letter

Figure 14. Distribution of ratings and delinquencies for the DDO in CY 1977

	Top 6% of Level 7s (#/%)	Level 7 (#/%)	Level 5 (#/%)	Level 4 (#/%)	Level 3 (#/%)	Level 1 (#/%)	Total rated	Delinquent/ not completed
A Group	115/6.4	227/12.6	1187/66	266/14.8	1/0	1/0	1796	221
B Group	37/6.1	84/14	413/68.8	66/11			600	6
G Group	106/7.7	146/10.6	905/66	213/15.5		1/0	1371	43
V Group	24/8	25/8.4	208/70	40/13.4			297	7
W Group	46/7.5	49/8	402/65.9	113/18.5			610	0
P1	4/4.2	10/10.5	77/81	4/4.2			95	0
P4	6/7.1	22/26.1	60/59.5	6/7.1			84	7
Totals							4853	284

Source: “NSA/Career Evaluation System,” February 21, 1978, NSA Archives, Accession 37817.

was circulated to remind supervisors that the rating percentile guidance was no longer used.¹⁶⁷

All was not calm for long. The Civil Service Reform Act (CSRA) of 1978, signed into law on October 13, 1978, put a great deal of emphasis on performance appraisal and is the first official document to introduce the concept of tying pay and promotions to performance rather than length of service. This triggered a new study in NSA’s Personnel Management directorate. In May 1979, Harold E. Daniels, Jr., director of Civilian Personnel, circulated a paper on performance appraisal from OPM to all the key component chiefs.¹⁶⁸ Daniels noted that a director’s task force on CSRA implementation had been set up and was studying performance appraisal as it related to the Senior Cryptologic Executive Service (SCES) “in order to be prepared should such legislation be enacted,” and he solicited input to help M3 “plan and implement a good appraisal system throughout NSA.”¹⁶⁹ DDO immediately circulated the memo for comment from group chiefs, asking for proposals or suggestions on development of a new system as well as critiques of the current system.¹⁷⁰

Only one memo in response to DDO’s call

for input has been found, a thoughtful and cogent response from the chief of V Group, William H. Jenkins. Jenkins felt all the usual shortfalls of the past and current systems stemmed from more fundamental problems. These included having too many objectives for the system and expecting too much of the documents. Overly complex forms meant to satisfy many requirements were time consuming and subject to manipulation. Additionally, Jenkins felt, many using the system believed that the only bit of the appraisal of significance was the one block measuring overall contribution and held the conviction that “the assessment of the value of a whole year’s work really comes down to one uncertain check mark.” Jenkins noted that the human factors involved could not be standardized or mechanized and that objectivity cannot be legislated, so the interpretations of the appraisals were as varied as the number of people using the system. Finally, he noted, no one, rater or ratee, ever viewed the appraisal as an “opportunity.”¹⁷¹

Jenkins, who recommended taking away the stigma of Satisfactory and making it easier to give Unsatisfactory ratings while separating punishment and reward from the appraisal system, summed up his recommendations as follows:

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We should separate, in fact, in form, and in practice:

- Ratings of performance
- Records of meritorious or culpable activity
- Recommendations for personnel action
- Awards
- Data gathering about the workforce.

That should:

- Make ratings easier to give and to receive
- Simplify the appraisal system
- Encourage critical looks at why and what kinds of data line managers are required to accumulate and record about the people working for them
- Allow supervisors to make judgments one at a time about their subordinates
- Place the responsibility for initiating specific personnel actions visibly in supervisors' hands.¹⁷²

By August 1979, the director's task force had already suggested revisions to the appraisal system for the SCES. And the NSA Personnel office was studying how to make changes to the system and was conducting a pilot program in the Deputy Directorate of Technology. The new system worked on a schedule that coincided with employee WGI due dates. Randomly selected employees in the directorate with WGI dates during the test period were selected, and their supervisors used the new system to make rating and WGI decisions. As tested, the system included a Work Plan for supervisors and employees to identify critical job elements and performance standards, a rating/WGI certification form, and annual records review and a training posture.¹⁷³

Participants provided evaluation, and the decision on whether to move forward with these concepts was to be based upon an analysis of their response. "If all goes well," implementation of this revision to the Career Evaluation System (CES) was expected in January 1980.¹⁷⁴ This did not happen.¹⁷⁵

The complex, multilevel CES frustrated employees as much as it did their managers. A typical employee complaint appeared in the April 1980 "Action Line" column of the *NSA Newsletter*. One woman advocated for a return to the "simple, yet efficient" appraisal system of the 1960s Satisfactory/Unsatisfactory, which she felt would be both more fair and more accurate.¹⁷⁶ (The writer was not fully remembering that this system, used 1956-1964, also had an Outstanding level.)

Daniels responded with a discussion of the requirements of the CSRA (from which NSA was exempt, although applying the concepts on a voluntary basis) and announced that there would be a new appraisal system in January 1981. Daniels noted that a system that only used the two-level Satisfactory/Unsatisfactory rating not only did not provide enough information for pay and incentive decisions but did not provide enough feedback for the employee. He said that while the return to the system of the 1960s would be easier, much more was expected of a performance appraisal system in the 1980s and that much of this was mandated by the CSRA. Daniels stressed the role of training for the new system as "an evaluation system is only as effective as those who use it."¹⁷⁷

We don't know if other managers pursued changes to this system as vigorously as did Deeley and Jenkins; the records do not exist. But we can be certain that opposition to this system, for a multiplicity of reasons, hastened its downfall. Amazingly, some of the forms designed for CES would be tweaked, recycled, and reused in follow-on systems through 1993, a full 13 years after the end of CES.

The Problems of Quotas and the Move to PPEC

1981-1983

Widespread preparation was underway for the move to the new Performance Planning, Evaluation, and Counseling (PPEC) system by early 1980. A training course for supervisors was offered starting in March, and a supervisor's guide to the system was published in April.¹⁷⁸ In the July 1980 NSA *Newsletter*, Director of Civilian Personnel Daniels said that the new system would only be effective if all assumed that there may be additional paperwork, that there will be additional time spent on the process, that there were certain risks, and that there would certainly be resistance to change. "Nothing is perfect," he noted, but Daniels expected PPEC to be more equitable, objective, and useful than previous systems.¹⁷⁹

PPEC was directly tied to the requirements of the CSRA of 1978, despite the fact that NSA was exempt from following this act. CSRA had a requirement that agency performance appraisal systems be used as a basis for developing, rewarding, reassigning, demoting, promoting, retaining, and removing employees, which would make ratings more meaningful than in the past. Ratings were also to be used as a basis for merit pay increases for supervisors. NSA chose to relate salary increases (to include WGIs, cash awards, quality salary increases, sustained superior work performance awards, and promotion recommendations) to the performance appraisal process. This would be the first time that the WGI for grades 12 and below employees would be tied directly to the performance appraisal.¹⁸⁰

PPEC grew out of the aforementioned director's task force on CSRA implementation, and NSA Director ADM Bobby Inman, USN, ordered a new Agency system parallel CSRA.¹⁸¹ According to a former assistant deputy director for administration the origins of the PPEC system can be found in three factors. In the early 1970s, academic and business

journals discussing appraisal methodology stressed the importance of evaluating the attributes needed for job success. An NSA psychometricist, who had been hired to develop the first Career Qualification Battery aptitude tests used for hiring, contributed some work on performance evaluation.¹⁸² At the same time there was some dissatisfaction in the administrative areas of the Department of Defense (DoD) with NSA's autonomy in many matters, including performance appraisal. The assistant deputy director for administration remembered that DoD would complain to Congress about NSA not following Civil Service rules and that an "overarching response" to this pressure and changes in current industry appraisal standards helped drive the change of system.¹⁸³

Significantly, PPEC was to have no preestablished distribution of levels and no quotas, a direct response to complaints from senior managers in years past.¹⁸⁴

Three forms and two sets of machine-generated data made up the PPEC appraisal package. This included a Supervisor's Checklist (Form P2), intended to ensure that the supervisor did not skip any of the steps, the employee performance appraisal (Form P1C), a Work Plan (Form P2A), the employee training posture data, and annual records review.¹⁸⁵

Form P2, the Supervisor's Checklist, required the supervisor to acknowledge that each of the following steps had been completed and that the form was signed by both the employee and the supervisor:

- job description reviewed
- a performance appraisal discussion had taken place
- career development counseling had happened
- a box to check if the employee wished to be referred to personnel for consideration for reassignment, a field tour, etc.
- acknowledgment of the records review and any need for changes

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- review of employee responsibilities
- establishment of the next year's duties and objectives and development of a work plan. The form was signed by both the employee and the supervisor.¹⁸⁶

The appraisal package went to supervisors one month in advance of the end date of the appraisal period, which was also 90 days in advance of the WGI due date. The completed appraisal was presented to the employee and returned to personnel within 30 days after the due date, and the WGI took effect 30 days later.¹⁸⁷

The actual appraisal, Form P1C,¹⁸⁸ was a variant on the P1 form used by the last system. There was room to list up to ten duties (some of which could be marked as critical elements). Each duty received a rating: "Unsatisfactory (U)," "Marginal (M)," "Satisfactory (S)," "Excellent (E)," or "Outstanding (O)." EEO efforts and security supervision (for supervisors only) were to be judged satisfactory or unsatisfactory. The overall rating ranged from U to O; those receiving U or M would not be eligible for a WGI.

An innovation of this system was the Work Plan, Form P2A. This was retained only by the supervisor and employee and could be modified with the consent of both parties during the rating year. Job duties or objectives were listed; priorities/critical elements marked with an asterisk. The performance standards for each objective were listed and then the actual achievements for each duty were recorded, with a space for the final rating.¹⁸⁹ The work plan was mandatory for grades 13, 14, and 15 as preparation for an anticipated merit pay (i.e., "pay for performance") system being considered for those grades. The plan was optional for those in grades 12 and below.

Additionally, the P1B (Inventory of Attributes) form was still required for grades 12 to 15, but was revised to better focus on performance factors and less on personality. P1Bs were due in January for grade 12, February for grade 13, and

March for grades 14 and 15. P1Bs were regarded as an important tool for promotion boards and were included in promotion review board files.¹⁹⁰

Rather than a formal appeal process as had existed for previous systems, there was only the option for employees to appeal their rating through the formal NSA/CSS grievance procedures in PMM Chapter 369.¹⁹¹

On November 21, 1980, there was an announcement that the system would begin on January 1, 1981. By that date, the training class (MG-280) was replaced by a self-paced course for managers, available at all learning centers (MG-Z28). Thirty-two hundred employees had been trained by the time of implementation.¹⁹²

It is not surprising that, by May 1983, the PPEC system, which admittedly required even more paperwork than the Career Evaluation System it replaced, was drawing fire from managers. At the center of the discontent and once again leading the charge against a "time-consuming and useless instrument" was Walt Deeley, by then the deputy director for Programs and Resources.¹⁹³

PPEC would end in December 1983, after only two years, but the process to find a new system was complex and fraught with difficulties, and a replacement was not in place until January 1985.

In the two decades following NSA's emancipation from the constraints of the Performance Ratings Act of 1950, the Agency implemented three systems that were more complex than those of the recent past. We see the growth of studies and the need for consultants generated by the desire for a system that was appropriate and useful to management, and the collapse of these systems under their own complexity. NSA continued to search for a system that would be accurate, easy to use, and serve a multitude of requirements for performance measurement data.

CHAPTER IV

Of Our Own Design 2: NSA-Generated Systems to Measure Performance: 1983-2008

The prince also decided to implement a program attempting to match the right middle level vassals to the right jobs. He called it Universe, but the vassals called it “The Lottery” because the odds against a vassal playing and winning were astronomic. The lords didn’t like the program and immediately set about subverting it. The program evolved into a process whereby the lords continued to make personnel moves as they always had but informed Universe. This made the lords happy. Universe then published the personnel moves as a result of Universe’s efforts. This made the prince happy. The name eventually was changed to a meaningless bureaucratic phrase, which at least reflected its real status.

—The Parable of the Tail with No Teeth,
(reference to *Galaxy*), 5

Dueling Efforts—The Quest for the Next System

1983

Between May 1983 and December 1983, two parallel efforts in the field of performance appraisal and career management were underway. The disarray and disagreement that would result left NSA

with a series of interim appraisal systems, loosely based on PPEC for eight years—from January 1, 1984, through the end of 1991. It is somewhat ironic that in this period of great growth in personnel and resources and, in retrospect, the relative stability of the NSA target set—a “golden age” of SIGINT—that the appraisal system appears to have been in disarray. In fact, the surge in hiring of the early 1980s exacerbated both the problem of time-consuming appraisal systems and conflicts between higher level managers as to how to best exert control over ratings and advancement.

The first effort began with a survey of 2,000 Agency personnel regarding their attitudes toward the PPEC system, which created, perhaps inadvertently, a great deal of controversy, as we will see. Meanwhile, behind the scenes, the Deputy Director for Administration (DDA), Louis Bonanni, had agreed that no matter what the survey said, PPEC would die. The second effort regarded creation of a new Career Management System aimed at reforming performance appraisal and career assignments for mid-level personnel (grades 12-15). While the efforts were parallel for much of 1983, it is easiest to examine them in turn.

Although the official starting date for PPEC was 1981, employees were not actually evaluated on objectives set by PPEC guidance until the 1981-1982 performance year, and the Agency population did not experience a full PPEC cycle until the end of 1982 or the beginning of 1983. The timing of the first assessment of the effectiveness of PPEC was planned for late 1982 but delayed until early 1983 because of the long lag time in completing a full evaluation cycle.¹⁹⁴ However, planning for assessment of the system began as early as October 1981 and involved consultation with OPM, a search of professional literature, formal research design, and a planned pilot test of the survey in late summer 1982.

On May 16, 1983, the Office of Civilian Personnel sent a memo announcing a survey regarding the effectiveness of the PPEC system.¹⁹⁵ This prompted a flurry of vigorous discussion well-documented in memos and desk notes. On May 20, four senior “warlords”¹⁹⁶—the deputy director for Programs and Resources (DDPR) (Walt Deeley), the DDO (C. R. “Dick” Lord), the deputy director for Research (DDR), and the deputy director for Telecommunications and Computer Services (DDT) (Kermith H. Speierman)—responded vehemently to the idea of a survey. They told the chief of Civilian Personnel that “it continues to dismay us that the executives of this Agency are rendered impotent in their leadership by subordinates who will procrastinate over long periods, poll the workforce for their opinions, etc., and generally disable our ability to manage this Agency.” The group noted that many managers had registered their “absolute discontent” with PPEC and “could not have been more unanimous at several corporate management reviews than in our desire to junk as soon as possible this time-consuming and useless instrument.” The group suggested a return to the appraisal system of the 1950s with the ratings of “Outstanding,” “Satisfactory,” and “Unsatisfactory,” with documentation required for the highest and

lowest levels. The warlords felt that Civilian Personnel should recommend several alternatives to leadership, allow leadership to select one system that fulfills their needs, and then “get on with it.” “Opinion polls just prolong the agony.”¹⁹⁷ In the opinion of the former assistant deputy director for Administration, the senior managers objected to the new system primarily because they wanted more direct control over promotion decisions.¹⁹⁸

If this group had been hoping for the chief of Civilian Personnel to cave in to their demands, they were wrong. Bonanni, to whom Civilian Personnel was subordinate, drafted a decision note for then-DIRNSA Lt Gen Lincoln Faurer, USAF, on May 24. Bonanni felt that the note from the warlords was not in the spirit of the Director’s Team Build and that the language was inappropriate. He told the director that he had talked to Speierman, Lord, and the DDR, who now felt that they shouldn’t have signed the memo as written, but noted, “I do not intend to talk to Walt about it because I was told he authored it.” Further, a review of corporate management review minutes did not support the claim that Agency executives wanted to “junk” the PPEC system, although there was agreement that there was need to revise or perhaps replace the system, and that investigations were underway in the form of an Evaluation System Committee run by Bonanni’s assistant DDA. Bonanni recommended that the PPEC System Study and associated survey be completed to support the investigation of a new system. A handwritten note from Faurer notes, “Concur in the principle of a survey but non-concur in the present construction.”¹⁹⁹

Faurer further explained in a desk note to Bonanni written on May 25. He felt the survey was not designed to “elicit insight into desired changes” but “seeks data to judge the present system” and felt that was not a helpful or constructive step. Faurer felt that Deeley’s memo was both “intemperate” and “slightly overstated” the view of corporate leadership.²⁰⁰

DIRNSA's view put DDA in an awkward position. The surveys had already been distributed, and many had been returned. The assistant DDA feared that it would send a bad signal to the workforce to stop the survey now. He informed Bonanni that he had discussed the survey with Chief of Staff George Cotter²⁰¹ and that Cotter would talk to the director. The assistant DDA stated that the DDA organization was "completely committed to replacing PPEC and will not use the survey as a basis for hanging on to it."²⁰² By May 25, Cotter had spoken to the director and convinced him to let the survey proceed. Bonanni told his assistant DDA "our work is cut out for us." The immediate crisis was over.²⁰³ The assistant DDA was already deeply involved in plans for the next system.

When the survey results were compiled it was found that most felt that PPEC was "basically a sound management tool" despite the huge time commitment, the belief that there were quotas for the top scores, and the persistent inflation of rankings. Fifty-one percent of those surveyed said the system should be kept; only 27% thought it should be dismantled. But the decision had been made before the survey was tallied—PPEC would not be the appraisal system of the future.²⁰⁴

Galaxy and the 1984 Interim Appraisal System

The parallel effort to change the personnel management system was well underway by the time of the fuss about the survey and was led by Bonanni's assistant DDA. In mid-April 1983, a cautionary memo from the Assistant General Counsel for Personnel and Security William J. Hamill to the assistant DDA advised that it was important that the concept and implementation of such a system be carefully reviewed to ensure it did not exceed NSA's authority under Public Law 86-36, among other statutes. Hamill noted, "Although NSA has greater latitude than most other agencies in the administrative arena, we are still bound within certain prim-

eters. Any attempt to exceed or play games with such special authorities could result in embarrassment, inquiry and withdrawal or control on these authorities." EEO requirements were a concern, and Hamill advised consistent application throughout the Agency; uniform conformance; avoidance of arbitrary and capricious actions; and the need to record documentation and justification of actions.²⁰⁵

The concept was called "Galaxy." Galaxy was intended to be a mid-level performance appraisal system combined with a career placement system for mid-level "careerists"²⁰⁶ (those in grades 13–15). The idea seems to have grown from a senior team-building session held by DIRNSA Faurer in March 1983 and developed via a literature search, study of industry practices, and guidance from the Personnel Management Steering Committee and Working Group.²⁰⁷

The assistant DDA sent a decision memo to the director on May 17. At that time the intent was to finish the system design by early July, obtain the necessary approvals, and start the system on October 1.²⁰⁸ Reality did not match the intent of rapid implementation. And the record is unclear on what sort of appraisal system would be used for lower grades.

In July 1983, the assistant DDA briefed the Corporate Management Review on the proposed "Career Management Program for Mid-Level Careerists." The program included a profile of employee strengths and weaknesses (or "needed improvements"), assessment of behavioral dimensions of job performance, and a three-level overall rating.²⁰⁹ It was intended to be used not just as an appraisal but for rotation, training, and promotion purposes.²¹⁰

In early November, the Office of Civilian Personnel told the director that they were in the process of eliminating PPEC and that a new system was under review.²¹¹ But when the proposed Galaxy system was circulated to key components on November

25 (with a request for comments by December 16), problems quickly became apparent.²¹²

Some senior managers were concerned about the scope of the system and the fact that it mixed measures of performance and measures of potential.²¹³ Others objected to Galaxy using “Excellent” as the top rating as opposed to “Outstanding.”²¹⁴ At least one person, the inspector general, felt the change was “refreshing.”²¹⁵ There were complaints that the new system was too “management oriented” and left a “void” in the technical track.²¹⁶

The deputy director for Special Studies thought Galaxy was an improvement over the PPEC process but feared that the system would lead to a statistical rating of performance.²¹⁷

The show stopper was the Office of the General Counsel. General Counsel (GC) Jon T. Anderson noted on December 22 that “the proposed system has several legal deficiencies and could be struck down by an administrative or judicial reviewing authority.”²¹⁸ His detailed memo noted that the system had to appraise the employee based on job duties and explain how the final rating was derived, and that the current system did not provide the legally required basis for employment decisions. The Galaxy system, he wrote, does not require or provide an opportunity for a narrative to justify an overall performance rating of unsatisfactory, and after the appraisal, supervisors must destroy their supporting notes. Without specifics to substantiate either the overall or element rating, no subsequent action can be taken. His memo concluded that although the proposed system was legally deficient, some elements of the system could be salvaged and made to comply with legal requirements.²¹⁹

Work on Galaxy would continue for another year. In the meantime, the abolishment of PPEC meant the Agency still required a performance appraisal system that could begin in 1984. This system was derived from the PPEC model.

The interim system was first intended for grades 11 and below, as it was believed that Galaxy would be implemented for higher grades in mid-1984, but as a stop-gap it was used for all employees at grades 15 and below in 1984. The system used the existing Form P1C, but supervisors no longer had to indicate critical elements. The annual records review and training posture forms were decoupled from the performance appraisal process but would still be completed annually.²²⁰ Appraisals for grades 11 and below were due on WGI anniversary dates; grade 12 would have a “catch-up” period for those whose anniversary dates were between January and March 1984 and then follow the anniversary date for the remainder of the year. The appraisals for those in grade 13 were due at the end of March 1984 and those for grades 14 and 15 at the end of April.²²¹ The P1B “Inventory of Attributes” form was still to be used for grades 12 and above, but supervisors were no longer to identify the top 6% of the workforce on these forms.²²²

A meeting for managers on November 29, 1983, officially “pulled the plug” on PPEC, explained the Galaxy system for grades 12 through 15, and noted that WGIs would be handled separately from appraisals for those grades. Plans for new appraisal systems for the SCES (to be implemented mid-1984), as well as new systems for the Senior Technical track and for GG-11 and below, would debut in 1985.²²³

The GC continued to oppose the idea of using a three-level rating with no narrative as an interim until a new system was implemented and recommended that Form P1C be used as an interim measure once PPEC was discontinued.²²⁴

In response to the GC’s concern, the Personnel Management Steering Committee revamped the proposal for Galaxy and presented the changes in January. The system retained a three-level rating and a two-part format for the instrument. The first part was to include a statement of accomplishment rath-

er than individual ratings of duties. The second part, the behavioral rating scale, was to be optional and used for counseling purposes.²²⁵ This move did not placate the lawyers. The GC, responding in February, felt that part one was only acceptable if the narrative statement was called a “statement of accomplishments and/or deficiencies,” and stressed that the narrative comments must relate to performance of job duties. And part two could not be optional and must have a “direct, quantifiable relationship to the overall rating,” which effectively defeated the committee’s goals.²²⁶ In May the GC would go on to insist that there be numerical correlation between part two and the overall appraisal rating but conceded that part one was “a legally sufficient basis for evaluating performance” though it did not “provide as complete a basis of the overall rating” as they would like. At this point M3 decided to eliminate part two but to consider its use as a replacement for the existing P1B.²²⁷

Galaxy had reached a breaking point. By September 21, the DDA decided that the new appraisal system, along the lines of what had been proposed for Galaxy, would no longer be for those in the “mid-career” range but for all employees in grades 2 through 15. This new system would be implemented on January 1, 1985. The second part of the Galaxy assessment, looking at behavioral dimensions of performance, was to be tested in 1985 to see how it might be used to replace the P1B, for a career development system, and to provide information to promotion boards.²²⁸

This middle ground seemed to satisfy most key components; however, some groups did not concur, feeling the new evaluation system was a “step backwards” or an “insult to the Agency as a whole.” While some suggested going to a simpler two-level (Satisfactory/Unsatisfactory) system instead, others were concerned that the system was too simple and that the elimination of predetermined job elements and standards, as well as discarding rating of specific job duties, was going too far.²²⁹

1985-1991

With Galaxy dead and no new studies underway, a new system was put in place in January 1985. With just a few tweaks, this unnamed system would last until December 1991 and use a modified version of the P1C form. The system had three basic objectives: to ensure all employees understood the essential nature of their job, their duties, and how performance was measured; to identify high achievers and low producers; and to provide job performance information as a basis for training, rewarding, reassigning, promoting, reducing in grade, or removing employees.²³⁰

This system incorporated quite a few aspects of the original Galaxy idea, including a narrative statement of accomplishments/deficiencies instead of duty ratings for describing job performance. The rating levels were reduced to three—“Unsatisfactory,” “Satisfactory,” and “Excellent.” WGIs were no longer certified on the performance appraisal and Form P4077 was to be used instead.²³¹

Appraisals for grades 2-12 were done based on month of birth in order to distribute the workload on supervisors more evenly through the year. Some schedule adjustments were needed to accommodate the move from using WGI anniversary dates to the month of birth, to ensure that all employees had appraisals in 1985 and did not receive two within 90 days of each other. This meant in the first year of the system employees should have at least four months between appraisals and no more than 16 months, which meant some employees received two appraisals in 1985. Appraisals for higher grades were timed to meet promotion board deadlines. GG-13 appraisals were due in March, and GG-14 and GG-15 appraisals in April. All field appraisals of grades 13-15 were due at the end of April.²³²

The annual records review and training posture information was continued. The Inventory of Attributes, using Form P1B, was continued for grades 12 and above, although no longer part of the perfor-

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mance appraisal system. P1Bs for grades 12 and 13 were due in January and for grades 14 and 15 in February.

Minor changes were made to the P1C in 1985 when a fourth rating, "Training," was added.²³³ This was meant to be used when an individual was in long-term training and there was effectively no work for the supervisor to evaluate, but was mistakenly sometimes used for employees in the intern programs, leaving them without a rating for an entire year of work.²³⁴ In October 1990, new requirements stated that the narrative comments for P1B attributes must be in bullet format and mandated that supervisors discuss the completed P1B with employees, to be verified by the signature of the employee.²³⁵ But the interim system remained in place until the end of 1991.

Meanwhile, the quest for a more robust system continued.

Performance Review and Evaluation System (PRES), 1992-1997

Planning and Development (1987-1991)

During the period 1987-1990 extensive plans were being made for a new and improved system. PRES would be the first performance appraisal system whose design would be contracted out to a private corporation, LaMountain & Associates, a management consulting firm specializing in personnel systems.

All indications were that by February 8, 1987, the Office of Civilian Personnel was interested in reverting back to a system more like PPEC and was examining whether there should be a work plan and whether WGIs should be tied to appraisals. A cautious approach was recommended given the upheavals underway in the personnel system due to the introduction of the Federal Employees Retirement System (FERS). Without the FERS issue²³⁶ and other distractions the system could be changed by October, in the opinion of the chief of

M33, Duane G. Roling.²³⁷ The chief of M35 told Roling that a PPEC-like system would need a "new packaging scheme" and should exclude quantitative evaluation, substituting general goals with subjective evaluations. He cautioned that a new system should be delayed until March 1988 "to minimize disruption" and thought appraisal should be timed with the WGI due date. He affirmed that the workload on the integrated personnel activities were the multiple open seasons for the new Thrift Savings Plan and the open season for transfer of nonvested Civil Service Retirement System (CSRS) employees to the new FERS system. Roling acknowledged the higher priority issues but cautioned "we should be ready for this one if D/Dir [then C. R. "Dick" Lord] strikes!"²³⁸

In September 1987, Deputy Director Lord did task DDA to develop a new performance appraisal system specifically because of the perceived deficiencies of the current system. It was felt that the system did not do a good job of differentiating between employees, as 98% received an Excellent rating. Additionally, the system was not legally defensible and did not address the duties the employee was expected to perform prior to the evaluation of employee performance. M33 began conducting research on state-of-the-art systems used in the private sector as well as those used by other federal agencies.²³⁹

Research during the period September-December 1987 and meetings with staff from McCormick, Westinghouse, and Marriot companies, as well as from CIA and DIA,²⁴⁰ made it clear to NSA personnel officers that the best systems:

FORCE management from the TOP down to complete a very comprehensive set of ratings that cover career development, required training, and specific performance criteria. Managers are then held ACCOUNTABLE for communicating the rating information to their employees, and for scheduling the

training and education that is required for career enhancement. Then the employee is held accountable for completing any training or academic requirements scheduled.²⁴¹ (emphasis in the original)

At the conclusion of this period of research, a proposed new appraisal system was briefed to M3.²⁴² Unfortunately, no record of this proposal can be found in the NSA Archives. Either the system or the briefing must have been lacking, for in March 1988 LaMountain & Associates was hired to assist M33 in the development, piloting, training, and implementation of a new system.²⁴³

LaMountain and M33 did a needs assessment with the deputy director and then met with all the key component chiefs and group chiefs in July 1988 to gain insight into the strengths and weaknesses of previous systems, why they failed, and what a new system should look like.²⁴⁴ These meetings, done in small groups on July 13 and 14, generated a wide variety of opinions. The Deputy Director for Programs and Resources (DDPR) felt that PPEC involved too much paperwork, placed an excessive burden on everyone involved, and had few positive aspects. He was “not sure whether managers cannot or will not do effective performance management” and was not sure “whether holding them accountable for how they manage their employees will make any difference.” He was in favor of a pass/fail system rather than a bell curve forced distribution of ratings and commented “if we have more than two choices he believes that we should have an even number of categories, because that would eliminate the average category that is never used anyway.”²⁴⁵

The chief of W Group thought the current system was fine and “unlikely to become better” and that the major problem was bad management, something he was not sure a new system would fix. He felt that the proposed new system was too like PPEC and would be too cumbersome and time consuming. He too favored a pass/fail system.²⁴⁶

The chief of P Group was concerned about the new system’s lack of distinction between grades and responsibility. She liked the forced feedback in PPEC but felt the system was too complicated. Others in the group, including the DDO chief of staff, felt that performance appraisal should be kept separate from any advancement or promotion considerations.²⁴⁷

The GC raised a variety of concerns, including the first known mention of the potential for a pay-banding compensation system, which would force a link between performance appraisals and compensation.²⁴⁸ Among these concerns were the rapid promotion rates and grade creep under the current appraisal system; the need, by law, for the system to be based upon a factual justification of the rating decision (not on a subjective process); and the need for an overall rating. The GC expressed concern that the NSA system did not resemble other federal systems, which, they felt, put those who transferred to other agencies at a disadvantage.²⁴⁹

DDPR Rogan felt the P1B was the only useful component of the current system, as narrative was more helpful than numerical ratings. He felt that if managers could be forced to regularly provide meaningful feedback, advice, and counseling he’d consider abolishing formal appraisals for employees below grade 12.²⁵⁰

A contrary view of PPEC was expressed by Jerry Mass, Chief of A Group, who felt PPEC was “a start in the right direction” and that spending seven or eight hours per year per employee “is peanuts” and that arguments that PPEC was too time consuming were specious.²⁵¹

These meetings documented concerns about PPEC and PPEC-like systems: they were cumbersome and difficult to operationalize, training was not adequate, and ratings were inflated because the system was used to substantiate awards and promotions. But the concerns about the current system, implemented in 1985, were no better: it was too

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simplistic and of little value, did not encourage early discussions, inflation made the ratings of little use, the three-level scale did not provide sufficient differentiation, it was not compatible with other government systems, and it was open to legal challenge.²⁵²

The “ideal” system, it was felt, would include some of the best aspects of PPEC and would be considerably more sophisticated than the present system. However, there was a great deal of skepticism as systems had “come and gone” with regularity at NSA.²⁵³

A job satisfaction survey was conducted as part of the preparation for the new system. While the survey itself cannot be found, a summation of the written comments that were part of that survey was grouped in four major areas, three of which would be addressed by the pilot:

- Lack of supervisor honesty. Supervisors were “not honest and candid on appraisals” and “supervisors lack courage/afraid to give ratings truly.” This would be countered by a training session “How to Give Bad News” presented to all supervisors in the pilot.
- Lack of motivation. The current system was seen as a “useless system [that] does not motivate employees to do better.” It was believed that “employee involvement would result in increased commitment and individual duty listing and rating are more specific and provide increased understanding of how performance is rated.”
- Rating inflation. A “meaningless system—everyone gets the same EXCELLENT rating” was a common comment. While the new system did not have the direct goal of reducing inflation, it was thought that “when supervisors learned to be more honest and candid, when they learn that promotion boards will not get specific information about the performance ratings, the rating curve will adjust.” The return to a five-level system, which allowed for recognition of outstanding performance, was thought

to help better distinguish between employees.

- Lack of management support. The LaMountain review stressed that for any new system to succeed, “TOP MANAGEMENT SUPPORT IS VITAL” (emphasis in the original). To get a good system working, training is essential—for both supervisors and employees. As a matter of fact, the job satisfaction survey had highlighted the need for supervisors to take interpersonal skills training.²⁵⁴

Based on the inputs from management and the job satisfaction survey, LaMountain developed a performance management process.²⁵⁵ By the fall of 1988, they were in discussion with the National Cryptologic School about training requirements.²⁵⁶

In November 1988, the company presented a report to the DDA and requested approval to pilot the new appraisal in four areas of the Agency, each with 100 to 200 employees, for 9 to 12 months.²⁵⁷ This plan was approved and DDA began planning a pilot and soliciting organizations to volunteer for the test.²⁵⁸

The system was considered a “Performance Management Process,” which encompassed a continuing effort that identified and defined what factors to measure; observed and evaluated performance; and noted performance improvement. It was essential that the supervisor and employees clearly communicated objectives and job responsibilities to ensure a common understanding of what was to be done and how performance would be fairly measured. The goals of the system were to increase the amount and quality of communication between the supervisor and employee, provide employees with information about how they could improve their performance and possibly enhance their career opportunities, and provide management with information about the employee’s performance that could be used as a basis for personnel decisions.²⁵⁹ The new system differed from the existing one “in that it is a continuing process and helps ensure an under-

standing of what is to be done through increased communication and it is a joint responsibility of the supervisor and the employee.”²⁶⁰

The new system was piloted in eight organizations—A32, M31, N44, P04, R74, R94, Y11, and Y17—from March 1989 through April 1990.²⁶¹ The 500 employees in the pilot were trained in February 1989 and represented various skills and grades.²⁶² This test group received evaluations under both the current and proposed systems on a schedule based on grade.²⁶³

In August 1989, the Office of Civilian Personnel updated management on the status of the pilot. Participant interviews took place during the summer of 1989, and in general the new system was well received. A few supervisors and employees did express some skepticism toward the new system, and minor changes were made based on the comments made by those in the pilot. This change may have involved adding a mid-year review, which some pilot participants thought would help them better understand their job responsibilities.²⁶⁴ Another change was revisions to the P1B form.²⁶⁵ The second phase of training was underway by August. This included a new “how-to” for the changes in the system and then a “How to Give Bad News” session for supervisors. Plans were to complete the pilot in March 1990, conduct an evaluation, and then implement the system Agency-wide in October 1990.²⁶⁶

By early 1990, the evaluation phase of the pilot was underway. There were regular meetings with pilot participants to gather comments and a meeting with the grade 14/15 promotion boards for comments on the revised P1 Form. The Office of Civilian Personnel and LaMountain reviewed statistical data reflecting rating distribution, worked with T Group to develop software, and coordinated training requirements with the National Cryptologic School. While there was a general belief that the system was well-received, it was noted that there were “some skeptics” due to the number

of appraisal systems that had been tried in recent years.²⁶⁷

While the evaluation was supposed to be completed by the early summer of 1990, there were delays because a large number of appraisals were not returned until July and August. The final evaluation report was delayed until the fall of 1990. Comments from the pilot group were generally favorable but noted the need to develop training courses. It was optimistically expected, if no major revision was needed, that training could be completed and implementation of the program scheduled for April 1991.²⁶⁸ In fact, implementation would be delayed until January 1992.

Implementation, January 1992-late 1993

PRES was perhaps the most extensively studied, planned for, and tested system used by NSA to date, and yet it was likely doomed before it started. Five years of preparation resulted in a complex, multi-form system that would only be used for two years.

The objectives for PRES were similar to other systems before and since: to increase the amount and quality of communication between the supervisor and employee; to provide employees with information on how to improve their performance and enhance their advancement opportunities; and to provide management with information regarding an employee’s performance that could be used for personnel decisions.

At the beginning of each evaluation cycle the supervisor was required to identify and document the employee’s key duties, complete a Performance Plan (Form P1A), and meet with the employee to jointly discuss the Performance Plan. At mid-cycle, approximately six months into the plan, a review was conducted and documented on the mid-cycle review form (Form P1K). At the end of the rating cycle the supervisor completed the “Essential Professional Skills/Performance Evaluation Form” (P1B),

Changes Underway in the OPM Performance Management World

While NSA was not subject to changes in federal performance appraisal regulation, the trend in the government was moving toward a five-level system. The Office of Personnel Management issued proposed regulation 5 CFR Part 430—Performance Management Systems designed to enhance effective performance management for General Schedule (GS) and Prevailing Rate (PR) employees. As reported by the *Federal Register*:

Proposal eliminates the requirement for five summary rating levels for G and PR employees. Instead, it allows for at least three, and not more than five, summary rating levels. The rating levels must include “Fully Successful” and “Outstanding levels, or equivalent terms” and “Unacceptable” level. While five summary rating levels are required by law for the Performance Management and Recognition System (GS13 thru 15 supervisor and management officials) and three summary rating levels are required by law for SES members, there is no statutory requirement with regard to summary ratings for GS and PR employees.

Source: *Federal Register* 58, no. 180 (September 25, 1991).

rated the employee in the areas specified on the form, including a narrative write up, and assigned an overall Performance of Duties rating. Also, a “Special Rating Factors Form” (P1H) was completed for each employee in a supervisory position.

The P1B form²⁶⁹ used the same numerical scale

(see Figure 15) as the Career Evaluation System’s (1975–1980) P1B Inventory of Attributes and applied the rankings (99–1) against each key duty. This was a level of rating granularity against job duties that had not been seen since the Graphical Rating Scale used in the 1930s.

In May 1993, the Office of Civilian Personnel, in a document examining evaluation systems from 1975 to the present, commented that they “continually” received comments from supervisors and others that the PRES system was “extremely complex” to administer. The fact that forms had to be generated at various times of the year (based on the employee’s date of birth) and the great volume of paperwork caused a great deal of the confusion. Rating inflation continued to be an issue, with a May 1993 study showing that only 8% of all ratings were below 80 (meaning that 92% of the rated population “far exceeds expectations”).²⁷⁰

The five-level PRES system with its extremely granular rating scale survived until the end of 1993. Five years of planning, piloting, and training resulted in a system that lasted just two years. Little discussion of why the system was so abruptly dropped survives, but we might postulate that the powers-that-be, perhaps with some level of frustration, decided to simplify the process by trying the oft-proposed two-level Satisfactory/Unsatisfactory system.

“New” PRES—The Breathing Test, 1994–1997

This system was a clean break from the past and no longer used any of the forms from the complex and doomed Career Evaluation System (1975–1980). The P1B was replaced by the new P1Z “Employee Evaluation Form,” effective January 1, 1994.²⁷¹ The system used a two-level rating (Satisfactory or Unsatisfactory) in lieu of the 1–99 numerical rating. The only restriction was that each employee covered by PRES must have received one evaluation under the initial system using the P1B

form. Delinquent evaluations from 1993 had to be completed under the old system.²⁷²

Performance Plans and mid-cycle developmental plans (P1A and P1K) as well as the Special Ratings Factor Form (P1H) were continued in this system, and the P1Z contained an area for the supervisor to certify that the P1A and P1K were actually completed. This meant that only the P1Z and P1H had to be forwarded to the personnel office for the employee's permanent file; the performance plan was no longer retained as part of the official personnel folder.

No narrative statement was required to accompany the rating, but the P1Z contained a remarks section for any needed documentation or explanation. An Unsatisfactory rating did require documentation.

By May 1994, there was a need to clarify the use of the remarks section, and in fact the remarks section was removed. A Personnel memo (Persgram) was issued to explain that no performance-related remarks should be included for those who receive a Satisfactory rating. The appraisal form was specifically not to be used to describe job duties, awards, and accomplishments or to document promotion recommendation information. The P1Z was not to be filed in the promotion review folders.²⁷³ By July 1994 forms were no longer being generated centrally and mailed to supervisors; supervisors could find the forms in the Agency supply system or download a template.²⁷⁴

The two-level system, sometimes cynically referred to as the “breathing test” appraisal system, continued for four years, replaced in 1998 by the P3 system.

Looking for the Next System— Development of the Personal Performance Process (P3)

1995-1998

Planning for and development of the next performance appraisal change began in early 1995, little

Figure 15. Numerical scale for PRES, 1992, Form P1B

99-80	Far Exceeds Expectations
79-60	Exceeds Expectation
59-40	Meets Expectations
39-20	Below Expectations
19-1	Unsatisfactory

Source: 1992 P1B form, Appendix Q.

more than a year after the adoption of the two-level system. Guidance from a senior-level NSA Critical Issues Group session led to the May 1995 formation of the Performance Management Reform Task Force—Case for Action Team (PMR Task Force or Task Force). The Task Force's case for action was based on a three-pronged approach to performance management reform: examining a representative sampling of the views and expectations of the workforce, conducting a best practices review of private and public sector organization, and undertaking a comprehensive literature review.²⁷⁵

The PMR Task Force comprised representatives from each key component and was split into two teams—a Career Development team made up of branch level supervisors and an Evaluation/Ranking team of division level managers. Both teams were tasked to develop solutions to NSA's need for a more comprehensive performance management process by:

- developing tools and processes to provide employees clear, specific feedback on job performance and career development with the overall goal of optimizing performance;
- designing a performance evaluation system to determine relative levels of performance (ranking among employees); and
- developing mechanisms for integrating the resultant data into a variety of human resource development decisions such as selection for training, key assignments, and promotions.²⁷⁶

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The two teams were assisted by a senior-level steering group established in early September, whose members were the chiefs of J, M, V, and W Groups as well as the Directorate of Operations chief of staff. This group was to help the director develop corporate solutions to the complex issue of performance management.²⁷⁷

The formation of the Task Force came just ahead of, and its work would be greatly influenced by, a significant internal Intelligence Community study of performance management issues that was shared with the legislative branch.

In July 1995 the “Report of the Intelligence Community Task Force on Personnel Reform,” also known as the Jehn Report after its Chairman Christopher Jehn (a former assistant secretary of defense), was released. The report identified “a largely dysfunctional system of performance appraisal and management” and recommended that “a reformed HR [human resources] system should have an effective performance management system.” Without such a system, personnel actions “will probably be grounded in uncertainty and be viewed skeptically by the workforce, and hence seen as unfair.”²⁷⁸

The Director of Central Intelligence (DCI), Dr. John Deutch, sent a copy of the Jehn Report to the House Permanent Select Committee on Intelligence (HPSCI) in September 1995. In a letter to the HPSCI he noted that the Intelligence Community would be working to implement some of Jehn’s recommendations in the 1996 fiscal year (FY). Deutch commented that “employees granted career status will be systematically evaluated and ranked annually to identify both high and low performers.”²⁷⁹ The HPSCI, in its Draft Intelligence Authorization Act for FY 1996, specifically commented that “the Intelligence Community has failed overall to establish a personnel evaluation system that objectively evaluates the performance and contribution of each of its employees. There is no systematic ranking of employees ... There-

fore, the Committee expects in next year’s budget request that the Intelligence Community will present a personnel program designed to identify the high achievers and under-performers.”²⁸⁰

The larger issue of personnel and performance appeared again in the March 1996 HPSCI report “IC21: Intelligence Community in the 21st Century.”²⁸¹ The report was scathing on personnel practices and evaluation and called for a “viable performance appraisal system” that spanned the IC as a step to improving skill mix and morale problems (for details see sidebar). Specifically, the document endorsed Jehn’s task force recommendations that a performance management system with common criteria and standards (not necessarily identical appraisal systems) be adopted across the IC; that pay-banding be implemented; that there be systemic management of position management; and that IC recruiting processes, career training, and career development be standardized.²⁸² The report stated that “community-wide standards for performance appraisals, compatible pay-banding systems, centrally-managed personnel security and a career development program are essential elements for reducing duplication and facilitating lateral movement within the community, thus promoting jointness and improving morale.”²⁸³

The Commission on the Roles and Capabilities of the United States Intelligence Community specifically mentioned NSA’s two-level system as a reaction to a complex system that, while complex, did not provide sufficient basis for identifying poor performers or removing them from employment.²⁸⁴

There were also internal pressures and influences. As part of the design process, the Task Force-sponsored survey of a randomly selected group of Agency employees from June 28, 1995, to July 14, 1995, had the distinction of being one of the first online surveys conducted at NSA.²⁸⁵ Twelve hundred members of the workforce were surveyed (some

randomly selected but the survey was open to volunteers) and 70% were returned.²⁸⁶ Respondents were “highly critical” of the existing system and ready for a change.²⁸⁷

In addition to the survey, the Task Force conducted a review of best practices of companies and agencies with workforces or environments similar to NSA and investigated 360-degree behavior assessment tools, which at that time were taking “corporate America by storm.” A literature review was undertaken and at least one focus group was conducted with the goal of determining barriers to change.²⁸⁸

The NSA Task Force designed the Personal Performance Process (P3) to promote employee productivity and assist in developing a workforce capable of “responding quickly and effectively to changing needs and demands.” It was intended to be a continuous improvement process that could provide NSA managers with “a means of continually guiding, appraising, improving, and refocusing” job performance while allowing employees to actively manage their own careers.²⁸⁹

The P3 was conceived as a two-part system. The first part was the Performance Appraisal System (PAS), a five-level evaluation system with a metric-based performance plan containing both performance objectives and complementary behaviors. Each objective and behavior was weighted to reflect its relative importance. The PAS was based in part on the Tennessee Valley Authority Performance Review and Planning System, HRG System Consulting’s Performance Management System, and the National Institute of Standards and Technology Personnel Demonstration Project. The Baldrige criteria were also used in the system design.²⁹⁰

Part two was to be the Personal Growth Network Program, with three elements: a 360-degree behavior assessment, an individual development plan, and periodic coaching/mentoring sessions.²⁹¹

The Task Force stressed that the system would require “unwavering” management support (perhaps a reflection of the dissent within management that had plagued all the appraisal systems in recent memory) and noted that both supervisors and employees had to be held accountable for their performance.²⁹²

A schedule for testing and evaluation was set up for 1996, with a plan to implement the system in October 1996 (start of FY 1997).²⁹³ Deputy Director William Crowell announced the P3 pilot program in the NSA *Communicator* on January 29, 1996, noting that the director and the leadership council felt that the system was “a major step forward in performance assessment.”²⁹⁴

Training began in February 1997 for the pilot groups and participants in the 360-degree assessment. Three hundred forty-three pilot participants represented 12 organizations, including two elements at Bad Aibling Station. (See Figure 16 for participating organizations.) A second round of training was given in late March and preliminary reviews, surveys, and focus group meetings took place in May.²⁹⁵

The pilot project report was delivered in August (it had originally been scheduled for July 1). It showed “good differentiation” of ratings. The report reflected some of the concerns expressed by the participants, including that on the part of managers that it was a time consuming system. The majority of managers in the pilot group spent approximately three hours per appraisal and thought that this was too long.²⁹⁶ However, more than half of pilot participants surveyed responded that they would recommend the P3 system over the current appraisal system, albeit with some modifications.²⁹⁷

As a result of the pilot, several significant changes and a number of administrative and process changes were made to the proposed P3 system. The plan had been to weight performance objectives at 70% and performance behaviors (from a list of 10) at 30%, but the pilot demonstrated a belief that behaviors sometimes overlapped objec-

Excerpt from IC21: Intelligence Community in the 21st Century, March 1996

“The IC continues to face a major personnel crisis that it has, thus far, not addressed in a coherent way. The mandated downsizing, conducted as it has been on a voluntary basis, has left holes in the workforce that cannot be filled because there is no head room to hire new people. The demographic profiles of NSA and DIA are a disaster waiting to happen in 5-10 years unless some way is found to maintain a steady infusion of new blood into the community. At the same time that the number of personnel is declining, the cost of the remaining personnel is continually increasing, meaning that there has been little if any real savings associated with this painful process. As mentioned earlier, the focus of our global interest is changing and requires a different skill mix than the preponderance of political and military analysts that were the bread-and-butter of the Cold War.”

“A related issue that cannot be ignored indefinitely is morale. Without the creation of some head room, prospects for promotion are grim. Without a reasonable demographic spread, meaningful career development is virtually impossible. Again, resolving these problems is dependent at least in part upon the ability to reduce the current workforce faster and more selectively than the hitherto voluntary, incentivized approaches. Further eroding morale is the lack of clear standards in some agencies and the perception of unfair advancement of certain segments of the population. A viable performance appraisal system across the community is an important step to improving this situation.”

“There have been numerous studies done on personnel management in the IC. As is pointed out in the report of the most recent Intelligence Community Task Force on Personnel Reform, led by Christopher Jehn, the same recommendations have been made again and again, but never implemented. In the past, the community has been unable to overcome the resistance of agencies or individuals to address personnel policy issues at the community level. However, we understand that the DCI and the Administration are drafting a legislative proposal for inclusion in the fiscal year 1997 authorization bill that incorporates the recommendations of the Jehn report. The study group is prepared to endorse all of these recommendations, particularly the requirement for an effective performance evaluation system and a coherently managed personnel system that would promote rotations and lateral movement within the community.”

“The Jehn report states that in the course of the task force’s review of current personnel systems in the IC, ‘four principal problems emerged: 1) a largely dysfunctional system of performance appraisal and management; 2) a lack of systematic career planning and professional development across the IC; 3) the variety and complexity of the various systems; and 4) inadequate promotion of a sense of community among the agencies, including a lack of tools and incentives for managers to promote diversity and make full use of the intellectual and cultural diversity in the IC’s workforce.’”

tives, were not well-defined, and were felt to be “too arbitrary and subjective.” The Task Force considered these concerns from the workforce and decided that the system initially would only evaluate “measurable weighted objectives” linked to the

organization’s mission. An eventual move to a “pay for performance” system was taken into consideration as part of this decision.²⁹⁸

Objectives would be “based on the requirements of the job at the established grade level”

rather than “within the employee’s influence and ability.” This change was made to provide the proverbial “level playing field” so that those with limited ability, performing within that ability, would not receive the same score as those with “exceptional ability.” Evaluations for supervisors would contain two mandatory objectives addressing both their ability to evaluate subordinates and to coach and develop employees.²⁹⁹

And there was a significant change to the scoring system. The initial system to compute the final score and the scale used on the test were found to be faulty by “Agency mathematicians” who determined that the scoring problems resulted from “forcing integer values, which causes a quantization error.” Instead, a 10-point scale with a simplified calculation was devised, which allowed “differentiation within the five levels of performance” but eliminated confusion and “rounding errors” with the complex matrix used in the pilot.³⁰⁰

Recommended process changes were to have the employee provide their manager a list of specific accomplishments for each objective at the mid-cycle and final evaluations. The manager was to use this list in writing performance summary statements. At the mid-cycle review, the supervisor should provide a confidential interim rating to the employee, which would not be reviewed by the next level of management. Administrative changes driven by the pilot were that the “Individual Development Plan” would be developed and reviewed at the mid-cycle point, deputy chiefs would be authorized to write and sign appraisals, and the numerical ratings would not be in official records until all employees had been rated (to avoid problems with promotion boards). The rating cycle was to be based on date of birth; eligibility for WGIs, performance cash awards, and promotions would be tied to a performance rating of “fully successful” or higher. Finally, the intent was that the system be fully automated and provide a wide variety of management tools and reports to assist managers in

Early Social Media Response

As desktop computers became more prevalent in the 1990s, NSA’s first online culture developed. Mimicking the external listnet service on the early, pre-World Wide Web internet, the Agency’s virtual bulletin boards became a popular tool for exchange of both official information and unofficial workforce discussion on topics of interest. The sub-group “misc.misc” was the home of a great deal of exchange between employees. The bulletin boards were the internal social media of their day and home to a great deal of discussion about changes inside the Agency, including changes to the performance appraisal system.

The announcement of the survey, which was made on this system, set off a little flurry of discussion about the utility of appraisal systems and the constant change of systems. Employees expressed both hopes that the new system would work and despair about yet another complicated system. Most felt that better communication between workers and supervisors would go a long way to fix the problem. There were also rumors that the new system would include ranking employees in relation to their peers and that the bottom 5% were being targeted for termination.

Source: Early online messages in admin. announce, misc.misc, and admin.eeo for the period June 30–August 11, 1995, multiple authors and subjects.

analyzing data and making sure they were in compliance with the requirements of the P3 system.³⁰¹

The Task Force made five recommendations to the director as it wrapped up its work. The first was to phase in implementation of P3 beginning in

Figure 16. Organizations that participated in the 1996 P3 pilot

A62	Analysis and Production element
A75	Analysis and Production element
A833	Analysis and Production element
A95	Analysis and Production element
B48	Analysis and Production element
B62	Analysis and Production element
G58	Collection operations element
J61	Technical Services
L09	Logistics
N5F	Foreign Relations
Y28	Information Security
Bad Aibling Station	Two unspecified elements

Source: “Performance Management Reform Task Force—Case for Action,” December 1995.

October 1996, and another was to present the P3 to the workforce in the context of overall HR reform. This of course would require continuing to develop the performance management system so that it was fully integrated with broader HR initiatives, to find ways to measure team and organizational performance, and to adjust the system to support “pay for performance” initiatives (possibly the first mention of this term). The Task Force acknowledged that “major cultural change” was required for the system to succeed and that management support and personal accountability “at all levels” would be critical to this change. The very specific fifth recommendation was to purchase and phase in the 360-Degree Behavior Assessment tool, which would initially be used for career development with a goal of incorporating such a tool into the performance appraisal process at a future date.³⁰²

Lt Gen Kenneth Minihan, USAF, approved these recommendations when he was DIRNSA and noted that the new system would integrate performance management with mission requirements and make it possible for employees to understand how their tasks supported organizational goals and the Agency’s “One Team, One Mission” vision. Minihan also noted that the culture needed to support NCS-21 (the National Cryptologic Strategy for the

21st Century) required accurate performance assessments and ongoing employee development and that he was “committed to this change and to establishing an effective performance management system for the Agency.”³⁰³

P3 Is Long-lived (but Under the Shadow of “Pay for Performance”)

Implementation, 1998-2008

Possibly the biggest rollout of an appraisal system to date, the campaign to educate and win over the workforce began in late 1996 with training sessions for senior managers. Information on the new system was disseminated via training, including extensive folders of information, brochures, and branded notepads, and used two relatively new methods of communication: a call-in tv talk show and *HR Online*.³⁰⁴ Director Minihan heralded the system as one that, with other initiatives, would “help us make the vital transition to a knowledge-based work force” and urged the workforce to “help it work for all of us.”³⁰⁵ From the beginning it was acknowledged that there would be “continuing research and refinement” and that P3 was to be a flexible and adaptable interactive process that could change with the needs of the Agency.³⁰⁶

P3 was also explicitly publicized as one of the first “People Programs” implemented at NSA as part of meeting goals of NSC-21.³⁰⁷

The November 1996 *Communicator* discussed the history of the P3’s development and explained that the system included six parts: a performance plan, a mid-cycle review, the individual development plan (IDP), the performance evaluation, a 360-degree assessment, and periodic coaching and mentoring. The IDP was required for all and completed at the beginning of the rating cycle.³⁰⁸

First Mentions of “Pay for Performance”

The first mention of the concept of “Pay for Performance” in Agency records is found in the November 13, 1996, NSA *Communicator*. In an article titled “P3 Pilot report (U)” the benefits of the new P3 system are discussed as follows:

“The P3 is the first of the planned Human Resources reforms to affect all employees. It is the first step towards change as the Agency and the rest of the Intelligence Community migrate to “pay for performance” systems (compensation systems that distribute pay resources based upon individual performance). P3 is a process which clarifies job responsibilities and defines priorities. Each step of the process involves two-way communication. P3 is designed to provide managers with a means of continually guiding, appraising, improving and refocusing the job performance of their employees. It emphasizes employee development and fosters a coaching atmosphere for employee/management interaction. The P3 evaluation will help identify top performers and provide meaningful performance information for promotion, awards, and employee development programs. Integral to P3 implementation is continuing research and refinement of the system; P3 is an iterative process designed to be flexible and adaptable to the changing needs of the Agency.”

P3 was unusual in that it was used not just for the general workforce but for Agency senior executives, by agreement of Director Minihan, the P3 Senior Steering Group, and the Senior Leadership Council.³⁰⁹

Performance plans were to be developed within 60 days of employees’ and supervisors’ training, and

all employees were to be kept on a date of birth cycle so the rating cycle varied from 6 to 17 months for the first set of appraisals, depending on when an employee was trained.³¹⁰

The P3 was a complex set of forms, the first to be largely prepared on computers, rather than on a typewriter.³¹¹ Performance plans were made up of two to ten objectives, and each objective was weighted so that the total weights for all objectives added up to 100. At the time of rating a whole number rating from 1 to 5 (see Figure 17) was applied to each objective. For the evaluation, the weight would be multiplied by the rating to determine the final P3 score (see Figure 18). While the format of the forms evolved over time as computer systems changed, they included a column for the objectives; a column for a narrative summary of work done against the objective; and columns for the weight, rating, and subtotal for each objective.³¹²

The scale for rating each objective was exceptional in its verbosity. No longer just a number or a single adjective, the rating included the overall rating in bold followed by two or three phrases that explained what each rating meant, and then a list enumerating the pay and incentives for which this rating qualified the employee.

A final evaluation package was seven or more pages and included a cover sheet containing administrative information and the type of evaluation. If the employee was a rater of other individuals, there were two mandatory objectives that were required in the P3.³¹³ Starting with page two, there was a chart with the Performance Rating Scale for the objectives, space for up to ten narrative objectives and their associated performance summaries, and then a check box for the overall rating, as calculated. These pages were followed by a signature page for the rater and reviewing official, a page for employee comments and signature, and then a final page (Form P3C) rating those “special factors” that applied to safety and health, EEOD, security, and management control objectives required for all employees. A “Per-

Figure 17. P3 performance rating scale for performance objectives

5 – Greatly Exceeded Objectives—Considerably surpassed goals. Performance objectives were achieved with maximum impact. Unprecedented or overwhelming success. Superior performance. Eligible for Within-Grade Increases, Promotion, Cash Awards (GG 15 and below), Performance Awards (bonuses) and Pay level Adjustments.

4 – Exceeded Objectives—Surpassed goals. Achieved results well beyond expectations. Excellent performance. Eligible for Within-Grade Increases, Promotion, Cash Awards (GG 15 and below), Performance Awards (bonuses) and Pay level Adjustments.

3 – Met Objectives—Consistently achieved goals. Met and occasionally went beyond expectations. Solid performance. Eligible for Within-Grade Increases, Promotion, Cash Awards (GG 15 and below), Performance Awards (bonuses) and Pay level Adjustments.

2 – Occasionally Met Objectives—Sometimes achieved goals. Performance was less than needed to fully meet objectives.

1 – Did Not Meet Objectives—Did not achieve goals. Performed below expectations; performance adversely affected organizational effectiveness. A Performance Improvement Plan (PIP) is required.

Source: P3 Form.

formance Improvement Plan” or PIP was required when a rating of 1 (“Did not meet objectives”) was given by a supervisor.³¹⁴

The talk show session on November 13, 1996, focused on the P3 and emphasized that this was a “professionally tested tool.” The 360-degree feedback was to begin with managers, and managers were to be rated on scoring distribution of their workers. By April 1998, the 360-degree tool was still referenced as being for managers first, with an evaluation process to follow before being used by other raters.³¹⁵ It was noted that “the life expectancy of any performance system is 3-4 years,” and that the Agency’s experience with systems was comparable to that of industry.³¹⁶ A few signs of cynicism were seen in the online response to the broadcast, wondering if pay would be adjusted according to the outcome of the appraisal, with one cynic noting that “there will probably be a requirement that x% of the workforce will get a performance evaluation that will reduce their pay.”³¹⁷

Most Agency senior executives were given for-

mal training for the new system between March and May 1997; the rest of the workforce was trained between September 1997 and spring 1998. Training consisted of 8 hours that focused on the “how-to’s” of writing clear and measurable job objectives as well as techniques for giving and receiving constructive feedback.³¹⁸

P3 ratings were originally scheduled to transition on October 1, 2000, from a cycle based on the employee’s birthday to one annual cycle for the whole Agency, but in June 2000 it was decided that this switch would be “too burdensome” because of the reorganizations and transformation changes that were underway. The system switched to annual appraisals beginning in January 2002.³¹⁹

The system was subject to the same sort of ratings inflation seen in previous systems. In December 2007, the chief human capital officer noted that ratings tended to cluster at the “Exceeded Expectations” level while in fact “most of us are meeting objectives.” He encouraged managers to conduct “more stringent” reviews of evaluations and sug-

Figure 18. P3 overall ratings

Greatly Exceeded Objectives (5.0-4.6)
 Exceeded Objectives (4.5-3.6)
 Fully Met Objectives (3.5-2.6)
 Occasionally Met Objectives (2.5-1.6)
 Did Not Meet Objectives (1.5-1.0)

Source: P3 Form.

gested that managers and supervisors use the newly developed “Performance Management Toolkit” to guide rating decisions with the goal of ensuring rating standards were consistently applied across the Agency.³²⁰

The link between the P3 appraisal and promotion or other forms of compensation was a first step in NSA’s move toward a “pay for performance” system. At the time of implementation it was announced that only the narrative portion of the appraisal, not the numerical rating, would be used by promotion boards for at least the first full cycle of P3 implementation.³²¹ In April 1998 a new civilian promotion process was announced with training during that summer to prepare for October 1 implementation. The new Employee Promotion Assessment was designed to complement the P3 as it used weighted criteria for all employees and allowed the employee to include a formal assessment of their promotability to the next grade.³²² And effective in 2002, a current P3 rating was the basis for promotion, award, and other recognition decisions.³²³

In early 2004 the DoD authorized NSA to move forward with compensation reform by instituting a new “pay for performance” system. The intent was for NSA senior executives to move to such as system in July 2004 and the rest of the workforce to transition in early 2005. The January 2004 announcement of this move noted that P3 would be replaced with

Figure 19. 2006 Changes to P3 rating scale

Greatly Exceeded Objectives (4.60 – 5.00)
 Exceeded Objectives (3.60 – 4.59)
 Fully Met Objectives (2.60 – 3.59)
 Occasionally Met Objectives (1.60 – 2.59)
 Did Not Meet Objectives (1.00 – 1.59)

Source: EXECMessage-119: “National Security Personnel System and Performance Management (P30),” December 13, 2005.

a new “pay for performance” evaluation that would be used for all pay increases after January 2005. This did not happen, and the full story of that failed transition can be found in Chapter 5.³²⁴

Plans were to automate the P3 using the PeopleSoft HR Management System (HRMS) in January 2006, but the automation was postponed for all but a small pilot test group. However, the form was adjusted to include a new rating scale that was carried out to two places after the decimal point (see Figure 19). The new form included some standardized evaluation elements “aligned with what we believed to be the approved performance appraisal that DoD intended to use in their new ‘pay for performance’ system.”³²⁵

P3 came to an end with a shortened evaluation cycle that lasted from January 1 to September 30, 2008. Final evaluations were submitted by the end of October, and ratings were used in what was going to be the “last graded promotion cycle” before the move to pay-bands.³²⁶ As a result of a push for managers to conduct more stringent reviews as preparation for the new “pay for performance” system, fewer employees received the top ratings of Greatly Exceeded Objectives and Exceeded Objectives, as compared to the 2006 rating cycle, and more were judged to have Met Objectives. There was no change in the statistically

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insignificant number of employees who received lower ratings. See Figure 20 for these numbers.

Figure 20. P3 rating statistics for 2006 and 2007, percentage of employees

Rating	2006	2007
Greatly Exceeded Objectives	12%	6%
Exceeded Objectives	69%	62%
Met Objectives	18%	31%
Occasionally Met Objectives	<1%	<1%
Did Not Meet Objectives	<1%	<1%

Source: EXECMessage-241: "Taflan's Tagline: Transformation from P3 to ACE," August 17, 2008.

CHAPTER V

Return to Centralized Standards: The National Security Performance System: 2008-2014

There is no magic. In the end, management's decisions affecting our careers must be based on value judgments, on a certain degree of subjectivity and on organizational need as well as on objective measures of achievement and capability. Let us not pretend that attributes such as "potential" or "capability" or "skill" or "dedication" have been reduced in performance appraisals to mathematical preciseness.

—William H. Jenkins, 1979³²⁷

While the Annual Contribution Evaluation (ACE) system was not implemented at NSA until 2008, DoD began to develop the underpinnings of the system in 1996, two years before the P3 system was implemented. The move to a DoD-wide personnel system would remove the freedom NSA had gained in 1964 when a statute exempted it from the Performance Rating Act of 1950. The year 2008 marked the first time since 1964 that NSA had to conform to a broader performance management system.

The Defense Civilian Intelligence Personnel System and “Pay for Performance”

1996-2008

The first rumblings of a “pay for performance” system came in 1996 when DoD began to implement the Department of Defense Civilian Intelligence Personnel Policy Act of 1996. The original authorization was cancelled and replaced on March 19, 1999, by DoD Directive 1400.35, the Defense Civilian Intelligence Personnel System (DCIPS). DCIPS was to be implemented in phases and involved a number of administrative moves on the part of all DoD components.³²⁸

By March 2002, Deputy Secretary of Defense Paul Wolfowitz reissued Directive 1400.35 and mandated DCIPS to be the civilian personnel architecture for DoD intelligence components, including NSA. His memo stated that DCIPS “shall provide for mobility and flexibility in assignments through the DoD intelligence components” and “shall be implemented so as to improve the acquisition, diversity, skill mix, professional development, and long-term retention of high quality workforce in the DoD intelligence

components and the Intelligence Community workforce at large.”³²⁹

The National Security Personnel System (NSPS) was established in parallel to DCIPS in January 2004 to serve as a flexible system for “some or all” DoD organizations. NSPS included a performance management system that linked to strategic goals and included a “‘pay for performance’ evaluation system to better link individual pay to performance and provide an equitable method for appraising and compensating employees.”³³⁰

In 2004, after many years of discussion about how to develop a compensation system that would link pay increases to individual performance, then-DIRNSA Lt Gen Michael V. Hayden, USAF, announced NSA’s participation in DCIPS, with the hope that the system would become operational in 2005.³³¹ But by August 2004, it was clear that a new appraisal system would not be ready and that P3 would be used for the 2005 compensation cycle, which was expected to include pay increases and bonuses but not promotions. NSA hoped to place employees in pay-bands in late 2005, concurrent with a new appraisal system.³³² This did not happen, but early in 2006, a cross-IC human resource team, the IC Pay Systems Modernization Project Office, led by NSA’s associate director of Human Resources began to design an IC “pay for performance” architecture.³³³

The IC Pay Systems Modernization Project Office was charged with developing a system that would be “implemented and administered in a way that is fair, credible, transparent, and based solely on merit and performance.” General Hayden, by now Principal Deputy Director of National Intelligence, noted that without such a system there might be “untenable pay disparities within the IC, potentially destructive inter-agency competition, and a negative impact on employee morale,” which meant that the community needed to “craft a new, more

modern civilian compensation architecture” to serve the workforce. In 2006, parts of the IC, notably the Department of Homeland Security (DHS) and National Geospatial-Intelligence Agency (NGA), began to implement pay-banding systems.³³⁴ NSA compensation reform efforts remained on hold pending the outcome of both the IC effort and another similar effort chartered by the Undersecretary of Defense for Intelligence (USD(I)) Stephan A. Cambone.³³⁵

Former DIRNSA and then Director of National Intelligence (DNI) Mike McConnell noted in April 2007 that a plan for managing the performance of employees across the IC was a “critical initiative” of the DNI’s “100 Day Plan for Integration and Collaboration.” McConnell said that a team was in place to develop system requirements that were consistent across the IC and would include a 360-degree feedback component. The system was to facilitate “longer-term” efforts to design an IC-wide “pay for performance” system and would create an “outcome-focused, performance-based management system that rewards collaboration and encourages employees to achieve their best.”³³⁶

IC Directive (ICD) 651 “Performance Management System Requirements for the Intelligence Community Civilian Workforce” was announced on November 28, 2007. The directive contained a “comprehensive” set of performance evaluation requirements for all IC personnel at grade 15 and below. All civilian personnel were to be evaluated against a common set of performance elements “specifically designed to reinforce and reward those competencies, work behaviors, and organizational values that are critical to the Community’s transformation.” Not only were the rating levels and definitions to be identical across the IC, but there would be a common window for ratings, performance plans, mid-year reviews, and rating reconsiderations. ICD 651 would be fully implemented no

later than October 1, 2008, for use in the FY 2009 appraisal cycle, and would be the basis for NSA's ACE.³³⁷

The initial schedule for implementation of a “pay for performance” system was announced on April 1, 2007. The new performance management system (what would become ACE) would come online in FY 2009. The conversion of occupational and pay structures was to happen in FY 2010, and the first performance payout under the new system would take place in FY 2011.³³⁸

Deborah A. Bonanni, NSA's chief of staff, announced the beginning of DCIPS in late February 2008. The chief human capital officer provided a more specific timeline in early March, setting October 1, 2008, as the date for the new appraisal system, and October 1, 2009, for the conversion to pay-bands, with the first performance-based payouts scheduled for January 2010.³³⁹

DNI McConnell announced the new “National Intelligence Civilian Compensation Program,” a pay-banding system on May 14, 2008, calling it a “historic agreement” between DNI, DoD, DHS, CIA, and the Federal Bureau of Investigation (FBI). Together these agencies employed 95% of all IC civilian workers. The system was based on the pioneering pay-bands implemented at the NGA a decade earlier. Pay-banding would be phased in over five years, with the Defense Intelligence Agency (DIA) beginning in late FY 2008 and other defense agencies and the CIA in FY 2009.³⁴⁰

The pay transition was to be handled by a “buy in” of WGIs for those rated successful or higher. Salaries would be increased by an amount proportional to the WGI increase earned at the time of the buy in, and employees placed into one of four pay-bands based on that new salary amount. The pay-bands equated to work levels and were tied to minimum qualification standards for work roles.³⁴¹ Future yearly salary increases would be made on the basis of performance, using the new rating system,

rather than on time in grade. The policy forbade any quota or forced distribution of performance ratings, and rating decisions were subject to up to four levels of management review.³⁴²

With the compensation plan in place, it was time for NSA to prepare to convert to the new performance management system, the first developed outside of the Agency since 1965. Beginning in June 2008, a series of briefings was given explaining both DCIPS and ACE, and how the systems worked together.³⁴³ An online tutorial was available in mid-June, and one-day training (dubbed an “experiential learning opportunity”) was provided starting in July.³⁴⁴ Managers and supervisors were given opportunities to practice feedback and dialogue, and required to take one day of training that included a module on effective feedback.³⁴⁵ The culmination of the preparation cycle was a three-day “showcase” of events about DCIPS and ACE held from September 30 through October 2.³⁴⁶

The Annual Contribution Evaluation System and the Aborted Transition to DCIPS

2008-2014

The ACE system began at NSA on October 1, 2008. This evaluation focused on writing of SMART objectives, where SMART represented the qualities specific, measurable, achievable, relevant, and timely. ACE cycles began with a performance plan containing two components—performance objectives and performance elements. The objectives were individual goals to be accomplished. The six behavioral performance elements (with some variation for supervisors) were identical for all members of the IC. The initial weights were 50% for the performance objectives and 50% for the performance elements. Performance through the one-year cycle was to be continuously monitored, with a mid-year review in April and a final evaluation within 15 days of the end of the rating period. Employees provide

Figure 21. ACE rating scale

- 1 = Unacceptable—employee consistently did not meet the performance objectives or performance elements associated with organizational goals.
- 2 = Minimally Successful—employee occasionally met the performance objectives or performance elements.
- 3 = Successful—employee consistently met the performance objectives or performance elements.
- 4 = Excellent—employee consistently exceeded objectives or performance elements.
- 5 = Outstanding—employee far exceeded performance objectives or performance elements.

Source: ACE Form.

a self-report of performance, their rater assigns ratings against each element, and a reviewer approves/assigns final ratings. Initially, it was envisioned that there would be a managers’ meeting for organizations where an assessment of the level of fairness and consistency applied to scores across organizational boundaries would be made.³⁴⁷ These groupings of managers became what was known as a “pay pool.” The first performance plans were due on October 31.³⁴⁸

At rating time, each performance objective and element was scored on a scale of 1 to 5 (see Figure 21). The scores were first averaged by category (objectives/elements) to provide sub-scores. A final score was determined by weighting the categories (for the first cycle they were 50 – 50) to produce a final combined rating.

There was a staggered rollout for the automated ACE tool to avoid any possible system crash that might be caused by all employees accessing the

Figure 22. Schedule for access to ACE tool, October–December 2008

- October 1–31: M, T2
- October 14–31: NSOC, NTOC, NCSC
- November 3–14: BA
- November 17–29: BF, Cryptologic Centers, and other Extended Enterprise locations
- December 1–12: SID, RD
- December 8–19: TD, DJ, DN, DS< BMI (less BA and BF), DC, DM, DL, D, D1, D2, D3, D6, D7, D8, DP, Q, IAD, E, I&L

Source: Agency-all message, “ACE Automated Tool: When Can You Access the Tool? Yes, There’s a Schedule,” September 29, 2008.

system on October 1. The schedule (see Figure 22) limited access by assigned organization.³⁴⁹

DCIPS tools, including a conversion calculator, went online on October 1, to prepare employees for the anticipated conversion to pay-bands, now scheduled for October 11, 2009.³⁵⁰ Meanwhile, the plans for the 2009 Promotion and Awards Program were announced, the final promotion cycle prior to DCIPS.³⁵¹

There was some concern in the workforce about news that DHS had ended their performance management system because their appropriations act for FY 2009 prohibited that agency from spending money on the new system. NSA was quick to reassure employees that this had no impact on NSA’s impending conversion to DCIPS.³⁵² In November, there were media reports that President-elect Barack Obama was considering repealing the DoD’s “pay for performance” system (NSPS), but NSA had not received any indications that this would affect DCIPS.³⁵³

In February 2009, NSA Human Resources launched a new bimonthly newsletter, the “DCIPS Star,” designed to keep employees informed about the anticipated conversion to pay-banding in October 2009.³⁵⁴ That same month, the first ACE evaluation cycle was shortened, with the end date moved to July 31, 2009, 60 days earlier than planned. All future ACE cycles were adjusted to begin on August 1 and end on July 31. NSA had asked for, and received, a waiver from the USD(I) to make this change so that there would be “more consistency across a pay pool” as well as more time to conduct performance payout processes. This necessitated that mid-cycle reviews, scheduled for April, be started immediately and finished by April 30.³⁵⁵

NSA kept working toward DCIPS as congressional opposition to the system grew. On March 20, 2009, congressional leaders sent a letter to the secretary of defense and the director of national intelligence requesting that DoD and the IC suspend implementation of DCIPS, because they wished to review DCIPS in conjunction with their ongoing study of NSPS. At least part of the concern about DCIPS was a perception that the system could result in unfair treatment of minorities and women.³⁵⁶ Action from senior leadership at DoD and ODNI in March likely postponed an immediate suspension.³⁵⁷

Meanwhile, Agency employees availed themselves of a video on “DCIPS Math” to better understand the algorithm used to determine performance-based bonuses and base salary increases and attended a variety of briefings and training sessions during the spring, summer, and fall of 2009.³⁵⁸ The first ACE cycle ended on July 31 and evaluations and the next performance plan were due on August 31.³⁵⁹

For the second ACE cycle, the weights were adjusted to 60% for performance objectives and 40% for the performance elements, with the average of the two sets of scores determining the final record. This was an IC-wide decision that placed greater empha-

sis on results rather than behavior. The standards used to rate the performance elements were also adjusted, with separate sets of standards defined for the “Professional,” “Supervision/Management,” and “Technician/Administrative Support” work categories. Within each of these categories, the standards defined expectations for each of the work levels (corresponding to the four pay-bands—entry/developmental, full performance, senior, and expert). Within each work level, there were two levels of performance for the standards—“Successful” and “Outstanding.”³⁶⁰ In conjunction with this, minimum qualification standards for NSA work roles, tied to DCIPS work levels, were updated.³⁶¹

The official conversion date was set for Sunday, October 11, the Columbus Day holiday weekend. In preparation, many HR online tools were taken offline in the preceding days.³⁶² A “Conversion Day” celebration, with giveaways and a special menu in the NSA cafeterias, was planned for the first work day after the conversion, Tuesday, October 12.³⁶³

But late in the day on Friday, October 9, word was received that the USD(I) had decided to pause conversion of NSA employees into pay-bands in response to proposed language in the FY 2010 National Defense Authorization Act.³⁶⁴ All conversion activity halted. The legislation was passed by both the House and the Senate, and was signed into law by the president on October 28. The decision was made to keep the NSA processes in place, without pay-banding, until an independent study of DCIPS was completed and Congress provided direction.³⁶⁵

The ACE system continued. WGIs were granted on schedule, and NSA applied the general and locality pay increases to the federal pay schedule in January 2010. While pay-banding was not implemented, NSA retained the use of performance-based bonuses linked to ACE ratings.³⁶⁶

In June 2010, a panel of the National Academy of Public Administration released the results of their independent assessment of DCIPS. The panel found no indications that DCIPS was creating problems

related to diversity or fair pay and that there was nothing inherent in the design that would do so, for the design was fundamentally sound. However, it was assessed that implementation of DCIPS had been flawed and the report said it was too soon to draw conclusions about the impact of the system due to the limited amount of experience, as only NGA had fully implemented the system among the nine DoD intelligence components. The Office of the Undersecretary of Defense for Intelligence (OUSDI) was charged with addressing the implementation issues so that the system could be phased in.³⁶⁷

On June 1, 2010, USDI James R. Clapper, Jr., announced the report to the workforce and made clear that he felt DCIPS was the system for the future. Clapper's next step was to assist the secretary of defense with his congressionally mandated response to the report.³⁶⁸

The secretary of defense's decision was to not implement DCIPS. His decision was based on the current operational tempo and concerns of congressional members and staff, but he emphasized the need to pursue a common performance-oriented personnel framework across both the Defense Intelligence Enterprise and within the IC. Clapper, who by this time had become the director of national intelligence, reiterated his support for performance-based pay, which he felt worked at NGA during his tenure as director of that agency. He resolved to fix problems generated from what he believed were a too-rapid shift from a longevity-based system to a pay for performance system. Clapper felt the way forward was to improve performance management processes and to look for "intelligent ways to use GS-like incentives (bonuses, quality step increases, etc.) to 'pay for performance.'"³⁶⁹

The impact of the decision on NSA meant that there would be no conversion to pay-bands; the GG grade structure would remain in place.

WGs and promotions would remain the method of advancing base pay. However, the DCIPS occupa-

tional structure was to be implemented and the ACE performance management system retained. Bonuses would continue to be linked to performance through the pay pool process. The DCIPS regulations that provided commonality throughout the IC were to remain in effect, with review and improvement.³⁷⁰

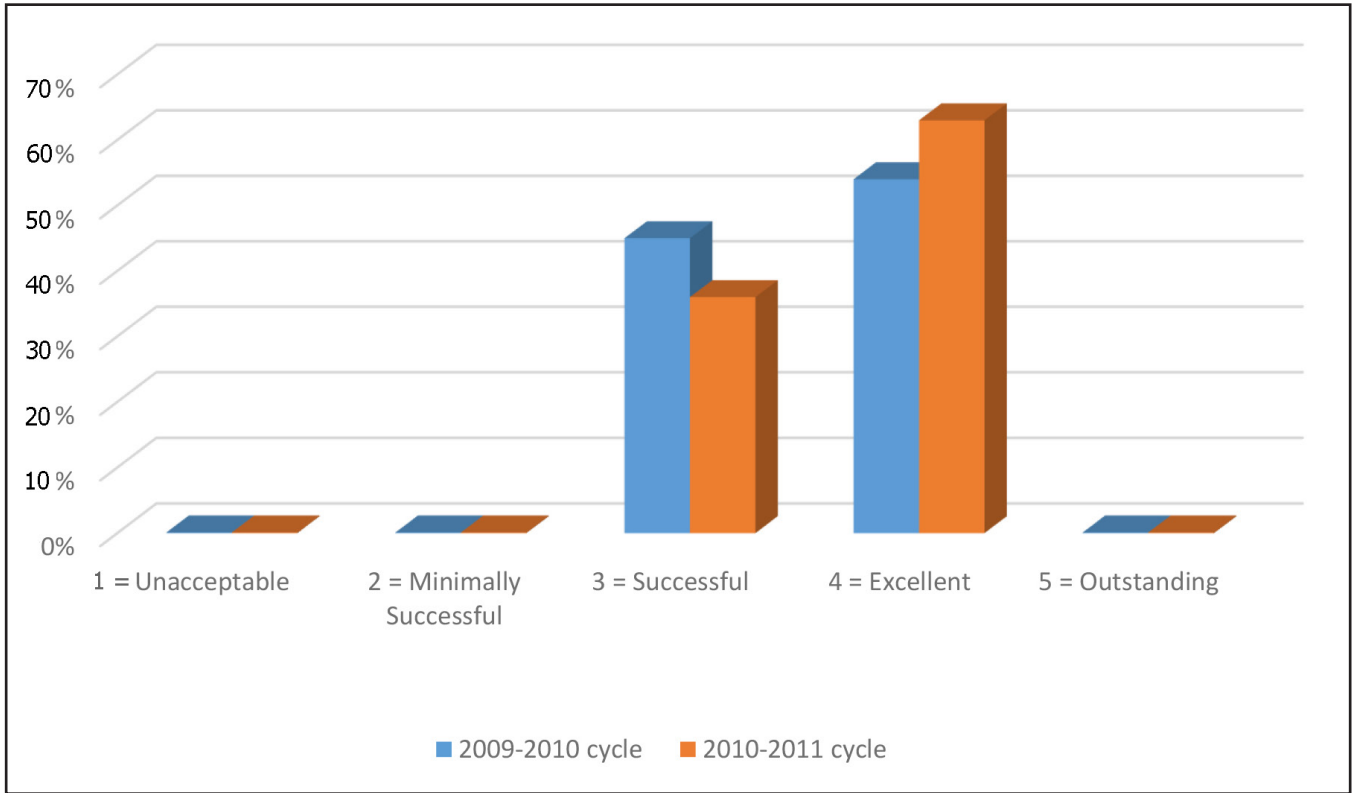
There were a few changes to the reconsideration process for the 2009-2010 ACE performance cycle. The informal reconsideration process, originally an optional step, was now required before any further discussion. If an employee was not satisfied that the correct evaluation process was followed or that they were not rated appropriately against applicable standards, they had to first complete informal reconsideration before a formal process could begin.³⁷¹

The switch to the DCIPS occupational work structure took place in September 2010. Each of nearly 300 NSA work roles were mapped to one of the three DCIPS work categories—Technician/Administrative Support; Professional; or Supervision/Management. Each employee, based on current work role, supervisory level, and current grade, was assigned to a DCIPS work level.³⁷² The new work structure was incorporated into new automated tools to manage staffing requirements.³⁷³

Additional minor changes to the ACE evaluation system would take place for each cycle, such as the new requirement that those on military leave without pay, long-term leave, worker's compensation, or in long-term training have an ACE plan for the 2010-2011 cycle.³⁷⁴ In December 2011, the process for assigning a rating of "minimally successful" was altered to remove the requirement for a Documented Plan for Improved Performance.³⁷⁵

Analysis of ACE performance metrics was not released for the first cycle (2008-2009) but are available for the second and third cycles (2009-2010 and 2010-2011). In both years, the highest score achieved was 5.0 and the lowest 1.0. A comparison of the statistics can be found in Figure 23.

Figure 23. Comparison of ACE scores for rating cycles 2009-2010 and 2010-2011



Sources: “National Security Agency (NSA) Annual Contribution Evaluation (ACE) Performance Metrics,” Agency-all message October 26, 2010; “NSA Annual Contribution Evaluation (ACE) Performance Metrics,” Agency-all message October 31, 2011.

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Conclusions

It is clear from the research there is no such thing as an “ideal” performance appraisal system. An organization must design an appraisal process that supports its goals and organizational environment.

—NSA Performance Management Reform—P3 Pilot Report, August 1996

For nearly a century the government has struggled with methods for evaluating the performance of employees in a way that is useful to both the organization and the worker. From the beginning it was clear that appraisal and assessment of those in unusual and nonrote positions, what we today would call knowledge workers, was not easily quantified, despite the exacting attempts of the graphic rating scale and the early efficiency rating systems.

The quest for a system that suits cryptologic work has been influenced by change in broader government systems, most notably the Performance Rating Act of 1950 and then the Civil Service Reform Act of 1978. This is a natural evolution, which reflects how the science of performance management has changed over time as have best practices.

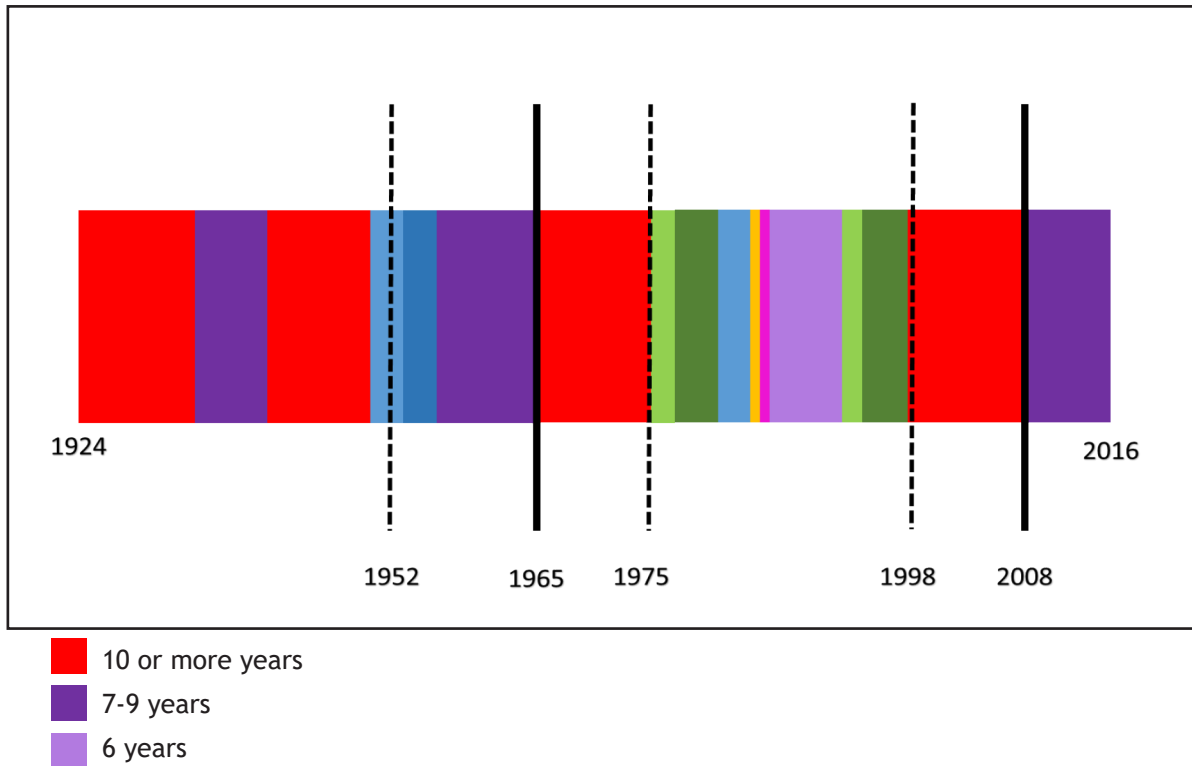
Appraisal systems were required by law for federal agencies and the Performance Rating Act of 1950 strengthened that system. AFSA and NSA were required to have systems in place and com-

plied with the law. The first thoughts of getting an exemption to that act for NSA came in early 1963; the exemption was granted in March 1964. At this point NSA could have chosen to eliminate rating systems entirely, but instead decided to go ahead with its own internal evaluation system. Internal Agency control over appraisals survived for 40 years, with many changes, until the National Security Personnel System (NSPS) was mandated for the DoD.

It takes a great deal of time to develop and test a valid appraisal system, and a system that might have been considered a best practice, such as the 1975-1980 NSA Career Evaluation System, can turn out to be cumbersome to use and unsatisfactory in meeting management and employee needs. Even a widely tested system such as the 1992-1998 Performance Review and Evaluation System (PRES), development of which was contracted to a professional firm, would prove to have an unwieldy 0-100 rating scale that was soon simplified to a simple choice between judging an employee as “Satisfactory” or “Unsatisfactory.” Flaws in systems are often not apparent until the system is actually implemented, and it is then costly and time-consuming to make a change.

While few employees will admit to liking appraisal systems, most crave an objective assessment and evaluation of their performance and guidance as to how they might improve. A performance appraisal system holds the bureaucracy to

Figure 24. Duration of performance appraisal systems, 1924-2016



Note: For systems of 5 years or fewer, colors are used to distinguish time periods but do not correspond to duration.

at least the appearance of conforming to a fair and just standard for evaluating employees, and is more transparent than eliminating appraisals entirely. Few systems have been fully transparent to those being rated, but over time the process has become more open.

Some systems were loved by the workforce (Performance Planning, Evaluation and Counseling [PPEC] 1981-1984) and some were attacked and undermined by management (Career Evaluation System [CES] 1976-1980). NSA has used systems at both extremes, from those with little paperwork and a minimalistic evaluation of performance (PRES 1994-1997) to ones with complex rating schemes and an enormous paperwork burden for managers and employees.

It is difficult to judge whether appraisal systems

of long duration (more than seven years) remained in place because they worked well, lacked outside pressure (such as change in the theory and science of appraisals), or were kept because they provided stability when many other elements of the work place were in flux. But the period 1975-1998, when eight different systems were used, was one of tremendous fluctuation in budget and staffing as well as dramatic changes in target and mission (see Figure 24).

Five-level systems have been the most popular (covering all or parts of 58 years); three-level systems are a distant second at 16 years. The modern workforce often professes a preference for a fondly remembered two-level “satisfactory/unsatisfactory” system that in reality only lasted four years, nearly the shortest tenure of all systems (Figure 25).

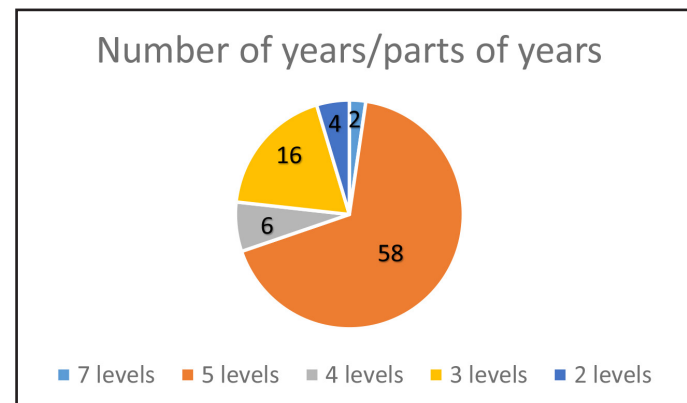
There is no perfect system, and even having no

system is not a perfect solution. The struggle with how to do this is not unique to NSA. In November 2011, a Defense Department working group on performance management recommended that all civilian employees be rated on a pass-fail system, with supervisors providing constant feedback to employees about performance. The advantages of a pass-fail system were said to be that it would be simple and consistent, result in less time spent on grievances, and allow managers to focus less on a final rating and more on individual performance during the year.³⁷⁶ In 2014, DoD was working on a rating system for non-IC personnel that would use three levels: Superior, Successful, and Unacceptable.³⁷⁷

We have seen that over time the National Security Agency and its predecessors have adjusted to changes in personnel regulations, conforming to the federal standard when required and making an effort to adapt a system to the special needs of the cryptologic community when allowed to go its own way. After 40 years of developing our own internal systems, NSA had to conform to requirements for a performance management system levied by the DoD. The decades-long desire to implement a “pay for performance” scheme has been hampered by the 2010 decision to decouple the performance system from the original Defense Civilian Intelligence Personnel System (DCIPS) pay structure. The hybrid result, which uses the Annual Contribution Evaluation (ACE) to manage a “pay for performance” bonus system alongside the traditional pay structure devised in 1949, is, at this writing, under review.

Performance reviews, according to one expert on the subject, are an “expensive and complex way of making people unhappy.”³⁷⁸ Have any of our systems truly met their goals? Could any system possibly meet the goals and expectations of a large

Figure 25. Rating levels in “system years”



bureaucracy and a highly educated and technical workforce? Perhaps not, but not for lack of trying. It is small comfort to know that past systems, and past employees, have struggled to achieve their goals. It is possibly illuminating, as plans are made to move to a new system, to see what has been tried before and to understand the way these systems have been perceived to be time-consuming, inadequate, or just not suited to the peculiarities of our Agency and our work.

Acknowledgments

This history could not have been written without the support of many others. Special thanks to the following: NSA archivists past and present for their tireless work in tracking down obscure documents. To Human Resources, who generously allowed me to use historical files kept by that organization. The Interlibrary Loan staff at the former NSA Library. To many others, unnamed, for encouragement, editing, and advice. David Hatch for believing in this project and providing encouragement and direction. And finally, Dr. William J. Williams for his patience.

ASSESSING CRYPTOLOGIC PERFORMANCE

Appendix A: Efficiency Rating Form 8

CLASSIFICATION SYMBOLS		GRAPHIC RATING SCALE					Efficiency Rating Form No. 8		
SERVICE	GRADE						SUPERVISORY	(CHECK ONE)	
CAF	5						<input checked="" type="checkbox"/>		
		1						<input type="checkbox"/>	
Name <u>MEYER, AGNES M.</u>		(Given name) (Initial)			Department <u>NAVY</u>				
OPERATIONS		COMMUNICATIONS		CODE AND SIGNAL					
(Bureau)		(Division)		(Section)		(Subsection)			
ELEMENT NUMBER	SERVICE ELEMENTS	NOTE: MARK ONLY ON ELEMENTS CHECKED IN LEFT-HAND MARGIN					DO NOT USE SPACE BELOW		
<input type="checkbox"/>	1 Consider accuracy; ability to produce work free from error; ability to detect errors.	Highest possible accuracy.	Very careful.	Careful. No more than reasonable time required for revision.	Careless. Time required for revision greatly excessive.	Practically worthless work.			
34 <input checked="" type="checkbox"/>	2 Consider reliability in the execution of assigned tasks; dependability in following instructions; accuracy of any product appraisable in terms of accuracy.	Greatest possible reliability.	Very reliable.	Reliable.	Doubtful reliability.	Unreliable.	3298 3026		
<input type="checkbox"/>	3 Consider neatness and orderliness of work.	Greatest possible neatness and orderliness.	Very neat and orderly.	Neat and orderly.	Disorderly.	Slovenly.			
16 <input checked="" type="checkbox"/>	4 Consider the speed or rapidity with which work is accomplished; the quantity of work produced in a given time; the dispatch with which a task of known difficulty is completed.	Greatest possible rapidity.	Very rapid.	Good speed.	Slow.	Hopelessly slow.	1600		
24 <input checked="" type="checkbox"/>	5 Consider industry; diligence; attentiveness; energy and application to duties; the degree to which the employee really concentrates on the work at hand.	Greatest possible diligence.	Very diligent.	Industrious.	Inattentive to work.	Lazy.	2400		
14 <input checked="" type="checkbox"/>	6 Consider knowledge of work; present knowledge of job and of work related to it; specialized knowledge in his particular field.	Completely informed.	Unusually well informed.	Well informed.	Poorly informed.	Lacking.	1400		
12 <input checked="" type="checkbox"/>	7 Consider judgment; ability to grasp a situation and draw correct conclusions; ability to profit by experience; sense of proportion or relative values; common sense.	Perfect judgment.	Excellent judgment.	Good judgment.	Poor judgment.	Neglects and misinterprets the facts.	1080		
<input type="checkbox"/>	8 Consider success in winning confidence and respect through his personality; courtesy and tact; control of emotions; poise.	Inspiring.	Unusually pleasing.	Pleasing.	Weak.	Repellent.			
<input type="checkbox"/>	9 Consider cooperativeness; ability to work for and with others; readiness to give new ideas and methods a fair trial; desire to observe and conform with the policies of the management.	Greatest possible cooperativeness.	Very cooperative.	Cooperative.	Difficult to handle.	Obstructive.			
<input type="checkbox"/>	10 Consider initiative; resourcefulness; success in doing things in new and better ways and in adapting improved methods to his own work; constructive thinking.	Greatest possible originality.	Very resourceful.	Progressive.	Rarely suggests.	Needs detailed instruction.			
<input type="checkbox"/>	11 Consider execution; ability to pursue to the end difficult investigations or assignments.	Completes assignments in shortest possible time.	Completes assignments in unusually short time.	Completes assignments in a reasonable time.	Slow in completing assignments; or does not complete assignments.	Takes inordinately long and accomplishes little.			
<input type="checkbox"/>	12 Consider organizing ability; success in organizing the work of his section, division, or department, both by delegating authority wisely and by making certain that results are achieved; ability to plan so as to complete tasks on schedule.	Highest possible effectiveness.	Effective under difficult circumstances.	Effective under normal circumstances.	Lacks planning ability.	Inefficient.			
<input type="checkbox"/>	13 Consider leadership; success in winning the cooperation of his subordinates and in welding them into a loyal and effective working unit; decisiveness; energy; self control; tact; courage; fairness in dealing with others.	Most capable and forceful leader possible.	Very capable and forceful leader.	Capable leader.	Fails to command confidence.	Antagonizes subordinates.			
<input type="checkbox"/>	14 Consider success in improving and developing employees by imparting information, developing talent, and arousing ambition; ability to teach; ability to explain matters clearly and comprehensively.	Develops employees of highest possible caliber.	Develops very efficient employees.	Develops competent employees.	Fails to develop employees.	Discourages and demoralizes employees.			
<input type="checkbox"/>	15 QUANTITY OF WORK (To be used only where accurate and comprehensive OUTPUT RECORDS are kept.)	Highest possible output.	High output.	Good output.	Low output.	Practically no output.			
On the whole, do you consider the department and attitude of this employee toward his work to be satisfactory? <u>Yes</u>							Total <u>97.78</u>		
Rated by: <u>S. F. Safford, 25 May 1925</u> (Date)							Reviewed by: <u>H. Hollingman, 25 May 1925</u> (Date)		
Reviewed by: <u>Leitch, 25 May 1925</u> (Date)							Final rating: <u>95.06</u>		

Appendix B: Form 3201

Form 3201—(April 1935,
U. S. Civil Service Commission

CLASSIFICATION SYMBOLS		
Service	Grade	Class
P	4	

SERVICE RATING FORM

(Read instructions on back of this form)

Check one:

Supervisory
Nonsupervisory

Name Driscoll, Agnes M. Department Navy
Operations Communication
(Bureau) (Division) (Section) (Subsection)

On lines below mark employee:
✓ if neither strong nor weak point.
- if weak point.
+ if strong point.

1. Underline the elements which are especially important in the position.
2. Mark nonsupervisory employees on all elements except those in *italics*.
3. Mark supervisory employees on all elements.

In boxes below rate employee:
1 or 2 if Excellent.
3 or 4 if Very Good.
5 or 6 if Good.
7 or 8 if Fair.
9 or 10 if Unsatisfactory.

I. QUALITY OF PERFORMANCE

- ✓ (a) Thoroughness; adequacy of results.
- † (b) General dependability; accuracy of results.
- † (c) Technical skill with which the important procedures or instruments are employed in performing his duties.
- † (d) Original contributions to method or knowledge.
- (e) *Effectiveness in getting good work done by his unit.*

Rating Officer Reviewing Officer

2

II. PRODUCTIVENESS

- ✓ (a) Amount of work accomplished.
- † (b) Application of energy, interest, and technical resources to duties; industry.
- ✓ (c) Effectiveness in planning so as to utilize time to best advantage.
- † (d) Completing assignments; making progress on assigned projects.
- (e) Composing adequate reports or other required writings.
- (f) _____
(State any other elements of this class considered)
- (g) *Effectiveness in securing adequate output from his unit.*

2

III. QUALIFICATIONS SHOWN ON JOB

- † (a) Knowledge of particular field of work and of the fundamentals on which it is based.
- † (b) Analytical ability; constructive reasoning in the field of specialization.
- (c) Scientific or professional attitude; fairness, freedom from bias.
- ✓ (d) Judgment, sense of proportion, common sense.
- † (e) Initiative, resourcefulness; ability to grow.
- (f) Cooperativeness; ability to work with and for others.
- (g) _____
(State any other elements of this class considered)
- (h) *Effectiveness in developing and training employees.*

2

3

Sum of ratings . . . 6 7

Rated by W. C. Wright 16 May 1935 Report to employee Excellent
(Rating officer) (Date)

Reviewed by H. Kingman 7 June '35 On the whole, do you consider the department and attitude of this employee toward his work to be satisfactory? . . . Yes
(Reviewing officer) (Date) (Answer "Yes", "No", or "Fairly so")

Sum of Ratings	Report to Employee	Significance
3 - 7	Excellent.	Promotable within grade if below top salary.
8 - 13	Very Good.	Promotable within grade if below top salary.
14 - 19	Good.	No salary change if receiving middle salary or above; if below middle, promotable not beyond middle salary.
20 - 24	Fair.	Reduce one step if above middle salary.
25 - 30	Unsatisfactory.	Dismiss from present position.

Appendix C: 1942 version of SF 51

Standard Form No. 51
 Appr. Jan. 5, 1942
 C. S. C. Dept. Cir. No. 202

REPORT OF EFFICIENCY RATING

REGULAR (); INTERIM ()
 PROBATIONARY—1ST () 2D ()

Classification Symbols		
P	4	1318
(Service)	(Grade)	(Class)

As of 31 March, 1943 based on performance during period from 1 April, 1942 to 31 March, 1943

Friedman, Elizabeth S. Cryptanalyst U. S. Coast Guard

(Name of employee) (Title of position) (Bureau)

Office of Operations Communications Division

(Division) (Section) (Subsection or unit) (Field office)

<p>ON LINES BELOW MARK EMPLOYEE</p> <p>✓ if adequate</p> <p>— if weak</p> <p>+ if outstanding</p>	<p>1. Underline the elements which are especially important in the position.</p> <p>2. Rate only on elements pertinent to the position.</p> <p style="margin-left: 20px;">a. Do not rate on elements in <i>italics</i> except for employees in administrative, supervisory, or planning positions.</p> <p style="margin-left: 20px;">b. Rate administrative, supervisory, and planning employees on all elements pertinent to the position whether in <i>italics</i> or not.</p> <p>3. Before rating, become thoroughly familiar with instructions in the rating manual.</p>	<p>CHECK ONE:</p> <p>Administrative, supervisory, or planning <input checked="" type="checkbox"/></p> <p>All others <input type="checkbox"/></p>
---	--	--

<p>..... (1) Maintenance of equipment, tools, instruments.</p> <p>..... (2) Mechanical skill.</p> <p>..... <u>+</u> (3) <u>Skill in the application of techniques and procedures.</u></p> <p>..... <u>✓</u> (4) Presentability of work (appropriateness of arrangement and appearance of work).</p> <p>..... <u>+</u> (5) Attention to broad phases of assignments.</p> <p>..... <u>✓</u> (6) Attention to pertinent detail.</p> <p>..... <u>+</u> (7) Accuracy of operations.</p> <p>..... <u>+</u> (8) Accuracy of final results.</p> <p>..... <u>✓</u> (9) Accuracy of judgments or decisions.</p> <p>..... <u>✓</u> (10) Effectiveness in presenting ideas or facts.</p> <p>..... <u>+</u> (11) Industry.</p> <p>..... <u>✓</u> (12) Rate of progress on or completion of assignments.</p> <p>..... <u>✓</u> (13) Amount of acceptable work produced (Is mark based on production records? <u>✓</u> (Yes or no))</p> <p>..... <u>+</u> (14) Ability to organize his work.</p> <p>..... <u>+</u> (15) Effectiveness in meeting and dealing with others.</p> <p>..... (16) Cooperativeness.</p> <p>..... <u>+</u> (17) Initiative.</p> <p>..... <u>+</u> (18) Resourcefulness.</p> <p>..... <u>✓</u> (19) Dependability.</p> <p>..... <u>✓</u> (20) Physical fitness for the work.</p>	<p>..... <u>+</u> (21) Effectiveness in planning broad programs.</p> <p>..... (22) Effectiveness in adapting the work program to broader or related programs.</p> <p>..... <u>+</u> (23) Effectiveness in devising procedures.</p> <p>..... <u>✓</u> (24) Effectiveness in laying out work and establishing standards of performance for subordinates.</p> <p>..... <u>+</u> (25) Effectiveness in directing, reviewing, and checking the work of subordinates.</p> <p>..... <u>+</u> (26) Effectiveness in instructing, training, and developing subordinates in the work.</p> <p>..... <u>+</u> (27) Effectiveness in promoting high working morale.</p> <p>..... (28) Effectiveness in determining space, personnel, and equipment needs.</p> <p>..... (29) Effectiveness in setting and obtaining adherence to time limits and deadlines.</p> <p>..... <u>✓</u> (30) Ability to make decisions.</p> <p>..... (31) Effectiveness in delegating clearly defined authority to act.</p> <p style="text-align: center;">STATE ANY OTHER ELEMENTS CONSIDERED</p> <p>..... (A)</p> <p>..... (B)</p> <p>..... (C)</p>
--	---

STANDARD	Adjective rating	Numerical rating	Rating official
Deviations must be explained on reverse side of this form			
All underlined elements marked plus, and no element marked minus	Excellent.....	1	E 1
A majority of underlined elements marked plus, and no element marked minus	Very good.....	2 or 3	
All underlined elements marked at least with a check, and minus marks fully compensated by plus marks, or a majority of underlined elements marked at least with a check, and minus marks on underlined elements over-compensated by plus marks on underlined elements	Good.....	4, 5, or 6	
A majority of underlined elements marked at least with a check, and minus marks not fully compensated by plus marks	Fair.....	7 or 8	
A majority of underlined elements marked minus	Unsatisfactory..	9	

On the whole, do you consider the conduct of this employee to be satisfactory? Yes (See back of form)
 (Yes or no)

Rated by [Signature] Chief Clerk U.S. Coast Guard 7 May, 1943
 (Signature of rating official) (Title) (Date)

Reviewed by [Signature] [Signature] 7/10/43 E 1
 (Signature of reviewing official) (Title) (Date) (Adjective rating) (Numerical rating)

Rating approved by efficiency rating committee [Signature] Report to employee E 1
 (Date) (Adjective rating) (Numerical rating)

16-26177-1

Appendix D: Test DA Form 1052, page 1

EMPLOYEE PERFORMANCE APPRAISAL PART A			<input type="checkbox"/> OFFICIAL <input type="checkbox"/> UNOFFICIAL
LAST NAME - FIRST NAME - MIDDLE INITIAL		TITLE, GRADE AND JOB NUMBER	
Doe Jane E.		Clark-Typist, GS-322-3 000	
INSTALLATION	ORGANIZATIONAL SEGMENT	APPRAISAL PERIOD	
		FROM TO	
<p>1. SUPERVISOR'S EVALUATION OF PERFORMANCE ON THE ABOVE JOB: <i>(Covers aspects of performance as outlined in Performance Appraisal, a reference manual for supervisors)</i></p> <p>In most of work is accurate and fast. Correspondence well prepared and information in most cases complete. Much less work returned for correction than to average satisfactory employee. Appearance of work excellent. Expedite and other important cases given to her because she produces unusually good work in minimum of time. Assumed responsibility for composing correspondence without instructions and has done good job on some of more difficult cases. Most cooperative in accepting and volunteering for special assignments. Adapts easily to changes. Has made several suggestions for changes and received \$10 award for one. Never wastes time or uses official time for personal business. Good leave record.</p> <p>Filing often inaccurate and often accumulates for a week instead of being filed daily. Often does not follow up on suspense cases. Correspondence files not reviewed for disposal often enough. Courteous with callers and refers them to right people, but sometimes gives impression of being too busy to give them immediate attention. Occasionally fails to record telephone messages. Takes criticism well, but does not always profit from it.</p> <p>MAJOR STRENGTHS:</p> <p>Initiative and adaptability; enthusiasm for and general competence in parts of job which interest her most.</p> <p>MAJOR AREAS IN WHICH IMPROVEMENT IS DESIRED:</p> <p>Carelessness and procrastination on more routine aspects of job.</p>			
<p>2. PERFORMANCE RATING: <input type="checkbox"/> OUTSTANDING <input checked="" type="checkbox"/> SATISFACTORY <input type="checkbox"/> UNSATISFACTORY</p> <p><i>(Justification attached)</i> <i>(Justification attached)</i></p>			
EMPLOYEE'S SIGNATURE		DATE OF DISCUSSION	SUPERVISOR'S SIGNATURE AND TITLE
<p>NOTE: The adjective rating assigned may be appealed. Information on the appeal procedure may be obtained from your supervisor, or if you prefer, from the Civilian Personnel Office.</p>			

DA Form 1052 (Test)
1 Dec. '53

Appendix D: Test DA Form 1052, page 2

<p>PART B</p> <p><i>NOTE: Part B is not a part of the performance rating assigned and is not subject to appeal</i></p>	
<p>1. WHAT IS BEING DONE TO IMPROVE PERFORMANCE, TO UTILIZE STRENGTHS, AND TO DEVELOP POTENTIAL ABILITY?</p> <p style="margin-left: 40px;">Talked with her about importance of keeping filing up to date and accurate and of checking on suspense cases. Also discussed importance of delivering telephone messages accurately and as soon as received, and of taking care of callers without delay. She is given help needed to compose more and more difficult correspondence. Hope to promote to Correspondence Clerk, GS-4, if she continues to improve in this part of job. She would then spend most of her time on the work which interests her most and which she does best.</p>	
<p>2. PROGRESS SINCE LAST REPORT OR SINCE EMPLOYEE HAS WORKED FOR THIS SUPERVISOR:</p> <p style="margin-left: 40px;">Not much improvement on filing and checking on suspense cases. Steady improvement in other parts of job, particularly in composing correspondence.</p>	
<p>SUPERVISOR'S SIGNATURE AND TITLE</p>	<p>DATE</p>
<p>3. EMPLOYEE'S COMMENT:</p> <p style="margin-left: 40px;">I agree with appraisal. I believe my performance weaknesses are due to heavy workload and concentration on parts of job most interesting to me. I will try to plan my work so that no part of job is neglected in future.</p>	
<p>EMPLOYEE'S SIGNATURE</p>	<p>DATE</p>

ASSESSING CRYPTOLOGIC PERFORMANCE

Appendix E: Form E2804

EMPLOYEE PERFORMANCE APPRAISAL <small>(see C in Personnel Manual, Chapter P2)</small>		1. TYPE OF APPRAISAL <input checked="" type="checkbox"/> OFFICIAL <input type="checkbox"/> UNOFFICIAL	
PART A			
2. NAME (last, first, middle initial)		3. TITLE, GRADE, JOB NUMBER	
Driscoll Agnes M.		Analyst GS-13 #2001	
4. INSTALLATION	5. ORGANIZATION	6. APPRAISAL PERIOD (from)	(to)
NSA	NSA-C7403	July 1956	February 1957
7. SUPERVISOR'S EVALUATION OF PERFORMANCE ON THE ABOVE JOB <small>(Cover aspects of performance as outlined in CPM P2, Appendix 1 - "Guides to Supervisors on Performance Appraisal". As appropriate, indicate trend toward better or worse performance, identifying favorable aspects of performance and aspects which may warrant further improvement. If more space is needed, use separate sheets and attach.)</small>			
<p>During this period Mrs. Driscoll has virtually completed work on a complex and laborious problem. She has also evolved a machine process which should be of value in the solution of related problems. She has effectively supervised the activities of two junior analysts assigned to the problem.</p>			
S/c			
8. PERFORMANCE RATING (supervisor will check (✓) one) <input checked="" type="checkbox"/> SATISFACTORY <input type="checkbox"/> OUTSTANDING (justification attached) <input type="checkbox"/> UNSATISFACTORY (justification attached)			
9. DATE OF DISCUSSION WITH EMPLOYEE	10. DATE COPY OF RATING FURNISHED EMPLOYEE	NOTE - The official adjective rating assigned may be appealed. Further information concerning the appeals procedure may be obtained from your Supervisor or from the Civilian Personnel Br.	
13 May 1957	13 May 1957		
11. EMPLOYEE'S ACKNOWLEDGEMENT OF DISCUSSION (signature)		12. SUPERVISOR (signature and title)	
Agnes M. Driscoll		Elizabeth A. Whitmore Chief ACOM 403	
13. APPROVAL OF OUTSTANDING RATING (signature of approving official)		DATE OF APPROVAL	
14. APPROVAL OF UNSATISFACTORY RATING (signature of approving official)		DATE OF APPROVAL	
NSA FORM E2804 24 JAN 1956 (SUPERSEDES USE OF DA FORM 1052 IN NSA) (continued on NSA Form E2804 (A))			

Appendix F: Employee Profile, Form E6223

EMPLOYEE PERFORMANCE APPRAISAL

DATE _____

PART I - EMPLOYEE PROFILE (Prepare in duplicate)

SECTION A - GENERAL

1. EMPLOYEE NO.	2. TITLE	3. NAME (Last) (first) (middle)	4. DOB	5. ORG. ASSIGNED
6. COSC	7. NSA JOB NO.	8. GRADE	9. TYPE OF RATING <input type="checkbox"/> OFFICIAL <input type="checkbox"/> UNOFFICIAL	
10. APPRAISAL PERIOD				

SECTION B - INSTRUCTIONS

1. The EMPLOYEE PROFILE is designed for use as a management aid in the development and utilization of employees. The report need not be shown to the employee, but will be used as a basis for completion of PART II, "EMPLOYEE APPRAISAL SUMMARY", and for discussion of overall performance with the employee.
2. The report must be completed and the original forwarded to M733 not later than 30 days after due date of the performance appraisal, when used in conjunction with an official rating.
3. In categories I through IV, describe the performance of the employee being rated by checking the appropriate column for each performance statement.
4. For each of the category summaries which follow the lists of performance statements in categories I through IV, indicate your opinion of the employee's general performance with relation to each category by checking the appropriate boxes.

SECTION C - PROFILE

CATEGORY I - TECHNICAL SKILL AND QUALITY OF OUTPUT

GENERALLY TRUE OF EMPLOYEE'S PERFORMANCE GENERALLY NOT TRUE OF EMPLOYEE'S PERFORMANCE HAS NO BEARING ON PERFORMANCE HAS BEARING, BUT NOT OBSERVED	<p style="text-align: center;">PERFORMANCE STATEMENTS</p> <ol style="list-style-type: none"> 1. PERFORMS REGULAR DUTIES DEPENDABLY. 2. CAN BE RELIED UPON TO USE GOOD JUDGMENT IN MOST SITUATIONS. 3. CAN NOT SEEM TO GET THE HANG OF THINGS. 4. PAYS SUFFICIENT ATTENTION TO DETAILS. 5. ORGANIZES HIS OWN WORK EFFECTIVELY. 6. DOES NOT RECOGNIZE AND DEFINE PROBLEMS. 7. SHOWS SELF-RELIANCE ON THE JOB. 8. PUTS OVER OWN IDEAS TO OTHERS WELL. 9. MASTERS NEW DUTIES CONNECTED WITH JOB QUICKLY. 10. HAS LIMITED SUCCESS IN PRODUCING HIGH QUALITY WORK. 11. CAN ADAPT TO VERY DIFFICULT SITUATIONS. 12. SHOWS CONSIDERABLE INITIATIVE. 13. DOES NOT HAVE A WELL ROUNDED KNOWLEDGE OF THE JOB. 14. COMPLIES WITH PRESCRIBED WORK METHODS AND GUIDES. 15. HAS LIMITED SUCCESS IN MAINTAINING A HIGH LEVEL OF ACCURACY. 15. IS VERY RESOURCEFUL. 17. IS THOROUGH IN GATHERING INFORMATION. 18. RARELY IS ABLE TO SOLVE PRODUCTION PROBLEMS INDEPENDENTLY. 19. DOES MORE THAN IS EXPECTED. 20. TURNS OUT NEAT APPEARING WORK. 21. MAKES MANY USEFUL SUGGESTIONS. 22. STIMULATES ASSOCIATES TO BE INTERESTED IN THEIR WORK.
--	--

CATEGORY SUMMARY (check one)

1. NEEDS IMPROVEMENT 2. COMPETENT 3. EXCEEDS REQUIREMENTS

NSA FORM E6223 AUG 62 Figure 1 47

Appendix G: Form E1, page 1

NSAPMM 30-2(U)
Chapter 340

(SECURITY CLASSIFICATION, IF ANY)
EMPLOYEE PERFORMANCE APPRAISAL
(Under Public Law 88-290)

PLEASE RETURN TO M3 BY: 1. TYPE OF APPRAISAL
 OFFICIAL UNOFFICIAL

SECTION A - GENERAL

2. SOCIAL SECURITY NO. 3. NAME (last) (first) (middle initial) 4. GRADE 5. ORG. ASSIGNED

6. COSC 7. OCCUPATIONAL SPECIALTY 8. JOB NUMBER 9. APPRAISAL PERIOD (from) (to)

RATING	PERFORMANCE DEFINITIONS
DEFICIENT	Ranges from wholly inadequate to slightly less than satisfactory. A rating in this category requires positive remedial action.
ADEQUATE	Meets minimum requirements and is characterized neither by deficiency nor proficiency.
PROFICIENT	Is more than adequate. Desired results are being produced in a highly acceptable manner.
STRONG	Is characterized by being clearly superior in comparison to the performance of others doing similar work.
OUTSTANDING	Is so exceptional in relation to requirements of the work and in comparison to the performance of others doing similar work as to warrant special recognition.

SECTION B - EVALUATION OF SPECIFIC DUTIES

INSTRUCTIONS		RATING				
1. List up to five of the most important specific duties performed during the rating period.		DEFICIENT	ADEQUATE	PROFICIENT	STRONG	OUTSTANDING
2. For EACH of the duties listed, check the column to the right to indicate the rating which best describes the manner in which the employee performed that specific duty.						
3. If the employee had supervisory duties, rate him on specific duty number 6, indicating in the space provided, the number of employees he supervised.						
4. Classified information may be used in this section on copies 1 and 2 but NOT on copies 3 and 4.						
1						
2						
3						
4						
5						
6	NUMBER OF EMPLOYEES SUPERVISED: <input type="checkbox"/> DIRECTLY <input type="checkbox"/> INDIRECTLY					

SECTION C - EVALUATION OF OVER-ALL PERFORMANCE IN CURRENT JOB

INSTRUCTIONS		RATING				
1. In evaluating an employee's over-all performance, consideration will be given to the specific duties itemized under Section B, and to all other factors which influence his effectiveness in his job; for example, cost-awareness in conserving resources and reducing costs, security awareness with respect to job requirements, and personal traits and habits that affect job performance.		DEFICIENT <small>(see Sect. F)</small>	ADEQUATE	PROFICIENT	STRONG	OUTSTANDING <small>(see Sect. F)</small>
2. Based upon knowledge of the employee's over-all performance during the rating period, place a check in the column to the right corresponding to the rating which most accurately reflects his over-all level of performance.						
3. If the over-all performance rating checked is DEFICIENT or OUTSTANDING, justify in Section F on reverse side of copies 1 and 2.						
OVER-ALL PERFORMANCE RATING						

NOTE - The official over-all performance rating assigned above may be appealed. Further information concerning the appeal procedure may be obtained from your supervisor or from your personnel representative.

SECTION D - APPRAISAL CERTIFICATE

A discussion of my job performance as described in sections B, C, and F of NSA FORM E1 was held. EMPLOYEE'S ACKNOWLEDGEMENT OF DISCUSSION (signature) DATE

RATING SUPERVISOR'S CERTIFICATION (signature) ORGANIZATIONAL TITLE DATE

COMPLETE IF APPLICABLE

SIGNATURE OF REVIEWER (if required by your organization) ORGANIZATIONAL TITLE DATE APPROVED

SIGNATURE OF APPROVING OFFICIAL (required only for Deficient/Outstanding ratings) ORGANIZATIONAL TITLE DATE APPROVED

NSA FORM E1 REV JAN 66 (over) (SECURITY CLASSIFICATION, IF ANY)

2. RATER'S COPY

(Basic)

Appendix G: Form E1, page 2

NSAPMM 30-2(U)
Chapter 340

(continued)

SECTION E – EMPLOYEE COMMENTS *(unclassified only) (if any)*

SECTION F – SUPERVISOR'S COMMENTS AND/OR JUSTIFICATION FOR DEFICIENT/OUTSTANDING RATING

(Basic)

vi

Appendix G: Form E1, page 3

NSA PMM 30-2(U)
Chapter 340

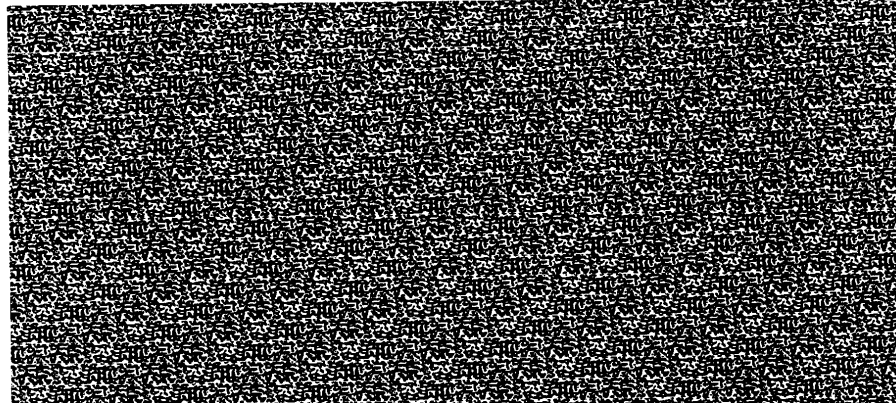
EMPLOYEE PERFORMANCE APPRAISAL
(Under Public Law 88-290)

PLEASE RETURN TO M3 BY: 1. TYPE OF APPRAISAL
 OFFICIAL UNOFFICIAL

SECTION A - GENERAL

2. SOCIAL SECURITY NO.	3. NAME (last) (first) (middle initial)	4. GRADE	5. ORG. ASSIGNED
6. COBC	7. OCCUPATIONAL SPECIALITY	8. JOB NUMBER	9. APPRAISAL PERIOD (from) (to)

RATING	PERFORMANCE DEFINITIONS
DEFICIENT	Ranges from wholly inadequate to slightly less than satisfactory. A rating in this category requires positive remedial action.
ADEQUATE	Meets minimum requirements and is characterized neither by deficiency nor proficiency.
PROFICIENT	Is more than adequate. Desired results are being produced in a highly acceptable manner.
STRONG	Is characterized by being clearly superior in comparison to the performance of others doing similar work.
OUTSTANDING	Is so exceptional in relation to requirements of the work and in comparison to the performance of others doing similar work as to warrant special recognition.



SECTION C - EVALUATION OF OVER-ALL PERFORMANCE IN CURRENT JOB

INSTRUCTIONS	RATING				
	DEFICIENT (see Sec. F)	ADEQUATE	PROFICIENT	STRONG	OUTSTANDING (see Sec. F)
1. In evaluating an employee's over-all performance, consideration will be given to the specific duties itemized under Section B, and to all other factors which influence his effectiveness in his job; for example, cost-awareness in conserving resources and reducing costs, security awareness with respect to job requirements, and personal traits and habits that affect job performance.					
2. Based upon knowledge of the employee's over-all performance during the rating period, place a check in the column to the right corresponding to the rating which most accurately reflects his over-all level of performance.					
3. If the over-all performance rating checked is DEFICIENT or OUTSTANDING, justify in Section F on reverse side of copies 1 and 2.					
OVER-ALL PERFORMANCE RATING					

NOTE -- The official over-all performance rating assigned above may be appealed. Further information concerning the appeal procedure may be obtained from your supervisor or from your personnel representative.

SECTION D - APPRAISAL CERTIFICATE

A discussion of my job performance as described in sections B, C, and F of NSA FORM E1 was held.	EMPLOYEE'S ACKNOWLEDGEMENT OF DISCUSSION (signature)	DATE
RATING SUPERVISOR'S CERTIFICATION (signature)	ORGANIZATIONAL TITLE	DATE

COMPLETE IF APPLICABLE

SIGNATURE OF REVIEWER (if required by your organization)	ORGANIZATIONAL TITLE	DATE APPROVED
SIGNATURE OF APPROVING OFFICIAL (required only for Deficient/Outstanding ratings)	ORGANIZATIONAL TITLE	DATE APPROVED

NSA FORM E1 REV JAN 66 (over)
4. OFFICIAL PERSONNEL FOLDER COPY

Appendix G: Form E1, page 4

NSAPMM 30-2(U)
Chapter 340

(continued)

SECTION E – EMPLOYEE COMMENTS *(unclassified only) (if any)* **(SECTION F APPEARS ONLY ON COPIES 1 AND 2)**

(Basic)

Appendix H: Form P7743B, page 1

CURRENT SUPERVISOR'S RATING

INTRODUCTION

To assist the Director in accomplishing his objective of insuring that the "best-qualified" personnel are promoted, ratings for all eligible persons are being obtained from current supervisors. You are being asked to rate all personnel under your immediate supervision who are one year or more in grade at the GG 13 or 14 level. Your ratings, along with organizational recommendations, personnel summaries, official performance appraisals, and other pertinent data will be used by the Agency promotion review boards to help them make promotion recommendations to the Director.

The ratings are strictly for the use of Agency boards and are NOT to be discussed with employees. This rating DOES NOT replace the official performance appraisal. By making your rating you are provided an opportunity to have your evaluation of the ratee considered as an important factor in determining his advancement in the Agency. You should read through the entire form, including the certification statement, before starting to make your rating.

Analysis of forms completed last year showed a tendency to assign high ratings to a disproportionate percentage of personnel. If you rate several individuals, check to see that your distribution of ratings approximates the prescribed one. To assist the Board in its use of ratings, distributions of ratings by rater will be available.

If you do not feel you can rate the individual, please state your reason, and return this form within ten days after receipt to the address indicated in #3 below.

I DO NOT FEEL I CAN RATE THIS INDIVIDUAL BECAUSE:

INSTRUCTIONS

1. Compare the ratee with others in his current GG level. Rate him on the seven factors described on the reverse. Assign your ratings using the distribution below. Rate all individuals on a factor before going to the next factor. Check to be sure your ratings approximate the distribution. You should keep in mind that only one person in 10 should be rated 90 or higher, while one-half of the individuals should be rated between 25 and 74.

RATING

MARGINAL	1-3	XXX
SATISFACTORY	4-24	XXXXXXXXXXXXXXXXXXXXXXX
GOOD	25-74	XX
VERY GOOD	75-89	XXXXXXXXXXXXXXXXXX
OUTSTANDING	90-96	XXXXXXX
EXCEPTIONALLY OUTSTANDING	97-99	XXX

2. Please enter any brief narrative comments you feel are pertinent in the designated space.

RATING	EXAMPLE	FACTOR DESCRIPTION
70	<p>POSITION PERFORMANCE: CONSIDER HOW WELL THE INDIVIDUAL PERFORMED IN HIS HIGHEST GRADE LEVEL POSITION UNDER YOUR SUPERVISION. NARRATIVE COMMENT (if any): <i>Mr. Jones generally plans his time so that his work is completed in advance of assigned due dates.</i></p> <p>NOTE: The individual has been assigned a rating of "70," indicating that his performance is "GOOD" and superior in quality to that shown by approximately 70% of those in his current grade.</p>	

3. The completed, signed rating must be returned in a sealed envelope directly to M35 within ten days to:

M35-
Friendship Annex
ATTN: Chief, M35

Appendix H: Form P7743B, page 2

SECURITY CLASSIFICATION		(continued)	(See reverse for instructions)
NAME OF RATEE		ORG.	RATEE'S CURRENT GG LEVEL
NAME OF RATER		(social security no.)	DATES RATEE UNDER YOUR SUPERVISION (from-to)
RATING	FACTOR DESCRIPTIONS		
	<p>A. POSITION PERFORMANCE: CONSIDER HOW WELL THE INDIVIDUAL PERFORMS IN HIS PRESENT POSITION: INCLUDE QUANTITY AND QUALITY OF PRODUCTIVITY, WRITTEN AND ORAL COMMUNICATIONS, SOUNDNESS OF DECISION, THOROUGHNESS, ACCURACY, ETC. NARRATIVE COMMENT (if any):</p>		
	<p>B. EFFECTIVENESS IN WORKING WITH PEOPLE: CONSIDER HOW WELL THE INDIVIDUAL MEETS AND DEALS WITH OTHERS, HIS EFFECTIVENESS IN ESTABLISHING AND MAINTAINING WORKING RELATIONSHIPS WITH PEERS, SUBORDINATES, AND SUPERIORS. NARRATIVE COMMENT (if any):</p>		
	<p>C. DRIVE AND INITIATIVE: CONSIDER THE EXTENT TO WHICH THE INDIVIDUAL DEMONSTRATES ATTRIBUTES SUCH AS FORCEFULNESS, AGGRESSIVENESS, AND ENTHUSIASM. NARRATIVE COMMENT (if any):</p>		
	<p>D. PERSONAL CHARACTERISTICS: CONSIDER ALL PERSONALITY CHARACTERISTICS AS THEY AFFECT THE INDIVIDUAL'S JOB BEHAVIOR. NARRATIVE COMMENT (if any):</p>		
	<p>E. SUBJECT-MATTER KNOWLEDGE: CONSIDER THE INDIVIDUAL'S DEPTH AND BREADTH OF KNOWLEDGES AND SKILLS REQUIRED AT THE NEXT HIGHER GRADE. NARRATIVE COMMENT (if any):</p>		
	<p>F. PROMOTION POTENTIAL: CONSIDER HOW THE INDIVIDUAL COMPARES WITH OTHERS FOR ADVANCEMENT TO POSITIONS OF GREATER RESPONSIBILITY AT ALL HIGHER LEVELS, NARRATIVE COMMENT (if any):</p>		
<p>INSTRUCTIONS: Check (✓) the box preceding the appropriate response. CHECK ONLY ONE BOX.</p>			
<p>G. READINESS FOR PROMOTION: In your opinion, how ready is this individual compared with others in his grade to be promoted?</p>			
<input type="checkbox"/>	* 1. OUTSTANDING GROWTH POTENTIAL BASED ON DEMONSTRATED PERFORMANCE. PROMOTE AT FIRST AVAILABLE OPPORTUNITY.		
<input type="checkbox"/>	* 2. DEMONSTRATES CAPABILITIES FOR INCREASED RESPONSIBILITY. SHOULD BE PROMOTED.		
<input type="checkbox"/>	3. PERFORMING WELL IN PRESENT GRADE. MAY BE PROMOTED		
<input type="checkbox"/>	4. PERFORMANCE DOES NOT DEMONSTRATE READINESS FOR PROMOTION AT THIS TIME.		
<p>* NARRATIVE COMMENT (if 1 or 2 is checked, a narrative comment is required):</p>			
<p>H. IF YOU HAVE ANY FURTHER COMMENTS WITH RESPECT TO THE PROMOTION OF THIS INDIVIDUAL, PLEASE RECORD THEM BELOW:</p>			
<p>I understand that this rating and recommendations will be very important part of the information that will be considered by the Promotion Review Board in determining which employees are best qualified for advancement. To the best of my ability, I have rated this individual's performance and potential objectively and fairly.</p>			
SUPERVISOR'S SIGNATURE		POSITION	DATE
Return completed form to M35, Friendship Annex, ATTN: Chief, M35			SECURITY CLASSIFICATION

Appendix I: Form P1 [retyped to remove personal information as no blank forms still exist], page 1

SECURITY CLASSIFICATION, IF ANY _____ EMPLOYEE PERFORMANCE APPRAISAL (REFERENCE: NSA/CSS PMM 30-2, Chapter 340) M35 CERTIFICATION SIGNATURE _____ DATE _____	<input type="checkbox"/> IF CHECKED, PREPARE INDIVIDUAL CAREER APPRAISAL AND DEVELOPMENT PLAN, FORM P8533 AUG 74. RETURN TO M35 BY: _____
---	--

SECTION A—GENERAL

SOCIAL SECURITY NO. (1)	NAME (LAST, First, MI) (2)	GRADE (3)	ORG (4)
COSC (5)	JOB NUMBER (6)	APPRAISAL PD. (FROM) (TO) (7) Yr Mo Da	

DUTY RATINGS

1. NEVER MEETS PERFORMANCE NORMS
2. FREQUENTLY DOES NOT MEET PERFORMANCE NORMS
3. OCCASIONALLY DOES NOT MEET PERFORMANCE NORMS
4. MEETS PERFORMANCE NORMS
5. OCCASIONALLY EXCEEDS PERFORMANCE NORMS
6. FREQUENTLY EXCEEDS PERFORMANCE NORMS
7. ALWAYS EXCEEDS PERFORMANCE NORMS

SECTION B—EVALUATION OF DUTIES (See Above Ratings)

INSTRUCTIONS

1. For EACH pre-printed duty listed, enter the number from the duty ratings above which best describes the manner in which the employee performed the duty. Enter N if the duty is not applicable. At least five duties must be rated. Additional duties may be listed by the supervisor in duty numbers 6 through 10. The percentile equivalencies of the ratings are:
 1 = 0-2 2 = 3-10 3 = 11-32 4 = 33-67 5 = 68-89 6 = 90-97 7 = 98-100
2. If NO pre-printed duties are provided, list at least five of the most important duties performed during the rating period. Enter the number from the duty ratings above which best describes the manner in which the employee performed each duty.
3. If the employee had supervisory duties, rate on item number 11 by checking one of the boxes.

RATINGS

1		(8)
2		(9)
3		(10)
4		(11)

Appendix I: Form P1, page 2

5		(12)
6		(13)
7		(14)
8		(15)
9		(16)
10		(17)
11	EFFORTS IN PROMOTING EEO OBJECTIVES (Required of all supervisors) (18) <input type="checkbox"/> SATISFACTORY (18) <input type="checkbox"/> UNSATISFACTORY	

SECTION C—EVALUATION OF OVER-ALL PERFORMANCE IN CURRENT JOB

INSTRUCTIONS

Enter the number which most accurately reflects the employee’s overall level of performance. Consider the quality and quantity of work produced, amount of supervision required, practical judgment in solving problems, dependability, waste prevention and cost reduction efforts, and ability to get along with others.

Overall ratings of 1 or 7 require justification by separate memorandum to M35.

OVERALL PERFORMANCE RATING _____ (19)

SECTION D—APPRAISAL CERTIFICATE

A discussion of my performance as described in Sections B and C was held.	Employee acknowledgement of discussion (Signature)	Date	(20)
RATING SUPERVISOR’S CERTIFICATION (Signature)	ORGANIZATIONAL TITLE	Date	
REVIEWER’S SIGNATURE	ORGANIZATIONAL TITLE	Date	

SECTION E—EMPLOYEE COMMENTS (Unclassified only, if any) (Continue on reverse, if necessary) (21)

Appendix J: Form P1B

NSA/CSSPMM 30-
Chapter 340

APPENDIX B

FOR MANAGEMENT USE ONLY

SECURITY CLASSIFICATION, IF ANY

INVENTORY OF ATTRIBUTES
(Reference: NSA/CSS PMM 30-2, Chapter 340)

RETURN ENTIRE PACKET TO M35 BY

SOCIAL SECURITY NO. NAME (Last, First, MI) GRADE ORG.

COSC

DATES EMPLOYEE UNDER SUPERVISION (22)
FROM (Yr) (Mo) (Da) TO (Yr) (Mo) (Da)

Supervisor's Information SOCIAL SECURITY NO. (23) NAME (Last, First, MI) GRADE (e.g. GGD1305)

INSTRUCTIONS

This inventory IS NOT to be discussed with the employee. Compare this employee with others in the same grade level regardless of the occupational specialty title. Assign your numeric evaluation using any of the numbers 01 through 99 from the scale below.

01 BELOW AVERAGE 33 AVERAGE 67 ABOVE AVERAGE 99

EVALUATION	ATTRIBUTE DESCRIPTION	NARRATIVE COMMENTS, IF ANY
(24)	A. Innovativeness: Consider how well the individual provides problem solutions, shows ingenuity and creativity and pioneers in seeking new ways to complete work faster and more accurately.	
(25)	B. Effectiveness in working with people: Consider how well the individual meets and deals with others, his/her effectiveness in establishing and maintaining working relationships with peers, subordinates and supervisors.	
(26)	C. Drive and initiative: Consider the extent to which the individual demonstrates attributes such as forcefulness, aggressiveness and enthusiasm.	
(27)	D. Personal characteristics: Consider all personal characteristics as they affect the individual's job performance.	
Present (28)	E. Subject-matter knowledge: Consider the individual's depth and breadth of knowledges and skills required at his/her present and next higher grade.	
Higher (29)	F. Advancement potential: Consider how the individual compares with others for advancement to a position of greater responsibility and his/her overall capability for progression within the career field.	
(30)	G. READINESS FOR PROMOTION	
(31)	In your opinion, how ready is this individual, compared with others in the same grade, to be promoted? Enter the number of the appropriate response in the box at the left.	
	1. Outstanding growth potential based on demonstrated performance. Promote at first available opportunity.	
	2. Demonstrates capabilities for increased responsibility. Should be promoted.	
	3. Performing well in present grade, but not suitable for promotion at this time.	
	4. Performance does not demonstrate readiness for promotion at this time.	

NARRATIVE COMMENTS REQUIRED

H. RANKING WITHIN PEER GROUP Enter the appropriate numbers to complete the following statement (no two employees can have the same rank). The highest rank is 001, continuing down through the number of employees at that grade level.

1. For Immediate Supervisor OF THE (32) EMPLOYEES I SUPERVISE AT THIS GRADE LEVEL, THIS EMPLOYEE RANKS (33)

SUPERVISOR'S SIGNATURE ORGANIZATIONAL TITLE DATE (34) (Yr) (Mo) (Da)

2. Reviewing Official OF THE (35) EMPLOYEES IN MY ORGANIZATION AT THIS GRADE LEVEL, THIS EMPLOYEE RANKS (36)

REVIEWING OFFICIAL'S SIGNATURE ORGANIZATIONAL TITLE DATE

FORM P1B AUG 74 SECURITY CLASSIFICATION, IF ANY

FOR MANAGEMENT USE ONLY

Appendix K: Survey Questions, June 1976

Survey Questions from June 1976

A. Performance Appraisal – Form P1

1. Are the preprinted duties on the Form P1 consistent with the positions descriptions against which the people are assigned in your organization? IF not, have steps been taken to reidentify the jobs? Comment on how duty items can be improved or expanded to make them more useful to the rating official.

2. Since January 1975 we have been using numerical rating vice adjectival rating. We have also gone from a 5 to a 7 rating system. Your comments on the above are requested. Further, I would appreciate any recommendation on how we can make the various rating levels more descriptive of actual performance.

3. The concept of mandatory distribution of ratings has been suspended by the Director. However, a system of ratings where a disproportionate number of the ratings fall into the upper levels (levels 6 and 7) is not acceptable. Comment on how we can maintain a control on the use of ratings short of mandating a schedule of distribution of ratings.

4. Are there any aspects of the procedure for completing Performance Appraisals which are causing specific problems within your organization?

5. Given the guidance provided in Appendix E to Chapter 340, Appeals of Performance Ratings, is the appeals procedure giving you any difficulty? If so, please comment on how the appeals procedure might be improved.

6. Timely completion and submission of Performance Appraisals is essential to meeting management requirements, to complying with the Privacy Act requirement of accurate and timely records, and in fairness to the employee. Comment on the steps that can be taken to ensure timeliness.

B. Inventory of Attributes – Form P1B

7. The attributes section of Form P1B is designed to give a prognosis of the individual's potential for career growth and advancement. Given that intent, are there any other attributes that should be considered?

8. Do you have any comments or recommendations for improving the revised ranking procedure to assure (*sic*) that it meets the Director's stated goal of identifying the strongest and weakest performers in an organization?

9. What is your general attitude regarding having or not having supervisors discuss the Inventory of Attributes with their employees?

C. Individual Career Appraisal and Development Plan, Form P8533

10. To date this aspect of the Career Evaluation System has illicited (*sic*) the fewest questions or problems. However, any comments or suggestions you may have to improve either the plan itself or the use of the input provided by the plan would be valuable to an overall evaluation of the System.

D. General Comments

11. Please comment on the strengths and weaknesses of the System as a whole. In commenting on a weakness in the System, please provide specific recommendations for improving that aspect of the System.

Appendix L: Form P1C

Pamphlet No. 340A

SPECIAL INSTRUCTIONS

SECURITY CLASSIFICATION (IF ANY) _____

EMPLOYEE PERFORMANCE APPRAISAL RETURN TO HQS By _____

PRIVACY ACT STATEMENT: (Applicable to employee comments) Authority for requesting information: PL 86-36, DOD DIR 5100.23, PMM 340. Information will be used principally to provide an official statement of the employee's comments on the performance appraisal & (revisions) will be retained in Official Personnel Folder as a reference for authorized personnel officers and managers. Disclosure of info. voluntarily, effect on info. if requested, info. not provided may result in management decisions based upon data which did not include employee input. Your signature below * also indicates you have read & understood the above.

A. EMPLOYEE INFORMATION	SSN (1)	NAME (Last, First, MI) (2)	COSC (3)	NATURE OF ACTION (4)
	JOB NUMBER (5)	ORGANIZATION (6)	APPRAISAL PERIOD (7) from date _____ to date _____	EFFECTIVE DATE (8)
	GRADE	STEP AND SALARY (Present) (9)	New (10)	NEXT WGI DUE (11)

INSTRUCTIONS

For each duty listed, enter the letter from the duty ratings which best describes the manner in which the employee performed the duty. List at least three of the most important duties performed during the rating period. If the employee had supervisory duties, check applicable blocks in item number 11 and 12. Indicate critical job elements by placing asterisk in critical element column.

DUTY RATINGS TO BE USED

U. UNSATISFACTORY	S. SATISFACTORY	
M. MARGINAL	E. EXCELLENT	O. OUTSTANDING

	DUTIES	CRITICAL ELEMENT	RATING		
1			(12)		
2			(13)		
3			(14)		
4			(15)		
5			(16)		
6			(17)		
7			(18)		
8			(19)		
9			(20)		
10			(21)		
11	EFFORTS IN PROMOTING EEO OBJECTIVES (22) <small>(This rating applicable to all supervisors)</small>	SATIS <input type="checkbox"/> UNSATIS <input type="checkbox"/>	12 SECURITY SUPERVISION (24) <small>(This rating applicable to all supervisors)</small>	SATIS <input type="checkbox"/> UNSATIS <input type="checkbox"/>	(25)
	OVERALL PERFORMANCE RATING: Enter the letter which most accurately reflects the employee's overall level of performance. Consider the quality and quantity of work produced, amount of supervision required, practical judgment in solving problems, dependability, waste prevention, and cost reduction efforts. Over-all ratings of U, M, or O require documentation in accordance with PMM Chapters 340 and/or 353. An overall rating of either U or M indicates employee is not eligible for within-grade increase until such time as the rating level is brought up to either level S, E, or O.				(26)

EMPLOYEE'S OVERALL WORK PERFORMANCE RATING IS S, E, OR O (an indication of an acceptable level of competence) AND THEREFORE A WITHIN-GRADE INCREASE IS WARRANTED IF WGI IS TO BE WITHHELD, DOCUMENT IN ACCORDANCE WITH PMM Chapter 353.

SIGNATURE	TITLE	DATE
(Rating supervisor)		
(Reviewing official)		
*(Employee see Priv Act Statement above)		
(27) WGI APPROVAL		


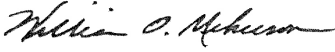
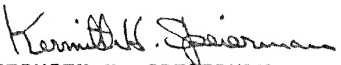

D. EMPLOYEE'S COMMENTS

** I HAVE REVIEWED THIS DOCUMENT AND DISCUSSED THE CONTENTS WITH MY SUPERVISOR. MY SIGNATURE MEANS THAT I HAVE BEEN ADVISED OF MY PERFORMANCE STATUS AND DOES NOT NECESSARILY IMPLY THAT I AGREE WITH THIS EVALUATION.

Appendix M: 1983 "Warlords" Memo

	UNITED STATES GOVERNMENT
	memorandum
DATE:	20 MAY 1983
REPLY TO ATTN OF:	DDO, DDR, DDT, DDPR
SUBJECT:	Performance Planning, Evaluation, and Counseling System Study
TO:	M3

1. Reference is made to your memorandum, subject as above, dated 16 May 1983.
2. The executives of this Agency, and a good number of our immediate subordinates, have registered their absolute discontent with PPEC and have done so for a long time. It does not serve our needs. We could not have been more unanimous at several corporate management reviews than in our desire to junk as soon as possible this time-consuming and useless instrument.
3. It continues to dismay us that the executives of this Agency are rendered impotent in their leadership by subordinates who will procrastinate over long periods, poll the work force for their opinions, etc., and generally disable our ability to manage this Agency.
4. We want a very simple performance appraisal which is not time-consuming in its preparation but which fills the bill. May we suggest a return to the "Outstanding", "Satisfactory", "Unsatisfactory" form of the 1950s where "Outstanding" and "Unsatisfactory" required documentation and action.
5. It seems to us that it is your responsibility to recommend several alternatives to the leadership of this Agency, allow them to select one which fulfills their needs, and get on with it. Opinion polls just prolong the agony.

 C. R. LORD Deputy Director for Operations	 WILLIAM O. MEHURON Deputy Director for Research and Engineering
 KERMITH H. SPIERMAN Deputy Director for Telecommunications and Computer Services	 WALTER G. DEELEY Deputy Director for Programs and Resources

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114
GPO : 1981 O - 361-226 (71) 1

Appendix N: Interim System [retyped to remove personal information as no blank forms still exist], page 1

SECURITY CLASSIFICATION (IF ANY) _____		RETURN TO M35 BY _____	
EMPLOYEE PERFORMANCE APPRAISAL			
<p>PRIVACY ACT STATEMENT (applicable to employee comments): Authority for requesting information: PL 86-36. DOD Dir 5100.23. PMM 340. Information will be used (principally) to provide an official statement of the employee's comments on the performance appraisal & (routinely) will be retained in Official Pers Folder as a reference for authorized personnel officers and managers. Disclosure of info: voluntary. Effect on indiv if requested info not provided: may result in management decisions based upon data which did not include employee input. Your signature below * also indicates you have read & understood the above.</p>			
A. EMPLOYEE INFORMATION			
SSN (1)	NAME (Last, First, MI) (2)		COSC (3)
JOB NUMBER (5)	ORGANIZATION (6)	APPRAISAL PERIOD (7) from date	to date EFFECTIVE DATE (8)
GRADE	STEP AND SALARY (Present) (9)	(New) (10)	NEXT WGI DUE (11) DLE (12) LWOP (13)
B. PERFORMANCE EVALUATION			
INSTRUCTIONS			
<p>For each duty listed, enter the letter from the duty ratings which best describes the manner in which the employee performed the duty. List at least three of the most important duties performed during the rating period. If the employee had supervisory duties, check applicable blocks in item numbers 11 and 12.</p>			
DUTY RATINGS TO BE USED			
U. UNSATISFACTORY		S. SATISFACTORY	
M. MARGINAL		E. EXCELLENT	
		O. OUTSTANDING	
	DUTIES		RATING
1			(14)
2			(15)
3			(16)
4			(17)
5			(18)
6			(19)
7			(20)
8			(21)
9			(22)
10			(23)
11	EFFORTS IN PROMOTING EEO OBJECTIVES (This rating applicable to all supervisors) ⁽²⁴⁾ <input type="checkbox"/> ACCEPT ⁽²⁴⁾ <input type="checkbox"/> UNACCEPT	12	SECURITY SUPERVISION (This rating applicable to all supervisors) ⁽²⁵⁾ <input type="checkbox"/> ACCEPT ⁽²⁵⁾ <input type="checkbox"/> UNACCEPT
<p>OVERALL PERFORMANCE RATING Enter the number which most accurately reflects the employee's overall level of performance. Consider the quality and quantity of work produced, amount of supervision required, practical judgment in solving problems, dependability, waste prevention and cost reduction efforts. Overall ratings of U, M, or O require documentation in accordance with PMM Chapters 340 and/or 353. An overall rating of either U or M indicates employee is not eligible for within-grade increase until such time as the rating level is brought up to either level S, E, or O.</p>		(26a)	(26)
		REV	RMK

Appendix N: Interim System, page 2

C. CERTIFICATION

EMPLOYEE'S OVERALL WORK PERFORMACE RATING IS S, E, OR O (an indication of an acceptable level of competence) AND THEREFORE A WITHIN-GRADE INCREASE IS WARRANTED. IF WGI IS TO BE WITHHELD, DOCUMENT IN ACCORDANCE WITH PMM Chapter 353.	(27) WGI APPROVAL
---	----------------------

SIGNATURE	TITLE	DATE
(Rating supervisor)		
(Reviewing official)		
*(Employee) see Priv Act Statement above **		(28)

D. EMPLOYEE'S COMMENTS

**I HAVE REVIEWED THIS DOCUMENT AND DISCUSSED THE CONTENTS WITH MY SUPERVISOR. MY SIGNATURE MEANS THAT I HAVE BEEN ADVISED OF MY PERFORMANCE STATUS AND DOES NOT NECESSARILY IMPLY THAT I AGREE WITH THIS EVALUATION.

FORM P1C DEC 83

SECURITY CLASSIFICATION (IF ANY)

ASSESSING CRYPTOLOGIC PERFORMANCE

Appendix O: Form P1C of 1985 [retyped to remove personal information as no blank forms still exist]

SECURITY CLASSIFICATION (IF ANY)		RETURN TO M35 BY _____	
EMPLOYEE PERFORMANCE APPRAISAL			
SSN (1)	NAME (Last, First, MI) (2)	COSC/GRADE (3)	
JOB NUMBER (4)	ORGANIZATION (5)	APPRAISAL PERIOD (6) from date	to date
SUMMARY OF SIGNIFICANT JOB ACCOMPLISHMENTS AND/OR DEFICIENCIES (COMMENTS ARE REQUIRED.)			
EFFORTS IN PROMOTING EEO OBJECTIVES (This rating applies to all supervisors) <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE		SECURITY SUPERVISION (This rating applies to all supervisors) <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE	
PERFORMANCE RATING: Enter an X in the box which most accurately reflects the employee's level of performance. Consider the quality and quantity of work produced, amount of supervision required, practical judgement in solving problems, dependability, waste prevention, and cost reduction efforts.			
EXCELLENT <input type="checkbox"/>		SATISFACTORY <input type="checkbox"/>	
A rating of U requires documentation in accordance with PMM Chapters 340 and/or 353. Even though certification of a within-grade increase will not be done on this form, a rating of U indicates employee is not eligible for a within-grade increase until such time as the rating level is brought up to level S or E.			
UNSATISFACTORY <input type="checkbox"/>			
Rating Supervisor Signature	Title	Date	
Reviewing Official Comments (optional)			
Reviewing Official Signature	Title	Date	
PRIVACY ACT STATEMENT (applicable to employee comments): Authority for requesting information: PL 86-36, DOD Dir 5100.23, PMM 340. Information will be used (principally) to provide an official statement of the employee's comments on the performance appraisal & (routinely) will be retained in Official Personnel Folder as a reference for authorized personnel officers and managers. Disclosure of this information is voluntary. Effect on the individual if requested information is not provided: may result in management decisions based upon data which did not include employee input. Your signature below also indicates you have read and understood the above.			
MY SIGNATURE MEANS THAT I HAVE REVIEWED THIS DOCUMENT AND DISCUSSED THE CONTENTS WITH MY SUPERVISOR. HOWEVER IT DOES NOT IMPLY THAT I AGREE WITH THIS EVALUATION.			
Employee Comments (optional)			
Employee Signature (see Privacy Act Statement)	Title	Date	
P1C revised January 85 (Supersedes P1C April 80 which is obsolete) NSN: 7540-FM-001-0003			SECURITY CLASSIFICATION (IF ANY)

Appendix P: Form P1C of 1986-1991 [retyped to remove personal information as no blank forms still exist]

SECURITY CLASSIFICATION (IF ANY)		RETURN TO M35 BY _____	
EMPLOYEE PERFORMANCE APPRAISAL			
SSN	NAME (Last, First, MI)	COSC/GRADE	
JOB NUMBER	ORGANIZATION	APPRAISAL PERIOD from date	to date
SUMMARY OF SIGNIFICANT JOB ACCOMPLISHMENTS AND/OR DEFICIENCIES (COMMENTS ARE REQUIRED.)			
MANNER IN WHICH EMPLOYEE DISCHARGES SECURITY RESPONSIBILITY IN THE WORK PLACE: <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE If unacceptable, you MUST notify your Staff Security Officer. See instructions for additional security guidance.		TIMELINESS WITH WHICH SUPERVISOR COMPLETES SUBORDINATES' APPRAISALS: (This rating applies to all supervisors) <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE	
EFFORTS IN PROMOTING EEO OBJECTIVES (This rating applies to all supervisors) <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE		SECURITY SUPERVISION (This rating applies to all supervisors) <input type="checkbox"/> ACCEPTABLE <input type="checkbox"/> UNACCEPTABLE	
PERFORMANCE RATING: Enter an X in the box which most accurately reflects the employee's level of performance. Consider the quality and quantity of work produced, amount of supervision required, practical judgment in solving problems, dependability, waste prevention, and cost reduction efforts. EXCELLENT <input type="checkbox"/> SATISFACTORY <input type="checkbox"/> TRAINING <input type="checkbox"/> UNSATISFACTORY <input type="checkbox"/>			
A rating of U requires documentation in accordance with PMM Chapter 340. Even though certification of a within-grade increase will not be done on this form, a rating of U requires remedial action. Assignment of this level is the basis for possible denial of a WGI, reassignment, demotion, or removal of the employee.			
Rating Supervisor's Signature	Title	Date	
Reviewing Official's Comments (optional)			
Reviewing Official's Signature	Title	Date	
PRIVACY ACT STATEMENT (applicable to employee comments): Authority for requesting information: PL 86-36, DOD Dir 5100.23, PMM 340. Information will be used (principally) to provide an official statement of the employee's comments on the performance appraisal & (routinely) will be retained in Official Personnel Folder as a reference for authorized personnel officers and managers. Disclosure of this information is voluntary. Effect on the individual if requested information is not provided: may result in management decisions based upon data which did not include employee input. Your signature below also indicates you have read and understood the above.			
MY SIGNATURE MEANS THAT I HAVE REVIEWED THIS DOCUMENT AND DISCUSSED THE CONTENTS WITH MY SUPERVISOR. IT DOES NOT IMPLY THAT I AGREE WITH THIS EVALUATION. Employee's Comments (optional)			
Employee's Signature (see Privacy Act Statement)	Title	Date	
P1C REVISED JANUARY 86 (Supersedes P1C JAN 85 which is obsolete) NSN: 7540-FM-001-0003		SECURITY CLASSIFICATION (IF ANY)	

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Appendix Q: Form P1B of 1992

SECURITY CLASSIFICATION		PRIVACY ACT STATEMENT: Ask for requesting SSN: E.O. 9397, info will be used (Primarily) to identify individuals; (Routinely) NSA's Blanket Routine Uses, found at 50 Fed. Reg. 22,584 (1985), apply. Disc. of SSN: Voluntary. Effect on individual if info not provided: Will delay processing. Your signature below * indicates you have read and understand the above.	
ESSENTIAL PROFESSIONAL SKILLS / PERFORMANCE EVALUATION			
SOCIAL SECURITY NUMBER	NAME	COSC	GRADE/STEP
ORGANIZATION	FROM DATE	TO DATE	RETURN TO M35 BY
INSTRUCTIONS			
This form applies to all general schedule employees in Grades 2 - 15 and all wage grade employees. In the Skill Description section, the supervisor assesses how an individual gets the job done by rating the employee in five skills that are pertinent to all positions. The supervisor evaluates the employee on how well he/she performed the required work in the Performance Evaluation section and evaluates the employee on Advancement Considerations in the third section. Once these three sections are rated with narrative comments, the supervisor then evaluates the employee as "Acceptable" or "Unacceptable" in Security in the Workplace. The employee and supervisor meet to review the ratings given and complete the verification statement regarding the completion of the Mid-Cycle Developmental Plan. The reviewing official examines the completed form for thoroughness, objectivity, soundness, documentation and consistent approach across organizational lines. If the reviewer provides comments, the employee must be allowed to read them before the form is distributed further. The reviewing official may not change the ratings.			
RATINGS			
Compare this employee with others in the same grade level regardless of the occupational specialty title. Comments are required. Rate the employee using the following scale:			
99-80	Far Exceeds Expectations	79-60	Exceeds Expectations
59-40	Meets Expectations	39-20	Below Expectations
19-1	Unsatisfactory		
RATING	SKILL DESCRIPTION	COMMENTS	
	1. PROBLEM SOLVING: Ability to gather relevant information and use it to identify problems and their causes; develop alternate solutions to complete work faster and better; and to uphold decisions and apply them effectively.		
	2. INTERPERSONAL SKILLS: Ability to work with and through others, effectiveness in establishing and maintaining working relationships with peers, subordinates and supervisors.		
Present Higher	3. SUBJECT MATTER KNOWLEDGE: Employee's depth and breadth of knowledge and skills required at the present and next higher grade; efforts to keep current with trends and developments.		
	4. PLANNING & ORGANIZING: Ability to determine goals objectives, priorities and effectively and efficiently accomplish them through the work unit.		
	5. COMMUNICATION: Ability to convey information clearly concisely and persuasively in written and oral form, and to receive and comprehend information from others.		
RATING	PERFORMANCE EVALUATION	COMMENTS	
	6. PERFORMANCE OF DUTIES: Consider how well the person performed the work assigned. This is a summary. Review the Performance Plan (P1A) carefully and rate the employee's performance of those key duties.		
RATING	ADVANCEMENT CONSIDERATIONS	COMMENTS	
	7. CONTRIBUTION TO THE ORGANIZATION'S MISSION: Provide specific examples of the employee's participation in accomplishing the organization's mission, to include the application of TOM principals and practices.		
	8. ADVANCEMENT POTENTIAL: Assess the employee's potential for promotion beyond his/her current grade. Consider this person's demonstrated capacity to accept to new challenges, learn new information, accept greater responsibilities, etc. Do NOT consider time-in-grade, certification or other eligibility requirements.		
	9. READINESS FOR PROMOTION: How ready is the employee for promotion? Consider how the individual compares with others for advancement to a position of greater responsibility. Do NOT consider time-in-grade, certification or other eligibility requirements.		
MID-CYCLE DEVELOPMENTAL PLAN VERIFICATION: <input type="checkbox"/> Was Completed <input type="checkbox"/> Was Not Completed		DATE OF THE MID-CYCLE DEVELOPMENTAL PLAN REVIEW:	
SECURITY IN THE WORK PLACE: Acceptable <input type="checkbox"/> Unacceptable <input type="checkbox"/>		Rated employee is a supervisor or has contracting/acquisition responsibilities. P1H ATTACHED <input type="checkbox"/>	
*SUPERVISOR'S SIGNATURE		SOCIAL SECURITY NUMBER	TITLE
*EMPLOYEE'S SIGNATURE		TITLE	DATE
*REVIEWING OFFICIAL'S SIGNATURE		SOCIAL SECURITY NUMBER	TITLE
		ORG	DATE
FORM P1B REV OCT 91 (Supersedes P1B REV DEC 90 and P1C REV JAN 86 is obsolete) NSN: 7540-FM-001-0002		DISTRIBUTION: Original - Employee Copy 1 - Rater Copy 2 - Inclusion in Official Personnel File Copy 3 - Inclusion in Organization's Promotion File (if applicable) Copy 4 - Inclusion in Agency Promotion File (GG13-GG15)	
		SECURITY CLASSIFICATION	

Appendix S: June 1996 Questionnaire, page 1

June 1996 Questionnaire

Questions:

1. Job Title
2. Grade
3. Key Component
4. Years of NSA Service
5. Are you a Supervisor?
6. Are you in the technical track program?
7. Gender
8. Ethnic background
9. Age Group
10. What do you believe IS the purpose of the current performance appraisal system? Choose all that apply:
 - a. Evaluating performance
 - b. Counseling and development of subordinates
 - c. Establishing promotion eligibility
 - d. Other (please specify in question 11)
11. What other purposes does the current performance appraisal system have?
12. What do you believe SHOULD BE the purpose of the current system?
13. The current performance appraisal system ACCURATELY measures performance.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
14. The current performance appraisal system FAIRLY measures performance.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
15. If you answered DISAGREE or STRONGLY DISAGREE to the previous questions, what changes would you recommend? (We very much wish to hear your comments.)
16. How often do you talk with your supervisor about your performance and career development?
 - a. Annually
 - b. Semi-annually
 - c. Quarterly
 - d. Monthly
 - e. Other (please specify in Question 17)
17. On what other interval do you talk with your supervisor about your performance and career development?
18. (not on form, skipped) (continued)

Appendix S: June 1996 Questionnaire, page 2

19. We should have a performance appraisal system which allows the employee (ratee) to express his/her opinion of the rating.
- Strongly disagree
 - Disagree
 - Neither agree nor disagree
 - Agree
 - Strongly agree
20. A new performance appraisal should require the supervisor to: (Choose all that apply)
- Define individual duties
 - Specify duty goals for the rating period
 - Assess ratee's interactions with customers
 - Assess ratee's interaction with coworkers
 - Assess contribution to organizational goals
 - Assess performance of each duty
 - Other (please specify in Question 21)
21. What other requirements should there be for a supervisor in a new performance appraisal system?
22. A new performance appraisal should require the *rater* to assess the following: (Choose all that apply)
- Performance during this rating period
 - Expectations during this rating period
 - Areas for improvement
 - Career progress in this assignment
 - Self-development efforts
 - Other (please specify in Questions 23)
23. What other assessments of the *ratee* should be required in a new performance appraisal system?
24. A new performance appraisal should require an assessment of the ratee's performance by his/her coworkers.
- Strongly disagree
 - Disagree
 - Neither agree nor disagree
 - Agree
 - Strongly agree
25. A new performance appraisal should require an assessment of the ratee's performance by the members of his/her work team.
- Strongly disagree
 - Disagree
 - Neither agree nor disagree
 - Agree
 - Strongly agree

(continued)

Appendix S: June 1996 Questionnaire, page 3

26. If the performance appraisal rater is a supervisor, he/she should be rated on the extent to which subordinates have received mentoring from this supervisor.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
27. Ratings from subordinates should be part of the supervisor's performance appraisal.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
28. More rating choices than the present SATISFACTORY/UNSATISFACTORY should be available.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
29. I believe my supervisor should be rated on the timeliness of completing performance appraisals.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
30. A new performance appraisal should require the supervisor to outline career goals, future training requirements, and a training plan for the ratee.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
31. For purposes of this survey, "ranking" is defined as rating a worker's performance against the performance of other workers. "Rating" is defined as measuring a worker's performance against an established standard.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
32. Please provide any additional comments.

Acronyms

ACE – Annual Contribution Evaluation	DDA – Deputy Director for Administration
ADPM – Associate Director for Personnel Management	DDO – Deputy Director for Operations
ADPS – Assistant Director for Personnel and Security	DDPR – Deputy Director for Programs and Resources
AFSA – Armed Forces Security Agency	DDR – Deputy Director for Research
ASA – Army Security Agency	DDT – Deputy Director for Telecommunications and Computer Services
BOE – Bureau of Efficiency	DHS – Department of Homeland Security
CES – Career Evaluation System	DIA – Defense Intelligence Agency
CIA – Central Intelligence Agency	DIRNSA – Director, National Security Agency
CIG – Critical Issues Group	DNI – Director of National Intelligence
COSC – Career Occupation Specialty Code	DO – Directorate of Operations
CSRA – Civil Service Reform Act	DoD – Department of Defense
CSRS – Civil Service Retirement System	EEO – Equal Employment Opportunity
CSS – Central Security Service	EEOD – Equal Employment Opportunity and Diversity
DA – Department of the Army	FBI – Federal Bureau of Investigation
D/ADPS – Deputy Assistant Director for Personnel and Security	FERS – Federal Employee Retirement System
DCI – Director of Central Intelligence	GC – General Counsel
DCIPS – Defense Civilian Intelligence Personnel System	GENS – General Studies

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GG – General Schedule, Excepted Service (grade designator)

HPSCI – House Permanent Select Committee on Intelligence

HR – Human Resources

HRMS – Human Resources Management System

IC – Intelligence Community

IC21 – Intelligence Community in the 21st Century

ICD – Intelligence Community Directive

IDP – Individual Development Plan

IG – Inspector General

NCS-21 – National Cryptologic Strategy for the 21st Century

NGA – National Geospatial-Intelligence Agency

NSA – National Security Agency

NSPS – National Security Personnel System

ODNI – Office of the Director of National Intelligence

OIG – Office of the Inspector General

OPM – Office of Personnel Management

OUSD(I) – Office of the Undersecretary of Defense for Intelligence

P3 – Personal Performance Process

PAS – Performance Appraisal System

PIP – Performance Improvement Plan

PML – Personnel Management Letter

PMM – Personnel Management Manual

PMR – Performance Management Reform

PPEC – Performance Planning, Evaluation, and Counseling

PRES – Performance Review and Evaluation System

SCES – Senior Cryptologic Executive Service

SecDef – Secretary of Defense

SMART – Specific, Measurable, Achievable, Relevant, and Timely

TSP – Thrift Savings Plan

USD(I) – Undersecretary of Defense for Intelligence

WGI – Within-Grade Increase

Notes

1. As quoted by Mordecai Lee in *Institutionalizing Congress and the Presidency: The U.S. Bureau of Efficiency, 1916-1933* (College Station: Texas A&M University Press, 2006), 30. The original quote is from Moskowitz's article "Old and New Problems of Civil Service," which appeared in the March 1916 edition of *The Annals of Public Administration and Partisan Politics*, 157.
2. Note that this study is restricted to that of civilian performance appraisal systems and will not touch on evaluation systems for military personnel.
3. The official personnel records of the remarkable Agnes M. Driscoll were invaluable to this effort. Her civilian cryptologic career spanned the years 1923-1959 and the files contain all but 10 of her performance appraisals, providing a definitive record for the years prior to AFSA. Driscoll, Agnes M. *Official Personnel Folder, Civilian Personnel Records*, St. Louis, MO: National Personnel Records Center.
4. Lee, 151.
5. Lee, 76.
6. Elizebeth Friedman's personnel file does not contain any efficiency ratings from this period. We do not, at this time, have the personnel files of the others.
7. See Appendix A for Efficiency Rating Form 8.
8. The masculine pronoun was standard on forms of this era.
9. At the time of this writing we do not have documentation that reflects how the army, particularly the SIS, used this system, so we can only use the navy's example to show the factors on which cryptologists were rated during this period.
10. She was still Agnes Meyer at the time.
11. Lee, 77; Driscoll personnel folder, Form 8 for 1924.
12. Mary S. Schinagl, *History of Efficiency Ratings in the Federal Government* (New York: Bookman Associates, Inc., 1966), 48. Presumably this means a bell curve. There is some similarity between the power of this board of review and the Pay Pool concept under the ACE system introduced in 2008, in that a process other than the supervisor could change employee ratings. (See Chapter 5.)
13. "Efficiency rating" from the Director of Naval Communications to Agnes M. Driscoll, May 17, 1926, NSA Archives, Accession 49511, Box CCH 36, Folder 10.
14. Schinagl, 48.
15. Ibid.
16. See Appendix B for an example of Form 3201.
17. Driscoll personnel folder, "Service Rating Forms from 1935-1941."
18. Form 3201-April 1935. US Civil Service.
19. Schinagl, 51-52.
20. The only Efficiency Ratings we have for Elizebeth Friedman are from this period—four ratings from the Coast Guard between April 1942 and April 1946 using SF 51. Rating notifications for Elizebeth S. Friedman from 1942-1946, NSA Records Center, Historian Elizabeth Smoot Source Files, Collection C0003437, Box 2.
21. Lee, 151; Schinagl, 57.
22. See Appendix C for an example of the 1942 version of SF 51.
23. Driscoll's younger sister. There seems not to have been a problem with one sibling working for the other.
24. Rating notifications for Eunice Willson Rice from 1942-1946, NSA Records Center, Historian Elizabeth Smoot Source Files, Collection C0003437, Box 1.
25. Schinagl notes (page 58) that the lack of markings for each element caused trouble when ratings were appealed because there was no evidence to demonstrate the supervisor's thought process.
26. Signal Security Agency, "Standard Operating Procedure," March 31, 1945, National Archives and Records Administration, College Park, Record Group 457, Records of the National Security Agency, Entry 9032, Box 1001.
27. Thomas L. Burns, *The Quest for Cryptologic Centralization and the Establishment of NSA: 1940-1952* (Ft. Meade, MD: Center for Cryptologic History, 2005), 62.
28. "AFSA Civilian Personnel Memo 23-50," April 27, 1950, NSA Archives, Accession 4757.
29. "AFSA Civilian Personnel Memo 17-50, Civilian Efficiency Ratings-31 March 1950," NSA Archives, Accession 4757.

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30. "AFSA Regulation Number 20-2," June 29, 1950, NSA Archives, Accession 4846.
31. The General Schedule, or GS system, under which NSA still operates today.
32. "Guide to Supervisors on Performance Appraisal," Appendix 1 of Chapter P-2 of Civilian Personnel Manual, attached to Transmittal Letter No. 149 dated April 27, 1956, NSA Archives, Accession 29684.
33. "AFSA Memorandum No. 32-25/1," May 1, 1951, NSA Archives, Accession 4757.
34. "Memo from Director AFSA Rear Admiral Earl E. Stone, Change no. 2 to AFSA Regulation 20-2," April 17, 1951, NSA Archives, Accession 4846.
35. "AFSA Memorandum No. 32-25/1," May 1, 1951.
36. The transition of cryptologic personnel in ASA to AFSA seems to have been gradual. This memo specifically noted it applied to both AFSA and ASA.
37. "AFSA Memorandum No. 32-25/1," May 1, 1951.
38. One can only imagine the consternation caused when employees rated "Excellent" or "Very Good" were downgraded to "Satisfactory," if only for a few months.
39. "AFSA Memorandum No. 32-25/1," May 1, 1951.
40. "AFSA Memo 32-42 Appendix 2," March 22, 1951, NSA Archives, Accession 4757.
41. Much, if not all, of this delay can be attributed to the need for new directives as the Agency moved from control of the Joint Chiefs of Staff to that of the Secretary of Defense. The extent of DIRNSA's administrative control over personnel was the subject of a few years of meetings and discussions. See George Howe's draft *The Narrative History of AFSA/NSA*, Ch. 12, NSA Archives, Accession 49511, Box CCH 233 for details.
42. This study cannot be found in the NSA Archives.
43. "NSA Performance Appraisal Test Program," memo to supervisors from John L. Sullivan, Assistant Chief Personnel Division, March 17, 1954, about the test form, and accompanying Reference Manual for Supervisors, NSA Archives, Accession 29684.
44. "NSA Performance Appraisal Test Program."
45. Transmittal Letter No. 142 "Revision of CPM Chapter P2 – Performance Ratings," April 27, 1956, NSA Archives, Accession 29684.
46. Transmittal Letter No. 142 "Revision of CPM Chapter P2 – Performance Ratings."
47. See Appendix D.
48. This schedule cannot be found in the NSA Archives.
49. Transmittal Letter No. 142 "Revision of CPM Chapter P2 – Performance Ratings."
50. There is no record of what this court action might have been.
51. Transmittal Letter No. 142 "Revision of CPM Chapter P2 – Performance Ratings."
52. See Appendix E for Form E2804.
53. A February 6, 1963, memo from M3 to R, S, P, N, IG, "Proposed NSA Performance Appraisal Program," NSA Archives, Accession 46519, Box 1, Folder 1, states that development of this system was described in a publication in the *Management Research Series 61-5* "The Development of an Experimental Performance Appraisal Form." Unfortunately, this report cannot be located in the NSA Archives and may not have been retained.
54. Transmittal Letter No. 142 "Revision of CPM Chapter P2 – Performance Ratings."
55. Ibid.
56. "NSA Performance Appraisal Program, Revised CPM Chapter P2 – Performance Appraisal," from US Navy, Deputy Chief of Staff Administration (DCSA) to Chief of Major Operating and Staff Elements, April 25, 1956, NSA Archives, Accession 25656, Folder 1.
57. *NSA Newsletter*, June 1956, Number 32, 24.
58. Transmittal Letter No. 142, "Revision of CPM Chapter P2 – Performance Ratings."
59. Ibid.
60. General Studies, the office that with ADVA worked the Soviet/Warsaw Pact targets and would become A Group in 1962.
61. GENS Regulation Number 10-5 "Civilian Performance Appraisal Procedures" dated January

- 30, 1959, NSA Archives, Accession 42523. It is not known if other operational groups or directorates implemented similar programs. Unfortunately, no copies of the special GENS forms have been found as of this writing.
62. Unfortunately, Form E4608 cannot be located in the NSA Archives.
63. The review sheet seems to have simply been a routing sheet; presumably each reviewer would sign off on the sheet and forward it to the next level.
64. "Monthly Operational Summaries from Office of Personnel Services," RSC-NSA 20, June 1961, NSA Archives, Accession 14768.
65. "Federal Salary Reform Act of 1962," Personnel Letter 29-1962, October 22, 1962, NSA Archives, Accession 49412.
66. Personnel Letter 6-1963, February 4, 1963, NSA Archives, Accession 31480.
67. Personnel Letter 28-1964, December 31, 1964, NSA Archives, Accession 31480.
68. Pamphlet No. 353A, undated but noted as amendment July 27, 1968, NSA Archives, Accession 49412.
69. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System, December 14, 1972, NSA Archives, Accession 49412.
70. Ibid.
71. Memo from M3 to R, S, P, N, IG, "Proposed NSA Performance Appraisal Program," February 6, 1963.
72. Memo from M3 to R, S, P, N, IG, "Proposed NSA Performance Appraisal Program," February 6, 1963.
73. See Appendix F for Employee Profile Form E6223.
74. Development of Part I of this form was reportedly "based upon data from an extensive tryout of an experimental performance appraisal checklist by NSA raters," as described in *Management Research Series 61-10*, according to the February 6, 1963, memo from M3 to R, S, P, N, IG, "Proposed NSA Performance Appraisal Program." Unfortunately, this report cannot be located in the NSA Archives and may not have been retained.
75. Form E6223, NSA Archives, Accession 46519, Box 1, Folder 1.
76. Memo from M3 to R, S, P, N, IG, "Proposed NSA Performance Appraisal Program," February 6, 1963.
77. Form E6223. Thus, a "2" in this system would be the equivalent of a "3" in the ACE system used as of the date of this writing.
78. Form E6223.
79. Memo from D301 to Chiefs in D3, file no. 1610/1, March 4, 1963, NSA Archives, Accession 46519, Box 1, Folder 1.
80. Memo from D31 to D301, March 14, 1963, NSA Archives, Accession 46519, Box 1, Folder 1.
81. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
82. This law required prospective NSA employees to be subject to a full field investigation and a review by a board of appraisal and provided authority to the Secretary of Defense for terminating employees. The legislation was sponsored by the House Committee on Un-American Activities following its extensive analysis of the security procedures of NSA in the wake of the defection of William Martin and Bernon Mitchell in 1960. "Public Law 88-290," memo to NSA Supervisors from DIRNSA, May 5, 1964, NSA Archives, Accession 31476.
83. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
84. "Certification of Compliance with Congressional Directives 7 Feb 1977," NSA Archives, Accession 50282.
85. In fact, the system was put into place on December 1, 1964. "Report on Implementation of Public Law 88-290," memo from DIRNSA to Fubini, July 29, 1964, NSA Archives, Accession 26239, Outgoing Serialized correspondence, Folder 3.
86. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
87. Ibid.
88. Patrick Fero, *The Parable of the Tail with No Teeth* (Ft. Meade, MD: Center for Cryptologic History, May 1996).

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89. "Personnel Letter 34-1964," November 25, 1964, NSA Archives, Accession 31480.
90. See Appendix G for Form E1.
91. NSA Form E1 REV JAN 66, included in NSA PMM 30-2 Chapter 340, NSA Archives, Accession 49412.
92. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
93. NSA Form E1, REV JAN 66.
94. "Performance Appraisal Program," NSA PMM 30-2 Chapter 340, REV May 1966, NSA Archives, Accession 49412.
95. "Personnel Letter 34-1964," November 25, 1964.
96. "Personnel Letter 17-1966," May 12, 1966, NSA Archives, Accession 49412.
97. "Civilian Personnel Performance Appraisal System," December 14, 1972, NSA Archives, Accession 49412.
98. "Personnel Letter 17-1966," May 12, 1966.
99. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
100. See Appendix H for Form P7743B. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
101. As this system spanned the tenure of Directors Carter and Gayler, it is not clear which director had this objective.
102. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
103. "Supervisor's Responsibilities in Equal Employment Opportunity" Personnel Management Letter 19-1970, June 25, 1970, NSA Archives, Accession 49412.
104. "Personnel Management Letter Number 11-1970," May 7, 1970, NSA Archives, Accession 49412.
105. "NSA Performance Appraisal Program," Personnel Management Letter 4-1971, February 8, 1971, NSA Archives, Accession 49412.
106. John L. Sullivan, Chief M11, "NSA Plain English Writing Ability: An Element of Performance Appraisal" Personnel Management Letter 17-1971, March 24, 1971, NSA Archives, Accession 49412.
107. "Report of Inspection," 1972 *Retiree Interview Project*, June 6, 1972, NSA Archives, Accession 37814, Folder 6.
108. "IG Managers Survey," 1972, 21, NSA Archives, Accession 37814, Folder 8.
109. "Civilian Personnel Performance Appraisal System," undated, but later referenced as November 21, 1972, memo from DIRNSA to ADPM, NSA Archives, Accession 49412, "DIRNSA General Subject Files," Folder 8 "1973 - Civilian."
110. Memo from ADPM to Director regarding the Civilian Personnel Performance Appraisal System.
111. Undated memo from DIRNSA to ADPM, NSA Archives, Accession 49412.
112. Ibid.
113. Comment on the ADPM report, undated but possibly December 19, 1972, NSA Archives, Accession 49412.
114. "Forced choice" rating methods have the rater choose from a number of pre-written statements that reflect performance, with no option for a rating that falls between the choices.
115. Note from Robert X. Boucher, April 6, 1973, NSA Archives, Accession 49412.
116. Unfortunately, we do not have documentation on precisely what his thoughts were.
117. Inspector General Report of Interviews with Top-level NSA Executives, April 13, 1973, 12, NSA Archives, Accession 49412.
118. Unsigned desk note prepared for DIRNSA signature; IG Report on Senior Manager Survey and Recommendations, April 20, 1973. Both in NSA Archives, Accession 49412.
119. Desk note from Executive Assistant to General Phillips, May 7, 1973, NSA Archives, Accession 49412.
120. Desk note from Executive Assistant to General Phillips, May 7, 1973. The referenced note cannot be found. All evidence points to a conclusion that the director did *not* sign the desk note.
121. Note from General Samuel C. Phillips to General Lew Allen, August 5, 1973, NSA Archives, Accession 49412, "DIRNSA General Subject Files," Folder 8 "1973 - Civilian."
122. See Appendix I for the P1 Form.
123. Although these percentages are not available for

- 1975, the ratings below “Satisfactory” are known to have had a forced distribution of 32%. The draft DDO memo that contains this figure notes that an expectation that 32% of the DDO workforce is performing at a less than “Satisfactory” level “seems to be totally at odds with the time, money and effort spent by ADPS in recruiting on a highly selective basis complete with aptitude tests.” “Performance Appraisal System,” May 29, 1975, draft memo, NSA Archives, Accession 37817.
124. “NSA/CSS Performance Evaluation Systems 1975,” July 1993, Historical files of NSA Human Resources (MA), Folder “History Folder;” “Chronology of Prior Revisions,” undated, NSA Archives, Accession 37817, Folder “Evaluation of and changes to NSA Performance Appraisal System.”
125. See Appendix J for the P1B Form.
126. “NSA/CSS Performance Evaluation Systems 1975,” July 1993; “Chronology of Prior Revisions,” undated.
127. A rating of “two” meant “Demonstrates capabilities for increased responsibility, should be promoted” and “three” was “Performing well in present grade, but not suitable for promotion at this time.” Form P1B, August 1974, NSA/CSS PMM30, Chapter 340, Amendment 282, December 1974, NSA Archives, Accession 31218, Folder 2.
128. John J. Connelly, Jr., Assistant Director for Personnel and Security (ADPS) told DIRNSA Allen that the General Counsel’s office advised him (Connelly) that the Privacy Act meant that employees could see their P1B form. “Employee Access to the Inventory of Attributes, Form P1B,” memo to DIRNSA from ADPS, February 24, 1975, NSA Archives, Accession 31218, Folder 2.
129. “Employee Access to the Inventory of Attributes, Form P1B,” memo to DIRNSA from ADPS, February 24, 1975.
130. Ibid.
131. The date of the meeting is jotted on Connelly’s original memo of February 24, 1975; handwritten note to Connelly from General Allen, March 3, 1975, NSA Archives, Accession 31218, Folder 2.
132. “Performance Appraisal System,” May 29, 1975, draft memo.
133. Ibid.
134. Ibid.
135. Ibid.
136. The Privacy Act of 1974 took effect in September 1975.
137. “Performance Appraisal System,” May 29, 1975, draft memo.
138. Ibid.
139. Ibid.
140. Ibid.
141. “P2 Draft Comments on the Performance Appraisal System,” note, June 4, 1975, Walter G. Deeley Serial V5/293/75, NSA Archives, Accession 37817.
142. “Career Evaluation System,” January 8, 1976, Lt Gen Allen, NSA Archives, Accession 37817.
143. Handwritten note from Bob Dedad to Deeley, March 29, 1976, NSA Archives, Accession 37817.
144. “Career Evaluation/Performance Guidance,” March 17, 1976, DDR/105/76, NSA Archives, Accession 37817.
145. “Career Evaluation/Performance Guidance,” March 17, 1976, DDR/105/76.
146. Memorandum from DIRNSA, “Career Evaluation System,” May 24, 1976, NSA Archives, Accession 37817.
147. “Personnel Management Letter 7-1976,” June 23, 1976, Historical files of NSA Human Resources (MA), folder “History Folder.”
148. Unfortunately, the results of this survey do not seem to have survived and cannot be found. “NSA/CSS Career Evaluation System,” June 17, 1976, Historical files of NSA Human Resources (MA), folder “History Folder.”
149. “Civilian Career Evaluation Reports,” September 22, 1976, Serial B09-264-76, NSA Archives, Accession 37817.
150. “Career Evaluation System,” December 2, 1976, NSA Archives, Accession 37817.
151. Ibid.
152. “PMM Chapter 340, PML Number 20-1976,”

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- December 14, 1976, cited in memo, January 11, 1977, Serial A09/021/77, NSA Archives, Accession 37817.
153. "Career Evaluation System," from DIRNSA, February 14, 1977, NSA Archives, Accession 37817.
154. "NSA/CSS Career Evaluation System," January 21, 1977, from DDO Robert Drake, NSA Archives, Accession 37817.
155. "NSA/CSS Career Evaluation System," January 28, 1977, B09/035-77, from John D. Morrison, Chief B09, NSA Archives, Accession 37817.
156. While Allen specified a percentage of employees receiving a rating above Level 4, the record copy in the NSA Archives has a hole punched where the percentage should be. "Career Evaluation System," from DIRNSA, February 14, 1977.
157. "NSA/CSS Career Evaluation System," March 3, 1977, B/033-77, NSA Archives, Accession 37817.
158. "NSA/CSS Career Evaluation System," March 10, 1977, NSA Archives, Accession 37817.
159. "Career Appraisal Ratings," April 1, 1977, NSA Archives, Accession 37817.
160. "Propriety of Performance Evaluation Requirement for Level 7 Ratings," April 20, 1977, to Chief B from General Counsel, NSA Archives, Accession 37817.
161. "NSA/CSS Career Evaluation System," May 10, 1977, PML 20-1976 Change 1, NSA Archives, Accession 37817.
162. "NSA/CSS Career Evaluation System," May 19, 1977, from DDO to Group Chiefs, NSA Archives, Accession 37817.
163. "Career Evaluation System," November 18, 1977, from Joseph P. Burke, Chief M3, to key component chiefs, NSA Archives, Accession 37817.
164. "NSA/Career Evaluation System," attachment to P41/137/78 memo, February 21, 1978, to Group Chiefs from P41, NSA Archives, Accession 37817.
165. "Career Evaluation System," December 5, 1977, from Drake to Chief M3, NSA Archives, Accession 37817.
166. "NSA/CSS Career Evaluation System," Personnel Management Bulletin PMB-2-1978, January 24, 1978, Historical files of NSA Human Resources (MA), folder "History Folder."
167. "Personnel Management Bulletin," June 1, 1979 (9-1979), referencing "Personnel Management Letter PML-4-1978," January 16, 1979, Historical files of NSA Human Resources (MA), folder "History Folder."
168. "Performance Appraisal," May 14, 1979, and attached paper, Priscilla Levinson, "Performance Appraisal: A Brief Look at the State-of-the-Art," Performance Appraisal Task Force, Workforce Effectiveness and Development Group, Office of Personnel Management, Washington, DC, March 1979, NSA Archives, Accession 37817.
169. "Performance Appraisal," May 14, 1979.
170. "Performance Appraisal," May 18, 1979, P41434/79, from Richard E. Burke A/Chief P41, NSA Archives, Accession 37817.
171. "Performance Appraisal," June 7, 1979, V-175-79 from Jenkins to P41, NSA Archives, Accession 37817.
172. Ibid.
173. Charles A. Hummer, "Task Force Works to Implement Reform," CSR Task Force, *NSA Newsletter*, August 1979, Volume XXVII, Number 8, 8-9; "Performance Appraisal Key to Civil Service Reform," Office of Civilian Personnel, *NSA Newsletter*, August 1979, Volume XXVII, Number 8, 9.
174. "Performance Appraisal Key to Civil Service Reform."
175. Unfortunately, we have been unable to locate any written documentation relating to the DDT pilot and its results.
176. "Action Line" "Back to Basics" letter by concerned employee and answer from Harry Daniel, Director of Civilian Personnel, *NSA Newsletter*, April 1980, Volume XXVIII, Number 4, 3.
177. Ibid.
178. *NSA Newsletter*, April 1980, Volume XXVIII, Number 4, 7; "Supervisor's Guide for NSA/CSS Performance Planning, Evaluation, and Counseling for GG-15s and Below," April 1980, NSA

- Archives, Accession 43272; *NSA Newsletter*, July 1980, Volume XXVIII, Number 7, 5.
179. *NSA Newsletter*, July 1980, Volume XXVIII, Number 7, 5.
180. "Supervisor's Guide for NSA/CSS Performance Planning, Evaluation, and Counseling for GG-15s and Below," April 1980.
181. "PPEC Objectives," undated, unknown author. Part of a package prepared for the DDA on the Results of the PPEC Survey, February 8, 1984, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
182. William P. Crowell, interview by Betsy Smoot, May 1, 2014, unrecorded, notes, NSA Records Center, Historian Elizabeth Smoot Source Files, Collection C0003437, Box 1.
183. Ibid.
184. "Supervisor's Guide for NSA/CSS Performance Planning, Evaluation, and Counseling for GG-15s and Below," April 1980.
185. Ibid.
186. Ibid.
187. Ibid.
188. See Appendix L for Form P1C.
189. While the format differs from the modern ACE, the elements of ACE were all present in this version in 1980. "Supervisor's Guide for NSA/CSS Performance Planning, Evaluation, and Counseling for GG-15s and Below," April 1980.
190. When the Grade 13 Promotion Review Board was disestablished in late 1982, the forms for GG-12 employees were sent to Key Component personnel units. "Inventory of Attributes," Personnel Management Letter 1-1983, January 7, 1982, Historical files of NSA Human Resources (MA), Folder "Inventory of Attributes."
191. "Performance Planning, Evaluation, and Counseling (PPEC)," November 21, 1980, PML 34-1980, NSA Archives, Accession 31757.
192. "Performance Planning, Evaluation, and Counseling (PPEC)," November 21, 1980; "Self-Paced PPEC Course Begins," *NSA Newsletter*, January 1981, Volume XXIX, Number 1, 8.
193. Memo, May 20, 1983, to M3, the Office of Civilian Personnel and signed by Deeley, C. R. Lord (DDO), the DDR, and Kermith H. Speirerman (DDT), Historical files of NSA Human Resources (MA), Folder "Death of PPEC." See Appendix M for this memo.
194. "PPEC Objectives," undated, unknown author.
195. This memo cannot be found in the NSA Archives.
196. "Warlords" was the colloquial, collective term used to refer to the powerful civilian senior executives in charge of NSA directorates (and other sub-directorate but important organizations). As DIRNSAs changed frequently, the authority and influence of these senior civilians was substantial. Their power was often likened to that of tribal warlords who resist central government control.
197. Memo to M3, the Office of Civilian Personnel, May 20, 1983.
198. Crowell, interview, May 1, 2014.
199. "PPEC System Study," May 24, 1983, Decision note from DDA Bonanni to DIR Fauer, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
200. Desk note from DIR Fauer to DDA Bonanni, May 25, 1983, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
201. Cotter was chief of J, then chief of the office of the Chief of Staff. Later in 1983 he became DDT.
202. Undated desk note, probably from May 24 or 25, 1983, from Assistant Deputy Director for Administration, to Lou Bonanni, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
203. Desk note from Deputy Director for Administration Bonanni to his assistant, May 25, 1983, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
204. Eight percent of the workforce was surveyed: 2,200 surveys were distributed, 1,200 were returned; 1,186 of those were usable. Of the usable returned surveys, 274 were from supervisors, the remainder from non-supervisors. It was generally believed that promotion board requirements were driving the inflation of ratings. "Executive Summary" of PPEC Survey Results, undated, Historical files of NSA Human Resources (MA), Folder "PPEC Evaluation."

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205. "Personnel Management System—Legal Pitfalls," April 19, 1983, Historical files of NSA Human Resources (MA), Folder "Interim Appraisals 84-85."
206. "Chronology of the New Performance Appraisal System," undated, Historical files of NSA Human Resources (MA), Folder "Galaxy."
207. "Briefing Outline for 29 November 1983," Historical files of NSA Human Resources (MA), Folder "Galaxy."
208. "Concept for a Career Management Program—DECISION MEMORANDUM," May 17, 1983, Historical files of NSA Human Resources (MA), Folder "Galaxy."
209. "Chronology of the New Performance Appraisal system," undated.
210. "Briefing Outline for 29 November 1983."
211. "Chronology of the New Performance Appraisal system," undated.
212. Ibid.
213. Untitled desk note from Harry Daniels, DDCCS, December 22, 1983; "Proposed GALAXY Performance Appraisal," December 14, 1983, from Dick Lord, DDO. Both in the Historical files of NSA Human Resources (MA), Folder "Galaxy."
214. "Proposed GALAXY Performance Appraisal," December 5, 1983, DDPP/424/83, Historical files of NSA Human Resources (MA), Folder "Galaxy."
215. "Proposed GALAXY Performance Appraisal for GG-12s through GG-15s," December 2, 1983, IG-272-83, Historical files of NSA Human Resources (MA), Folder "Galaxy."
216. "Proposed GALAXY Performance Appraisal for GG-12s through GG-15s," December 16, 1983; "Proposed GALAXY Performance Appraisal for GG-12s through GG-15s," December 13, 1983, C/S-161-83; "Proposed GALAXY Performance Appraisal for GG-12s through GG-15s," January 12, 1984, DDT/017-84. All in Historical files of NSA Human Resources (MA), Folder "Galaxy."
217. "Proposed GALAXY Performance Appraisal for GG-12s through GG-15s," January 17, 1984, DDX/006-84, Historical files of NSA Human Resources (MA), Folder "Galaxy."
218. "Galaxy Performance Appraisal," December 22, 1983, response from General Counsel, Historical files of NSA Human Resources (MA), Folder "Galaxy."
219. "Galaxy Performance Appraisal," December 22, 1983.
220. The 1984 version of the P1C can be found in Appendix N. "Briefing Outline for 29 November 1983"; "New Performance Evaluation Systems to Replace PPEC," Persgram Issue Number 58, December 1983, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
221. "Interim Performance Appraisal Procedures," Persgram Issue Number 8, February 1984, Historical files of NSA Human Resources (MA), Folder "Inventory of Attributes."
222. "Inventory of Attributes," Personnel Management Letter 6-1984, January 23, 1984, Historical files of NSA Human Resources (MA), Folder "Inventory of Attributes."
223. "Briefing Outline for 29 November 1983."
224. "Chronology of the New Performance Appraisal system," undated.
225. Ibid.
226. Ibid.
227. Ibid.
228. Ibid.
229. "Chronology of the New Performance Appraisal system," undated. "Step backwards" from E Group, "insult" from M6. The original comments, solicited in October and November 1984, cannot be found; all that remains is this summary.
230. See Appendix O for this form. "NSA/CSS Performance Evaluation Systems 1975-Present," July 1993, Historical files of NSA Human Resources (MA), Folder "History Folder."
231. "New Performance Appraisal System," Persgram Issue Number 5, January 1985, Historical files of NSA Human Resources (MA), Folder "Inventory of Attributes."
232. "New Performance Appraisal System," Persgram Issue Number 5, January 1985.
233. See Appendix P for this form.
234. Personal experience of some interns in the

- 1980s, as remembered by the author who experienced this herself.
235. "P1B Revisions for 1991," Persgram Issue Number 17, October 1990, Historical files of NSA Human Resources, Folder "Inventory of Attributes."
236. The new Federal Employees Retirement System (FERS) took effect for those employees hired after December 31, 1983, but the Thrift Savings Plan (TSP) component did not begin until 1987. During the early part of 1987 the Human Resources organization was very involved with the TSP process as well as the need to provide information and support to those employees not yet vested in the old Civil Service Retirement System (CSRS) who were eligible to convert to FERS. Too much change at once would have stressed both the personnel in HR and those to whom they provided service.
237. "Introduction of New Performance Appraisal system," February 8, 1987, Historical files of NSA Human Resources (MA), Folder "Death of PPEC." Chief M33 Duane G. Roling noted that he "recommends that we move very cautiously on this one."
238. "Thoughts about reviving Performance Appraisals akin to PPEC," February 9, 1987, informal note from M35 to Roling of M33, with a handwritten note from Roling attached, Historical files of NSA Human Resources (MA), Folder "Death of PPEC."
239. "Proposed revisions to the Performance Review and Evaluations System," November 1990, Historical files of NSA Human Resources (MA), Folder "History." Also, undated point paper likely from Spring 1990 on new performance evaluation system, Historical files of NSA Human Resources (MA), Folder "History."
240. "Performance Management Background," May 11, 1990, Historical files of NSA Human Resources (MA), Folder "History."
241. "Proposed revisions to the Performance Review and Evaluations System," November 1990.
242. "Performance Management Background," May 11, 1990.
243. "Proposed revisions to the Performance Review and Evaluations System," November 1990; undated point paper likely from Spring 1990 on new performance evaluation system.
244. "Proposed revisions to the Performance Review and Evaluations System," November 1990.
245. "Notes from Meeting Regarding Performance Management System," July 13, 1988, Meeting with DDPR, Historical files of NSA Human Resources (MA), Folder "History."
246. "Notes from Meeting Regarding Performance Management System," July 14, 1988, Meeting with W and G Groups, Historical files of NSA Human Resources (MA), Folder "History."
247. "Notes from Meeting Regarding Performance Management System," July 14, 1988, Meeting with DDO C/S & P, Historical files of NSA Human Resources (MA), Folder "History."
248. See the section "The Defense Civilian Intelligence Personnel System and Pay for Performance, 1996–2008" for further discussion of pay-banding.
249. "Notes from Meeting Regarding Performance Management System," July 13, 1988, Meeting with GC, Historical files of NSA Human Resources (MA), Folder "History."
250. "Notes from Meeting Regarding Performance Management System," July 13, 1988, Meeting with DDPR/Mr. Rogan and co., Historical files of NSA Human Resources (MA), Folder "History."
251. "Notes from Meeting Regarding Performance Management System," July 14, 1988, Meeting with Chiefs A, B, and co., Historical files of NSA Human Resources (MA), Folder "History."
252. "Notes from meeting regarding performance management system," undated, Historical files of NSA Human Resources (MA), Folder "History."
253. Ibid.
254. Undated point paper likely from Spring 1990 on new performance evaluation system.
255. Ibid.
256. Ibid.
257. "Request to Conduct Pilot Programs for the Proposed Performance Management System—DECISION MEMORANDUM," November 18, 1988, "M33-308-88" to DDA from M33, Historical files of NSA Human Resources

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- (MA), Folder "Performance Management Pilot."
258. Memo M3-791-88 dated November 23, 1988, "Report on Observations/Recommendations Regarding a Revised Performance Management System at NSA—DECISION MEMORANDUM," November 18, 1988, "M33-308-88," referenced report not attached to the memo; "Report on Observations/Recommendations Regarding A Revised Performance Management System at NSA—ACTION MEMORANDUM," M3-791-88, November 23, 1988. Both in Historical files of NSA Human Resources (MA), Folder "Performance Management Pilot."
259. "Development of a New Performance Evaluation System for NSA—STATUS REPORT," August 8, 1989, "M33-260-89," Historical files of NSA Human Resources (MA), Folder "Performance Management Pilot."
260. Undated point paper likely from Spring 1990 on new performance evaluation system.
261. Ibid.
262. "Proposed revisions to the Performance Review and Evaluations System," November 1990.
263. GG-14s and -15s received appraisals under both systems in February 1990. GG-13s had dual appraisals in January 1990. Grades 12 and below had the pilot appraisal in April 1990, but their regular appraisals as they came due in 1989. Employees in other grades and systems had pilot appraisals in March and April 1990 and regular ones in 1989; the narrative for those not receiving an "Unsatisfactory" was permitted to read "employee is participating in performance appraisal pilot." Undated point paper likely from Spring 1990 on new performance evaluation system.
264. "Performance Management Background," May 11, 1990.
265. Undated point paper likely from Spring 1990 on new performance evaluation system.
266. "Development of a New Performance Evaluation System for NSA—STATUS REPORT," August 8, 1989, "M33-260-89."
267. Undated point paper likely from Spring 1990 on new performance evaluation system.
268. Undated point paper likely from Spring 1990 on new performance evaluation system; "Development of a New Performance Evaluation System: Status Report – Information Memorandum," August 28, 1990, "M33-314-90," Historical files of NSA Human Resources (MA), Folder "Performance Management Pilot."
269. See Appendix Q for the 1992 P1B form used for PRES.
270. "NSA/CSS Performance Evaluation Systems 1975," July 1993.
271. See Appendix R for Form P1Z.
272. "Performance Review and Evaluation System (PRES) Revisions," Persgram Issue Number 2, January 1994, Historical files of NSA Human Resources (MA), Folder "History."
273. "Revision of the Employee Performance Evaluation (P1Z)," Persgram Issue Number 14, May 1994, Historical files of NSA Human Resources (MA), Folder "History."
274. This was possibly the first online distribution of performance appraisal-related forms. "Revision of the Employee Performance Evaluation (P1Z)," Persgram Issue Number 14, May 1994.
275. "Performance Management Reform Task Force—Case For Action," December 1995, revised January 1996, Historical files of NSA Human Resources (MA), Folder "P3 Reports Loaned and Copied."
276. "Performance Management Reform Task Force—Case For Action," December 1995, revised January 1996.
277. Ibid.
278. Ibid.
279. Ibid.
280. Ibid.
281. US House of Representatives, *IC21: Intelligence Community in the 21st Century: Staff Summary, Permanent Select Committee on Intelligence* (Washington, DC: Government Printing Office, 1996).
282. The echoes of IC21 can be seen in the move to DCIPS in the 2000s and the establishment of IC Joint Duty positions.
283. *IC21: Intelligence Community in the 21st Century: Staff Summary, Permanent Select Committee*

- on *Intelligence*, 1996. Chapter II, Section VIII “Personnel Management,” accessed June 2, 2015, www.gpo.gov/fdsp/pkg/GPO-IC21.
284. “Moreover, relatively little has been done to deal with poor performers. In this regard, the Commission was repeatedly told by managers and employees that the personnel evaluation system in their agency was ‘broken,’ that the existing system did not provide a basis for identifying poor performers or for readily removing them from employment. At the National Security Agency, for example, because the previous performance appraisal system was thought to be consuming an inordinate amount of supervisory time, a system was instituted that rated employees as satisfactory or unsatisfactory with no rating in between. But, even in agencies where the evaluation system provided for more detailed supervisors’ assessments, it appeared that the evaluation system was rarely being used to terminate poor performers.” March 1996 Report of Commission on the Roles and Capabilities of the United States Intelligence Community, part of “IC21: Preparing for the 21st Century: An Appraisal of US Intelligence,” released March 1996, accessed September 30, 2009, <http://www.gpoaccess.gov/int/int013.pdf>.
285. The survey questions can be found in Appendix S.
286. Internal news posting, “A New Performance Appraisal System,” June 29, 1995, 21:05:51 GMT. The questionnaire was available via email and also posted to the NSA web. The results were freely available in compiled form online by July 24, 1995.
287. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
288. *Ibid.*, 18-22.
289. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
290. The Malcolm Baldrige Criteria for Performance Excellence are a framework used by organizations to improve overall performance and are a part of the Baldrige Performance Excellence Program established by the Malcolm Baldrige National Quality Improvement Act of 1987. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
291. Only the Individual Development Plan was implemented. “Performance Management Reform Task Force—Case For Action,” dated December 1995, revised January 1996, Historical files of NSA Human Resources (MA), Folder “P3 reports loaned and copied;” this sets out a timeline of actions that took place in 1995.
292. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
293. *Ibid.*
294. “A Message from the Deputy Director,” *NSA Communicator*, January 29, 1996, Volume IV, Number 5.
295. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
296. *Ibid.*, 11.
297. “P3 Pilot Report,” *NSA Communicator*, November 13, 1996, Volume IV, Number 46.
298. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996, 19.
299. *Ibid.*, 20.
300. No details of this faulty system or its matrix have been found by this writer. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996, 24.
301. “Performance Management Reform Task Force—Case For Action,” December 1995, revised January 1996.
302. *Ibid.*
303. “From the Director’s Desk,” *NSA Communicator*, October 8, 1996, Volume IV, Number 41.
304. NSA instituted a new TV broadcast that featured a variety of topics of interest to employees. Rather than a replacement for traditional meetings it helped improve dissemination of information and interaction with NSA senior leaders. With the increased availability of desktop personal computers, many efforts were made to disseminate information electronically

- rather than on paper. *HR Online* was a way for employees to submit questions and the answers to those questions were available to all.
305. "Personal Performance Process," *NSA Newsletter*, August 1997, Volume XLV, Number 8, 2.
 306. "The Personal Performance Process (P3)," *NSA Newsletter*, August 1997, Volume XLV, Number 8, 4.
 307. "P3—A Valuable Tool," *NSA Newsletter*, December 1998, Volume XLVI, Number 12, 9.
 308. The 360-degree assessment was never rolled out Agency wide. Instead, a 360-degree assessment tool was used in management development courses. "The Personal Performance Process (P3)," *NSA Newsletter*, August 1997, Volume XLV, Number 8, 4.
 309. Ibid.
 310. "P3 Pilot Report," *NSA Communicator*, November 13, 1996, Volume IV, Number 46.
 311. P3 first resided in an HR database. On October 1, 2000, it was to move into Concerto's Performance Management delivery system. "P3 is Migrating to Performance Management System," Agency All message from Office of Human Resources Service, August 24, 2000. This transition was delayed and stop-gap templates in FrameMaker and MS Word were used from May 2001 with the automated tools to be delivered in 2002. "Time Sensitive Information on Performance Management," Agency All message, September 10, 2001.
 312. P3 Forms, NSA Records Center, Historian Elizabeth Smoot Source Files, Collection C0003437, Box 2.
 313. Accurate and Timely Evaluation and Coaching and Development. These had a minimum weight of 10 but could not exceed a weight of 60 together.
 314. Little documentation can be found on how the PIP process was intended to work. "Personal Performance Process, Participant's Workbook and Rater's Manual," Revision No. 6, January 30, 1998, copy held in the Center for Cryptologic History.
 315. "Multirater Assessment: A useful career development tool," *NSA Communicator*, April 21, 1998, Volume VI, Number 11.
 316. Quote from the TV broadcast session reported in the internal news service titled "New Perf Appraisal System" on November 15, 1996 at 22:03:26 GMT, retrieved from the internal news archives on June 16, 2009.
 317. Internal news service discussion, November 15, 1996, retrieved from the internal news archives on June 16, 2009.
 318. "The Personal Performance Process (P3)," *NSA Newsletter*, August 1997, Volume XLV, Number 8, 4.
 319. "Changes in HR programs," Agency All, July 27, 2000; "Time Sensitive Information on Performance Management," Agency All message, September 10, 2001.
 320. "Taflan's Tagline 'Paying Attention to Ratings,'" EXECMessage-209, Agency All message, December 18, 2007.
 321. "The Personal Performance Process (P3)," *NSA Newsletter*.
 322. "P3 and the new Promotion Process," *NSA Newsletter*, June 1998, Volume XLVI, Number 6, 12.
 323. "Time Sensitive Information on Performance Management," Agency All message, September 10, 2001.
 324. "Comp Reform—NSA to Implement DCIPS," DIRGRAM-300, Agency All message, January 23, 2004.
 325. "National Security Personnel System and Performance Management (P3)," EXECMessage-119, Agency All message, December 13, 2005.
 326. "Taflan's Tagline: Transformation from P3 to ACE," EXECMessage-241, Agency All message, August 17, 2008.
 327. "Performance Appraisal," June 7, 1979, V-175-79 from Jenkins to P41.
 328. "SUBJECT: Implementation of the Defense Civilian Intelligence Personnel System (DCIPS)," July 20, 1999, from Charles J. Cunningham, Jr., Deputy Assistant Secretary of Defense (Intelligence), to Secretaries of the Military Departments, DIR DIA, DIR NIMA, DIR NRO, DIR NSA.
 329. Paul Wolfowitz, Deputy Secretary of Defense,

- cover memo, Department of Defense Directive 1400.35 “Defense Civilian Intelligence Personnel System (DCIPS),” March 18, 2002, accessed February 21, 2023, https://biotech.law.lsu.edu/blaw/dodd/corres/pdf/d140035_031802/d140035p.pdf.
330. 5 U.S.C. § 9902 “Establishment of Human Resources Management System,” as amended January 2004, accessed February 21, 2023, https://www.everycrsreport.com/files/20060316_RL31954_ba25c56d-f695a773a44420.
331. “Comp Reform—NSA to Implement DCIPS,” DIRGRAM-300, Agency All message, January 23, 2004.
332. Notes from an open forum with the Intelligence Analysis Director held on August 4, 2004, copy held by Center for Cryptologic History.
333. “National Security Personnel System and Performance Management (P3),” EXECMessage-119, Agency All message, December 13, 2005; “Modernizing Civilian Compensation Systems within the Intelligence Community,” February 6, 2006, E/S 00638 from Principal Deputy Director of National Intelligence General Michael V. Hayden to All Intelligence Community Employees.
334. “Modernizing Civilian Compensation Systems within the Intelligence Community,” February 6, 2006, E/S 00638.
335. “Intelligence Community Pay Modernization,” EXECMessage-134, Agency All message, March 17, 2006 from John Taflan, Associate Director for Human Resources to entire NSA workforce; “Update on Modernizing Civilian Compensation Systems within the Intelligence Community,” March 13, 2006, from Stephen A. Cambone, USD(I) to all Defense Intelligence Civilian Employees.
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