

A Report by a Panel of the

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

for the U.S. Congress and the Federal Bureau of Investigation



Transforming the FBI:

Roadmap to an Effective Human Capital Program

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TRANSFORMING THE FBI: Roadmap to an Effective Human Capital Program

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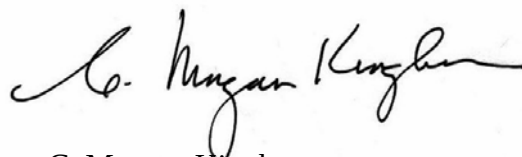
FOREWORD

Since the September 11, 2001 terrorist attacks, the Federal Bureau of Investigation has been striving to become the world's premier counterterrorism agency. Director Robert Mueller has sought to institutionalize the Bureau's priorities through new hiring, training, career development, and management initiatives. Yet, an unwieldy human capital system remains a key obstacle to this transformation.

The FBI has recognized this and is taking many significant steps to address its human capital shortfalls. Among these are the development of a new strategic plan and the creation of a strategic human capital plan. For this, the Bureau deserves much credit. However, more work must be done to create the types of effective human capital programs that are critical to achieving the FBI's new mission priorities.

For several years, a National Academy of Public Administration Panel has evaluated aspects of the FBI's transformation. This, its second report, which provides general findings and recommendations designed to guide the Bureau toward meeting its human capital objectives. The Panel, chaired by former Attorney General Dick Thornburgh, and Academy staff have received full access to FBI senior officials, key employees, and relevant internal documents. Additional reports are likely as the Panel conducts further reviews of the FBI's human capital program, the application of long-term planning and budgeting strategies to FBI programs, the FBI field structure, and the continuing evolution of the Bureau's intelligence policies and programs.

I want to express my appreciation to Representative Frank Wolf, chairman of the House Appropriations Subcommittee on Science and the Departments of State, Justice, Commerce and Related Agencies, who has supported the FBI as it has solicited substantive expertise and counsel from the Academy Panel. The dedicated men and women of the Bureau who are working very hard to make this transformation a success also deserve much credit. It must be emphasized that the changes they are pursuing are fundamental and sweeping and will require time and patience to be successful. The Academy appreciates the continuing opportunity to assist them in meeting the FBI's most important mission: protecting the American people.

A handwritten signature in black ink, reading "C. Morgan Kinghorn". The signature is fluid and cursive, with the first name "C." and last name "Kinghorn" clearly legible.

C. Morgan Kinghorn
President

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ACRONYMS

ASD	Administrative Services Division
BPMS	Bureau Personnel Management System
CHCO	Chief Human Capital Officer
DHS	Department of Homeland Security
DNI	Director of National Intelligence
DOD	Department of Defense
EAD	Executive Assistant Director
EC	Electronic Communication
FBI	Federal Bureau of Investigation
FIG	Field Intelligence Group
FSL	Funded Staffing Level
FTE	Full-Time Equivalent
FY	Fiscal Year
GAO	Government Accountability Office
GS	General Schedule
ICS	Intelligence Career Service
IG	Inspector General
IT	Information Technology
LEO	Law Enforcement Occupation
OPM	Office of Personnel Management
SAC	Special Agent-in-Charge
SES	Senior Executive Service
TDD	Training and Development Division

SCOPE AND METHODOLOGY

This study on which this report is based was conducted from February through June 2005. It was designed to produce a summary of human capital challenges facing the FBI and a “road map” for further work toward improving the Bureau’s human resources programs. This portion of the Academy’s work with the FBI is focused primarily on human capital systems, practices, and policies, and is not intended to present a comprehensive description or understanding of the Bureau’s operational or intelligence functions and organizations.

Information for this report is based on nearly 100 interviews and the analysis of documents and data provided by the FBI and other sources. The interviews included FBI officials representing the Director’s Office of the Ombudsman; the Deputy Director’s Planning Office; the Administrative Services Division (ASD), Security Division, and Finance Division under the Executive Assistant Director (EAD) for Administration; the Information Technology Operations Division and the Office of the Chief Information Officer; the Training and Development Division under the EAD for Law Enforcement Services; and the Directorate of Intelligence under the EAD for Intelligence. Field visits and interviews were conducted at the FBI training facility at Quantico, Virginia, and the Washington Field Office.

A focus group was conducted with senior FBI officials and meetings were held with representatives of five of the six Director’s employee advisory groups—including the Mid-Management Advisory Committee, the Female Special Agents Advisory Committee, the Administrative Officers Advisory Committee, AEGIS (a composite group representing all support employees), and the Special Agent in Charge (SAC) Advisory Committee. The views of representatives of the sixth group, the Special Agents Advisory Committee, were obtained at an Advisory Group Conference in March 2005.

In addition, visits and discussions were arranged with officials in the Office of Personnel Management (OPM), Government Accountability Office (GAO), the Office of Management and Budget (OMB), and the Justice Department’s Office of the Inspector General (IG) and Justice Management Division. GAO’s study of transformation principles and relevant reports of the Justice IG were reviewed. Also reviewed were numerous previous studies of various FBI human capital programs, human capital policy documents—including Electronic Communications (internal memoranda that outline Bureau policy), and other background information provided by the FBI. Detailed analysis was conducted of data from the Bureau Personnel Management System (BPMS) and OPM’s Fedscope.

EXECUTIVE SUMMARY AND RECOMMENDATIONS

“As Director Mueller has stated many times, the men and women of the FBI are its greatest asset. The mission requires that special agents, analysts, scientists, managers, and professional support employees not only perceive and comprehend complex threats, but also attack them as a team, working together with a shared sense of urgency.”

From Federal Bureau of Investigation Strategic Plan: 2004-2009

The Federal Bureau of Investigation (FBI) is undergoing profound organizational change—creating and integrating a new intelligence service into its culture and enhancing its counterterrorism and counter intelligence programs, while redefining its traditional, critical law enforcement role. The foundation of any organizational transformation is the people—people embody its knowledge base, drive its performance, and define the organization’s culture. Several organizations have identified key practices in transforming organizations, including leadership commitment, coherent mission and strategic planning, a dedicated implementation team, and effective communication and employee involvement.

The FBI has recognized that a significant obstacle to the success of its transformation efforts is its unwieldy human capital system. The Bureau is taking steps to address this problem, including the development of a new strategic plan, revision of its strategic human capital plan, and numerous other initiatives. While these steps are improving the situation, much more needs to be done for effective transformation to occur.

This report was prepared as part of an ongoing National Academy of Public Administration (Academy) review of the state of change at the FBI for the House Appropriations Subcommittee on Science, and Departments of State, Justice, Commerce, and Related Agencies, chaired by Congressman Frank Wolf. It is based on several months of intensive review by the Academy of the FBI’s human capital structures, policies, and practices, and outlines the key human capital challenges facing the Bureau, as well as a set of prioritized recommendations to address these challenges. This discussion of these challenges and recommendations is not intended to be exhaustive, and it is clear that much more time and energy should be invested to identify all actions necessary to create an effective, efficient human capital program at the FBI. Fixing the Bureau’s human capital problems will take a long term commitment on the part of its leadership.

On the positive side, this commitment currently exists. Senior FBI officials, including the Director, Deputy Director, and the Executive Assistant Director (EAD) for Administration, have taken a personal interest in identifying the issues and pursuing their solution. Further, the Academy has received outstanding cooperation from the FBI and has had unlimited access to the information it needed to compile this report. As a further example of steps in the right direction, the EAD for Administration is developing a business plan that will coordinate the various human capital improvement initiatives within his area of responsibility. The Bureau has also begun a search for a new Chief Human Resource Officer. Other new initiatives are underway to:

- Identify a new human capital organizational structure;
- Establish a succession planning system for management officials;
- Develop a strategic workforce planning process;
- Streamline the hiring process;
- Establish and issue Funded Staffing Levels on a more timely basis;
- Update field support staffing ratios;
- Implement retention and relocation bonus authorities;
- Design a new Intelligence Career Service pay system with the assistance of the Office of Personnel Management; and
- Develop a comprehensive career development model for all occupations.

The Bureau has numerous additional initiatives planned and is studying others. As it moves forward with its reform of its human capital system, it should ensure that the challenges outlined below are addressed. Of course, much of this will be affected by the recent decision by the President to reorganize the national security-related functions at the FBI and must take account of the impact of intelligence community-wide human resources policies and procedures that are being developed by the Director of National Intelligence.

- Human Capital Accountability and Organization: Even though the Bureau has planned, begun, or completed numerous human capital initiatives, there is no overall strategy that guides and unifies the identification and prioritization of these initiatives. Further, and maybe more important, there is no systematic follow through to implement recommendations. This is caused, at least in part, by the lack of a human capital focal point and frequently changing management. The Bureau needs, and is seeking to appoint, a Chief Human Capital Officer who is an experienced, accomplished human resources professional. This official should be responsible and accountable for all human capital programs and will ensure that a strategy is developed and executed for prioritizing and implementing change. Key elements in achieving enhanced human capital accountability and organizational focus are information technology (IT) and a communications strategy. IT is a key enabler of effective human capital programs. The Bureau should place increased priority on the implementation of IT—such as the deployment of web-access to all Bureau employees—that supports and delivers human capital management, operations, and communications. Finally, the Bureau should pursue improved communications and employee involvement to help build an understanding of the need for changes and increase employee support for these changes.
- Strategic Workforce Planning: The Bureau does not have a systematic process to plan for its intermediate or long-term workforce needs. As a result, its staffing and recruiting

plans have largely consisted of short-term hiring decisions. The Bureau must build a capacity to identify the required characteristics of its future workforce, including occupational mix, geographic location, and numbers of civil servants versus contractors. The Bureau is developing a new “strategic plan” for fiscal years (FY) 2007-2011 that projects workforce and budgetary needs. It is critical that this projection be based on solid data and analysis of current and future workforce needs and competencies, and that comprehensive human capital programs be developed for such areas as recruiting and succession planning. Key areas that require workforce analysis include administrative support in the field offices and the structure and functions of Field Intelligence Groups (FIG). Workforce planning is even more critical as the Bureau reorganizes to establish the national security-related workforce that was ordered by the President in a June 29, 2005 memorandum in response to the recommendations of the “Report of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction.”

- Succession Planning and Leadership Development: The Bureau does not have a comprehensive leadership development strategy for the Senior Executive Service (SES) or for subordinate levels of management, nor does it have an SES succession planning system. Currently, SES positions are filled on a case-by-case basis, and there is no systematic candidate development program. SES competencies, the basis for succession planning and career development, were articulated by the FBI in the early 1990s, but have not been validated, and there is no approved leadership development program that covers all segments of the FBI workforce. In addition, turnover in SES positions at headquarters and in the field is extensive. Further, many of these officials do not have extensive experience in their current jobs, with the median tenure in the current assignment of Special Agents-in-Charge (SAC) of FBI field offices being just 15 months and that of current SES officers in headquarters assignments just 13 months. Such turnover in the field hampers critical relationships with stakeholders, including state and local law enforcement contacts. At headquarters, it contributes to insufficient expertise and the lack of follow through on program improvement initiatives. A number of specific initiatives are planned or underway to address some of these issues. For example, the Bureau is taking steps to improve its succession planning process and is using a contractor to develop an information base to assist in the development of an SES succession planning process. In this effort, the FBI has recognized that succession planning must be driven by the needs of the organization and cannot rely upon the voluntary career choices of individuals. This effort should lead to the creation of a comprehensive and managed plan for designing and implementing a complete system for succession planning and leader development. In addition, like many other FBI human capital programs, there should be a resolution of the divided responsibility for leadership development that now exists among several FBI components.
- Recruiting and Hiring: The Bureau has developed a systematic, validated process to hire special agents. However, the process to hire all other types of personnel is cumbersome, costly, and untimely. The process in the past involved at least 37 steps, required 287 days on average, and cost two to three times that of other agencies. It is largely a manual process, although the Bureau has implemented QuickHire software to automate the front

part of the hiring process, and is implementing a contractor's recommendations to reduce the number of steps and the time required for the hiring process. Compounding the cumbersome hiring process are inadequate hiring plans. The Bureau's hiring plans have changed dramatically during the year. At the beginning of FY 2005, the Bureau initially considered hiring 930 agents and 3,200 support personnel. Then, in May, an initial plan to hire 556 agents and 2,100 support personnel was adopted after it was recognized that meeting the original levels in one year, versus spreading them over three years, would require reallocating substantial funds from operational programs. One consequence of this late change has been the hiring of a higher percentage of new agents with law enforcement backgrounds than the revised target calls for. Further, the overall target of 556 agents is close to or below the expected attrition for 2005. Also, established hiring targets have not been met in the past. In 2004, support hiring fell short of goals by nearly 700 personnel, leaving a variety of positions, including critical analytical and administrative positions in the field, vacant. The Bureau is taking steps to address some hiring process problems and these efforts are showing positive results. As of May 2, 2005, a little over halfway through the 2005 hiring cycle, it had hired about 49 percent of its revised 2005 support staff goal (with another 15 percent approved for hire) and about 72 percent of its revised agent goal. Administrative Services Division (ASD) officials are confident that the Bureau will meet its overall goals this year for both agent and support staff, although it may again fall short in some critical skills areas.

- Pay and Compensation: The Bureau was given authority by Congress in December 2004 to develop a new pay system for its intelligence analysts. Although its February 2005 Report to the President set an ambitious target of September 2005 to implement this new pay system, the Bureau has now established a target of December 2005 for initial implementation and recognizes that full implementation of a new pay system could take several years. Changes to the pay system must be designed to ensure that the Bureau can hire and retain the key personnel it needs and consider the impact of these changes on other Bureau employees. These changes also must consider both the recent order by the President for the Bureau to reorganize to establish a national security-related workforce, as well as efforts by the Director of National Intelligence to develop new human capital authorities for all intelligence community personnel. Separate from pay for intelligence personnel, there are also several pay issues that impact special agents. These include numerous agents being pay-capped and the lack of sufficient pay incentives to encourage agents to move to high cost areas. In light of its current circumstances, the Panel believes that the Bureau should assess its pay and compensation system in its totality, decide what its compensation philosophy should be, design a compensation system, and seek legislation, if necessary, that will achieve those goals and objectives.
- Career Development and Training: The FBI has traditionally emphasized professional training for its special agents, and the new agent training program at the Quantico Academy is renowned for its success. Now, the Bureau is implementing a similar training and career development program for all Intelligence Career Service personnel. As yet, this program relies almost wholly on volunteers from elsewhere in the Bureau and contractors for instructional services. And, as would be expected, the added demands of this program are significantly straining the capacity of the Quantico training facility,

which is in need of repair, renovation, and modernization. The Bureau's focus on entry level training for agents and analysts has developed into a broader focus on career development programs for all major occupations. Until recently, career development programs were limited to special agents. Within the past year, the Intelligence Directorate outlined a career development program for the Intelligence Career Service¹. Commitments have been made to establish a career development program for support staff, but there have been insufficient resources to mount a full action plan. Additional work is needed and underway in various curriculum areas, especially the new analytic cadre training. Also, special attention needs to be given to implementing the Intelligence Officer Certification Program proposal, which is a key developmental requirement for both the intelligence analyst and special agent career fields. Finally, based on the FY 2007-2011 "strategic plan," the Bureau will need to develop a career path for its new mission specialists.

- **Work-Life Issues:** Work-Life programs are increasingly important components of recruitment strategies, retention efforts, compensation systems, and benefit programs. The Bureau authorizes the use of many work-life programs, such as alternative work schedules, part-time employment, and telecommuting, but the actual use of these programs by FBI employees is at management's discretion, and participation is quite limited. Employees perceive that the Bureau discourages such programs by letting SACs decide whether they will be used in field locations. If viewed as management tools available to a manager, work-life programs can be low cost adjustments that can enhance mission accomplishment while boosting morale, though they must be implemented in ways that take the FBI's critical mission needs and security considerations fully into account.

In response to these challenges, and in order to transform its human capital management system, the Academy Panel recommends that the FBI pursue ten key steps. In summary:

1. **Appoint A Human Capital Implementation Team**—The Bureau's past human resource initiatives have not been systematically organized and implemented. Thus, a critical first step is establishing a dedicated implementation team to manage the human capital transformation process.
2. **Create A Chief Human Capital Office And Officer**—The Bureau must focus responsibility and accountability for strategic human capital management in a single location and create a human capital management office, led by a Chief Human Capital Officer. This office should include all human resource functions, including human resource administration, recruiting and hiring, pay and compensation policy and administration, performance management, training and career development, and the development and implementation of new personnel authorities.

¹ The Intelligence Career Service currently includes intelligence analysts, language analysts, and physical surveillance specialists, and may soon include several hundred special agents.

3. **Develop A Strategic Workforce Planning And Staffing Process**—The Bureau should develop a strategic workforce planning process that includes an assessment of what work activities have to be carried out, who should carry them out (e.g., civil servants, contractors), and whether they should be performed at headquarters or in the field. This assessment should be followed by an identification of the competencies needed to carry out those activities. Key areas where workforce planning is needed include the Field Intelligence Groups and the role of field offices in carrying out administrative functions.
4. **Establish A Leadership Development And Succession Planning Program**—The Bureau does not have a comprehensive succession planning and leadership development strategy for the SES or for subordinate levels of management. SES positions are filled on a case-by-case basis, and there is no formal SES candidate development program. As a result, leadership turnover is excessive. The Bureau should continue to develop a succession planning and leadership development program to address leadership turnover and assure the best candidates are selected for leadership posts.
5. **Develop A Communications And Employee Involvement Strategy**—Creating an effective communications strategy should be an essential component of the Bureau's efforts to transform its human capital system and programs. This strategy should focus on involving managers, employees, and other stakeholders in the reform of the human capital system.
6. **Increase Priority For Information Technology Support To Human Capital Programs**—Information technology (IT) support for administrative functions has been assigned a lower priority than that for FBI operational programs, but increased attention to IT support of administrative areas, particularly human capital, is necessary for improvement in those programs.
7. **Address Hiring Issues**—The Bureau should continue to address its hiring challenges, including: (1) developing an overall recruiting plan based on future needs and supported by workforce planning; (2) assessing the background investigation process, including an assessment of whether the entire process should be outsourced; and (3) analyzing the increased use of technology that would greatly benefit the process and provide metrics to monitor and assess the hiring system.
8. **Initiate A Comprehensive Pay And Compensation Study**—In light of the special pay authorities contained in the Intelligence Reform Act of 2004, the Bureau now has an opportunity to examine pay and compensation issues with a goal of designing an integrated compensation program for its Intelligence Career Service employees. The Bureau has noted that it intends to develop this new pay flexibility as a prototype for all of the Bureau's occupations. An integral part of that process is to study the Bureau's overall pay and compensation system and determine whether additional legislative authority is needed to resolve any anomalies.

9. **Develop A Structured Career Development And Training Program**—The Bureau should systematically address its initial entry-level training and capacity issues and devote increased attention to career development for all employees.
10. **Provide Consistent Work-Life Policies And Programs**—The Bureau should rethink all of its work-life programs to determine if there is a need to provide more consistent application across the Bureau.

SECTION I ROADMAP OF NEXT STEPS

The Bureau has identified as one of its most important priorities the need to change its human capital program to meet changing mission requirements. This is because sound, timely, and effective recruitment, hiring, training, retention, and career development strategies are critical to the success of all other FBI efforts to transform itself. Additionally, however, the Academy's Panel believes that successful transformation depends on a strategic vision, goals, and programs designed to achieve the desired outcomes. All of this must be buttressed by stable leadership at every level, and managed by employees assigned full-time to assure that the various efforts are related to and integrated with one another. Further, it is essential that problem identification, solution development, and program implementation involve those who must make the transformation occur. Finally, the Bureau must have a communications strategy to inform all who are affected about the what, why, how, when, and where of planned changes.

Therefore, the Academy Panel recommends that the FBI pursue ten key steps to accomplish a successful transformation in the human capital area.

1. APPOINT A HUMAN CAPITAL IMPLEMENTATION TEAM

As discussed in this report, the Bureau's past human resource initiatives have not been systematically organized and implemented. Thus, a critical first step is establishing a dedicated implementation team to manage the human capital transformation process. This team needs to ensure that the various current and future human resource improvement initiatives are planned and implemented in a coherent and integrated way. Specifically, the team should:

- develop a strategy for human resource changes;
- inventory all ongoing initiatives;
- manage assignment of responsibility to avoid duplication of effort;
- coordinate a systematic approach for developing initiatives—including identifying appropriate contractor support; and
- provide oversight of all human resource-related initiatives.

This team also must ensure that an effective communication strategy is developed regarding the details and basis of these changes, and ensure that the communication strategy is carried out. The current effort to develop a business plan for the EAD for Administration can be part of such a team, but not its totality. Ideally, the team would be led by the Chief, or a senior representative, of the Human Capital Office that is discussed in the next section. In addition, the Bureau should consider augmenting this team with necessary external expertise.

Selection of implementation team members is critical. They should be high-performing, respected Bureau personnel who will agree to remain with the team for several years. The composition of the team is important to demonstrate that all organizations with human capital responsibility are appropriately represented. In addition, the appointment of high-performing team members also will provide a visible sign that the Bureau's leadership is serious and committed to the need to address its human capital challenges.

It is also important for the team to be able to provide fact-based information to guide implementation decisions. The Bureau has employees with the necessary competencies, including the industrial psychologists in the Personnel Assessment Research Group and the special advisors to the EAD for Administration. The team also needs to include representation from divisions where human resource programs are currently being developed, including ASD, TDD, and the Intelligence Directorate, as well as from the Deputy Director's Planning Office.

In addition, the team should be supported by an advisory group of senior representatives of the five FBI operational areas—Counterterrorism, Criminal, Counterintelligence, Cyber, and Intelligence—and key administrative offices. This should include at least the Chief Financial Officer, Chief Information Officer, and the Deputy Director's Planning Office. The group should be responsible for making key decisions and providing direction to the implementation team. It would also benefit from periodic consultations with representatives of the six employee advisory groups.²

2. CREATE A CHIEF HUMAN CAPITAL OFFICE AND OFFICER

Next, the Bureau must focus responsibility and accountability for strategic human capital management in a single location and create a human capital management office. This office should encompass all human resource functions, including human resource administration and policy development, recruiting and hiring, pay and compensation policy and administration, performance management, training and career development, succession planning, workforce planning, work-life programs, and the development and implementation of new personnel authorities, including those of the new FBI intelligence service. Although it is critical that operational officials be involved in human capital policy development, the overall responsibility must be vested in the human capital management office. As part of this reorganization effort, the Bureau should study and determine the most effective human capital role for the field offices and the appropriate levels of authority to delegate to the division and field levels. A key human capital program at the Bureau is the training offered at Quantico, Virginia. Although the administration and operation of that facility does not necessarily need to be the responsibility of the human capital office, all policy, course development, and career development should be under the purview of the human capital organization.

² These are the Mid-Management Advisory Committee, the Special Agents Advisory Committee, The Female Special Agents Advisory Committee, the Administrative Officers Advisory Committee, AEGIS (a composite group representing all support employees), and the Special Agents in Charge Advisory Committee. There is also an Intelligence Analyst Advisory Board that is chaired by the EAD for Administration, but this group has not been recognized as an FBI Director's advisory group.

This office should also include a human capital evaluation component, which should address all aspects of human capital, including: (1) success in supporting mission accomplishment; (2) effectiveness of human capital programs; (3) efficiency of human capital processes; and (4) compliance with legal requirements. This group should also develop a comprehensive set of measures to gauge organizational progress toward achieving human capital goals. These human capital performance measures should be aligned with programmatic performance measures. A good reference document to establish an evaluation framework can be found in a Government Accountability Office (GAO) report entitled: *Human Capital: A Self-Assessment Checklist for Agency Leaders*. This assessment tool identifies a number of human capital elements and underlying values common to high-performing organizations. It is also important that these evaluations be based on complete, valid, and reliable data that is kept current. The Bureau Personnel Management System (BPMS) contains up-to-date, valuable personnel information, and this data could be supplemented with additional information as needed.

Leading this office should be a Chief Human Capital Officer (CHCO).³ The Chief Human Capital Officer's Act of 2002 required federal departments to establish a Chief Human Capital Officer who "will advise and assist in carrying out the responsibilities of selecting, developing, training and managing a high-quality workforce." Although the Act does not require the establishment of such a position below the departmental level, the Bureau would benefit from creating such a position. This position should be established to provide a focal point for competence, authority, and accountability of the human capital functions of the Bureau.

The CHCO should commit to staying in the position at least five years to ensure that the human capital office can both meet the office's very demanding operational requirements, as well as to provide human capital strategic vision. The successful candidate should be an individual who is experienced in designing, developing, implementing, and evaluating strategic, tactical, and operational human capital management policies, programs, and activities that will help produce the programmatic outcomes envisioned in the Bureau's Strategic Plan. He or she should either know, or be able to quickly learn, the substantive and programmatic work of the Bureau and have the interpersonal skills to establish effective working relationships with program executives. The CHCO should also possess the communications skills and experience to involve appropriate internal and external stakeholders in the development and execution of human capital programs.

This individual will be key to ensuring that the Bureau's human capital function is transformed so that it can achieve its various program goals and it is vital that the person selected have the skills to manage and oversee the entire reconfigured human capital office. The Bureau has employed an executive search consultant to mount an intensive, comprehensive search for a highly-qualified human resources professional to fill this position, and it will be important that candidates for this position understand the full scope of its responsibilities. Consequently, the Bureau should communicate to the candidates a clear commitment to establishing a Human Capital Office responsible for the full range of human resource functions.

³ The FBI has indicated that it may prefer to call this official a Chief Human Resources Officer since CHCOs are Department-level officials by law. The title obviously is much less important than the authorities vested in the position.

3. DEVELOP A STRATEGIC WORKFORCE PLANNING AND STAFFING PROCESS

The FBI is developing a “strategic plan” for fiscal years 2007-2011 that will define the workforce needed in the future. Fundamental to developing this projection is an assessment of what work activities have to be carried out, who should carry them out (e.g., civil servants, contractors), and where they should be performed (headquarters or the field). Once these determinations have been made, the Bureau must identify the competencies needed to carry out those activities. For example, the Bureau must determine what administrative functions field offices will carry out before it identifies the number and types of employees or contractors needed in those offices. All of these activities are part of a strategic workforce planning process.

Strategic workforce planning addresses two critical needs: aligning an organization’s human capital program with its current and emerging mission and programmatic goals; and developing long-term strategies for acquiring, developing, and retaining staff to achieve programmatic goals. Yet, the specific workforce planning approach can vary from organization to organization. A December 2003 GAO report outlined key principles for an effective strategic workforce planning process:

- Involve top management, employees, and other stakeholders in developing, communicating and implementing the strategic workforce plan;
- Determine the critical skills and competencies that will be needed to achieve current and future programmatic results;
- Develop strategies to address gaps in number, deployment, and alignment of human capital and to enable contributions from all critical skills and competencies;
- Build the capability to address administrative, educational, and other requirements to support workforce strategies; and
- Monitor and evaluate progress toward human capital goals and the contribution that human capital results have made toward achieving program goals.

As noted above, determining the responsibilities and roles of various FBI organizations is a critical first step of a strategic workforce planning process. Two key areas the Academy Panel has identified where such planning is particularly needed are the development of the FIGs and the support staffing of the field offices.

As a part of the Bureau’s efforts to enhance its intelligence operations, the Bureau called for FIGs to be established in all FBI Field Offices. While general organizational guidance regarding FIGs in small, medium, and large offices was provided, critical details—such as the role of agents in the FIGs or the provision of administrative support—were not. The FBI reportedly is developing additional guidance for the FIGs, and this will have an impact on workforce planning. Additional changes to the Bureau resulting from the President’s direction that it

reorganize to establish a national security-related workforce also will require workforce planning.

Similarly, a strategic workforce planning process should assess the field office support workforce. An important part of this assessment will be to determine the types of administrative responsibilities that should be carried out in the field, including in areas such as human capital, financial management, and procurement, along with the corresponding authority levels. Also, the impact of information technology on the workforce should be considered. Only after these determinations and assessments are made should new field support staffing ratios be developed.

A strategic workforce planning process will facilitate more systematic and timely staffing allocation decisions. Although final Funded Staffing Level (FSL) decisions cannot be made until the Bureau's budget is approved, the history of the FBI's budget indicates that the great majority of FSL determinations can be made much earlier, and should not be allowed to delay all hiring. The Bureau is currently developing a contingent FSL for FY 2006 to be used before final budget approval.

4. ESTABLISH A LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING PROGRAM

As noted in this report, the Bureau does not have a comprehensive succession planning and leadership development strategy. SES positions are filled on a case-by-case basis, and there is no formal SES candidate development program. As a result, leadership turnover is excessive. The Bureau needs to develop a succession planning and leadership development program to address leadership turnover and assure the best candidates are selected for leadership positions.

First, the Bureau should create an office, under the new CHCO, to oversee a comprehensive succession planning and leadership development program that will be implemented by FBI management officials. One goal of this office would be to ensure that succession planning and leadership development is comprehensive and integrated, regardless of where in the organization specific projects or activities are carried out. The system should also provide for monitoring, reporting, and alteration of program and project execution.

Second, the Bureau should develop a master business plan that presents an integrated picture of the various programs and initiatives for succession planning and leadership development, including the allocation of resources to the components of the overall effort. Such a document, updated periodically, would provide a basis for tracking and reporting on the status and progress relative to established goals. Although there are goals and objectives related to career development and training in both the Bureau's Strategic Plan and ASD's Program Plan for FY 2003-2007, they are not closely related to one another, nor are they sufficiently comprehensive or specific.

A well managed master business plan for career development and training could also serve as the basis for:

- Assessing whether the allocation of resources to various components is contributing to balanced and timely program development and implementation;
- Improving collaboration and sharing among the various organizational elements responsible for the components of the various programs; avoiding conflicting policies and programs; and
- Providing regular and comprehensive communications to FBI employees and advisory groups about the status and progress of succession planning and leadership development.

Third, the Bureau has engaged the RAND Corporation to provide technical assistance in developing a succession planning model. To ensure that this project is as useful as possible, the Bureau should consider the following questions in connection with the project:

- Should analysis of job requirements and competencies cover the full range of leadership positions, even those such as Relief Supervisors, whether or not they are officially designated as supervisory or management positions?
- Will the analysis identify the competencies that characterize “emerging leaders?”
- Will the analysis identify gaps in needed competencies based on workforce planning projections?
- Will the succession planning system take into account related selection system, career development, and training initiatives associated with agents, Intelligence Career Service (ICS), and professional support staff?
- Will the system clearly link with the performance appraisal system being developed and possible changes in the recognition and awards program?
- Will the analysis of competency requirements for SES jobs and the “Leadership-Training Framework” being developed by TDD be sufficiently related to support a comprehensive succession planning and leadership development effort?
- Has any modeling been done to show how competency requirements for each SES job and the inventory of competencies each SES possesses will be utilized to plan for addressing gaps?
- How will the validated job requirements data be used to develop selection criteria for SES positions?
- What is the plan for communicating and utilizing data with respect to individual SES members, first line supervisors, managers, and to various offices responsible for career path management and leadership development?

- Will law enforcement and intelligence community subject matter experts be used to help Bureau personnel validate the analysis of the competency data?
- How do the data bases being developed relate to other FBI data bases such as BPMS?
- How do the identified competencies relate to the existing SES competencies?
- How will competencies identified be updated to ensure that they meet future organizational requirements, especially with regard to the Bureau's transformation and mission requirements?
- What measures may be applied to ensure continuity of programs and strategies?
- Are there ways to encourage selection of individuals with the necessary pre-requisite experience and skills to perform the job?
- How can the effects of the mandatory retirement requirement on experience be ameliorated?

5. DEVELOP A COMMUNICATIONS AND EMPLOYEE INVOLVEMENT STRATEGY

Creating an effective communication strategy should be an essential component of the Bureau's efforts to transform its human capital system and programs. This strategy should focus on involving managers, employees, and other stakeholders in the reform of the human capital system. The Bureau's communication strategy should:

- Begin now and continue to further employee understanding of the purpose of planned human capital changes in order to build trust among employees;
- Be consistent to reduce uncertainties among Bureau employees;
- Facilitate a two-way exchange and allow feedback from all employees;
- Explain how the changes fit into the Bureau's strategic plan, how customer service will be affected, and address specific employee concerns—in particular, how the changes will impact employees; and
- Specifically address how the Bureau will involve employees and the Director's Advisory Groups in the change process, including incorporating employee feedback into new human capital policies and procedures.

The Bureau has six employee advisory groups (identified earlier in this report) that have been recognized by the Director and that meet separately with the Director periodically to provide their views and to learn from the Director about planned changes. This process, which is coordinated by the FBI's Ombudsman, is positive and could provide a model for improved

communication. One way to ensure this process focuses on broad Bureau-wide issues would be for representatives of all six groups to meet with the Director together from time-to-time.

Monitoring employee attitudes during periods of change is especially important. The Bureau does not systematically obtain the views of its employees and does not participate in the Office of Personnel Management (OPM) government-wide survey of federal employees. Thus, it is recommended that the FBI gain the views of its employees through the use of employee surveys and other means. ASD is currently developing an employee survey to be administered in FY 2006.

6. INCREASE PRIORITY FOR INFORMATION TECHNOLOGY SUPPORT TO HUMAN CAPITAL PROGRAMS

Information technology (IT) support for administrative functions has been assigned a lower priority than that for FBI operational areas, but increased attention to IT support of administrative areas, particularly human capital, is necessary for improvement in those programs. One key problem that hampers implementation of many existing human capital system technology improvements is the limited connectivity to web technology at many FBI field locations and at the Quantico training center. QuickHire, Employee Express, and Ninth House learning systems are examples of some of the Bureau programs whose application is hampered by this limited connectivity. Attention also needs to be paid to whether FBI security requirements and processes are unnecessarily limiting or delaying the Bureau's access to "off-the-shelf" applications or successful automated processes that are in use in other government agencies.

As an initial step, the Bureau should develop a plan to identify administrative strategic and operational IT needs. This plan should address both ASD and TDD requirements, as well as the Finance Division's conversion to the National Finance Center system, and the basic web infrastructure of all Bureau locations.

A key part of this plan is the identification of human capital management information needs. BPMS currently includes extensive administrative data that are updated on a real-time basis. But, it is difficult to extract the data without writing detailed programs using an outdated programming language. Until this system is replaced, the Bureau should determine whether there is an existing off-the-shelf product that will enable managers to access, query, and utilize this valuable BPMS data more effectively and efficiently.

7. ADDRESS HIRING ISSUES

The Bureau should continue to address its hiring challenges. First, the Bureau should develop an overall recruiting plan based on future needs and supported by workforce planning. Building on existing efforts, this recruiting plan should coordinate all of the individual recruiting initiatives, including the use of recruiting bonuses. The plan should also consider the role that FBI executives should play in shaping and executing a dynamic recruiting program. The Bureau

would also benefit from a set of measures that would show the relative success of its recruiting initiatives. Such measures, like those documented in the recently issued Department of Justice Inspector General (IG) report on intelligence analysts, could be used to evaluate recruiting approaches and could help the Bureau determine the relative benefits of different types of recruiting strategies. These include education level, language proficiency, prior intelligence work, and experience living abroad. But to use such measures effectively, the FBI must have the capacity and resources to evaluate the effectiveness and impact of the many process, policy, and organizational changes. At this point, it does not have such capacity. FBI personnel are so consumed with day-to-day operations that little time can be spent on planning and evaluation.

In addition, there is a clear need to assess the background investigation process, including an assessment of whether the entire process should be outsourced. The Security Division has recently reorganized two of its sections in order to streamline the clearance process. But there remain questions regarding the current background investigation model, which uses more than 1,400 contractors, but still requires the use of about 100 agents to process new applicants and update existing employee security clearances. Consideration should be given to hiring additional contractors in order to allow special agents to return to their primary duties. The Bureau reportedly has recently entered a contract to provide additional background investigators to address periodic surges in the demand for background investigations. In addition, the Bureau should explore whether all FBI employees need Top Secret clearances, or whether multi-level security policies and workplaces can be established to enable the use of Secret clearances in some instances.

Finally, the Bureau should continually assess the overall hiring process. In particular, the increased use of technology could greatly benefit the process and provide metrics to monitor, assess, and adjust the hiring system on an ongoing basis. As noted earlier, the Bureau's IT infrastructure should be enhanced to enable maximum use of administrative software.

8. INITIATE A COMPREHENSIVE PAY AND COMPENSATION STUDY

In light of the special pay authorities contained in the Intelligence Reform Act of 2004, the Bureau now has an opportunity to examine pay and compensation issues with a goal of designing an integrated compensation program for its ICS employees. The Bureau has noted that it intends to develop these new pay flexibilities as a prototype for all of the Bureau's occupations. Consequently, an integral part of this process should be a study of the impact of ICS compensation on the FBI's special agent and support employees, and a determination of whether additional legislative authority is needed to resolve any anomalies or disparities. In addition, ICS pay reform will also have to consider both the recent order by the President for the Bureau to reorganize to establish a national security-related workforce, as well as efforts by the Director of National Intelligence to develop new human capital authorities for all intelligence community personnel.

The establishment of an overall pay philosophy need not be a cumbersome process, but it does require documenting the behaviors, competencies, and performances the Bureau wants to reward. An overall pay philosophy ensures that program designers and implementers are working in the

same direction as the decision-making team; opens lines of communication; and avoids unnecessary rework and organizational confusion, frustration, and cost.

Included in the development of the Bureau's pay philosophy should be a high level statement of its communication strategy and a comprehensive communication plan. In the past, the Bureau has been required to follow OPM's established pay policies. Now that the Bureau has independent authority, new skill sets will be required. It will be critical for the Bureau to obtain feedback from all staff—both managerial and non-managerial, agent and non-agent—so that decision-makers are aware of the impact of the courses of action they are considering.

Bureau management should also not forget that the first- and second-line supervisors who will be included in the new program will also be tasked with carrying it out and should be treated as major stakeholders in this effort. Studies show that employees put the most trust in information provided by their immediate supervisors. Thus, including these critical players in collecting and considering feedback throughout the decision-making process will prepare them to provide credible answers to questions posed by their staffs.

Further, vetting with finance and budget staff, particularly where options are being explored that have impact on both long-term salary and benefit costs, is critical from two perspectives. First, approaches to projecting costs must be consistent with budget methodology. Second, and more important, funding for projected compensation system expenditures must be available for the program to have credibility with the workforce. If compensation program commitments are made and then cannot be funded, the FBI compensation program will suffer credibility damage.

Research shows that pay is a dis-satisfier, but not a satisfier. Consequently, as dollars are committed to this project, management expectations and decisions must be realistic. While employees will often complain about their pay, enhanced pay alone will not change employee perspectives of their employment situation and they will continue to look more toward intangibles for job satisfaction.

Another looming challenge in the design of the FBI compensation system is overcoming the perception attached to the General Schedule (GS) system that treating all employees fairly meant treating all employees the same. Sameness will no longer be the norm and decisions will be made on an individualized basis, rather than on across-the-board applications and "one size fits all" policies. This will require a huge change in mindset by staff at all levels of the organization as they shift from applying OPM regulations to developing and applying FBI-unique regulations.

For example, compensation packages offered to new hires will be tailored to what is required to attract a particular individual. Pay progression quite likely will not be based solely on time on the job. The scope and extent of a relocation incentive package to move to a high cost area may vary by individual position and location. Certainly, guidelines will need to be developed and applied, as managers and staff work together with much more flexibility and accountability.

The magnitude of change that the FBI faces as an organization in the development of a new compensation system cannot be underestimated. Changes in the compensation system will probably be the biggest organizational change the workforce will face and its impact will be

broad and over-arching. Despite the time-worn nature of the GS system, it does provide a formulaic, predictable approach to pay that employees have come to count on. The impact of changes to the psychological employment contract possessed by most government employees will be substantial. Feedback from Bureau staff and management indicates they are clearly cognizant of the potential organizational and morale issues that could stem from having three different pay systems—special agents, ICS, and all other support occupations.

In order to deal with these issues, questions such as the following should be addressed as a part of an overall pay and compensation study:

- *Compensation Philosophy.* What is the Bureau-wide compensation philosophy? How does the compensation philosophy provide for the integration of the intelligence and criminal investigation career paths? Where will administrative staff fit in this process? Does the Bureau want to lead, lag, or perhaps simply be competitive with pay provided by other organizations? How can flexibility in the pay system be maintained so that dysfunctional patterns may be dealt with as workforce needs change over time? For example, pay levels created while there is a need for certain language needs may no longer make sense as the language needs change.
- *Business Case.* What are the specific recruitment, retention, relocation, and other human capital-related issues that support a business case for new compensation strategies? Are there other human capital issues that should be included in this business case?
- *Intelligence Career Service (ICS) as the Prototype.* The FBI has stated that it will use the compensation structure for the ICS as the prototype for the rest of the Bureau's personnel. How do the compensation issues compare among all the various groups that make up that population?
- *Interim or Phased Approaches.* Is it possible to address the current ICS pay issues on an interim/phased basis by creating an entry-level pay band that will apply to 99 percent of those in the Directorate of Intelligence? Are there other phased approaches that can be utilized, allowing the FBI to take a more measured approach to the larger system design issues? Can a phased approach also be applied to implementation? Could broadened use of recently expanded human capital flexibilities be used to address current issues if an interim approach is taken?
- *Job Re-design.* As the compensation system is developed, will opportunities for re-designing jobs be considered to reflect the changing nature of the workload? For example, is it possible that jobs allocated to special agents could be redesigned to focus on intelligence/criminal analysis and staff management? This could lead to changes that would allow retention of experienced agents beyond the mandatory retirement age and provide long-term support for the integration of the two career fields. Career succession and work-life issues would be integral parts of this approach.
- *Technology Changes.* As the Bureau integrates its broadened intelligence responsibilities, will changes in technology that facilitate job redesign be considered?

- *Relationship to Other Compensation Reform Proposals.* How do the FBI's proposals compare to the Administration's intent to create a government-wide compensation system, and the recommendation of *The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction* that the Director of National Intelligence use his human capital authorities to create a uniform intelligence community system for performance evaluations and compensation? How will OPM efforts to reform government-wide Law Enforcement Officer (LEO) compensation and benefit issues be factored into the study and recommendations?
- *Change Management Strategy and the Supporting Communication Plan.* What is the overall strategy for communicating with the major stakeholders in this effort, including the general workforce, supervisors, and managers? Employees will fill a communication void with speculation based on information available to them. This generally results in inaccurate and anxiety-raising conclusions that can be avoided by effective communication. Other major stakeholders will be those whose involvement is critical to effective program implementation, i.e., finance/budget staff, IT staff with system interface responsibilities, and staff who will be operating in a new, more flexible environment.
- *Senior Management Support.* How will agency leadership be involved in championing this program so that it is marketed to the workforce as a management program, not just another human capital program?

9. DEVELOP A STRUCTURED CAREER DEVELOPMENT AND TRAINING PROGRAM

The Bureau should systematically review and reassess its intelligence-related training for ICS and special agents, and devote increased attention to career development for all employees. In addition, there are funding considerations with regard to the expansion and improvement of the Quantico training facility that could limit the Bureau's ability to deliver an expanded amount of training to a growing workforce. The capacity to train at Quantico is also hampered by the inability to use computers to teach highly classified subject matter to analysts and agents due to a lack of funds to install a secure information network. Obsolete computer equipment is also severely limiting the ability to use web-based training. Neither the offices, classrooms, dormitories, nor cafeterias are in compliance with the Americans with Disability Act. This is a real issue in that several intelligence analysts with various special needs, such as wheelchair accessibility, are already facing difficulties in attending training classes at Quantico.

These shortfalls must be addressed, yet the Bureau needs to move cautiously in committing substantial funds for capital investment at Quantico. Although large numbers of Bureau personnel will need to be trained over the next five years, longer term intelligence training needs may decrease. Substantial capital investments in new facilities must, therefore, be carefully planned and weighed against longer term needs. Alternative training sites, such as those used by the other intelligence agencies, could be used, or selected training programs for federal, state, or

local officers could be provided on a regional basis to provide the necessary capacity at Quantico.

The “Training Division Strategic Program Plan FY 2004-2009,” last updated April 22, 2004, provides an initial framework to guide that Division’s training reengineering efforts. As it is revised, consideration should be given to making it, or an “Implementation Plan,” more specific with respect to describing projects and their objectives, metrics, activities, target dates, responsible office, monitoring and reporting mechanisms, and evaluation plans. The Plan should also incorporate objectives, plans, and projects related to the infrastructure needs of the training program. Finally, the Plan would benefit from including current and projected training needs and resources to meet them.

Intelligence training for both special agents and ICS personnel should be evaluated. Key areas to be studied include: (1) the effective integration of special agents and ICS personnel during their initial training at Quantico; (2) the effectiveness of Analytic Cadre Educational Strategy courses and whether a more individualistic approach would be beneficial; and (3) the process to be used to ensure that special agents are able to acquire the required experience, training, and education for Intelligence Officer Certification.

There is a continuing need to communicate clearly to agents the relationship between agent career development and the “Leadership Training Framework,” running from “New Employee Orientation” through the “Executive” level. This would inform special agents of the steps they need to take and requirements they need to meet to enter and progress along the leadership track. In addition, such information would help provide agents a more complete understanding of key requirements, such as selection standards for special agent mid-management positions, Intelligence Officer Certification, and the Bureau’s June 2004 five-year up or out term limit policy with respect to field supervisors. That policy requires that supervisory special agents in field offices either move up to a more senior position after five years, or accept a headquarters assignment, or drop back in pay and position to investigative agent status.

A variety of questions have been raised concerning this Bureau term limit policy. It is intended to have a positive effect by broadening experience and individual capabilities, and filling vacancies at headquarters. However, its role in leadership development and succession planning has not been clearly explained to the field, and its implementation is creating some unrest among mid-level field managers as exemplified by statements at the March Advisory Groups Symposium and in the Winter/Spring 2005 issue of the FBI Agents publication, “FBI Agent.” These relate to such matters as not “grandfathering” supervisory agents who were promoted prior to the adoption of this policy, legal and ethical issues relating to requiring supervisory agents to leave their positions if they do not move up, and the adverse impacts on family, compensation, and retirement benefits. Bureau management is aware of these issues and has been working with the Advisory Groups to address them.

There remain numerous needs related to the career and development paths for professional and administrative support staff and managers. The lack of resources to pursue numerous announced initiatives in this area indicates a need for a comprehensive plan that establishes clear priorities consistent with expected resources. The need for a comprehensive plan is underscored by the

Bureau's reported intention to create a Mission Specialist position that includes a variety of positions now included in the support category. The plan should specifically include career paths and development for non-supervisors and managers, with links to leadership opportunities.

Finally, resource and organizational issues are diminishing the Support Management Development Unit's focus on its core career management assignments. It has not received sufficient staffing to carry out its assigned responsibilities. In addition, the Unit's responsibilities for administering such things as the Presidential Management Fellowship Program might be more appropriately assigned to other organizations, thereby enabling the Unit to focus its resources on career management programs and policies.

10. PROVIDE CONSISTENT WORK-LIFE POLICIES AND PROGRAMS

The Bureau should rethink all of its work-life programs to determine if there is a need to provide more consistent application across the Bureau. Work-life issues, such as daily, part-time, and compressed work schedules, job sharing, and relocation services for non-FBI spouses, are key to recruitment strategies, compensation systems, and benefits programs. Most of the work-life alternatives cost very little in terms of dollars, but require added effort to manage effectively. These efforts include the manager's motivation to work with staff to develop practical, viable alternatives; act creatively; develop rapport with staff; and be willing to test and refine programs. Obviously, such programs should be implemented only after a determination that they will not disrupt carrying out the mission of the FBI and will be consistent with requirements for protecting classified information. Nonetheless, their serious consideration, and adoption where possible, will repay the Bureau in higher performance and employee morale. The experience of other law enforcement and intelligence agencies would be useful to the FBI in this regard.

SECTION II

THE BUREAU'S HUMAN CAPITAL CHALLENGES

The FBI Strategic Human Capital Plan notes that: “People have been, and always will be, the FBI’s greatest asset.” Research has also shown that people are the key to transforming organizations. The Bureau faces several human capital challenges that clearly are impacting its ability to create and integrate a new intelligence service into its culture and enhance the counterterrorism and counter intelligence programs, while maintaining its traditional, critical law enforcement role.

Personnel and benefits costs currently comprise 60 percent of the FBI’s budget. Historically, there were only two occupations in the Bureau—special agents and clerks. Today, there are more than 100 occupations. These include language specialists, computer specialists, and general investigative personnel. With the increased focus on counterterrorism and intelligence, there is an increasing recognition that the professional workforce comprises more than just agents. Yet, the culture persists in viewing itself as made up of special agents and everybody else—now referred to as “support.” Nearly all human resource and budget planning documents continue to differentiate only between these two groups.

The FBI Strategic Plan for FY 2004-2009 outlines ten priorities. The first three are: protecting against terrorist attack; addressing foreign intelligence and espionage; and fighting cyber-based attacks and high-technology crimes. Workload data shows increasing amounts of time and resources are being devoted to these priorities.

FBI personnel are deployed at its headquarters in Washington, D.C., 56 field offices and over 400 resident agencies in the United States, and Legal Attaché offices in over 50 countries. The Bureau also has separate facilities for training (Virginia) and fingerprint operations (West Virginia), and four regional technology centers (New Jersey, Georgia, Montana, and Idaho) that support FBI operations.

To begin to address the new priorities, the Bureau has increased the size of its total workforce by about 10 percent since 2001—from 26,837 in September 2001 to 29,629 in May 2005. This increase has primarily consisted of special agents, intelligence analysts, and general investigative personnel. This latter category includes a variety of occupations, including surveillance specialists. Table 1 below shows the change by selected occupation.

Table 1: Changes in FBI Personnel since September 2001

Occupation (Job Series)	Sep 2001	May 2005	Change	Percentage
Special Agent (1811)	11,122	12,377	1,255	11.3
Intelligence Analyst (132)	1,023	1,899	876	85.6
General Investigation (1801)	1,032	1,478	446	43.2
Inspection & Support (1802)	630	599	(31)	(5.2)
Management Analyst (343)	671	911	240	35.8
Computer Specialist (334, 2210)	907	1,106	199	22
Language Specialist (1040)	391	401	10	2.5
Clerical	3,621	3,238	(383)	(11.9)
Others	7,440	7,620	180	24.2
Total	26,837	29,629	2,792	10.4

Source: FBI's Bureau Personnel Management System database.

Approximately two-thirds of all personnel are assigned to field organizations and one-third to headquarters units. However, 90 percent of all special agents are assigned to the field.

HUMAN CAPITAL INFRASTRUCTURE

Program success requires strategic plans that provide appropriate, viable goals and objectives to guide agency programs and resources; leadership that is competent, committed, stable, and diverse; an organization structure that facilitates program operations and focuses responsibility; leadership that has appropriate authority and is held accountable; information technology systems that support efficient workflow and provide data to assess and manage outcomes; and a communications strategy that informs and involves employees and other stakeholders. These infrastructure components are essential to enable and to support the human capital management work of the Bureau.

The Bureau has developed a Strategic Plan and a Strategic Human Capital Plan and has numerous initiatives underway to improve various parts of its human capital system. Some significant reorganization has occurred since 2002 that has introduced new cultural dimensions—the shift from solving crimes “after the fact” to “prevention of terrorist acts.” These are all noteworthy achievements, but significant human capital issues remain in the infrastructure that facilitates FBI operations. Overall, the FBI needs a systemic approach to planning and implementing human capital programs as well as an integrated human capital function. Currently, it has a collection of programs, activities and actions that, taken individually, can improve specific areas such as recruitment or background investigations in the near term, but will not produce a well integrated, established, and successful human capital program:

- Human capital improvement efforts are not yet carried out in a fully systematic, coordinated and strategic manner;

- The human capital organization remains fragmented and experiences frequent changes of leadership;
- The implementation of initiatives that involve contractors is not effectively coordinated; and
- The implementation of agreed-upon plans and decisions is not always sustained.

The overarching key to resolving these issues is the application of successful change management. This is essential if the FBI is to achieve the transformation that is needed in its human capital management function, and to realize the return on its human capital investments. Successful change management, as described by GAO,⁴ includes: focusing on a key set of principles and priorities; establishing timelines; dedicating a team to manage the changes; establishing an effective communication strategy; and involving stakeholders (including affected employees) in problem identification, problem solution, and implementation of corrective actions. The sections that follow discuss these issues in more detail.

Strategic Plan

The *Federal Bureau of Investigation Strategic Plan 2004-2009*, which was completed in 2004, identifies the agency's strategic goals and outcomes and includes a segment that specifically addresses its human capital needs. The Plan states: "... Director Mueller has stated many times [that] the men and women of the FBI are its greatest asset. The mission requires that special agents, analysts, scientists, managers, and professional support employees not only perceive and comprehend complex threats, but also attack them as a team, working together with a shared sense of urgency." The Plan goes on to identify recruitment and hiring, training and development, performance and reward, discipline, and leadership development and promotion as critical components of the Strategic Plan's human capital goal.

The Strategic Plan was developed by a special task force under the general direction of the Inspection Division. The document itself is well done. However, its preparation did not involve the affected stakeholders and it does not directly drive other human capital plans, programs, and initiatives. Consultation and inclusion of internal and external stakeholders is critical for assuring that all who need to understand the Strategic Plan will support its implementation.

The Bureau is preparing a FY 2007-2011 "strategic plan." FBI leadership has been more fully involved in the development of this document and has reportedly included the Special Agent in Charge Advisory Committee and various subject matter experts in the process. This is a significant improvement over the narrower process used to develop the existing Strategic Plan. Once this overall framework is approved, the Bureau intends to develop a strategic implementation plan that will further delineate future requirements, including how projected personnel and budget resources will be allotted among headquarters and field offices.

⁴ U.S. Government Accountability Office. *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*. GAO-03-669. Washington, D.C.: July 2003.

Strategic Human Capital Plan

The FBI's *Strategic Human Capital Plan* also was prepared in 2004. It builds on the 2004-2009 Strategic Plan and is organized around the four cornerstones outlined in GAO's model of Human Capital Management:⁵ leadership; strategic human capital planning and data-driven human capital decisions; acquiring, developing, and retaining talent; and a results-oriented culture. Within each area, the FBI Human Capital Plan identifies critical success factors, the existing performance gap, and one or more improvement initiatives, including the need to develop and implement a management training program. (That area is discussed in the Training and Career Development section of this report.)

The FBI's Plan has the components of a model strategic human capital plan. For example, the FBI has structured a basic mechanism for tracking the various Plan initiatives and reporting progress to the ASD Assistant Director and other Bureau executives. However, the Plan is not being used to drive human resource improvement initiatives. Human capital management studies and changes have been generated from a variety of sources, and some of the most important studies and changes were not generally known to ASD officials. Assuring a systematic and focused approach to changing human capital management policies, programs, and practices is essential to assuring that the Bureau has a strategic approach to human capital management.

Given the current process of revising the overall strategic plan, the Strategic Human Capital Plan will also need to be revised to reflect the change in emphasis and to align human capital management programs with the Bureau's strategic goals and outcomes. The FBI is well aware of the importance of this linkage and plans to adjust the Strategic Human Capital Plan when the revisions to the strategic plan are completed.

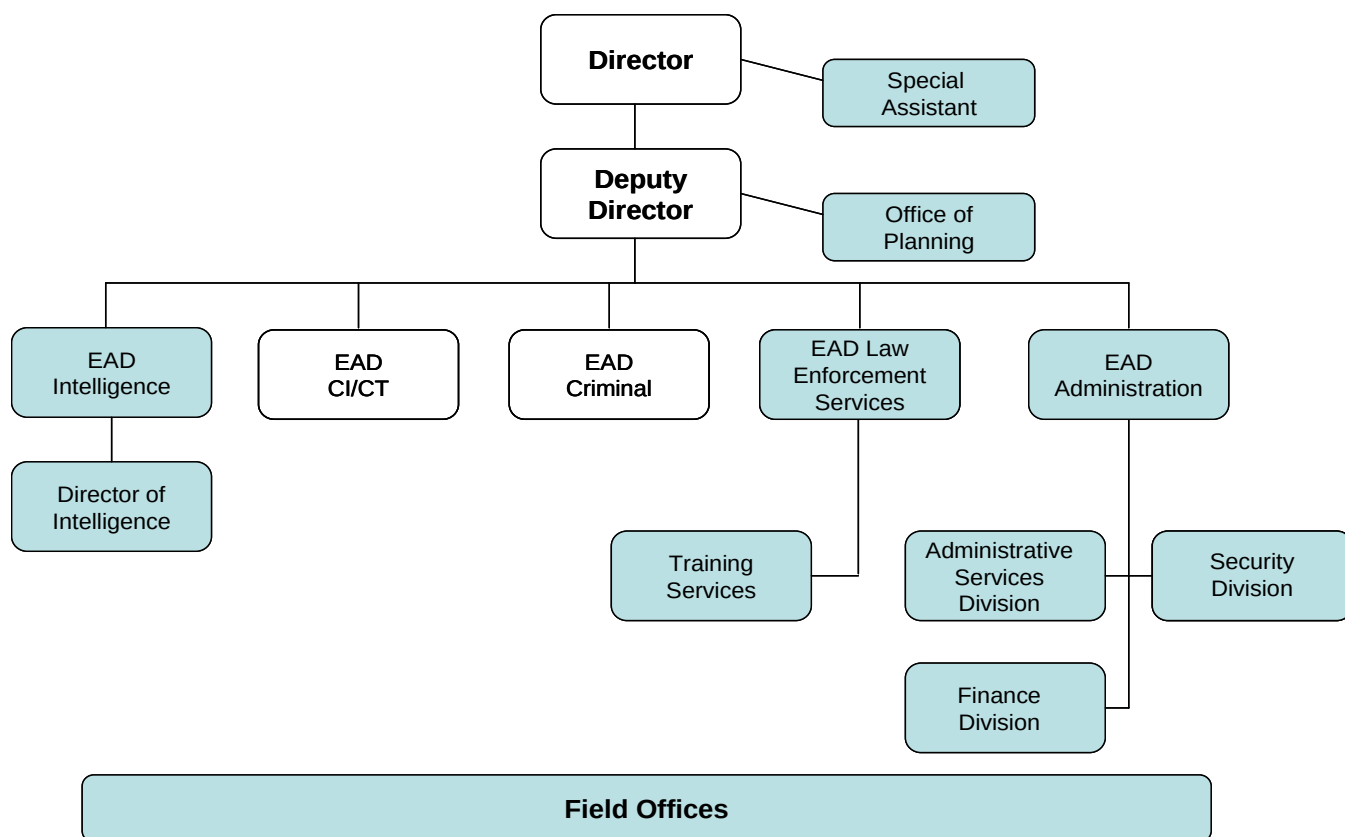
Human Capital Organization Structure

Human capital management responsibility and authority in the FBI are shared among at least nine different offices and individuals at headquarters, and with the field offices. Key participants include a Special Assistant to the Director, who has initiated and overseen various consultant studies—sometimes without the direct knowledge or involvement of the human capital organization—and the Deputy Director's Office of Planning, which is attempting to apply a threat-driven process to resource allocation decisions. The EAD for Law Enforcement Services and the Training Division are responsible for the training and development function and direct the work of the FBI Academy. The EAD for Intelligence has significant responsibility for the development and establishment of human capital management policies and practices for the Intelligence Directorate—including training and career development. The EAD for Administration, through ASD, and the Security Division and Finance Division, are responsible for various other components of what are traditionally considered the human capital management functions. Within ASD, two Branches with executives reporting to the ASD Assistant Director

⁵ U.S. Government Accountability Office. *A Model of Strategic Human Capital Management*. GAO-02-373SP. Washington, D.C.: March 2002.

have responsibility for certain human capital management functions. Figure 1 depicts the key FBI offices with human capital responsibilities.

Figure 1: FBI Offices with Human Capital Responsibilities (shaded offices)



Source: Academy analysis of FBI organization chart.

Recognizing that its current organization of human capital functions does not provide clear lines of authority and responsibility, the Bureau is in the midst of changing its human capital organization. The Director has stated his intent to transform the ASD—which had combined personnel and facilities management functions—into a dedicated human resources office. This is a critical factor if the transformation of the human capital function is to be successful. The new organization needs to include a capacity to identify and deliver on strategic issues and outcomes, as well as a capacity to execute human capital programs.

While there is no single “best way” to structure the human capital management function, it is certainly true that, when everyone is responsible and accountable, no one is responsible and accountable. As a basic goal, it is essential that there be a consolidation of human capital management policy, planning, and oversight responsibility and authority in an organization with the appropriate resources and status. With respect to immediate responsibility for most operational activities and services, a sound business case can be made for centralized execution. At the same time, a strong case can be made for centralized management, but delegation of

certain operational matters to program or field offices—the same approach taken by the Directorate of Intelligence. If that is done, however, the human capital headquarters office should be a full partner in such decisions and have oversight and evaluation responsibility for such delegations.

Human Capital Leadership

Successful transformation of the Bureau's human capital management will require leadership that is characterized by continuity, experience, organizational knowledge, and technical competence, as well as the ability to inspire confidence and respect. Director Mueller, who was appointed in September 2001, is the longest serving executive in FBI Headquarters. Achieving some degree of stability in its leadership is a key challenge for the Bureau.

Within the last five years, the offices responsible for human capital management under the EAD for Administration have experienced significant leadership changes. There have been three Assistant Directors in ASD with tenures ranging from 17 to 21 months. The Deputy Assistant Director positions have seen similar change—the tenure in these positions ranges from seven to 16 months. In two cases, the Deputy moved into the Assistant Director position, thus providing some continuity of leadership. Now, however, both the head of ASD and a key deputy are moving on to new assignments. The Deputy Assistant Director for the Personnel Management Branch has been in that position less than a year. Similar leadership turnover is occurring in the subordinate levels of the Personnel Management Branch.

Two of the three ASD human capital leadership positions and several of the other subordinate leadership positions are designated to be filled with special agents. Because of the need for greater expertise and continuity in these positions, the Bureau is studying various headquarters administrative positions to determine whether they should continue to be filled with special agents.

Not only have officials with human capital responsibility changed, but there is no position at the FBI whose primary executive function is to lead, focus, execute, and evaluate the Bureau's human capital management functions. Currently, as mentioned earlier, that function is shared by several officials, including three EADs (Administration, Administrative Services, and Intelligence) and the division officials who are subordinate to them. These officials have made significant progress in dealing with some of the most urgent issues associated with recruitment and hiring, and they are beginning to make progress in some other areas. However, establishing the position of Chief Human Capital Officer would emphasize the significance that FBI leadership attaches to that function and its important role in the agency's ability to achieve its strategic goals and outcomes. Thus, concurrent with establishing the Office of Human Capital Management, the Director should appoint a Chief Human Capital Officer to direct that Office and to be his primary advisor, spokesperson, and source of policy development on human capital matters.

Information Technology Support for Human Capital

The FBI's struggle to establish an IT infrastructure to support its program needs is well documented. The unclassified version of the Strategic Information Technology Plan 2005–2010, dated October 29, 2004, identifies the five IT challenges facing the Bureau. They are:

- Information sharing among historically stove-piped IT systems;
- Better IT alignment with business process outcomes;
- Enterprise IT framework and process development;
- Robust IT infrastructure that assures continuity of operations and access to information in case of a disaster; and
- Information assurance, balancing security and convenience.

As explained below, the human capital management function would benefit from the resolution of these challenges.

The Bureau is now making a variety of IT investments in information technology for the human capital functions. For example, QuickHire software was acquired to provide an automated staffing tool and expedite the hiring process. (This report discusses the implementation of QuickHire under the recruiting and hiring section.)

The more effective aligning of IT resources with the FBI's business processes would aid the human capital management function in a variety of ways. For example, the Bureau has purchased 10,000 licenses from Ninth House for computer-based training. However, access to appropriate computers is so limited at the FBI that there are, on average, only 200 employees in a position to use the licenses at any one time.

The Bureau Personnel Management System (BPMS), which provides a variety of human capital data, is considered by FBI managers to be outdated and difficult to use. However, BPMS contains much useful and timely data and can provide human capital managers with important management information until a more flexible system is developed and implemented. The BPMS staff is skilled in extracting information from the database, but has not been called upon to support FBI management information goals and would be greatly aided by increased IT support in modernizing the system.

Also, the Bureau is in the process of migrating its payroll function and some personnel processing to the U. S. Department of Agriculture's National Finance Center, which services a broad range of federal agencies. The project is scheduled to be completed at the end of FY 2006. Once connected to the National Finance Center, Bureau personnel could use Employee Express, a web-based application that allows them to change payroll data such as income tax withholding and allotments directly, thus reducing the workload of the human capital processing staff.

However, the potential utility of this capability is diminished by the limited Internet connectivity in many of the Bureau's field locations.

Finally, the Bureau is funding or will fund a variety of other IT initiatives that should generally improve IT support. However, IT support for human capital functions is not currently a Bureau priority—ranking behind IT operational support, and there is not yet a clear strategy and plan to identify, develop, and implement IT tools that will support both the operational and human capital strategic needs of the organization. Without such a plan and the requisite investment of funds and people, the human capital management function will have a significantly more difficult time achieving its stated strategic and operational goals.

Communications

The Bureau uses electronic communications (ECs) to, among other things, inform its employees of the various transformation efforts that are underway, but they tend to focus on changes in policy and procedure. To facilitate two-way communication, the FBI Director has recognized six Advisory Groups that meet separately with the Director on a quarterly basis and represent different segments of the FBI workforce. These are the Mid-Management Advisory Committee, the Special Agents Advisory Committee, the Female Special Agents Advisory Committee, the Administrative Officers Advisory Committee, AEGIS (a composite group representing all support employees), and the Special Agents in Charge Advisory Committee.⁶ The Office of the Ombudsman provides support to these groups, and they all have web pages that provide additional channels for communicating with FBI personnel.

The six groups are important communications mechanisms that provide a channel for employee views and concerns to come directly to the Director and for his views and concerns to be communicated directly to employees at every level. As an experiment in increasing communications opportunities, the Bureau held the first Director's Advisory Group Symposium on March 22-24, 2005 to communicate human capital strategic goals and outcomes, the operational implementation of these goals and outcomes, and a variety of other issues of interest to the six groups. In addition, each of the groups made presentations at the Symposium regarding their views concerning human resource issues and participated in workshops with management officials. All of these efforts are commendable communications devices. However, they do not constitute a communications strategy and plan.

Successful employee communications in times of great change require a variety of communications methods that are targeted for specific issues and specific audiences. Just as individuals can have very different learning styles, research also shows that organizations need a variety of communications styles and techniques to assure that employees are fully informed of the "what, why, where, how, and when" of the human capital changes. Most organizations find that they have five different internal audiences to whom they must communicate—executives, managers, supervisors, technical experts, and staff. Some of the information about what is changing is appropriate to share in the same way with all five audiences. But each has its own

⁶ There is also an Intelligence Analyst Advisory Board that is chaired by the EAD for Administration, but this group has not been recognized as an FBI Director's advisory group.

individual set of responsibilities and concerns. For example, the communications approach and content appropriate for executives will be quite different from the approach and content of communications for technical experts. The FBI has not yet developed these mechanisms.

Coordination of Studies and Consultants

The Bureau has engaged numerous consultants to provide assistance with a variety of strategic and operational issues. According to a senior Bureau official, the FBI has approximately 60 different contractors “on the rolls.” These include:

- The RAND Corporation providing technical assistance to SES succession planning;
- Booz Allen Hamilton engaged in a number of activities, including a review of the hiring process, assistance to the FBI Training Academy at Quantico in delivering training for ICS personnel, and an analysis of the facilities needs of the Training Academy;
- Logistics Management Institute and GRA, Inc involved in mapping the current human capital work processes, proposing future processes, and analyzing a sample of personnel actions to check for accuracy and completeness;
- Hewitt Associates conducting a 60-day review of the human capital structure and other human resource issues;
- Emerson Human Capital designing Directorate of Intelligence competencies and career paths;
- OPM helping the Intelligence Directorate exercise critical pay position authorities; and
- Ninth House engaged to create a distance-learning program on criminal intelligence that will be made available to FBI staff as well as state and local law enforcement officials.

While all of these activities may be helpful, they are not well organized. There is no systematic plan for identifying the assistance needed, selecting well qualified contractors, involving appropriate stakeholders, and assuring proper coordination. For example, the Booz Allen study of the recruitment and hiring process was managed out of the Director’s Office, and the degree to which the human capital staff was involved is unclear. Similarly, there was only limited consultation with ASD officials when the Director’s Office sought contractor assistance to provide advice on the human capital organization structure. Ideally, the need for and use of contractors should be integral to the overall human capital planning and implementation system, rather than being done on an ad hoc basis.

Recognizing this issue, the EAD for Administration is developing a business plan—entitled: “A Coordination Plan for Transforming Human Capital Functions”—to coordinate the various human capital initiatives under his purview. A draft of this plan outlines the various initiatives and how each relates to the four cornerstones outlined in the FBI Strategic Human Capital Plan. This plan is a foundational step to better coordination, however, the Bureau should ensure that it

is enterprise-wide and that Intelligence Directorate and Training and Development Division human capital initiatives, among others, are included.

Successful Transformation Strategy

Given that the FBI is in the midst of great change, it needs a well crafted, highly integrated human capital transformation strategy. The components of a successful strategy of this kind have emerged over the last 20 years as a variety of public and private organizations have reorganized, merged, acquired new components, and generally adjusted to fast-paced change.

GAO has summarized the requirements for successful transformation.⁷ These requirements represent the views of leaders and academics who have had experience with or studied large-scale organizational mergers, acquisitions, and transformations, and embody the steps that should be taken to maximize the effort to transform the human capital function to meet the needs and expectations of the organization and its employees. They include:

- Ensure top leadership drives the transformation. Leadership must set the direction, pace, and tone and provide a clear, consistent rationale that brings everyone together behind a single mission. This requires experienced management that is familiar with the issues.
- Establish a coherent mission and integrated strategic goals to guide the transformation. Together, these define the culture and serve as a foundation around which employees can unite.
- Focus on a key, clear set of principles and priorities at the outset of the transformation. These will serve as a framework to help the organization create a new culture and drive employee behaviors.
- Set implementation goals and a timeline to build momentum and show progress from day one. Goals and a timeline are essential because the transformation could take years to complete.
- Dedicate an implementation team to manage the transformation process. A strong and stable team is important to ensure that the transformation receives the attention necessary to be sustained and successful.
- Use the performance management system to define responsibility and assure accountability for change. A “line of sight” shows how team, unit, and individual performance can contribute to overall organizational results.
- Establish a communications strategy to create shared expectations and report progress. The strategy must reach out to employees, customers, and stakeholders and engage them in a two-way exchange.

⁷ U.S. Government Accountability Office. *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*. GAO-03-669. Washington, D.C.: July 2003.

- Involve employees to obtain their ideas and gain their support for the transformation. Employee involvement strengthens the process and allows them to share their experiences and shape policy.
- Strive to build a world-class organization. Building on a vision of improved performance, the organization adopts the most efficient, effective, and economical personnel, system, and process changes. It also continually seeks to implement best practices.

STRATEGIC WORKFORCE PLANNING

Although the Bureau has developed a strategic human capital management plan, it does not have a strategic workforce planning process that lays out current and future workforce needs and the steps required for implementation. A variety of strategic workforce planning models exist. These models generally are based on a process that flows from the strategic plan's goals and includes: identifying work force gaps and surpluses in specific competency areas based on estimated attrition and current and future needs; outlining key strategies to fill these gaps, including the hiring and training of employees or the use of contractors; and evaluating the overall process to better define workforce needs and the strategies to fill them.

Without a strategic workforce planning process, the primary guidance related to future workforce needs is the budget. However, FBI budgets include only basic data and projections, and only for the broad categories of "agent" and "support" positions. Even at this basic level, however, the relationship between the process for establishing FTE levels and actual workforce needs is unclear. For example, Table 2 shows that actual employment is considerably below Fiscal Year 2005 and 2006 Full-Time Equivalent (FTE) authorizations.

Table 2: Authorized FTEs for Fiscal Years 2005 and 2006

	Agents	Support	Total
Employees as of 9-30-04	12,227	16,410	28,637
FY 2005 Budget FTEs	12,676	19,263	31,939
FY 2006 Budget FTEs	13,263	20,082	33,345

Source: On-board (Central Personnel Data File); Authorized FY 2005 and 2006 FTEs from FY 2006 Budget Proposal

Because there is insufficient workforce planning, Bureau hiring patterns have been characterized by a series of short-term hiring decisions. The results have been wide swings in hiring targets. At the beginning of FY 2005, for example, the Bureau initially considered hiring 930 agents and 3,200 support personnel. In March 2005, when the Bureau determined that funding, training, and staffing capacities were inadequate to support this hiring strategy, it significantly reduced its hiring plan to 556 agents—below the likely level of attrition—and 2,100 support staff. Even if the Bureau reaches these hiring goals, as shown in Table 3, expected attrition will result in the number of agents and support personnel at the end of the year falling well short of targets.

Table 3: Projected Results of Hiring goals

	Agents	Support	Total
Employees as of 9-30-04	12,227	16,410	28,637
Hiring Target	556	2,100	2,656
Expected Attrition⁸	611	821	1,432
Projected on-board 9-30-05	12,172	17,689	29,861
FY 2005 Budget FTEs	12,676	19,263	31,939
Projected shortfall	(504)	(1,574)	(2,078) ⁹

Source: FBI budgets and attrition projections.

For the Bureau to reach the proposed FTEs in the FY 2006 budget, considering expected attrition, it would need to hire 1,700 agents and 3,200 support personnel during FY 2006. However, the Bureau does not have the budget, training, or hiring support capacity to accomplish such a dramatic hiring increase.

Field Office Support Staffing Illustrates Need for Better Workforce Planning

Although strategic workforce planning is needed throughout the organization, one area in particular—the field office administrative support workforce—clearly illustrates this need. The lack of sufficient administrative support and clerical personnel in the field has been recognized by the FBI for several years as a major problem that could be adversely affecting the basic performance of special agents and ICS personnel. The June 2002 *Field Division and Organizational Analysis* Inspection Division report found that “There is an immediate need for more lower-level support employees to perform the field divisions’ core function.” In June 18, 2003 testimony, the Comptroller General stated, “...FBI management and special agents...indicated that the staffing level of administrative and clerical support personnel was inadequate and adversely affected the efficiency of their investigative activities.”¹⁰

These problems have not been resolved. Participants at the Director’s Advisory Group Symposium noted that inadequate administrative support is a serious and persistent problem that creates workload and assignment problems and confounds efforts to organize and staff for the FBI mission. The problem has been exacerbated by the necessary higher priority given to enhancing the FBI’s intelligence function and implementing FIGs in field offices. Intelligence analysts in the field reportedly have become less willing to assume collateral administrative tasks in order to make up for the lack of clerical support. Most importantly, this inadequacy directly reduces the amount of time that agents and analysts have to perform their core law enforcement and analytical duties.

⁸ Historically, about five percent of special agents have retired or left the FBI annually – 530 in 2001, 570 in 2002, 542 in 2003, and 608 in 2004.

⁹ It is possible that changes in hiring and attrition rates during the year would make the actual FTE used higher than the mere mathematical difference between the end of year on-board total and the budgeted FTE figure.

¹⁰ U.S. Government Accountability Office. *FBI Reorganization: Progress Made in Efforts to Transform, but Major Challenges Remain*. GAO-03-759T. Washington, D.C.: June 2003.

Compounding this issue is an outdated administrative staffing model. The model classifies field support functions into three areas: administrative, technical, and investigative. Allocations of personnel to these areas are based on formulas developed in 1992 that consider the number of agents in a field office, but not the needs for support of other professionals such as intelligence analysts. Further, SACs are not authorized to alter these allocations to meet shifting requirements without headquarters approval.

An analysis of the field administrative support workforce should be conducted, but must be preceded by a study of what the division of responsibility for administrative functions should be between field and headquarters. For example, the Bureau is increasingly centralizing human resource functions and authorities, especially with the expanded use of information technology and computer based programs such as QuickHire. Previously, Bureau field offices had authority to recruit and hire employees below GS-9. In addition, at one time, the New York and San Diego field offices had position classification authority. Several Bureau officials believe that responsibility for functions such as the hiring of lower-graded personnel should be returned to the field.

The Bureau should reexamine whether the field should carry out certain administrative functions, such as hiring low-graded support personnel to perform such functions as data entry for agents, additional budget execution, or small purchase authority. Such analysis is critical to determining effective field administrative structures, resulting administrative workforce needs, and field career development structures.

Further, field offices have little technology to assist in carrying out the administrative functions. Enhanced technology could alleviate some administrative staffing shortfalls and technology plans should be considered before determining permanent administrative staffing needs. Finally, there may be many opportunities for contractors to perform non-core business administrative functions or to alleviate surges in administrative needs. Any analysis of the workforce needs of field administrative staff should consider all of these dimensions.

Strategic Workforce Planning Also Needed For Intelligence Directorate Program

The Bureau also needs to develop workforce plans for FIGs. The Bureau originally mandated in January 2003, with almost no guidance, that all 56 of its field offices establish Field Intelligence Squads. Some additional general guidance on suggested staffing was provided in August 2003 as the then-Office of Intelligence developed a new intelligence Concept of Operations for the field. The FIGs were formally established in October 2003. In December 2004, the Intelligence Reform Act created the Directorate of Intelligence and expanded the responsibilities of the FIGs.

Although the Bureau has moved aggressively in setting up these FIGs, it has left to the discretion of each SAC how they should be organized, the role of special agents in the FIGs, and their future size and make-up. While it is perfectly appropriate to involve SACs in decisions about the size and structure of FIGs within their specific field offices, that consultation would be more effective if it occurred as part of a workforce planning exercise, rather than in conjunction with the allocation of a specific number of staff to a particular office. Further changes are occurring

within the Bureau's intelligence program. In a June 29, 2005 memorandum in response to the "Report of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction", the President ordered the Bureau to reorganize its national security-related workforce. As the Bureau develops its intelligence capability and identifies program goals, it must outline specifically what activities are to be done at headquarters and in the field FIGs and then identify specific competencies needed to carry them out in each locale. Such analysis must consider competency and occupational mixes, including agent, intelligence analyst, and technical and administrative support.

Finally, the draft FY 2007-2011 "strategic plan" envisions establishing a Mission Specialist position category as a technically skilled operational complement to special agents. This cadre will ultimately encompass all or part of the growing FBI intelligence service—analysts, linguists, and collection specialists. Encompassing intelligence officers and analysts within the Mission Specialist position does not seem consistent, however, with the recent creation of the legislatively-mandated ICS. This new Mission Specialist workforce will also require analysis and planning relative to recruiting, staffing, and career development.

New Strategic Planning Process

The Bureau has elevated its Planning Office to the Deputy Director level and has tasked this office with establishing a planning structure, informing the executive decision-making process, allocating resources, and measuring performance. Specifically, the office is responsible for developing the Funded Staffing Levels (FSL) that are used as a basis to begin the FBI hiring process (discussed in this report under Recruiting and Hiring). The basic process and information being used to establish the FSL could be used as a basis for longer term strategic workforce planning. Yet, the Deputy Director's Planning Office is not wholly responsible for strategic planning and shares that function with a Special Assistant to the Director and the Strategic Planning and Execution Council. These processes should be more closely coordinated and respective roles clarified.

Separate from the process used to develop the FY 2005 FSL, the Bureau is developing funding and staffing projections for FY 2007- 2011 at the request of the Office of Management and Budget. This effort became the responsibility of the Director's Strategic Planning and Execution Council, which meets monthly, and the product is the "strategic plan" for FY 2007-11 that has been referred to earlier in this report. Such a projection of employee and budget requirements over the next five fiscal years clearly could be of assistance to the Bureau in the strategic planning process. In order to be of such value, however, the projections must be anchored in more specific and supportable justifications of operational goals, threat estimates, and budgetary measures.

The Bureau describes the process it is using to develop this FY 2007-11 projection as a threat-based planning cycle that consists of eight steps:

1. Identifying threat-based drivers;
2. Determining the operational impacts of these drivers;
3. Setting priorities;
4. Developing enterprise-wide strategies;
5. Identifying requirements from the strategies;
6. Developing headquarters program plans to implement strategies;
7. Developing field office plans to implement headquarters program plans; and
8. Conducting program evaluation and reporting.

The strategic plan process thus has been based on informed judgments, and relied on the threat-based drivers and established priorities to estimate resources and staffing requirements through 2011. This projection reportedly will forecast: substantial expansion of the FBI's operational workforce and budget; development of a technically proficient and specialized workforce; acquisition of capabilities that will enable preventive action; establishment of a management structure to support a larger enterprise; and increasing overseas presence. However, the proposed funding and staffing levels are not supported by well-defined or clearly documented requirements. Further, achieving substantial staffing increases will require a monumental effort on the part of the Bureau, well in excess of its demonstrated human resources capabilities.

RECRUITING AND HIRING

For special agents, the Bureau follows a time-tested, systematic hiring process. Although it may take from six to nine months to complete the process, the Bureau generally meets or exceeds its overall special agent hiring targets. In 2004, the Bureau hired 1,202 special agents against an overall goal of 1,176. A number of Bureau officials and special agents say that the quality of new agents "has never been better." On the downside, the Bureau fell short of its hiring goals for agents with certain critical skills, such as foreign languages.

The Bureau's record in hiring support staff is a different matter. While officials have noted they are satisfied with the quality of new support hires, particularly intelligence analysts, the support hiring process has been criticized as cumbersome, slow, and costly. A December 2004 study by Booz Allen documented 37 distinct steps in the support hiring process, concluded that it took on average 267 days to fill a support vacancy, and found that it cost the FBI far more than comparable industry and government hiring. The Bureau is in the process of revising the support personnel hiring process and reports that it has reduced the steps needed to hire to 16.

As a result of the cumbersome hiring process, the Bureau in the past has not been able to meet its hiring goals for support staff. For example, in 2004 the FBI was able to hire only 1,403 support personnel against its hiring goal of 2,100. Table 4 compares agent and support hiring goals with actual numbers of hires over the last five years.

Table 4: FBI Hires Versus Goals: FY 2001 to FY 2005

		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005*
Agents	Target	278	920	820	1176	556
	Hired	285	923	829	1202	404
	Percent of Target	103%	100%	101%	102%	73%
Intelligence Analysts**	Target	no target	no target	no target	787	880
	Hired	10	40	179	349	542
	Percent of Target	n/a	n/a	n/a	44%	62%
Support	Target	0	1465	1123	2100	2100
	Hired	221	643	1144	1403	1028
	Percent of Target	n/a	44%	102%	67%	49%

Note: * Fiscal year 2005 hired data as of May 2005.

** Prior to FY 2004, Intelligence Analysts were included in support personnel hiring goals.

Source: FBI

As shown in the table, the Bureau has consistently met or exceeded the annual hiring goals it has set for itself regarding agents, but fallen short of targets for intelligence analysts and support personnel. It has taken steps to address some hiring process problems and these efforts are showing positive results. As of May 2, 2005, a little over halfway through the 2005 hiring cycle, the Bureau has hired about 49 percent of its 2005 support staff goal (with another 15 percent approved for hire), 62 percent of its intelligence analyst goal, and 73 percent of its agent goal. FBI officials are confident that the Bureau will meet its overall goals this year for both agent and support staff, although, as in the past, it may again fall short in some critical skills areas. Despite improvements in the hiring process, there continue to be issues involving staffing and hiring.

Delayed Hiring Plans

Historically, the Bureau does not begin the hiring process until FSLs are developed. Unfortunately, FSLs, by which the FBI allocates congressionally-authorized staffing levels according to occupation grouping and location, have not been issued until mid-way or later through the fiscal year. In no instance since FY 2000 has the FSL been issued before the fiscal year began, and the FSLs have usually not been issued until four to seven months into the fiscal year. For example, the 2004 FSL for support personnel was not finalized until May and the Bureau's FSL for FY 2005 was not issued until March 2005. These delays result in lost time in hiring for many positions. At the outset of the 2005 hiring year, the Bureau initially considered hiring 3,200 support staff and 930 special agents. As a result of internal discussions regarding the adverse impact of these levels of hiring, however, the final hiring targets were lowered to 2,100 support staff and 556 special agents.

The Bureau accelerated the hiring process in FY 2005, allowing hiring to proceed without an FSL. However, substantial hiring goal changes, like those that occurred this year, can still be disruptive. For example, by the time the special agent goal was scaled back from 930 to 556, the Bureau had already hired a higher percentage of agents in the law/law enforcement critical skills area than would be called for under the lesser goal. Specifically, as of April 29, 2005, the Bureau had hired 101 agents with a law enforcement background—nearly 20 agents above the final reduced goal of 83 agents in that category. As of the same date, the Bureau has hired 47

agents with a foreign language skill—42 percent of the annual goal, and 39 of these 47 agents are proficient in Spanish.

Finally, as discussed in the prior section, effective and realistic workforce planning is a prerequisite to a successful hiring strategy.

No Overall Strategic Recruiting Plan

There is little doubt that the FBI “brand name” connects with the public and attracts large numbers of applications. This year, the Bureau received 60,000 applications for consideration in filling its 556 special agent positions. Similarly, a one-week hiring “blitz” for intelligence analysts attracted thousands of interested candidates. While the FBI reportedly is satisfied with the quality of both the new agents and analysts, questions remain as to whether the Bureau is reaching the best candidates with the skills it needs now and in the future.

The ASD component responsible for developing, implementing, and monitoring the FBI’s recruitment programs manages and oversees a long list of recruiting initiatives and special programs. These include, for example, hiring contractors to help recruit specific populations and skills (such as persons with military intelligence or Middle Eastern backgrounds); bringing in marketing experts to develop advertising programs aimed at various groups; expanding student programs in an attempt to “grow our own;” and supporting special internships established for priority occupations, such as intelligence analysts.

The Bureau also has the same authority as other government agencies to offer recruiting bonuses. In addition, the Bureau was given special statutory authority in December 2004 to offer higher amounts of retention and relocation allowances, although it did not issue its policy for use of this authority until May 16, 2005.

Table 5 shows that the FBI had made increasing use of recruiting bonuses in fiscal years 2001 through 2004.

Table 5: Recruiting Bonuses Provided From Fiscal Year 2001 Through 2004

Employee		FY 2001	FY 2002	FY 2003	FY 2004
Intelligence Service	number	3	8	12	87
	total amount	\$ 13,000	\$ 90,000	\$ 109,000	\$ 817,000
Other	number	6	10	31	71
	total amount	\$ 46,000	\$158,000	\$ 335,000	\$ 429,000
Total	number	9	18	43	158
	total amount	\$ 59,000	\$248,000	\$ 444,000	\$ 1,246,000

Source: The Federal Bureau of Investigation

The significant growth in fiscal year 2004 reflected the Bureau’s decision to offer recruiting bonuses to nearly all intelligence analysts who were hired from outside the federal government. This accounts for the significant 50 percent difference between the amount of bonus money

dedicated to intelligence service recruitment and that used for all other FBI hiring. Specifically, the Bureau offered \$10,000 bonuses, or 25 percent of the entry salary, whichever was lower, to all new intelligence analysts regardless of location. Therefore, intelligence analysts hired into New York City were paid the same bonus as those hired into lower cost areas such as Mobile, Alabama and Little Rock, Arkansas. The Bureau's rationale is that the bonuses were needed to encourage these applicants to accept analyst positions. However, no analysis was done to assess whether the same amount of recruiting bonus was needed for high- and low-cost locations.

The Bureau also offered \$5,000 recruiting bonuses to 13 police officers who were hired in Washington, D.C. in FY 2004. FBI Police Officer positions have traditionally been difficult to fill in the Washington Metropolitan area, according to the FBI, because of competition from other federal and local police agencies.

The Bureau has not offered recruiting bonuses for any special agents because its overall agent recruiting goals have been easily met. However, the Bureau has had difficulty recruiting agents with intelligence or language skills. Thus, the Bureau should assess whether recruiting bonuses for employees with these skills would assist in filling these positions.

Even though the Bureau has several recruiting initiatives underway, it is lacking an overall recruiting plan based on future needs and supported by solid workforce planning. Such a plan should include a more complete assessment of the role of recruiting bonuses in attracting employees with critical competencies. It should also clarify the extent to which the individual recruiting initiatives and efforts are coordinated and build on one another. Other uncertainties include the role that key FBI executives play in shaping a dynamic recruiting program. Successful recruiting strategies in other organizations have demonstrated the benefits of direct involvement by executives in recruiting efforts.

The Bureau would also benefit from assessments that would indicate the relative success of its recruiting initiatives. Quality measures could help the Bureau determine the relative benefits of different types of recruiting strategies so as to maximize their impact. For example, measures of the attributes of new hires, such as those documented in the recently-issued Department of Justice IG report on intelligence analysts, could be used to evaluate recruiting approaches.¹¹ These include education level, language proficiency, prior intelligence work, and experience living abroad.

Overall Evaluation of Hiring Process Needed

The previously discussed Booz Allen study of the FBI hiring process for support personnel recommended 19 ways to make the process more efficient and timely, and all but one have been accepted by the Bureau¹². The FBI has set hiring priorities to better focus its efforts. It has also streamlined its hiring process by reducing the number of steps from 37 to 16, setting process deadlines, and more clearly establishing accountability.

¹¹ U.S. Department of Justice, Office of the Inspector General. *The Federal Bureau of Investigation's Efforts to Hire, Train, and Retain Intelligence Analysts*. Washington, D.C.: May 2005.

¹² That recommendation was to advertise job openings before a position description has been written.. The FBI determined that a change in this practice is not desirable.

The Bureau has taken, and continues to take, steps to improve IT support for the hiring process and to identify automation opportunities. For example, in August 2004, the Bureau introduced QuickHire, an off-the-shelf web-based hiring system, which by April 2005 was being used by applicants for nearly all FBI positions. Although certainly a step in the right direction, the introduction of this system was hastily done and encountered some start-up problems. These included incomplete question libraries and limited Internet access in many field locations. Several FBI officials and some applicants have noted that applications and resumes have been lost and procedural decisions have created errors. However, ASD officials credit the automated QuickHire system with greatly increasing the Bureau's capacity to meet hiring targets in 2005, and say the FBI has not been able to identify any data loss problems. Further, they are confident that it will not experience the same type of data loss problems that reportedly led the Department of Homeland Security to cancel its QuickHire contract recently.

Within the past year, the FBI has made numerous changes to its hiring processes and policies, especially for intelligence analysts. Some changes have involved organizational moves, such as transferring responsibility for background investigations and suitability adjudications from ASD to the Security Division. Other changes are in various stages of design and implementation—for example, outsourcing recruiting for certain positions to OPM, establishing regional centers to facilitate hiring, and modeling intelligence analyst hiring on that done for special agents.

Positive change is occurring, but it is critical that the various efforts be coordinated and appropriately supported. With additional coordination and support, for example, the kinds of problems experienced in the QuickHire implementation might have been ameliorated. In that case, the fact that 26 of the 56 FBI field offices did not have access to the FBI's Secure But Unclassified (SBU) Internet meant that paper copies of large numbers of resumes continued to be transported between headquarters and the field, thus negating one of the new system's key advantages. Another example is the limited work space, equipment, and training that is available for the large numbers of newly-hired personnel.

Beyond coordination and support, there is a need to evaluate what works and what does not. It is important to know whether the changes are helping to deliver the benefits envisioned in terms of a more timely and efficient hiring process. Thus, ASD must have the capacity and resources to evaluate the effectiveness of the many process, policy, and organizational changes and determine their combined impact. At this point, such capacity does not exist, and ASD personnel are so consumed with day-to-day operations that little time is available for planning and evaluation. It is difficult to devote resources to planning and evaluation when the operational hiring and related demands are so great, but this is exactly the time when planning and evaluation are most critical. Without investing resources in planning and evaluation, ASD will continue to have to operate in a crisis mode because there will never be time to assess what worked well, what needs to be changed, and to make the appropriate adjustments to policy, procedures, and activities.

Address Delays in Background Investigations

The single most time consuming part of the hiring process is the background investigation. In addition to complaints about background investigations taking excessive time, there are issues relating to special agents being diverted from their investigative duties to follow-up on background investigation leads, quality control of contractors, and the questionable need for in-depth investigations for some types of positions. Outsourcing this function was studied several years ago. That study reportedly concluded that costs would be about the same, but that the FBI would lose its ability to speed up high priority background investigations when needed. In order to retain control, the Bureau decided to keep the background investigation function in-house.

Leaving aside the outsourcing option, several questions should be addressed. These include whether the current model—1400-plus contract investigators who are managed directly by the FBI, plus an average of about 200 special agents—is the most efficient way to accomplish this function. Can the quality and speed of background investigations be improved? And, should the background investigation requirements be adjusted based on the job to be filled?

More Automation Needed for the Hiring Process

As noted earlier in this report, the Bureau needs to provide additional IT support to the overall human capital function. The hiring process is no exception. Limited automation and inflexible human capital information system capability are exacerbating resource shortages in units responsible for managing the hiring process. QuickHire represents a major step forward in automation capability, but much more needs to be done. Among the most frequently mentioned needs are applicant tracking capability, desktop Internet access in all field offices, and automation of certain forms. ASD and the Office of the Chief Information Officer have been discussing IT projects related to the hiring process. The critical step is to secure funding for these projects in light of the secondary priority assigned to IT support for human capital needs. In the short-term, ASD is attempting to ensure that the limited computer capabilities that do exist throughout the Bureau are made available to those needing access. These efforts also require funding for programming, some equipment, and, very importantly, training.

Organizationally, it is not clear who is responsible for securing IT support for administrative functions. In the past, this has been a low priority compared to operational components. With the Director's clearly expressed interest in improving administrative operations, especially human capital, this should change.

Business Case Needed for Additional Flexibilities

The Bureau was given substantial new personnel authorities in December 2004. The most significant was the authorization to develop a new pay and performance system for the FBI intelligence service. This authority has not yet been implemented and is discussed under Pay and Compensation.

Other new flexibilities provided by statute in December 2004 were enhanced retention and relocation bonuses. The Bureau had requested these new authorities to retain employees with unique qualifications or to encourage personnel to relocate to high cost areas. However, the Bureau has not yet used these new authorities, in part because it only recently developed a policy for their use.

The Bureau was also granted authority to establish an FBI Reserve Service. This allows the Bureau to reemploy former employees temporarily during periods of emergency. If these employees had retired from the Bureau, their annuity would not be reduced. The Bureau has not yet developed policy for utilizing this authority.

The Bureau is continuing to explore the need for additional flexibilities. The “Title 5 Working Group” is recommending fairly modest additions, such as enhanced recruitment bonuses and flexibility in setting annual leave accrual rates for new hires based on past experience and education. The Title 5 Working Group is also recommending that the Bureau be allowed to hire SES candidates directly from the private sector. Currently, the Bureau is limited to hiring career civil service employees to fill its SES positions. Private sector executive talent must first serve a limited period at the General Schedule (GS) -15 level. These would be useful additions to the FBI’s authorities.

Beyond these proposals, however, more far-reaching relief from federal hiring rules may not be either appropriate or beneficial at this time. First, as the Department of Defense (DOD) and the Department of Homeland Security (DHS) would likely attest, human capital innovation requires time and resources. Instead of seeking broader authorities, the Bureau’s focus and priority should be directed toward implementing the flexibilities it has already been granted, particularly those intended to strengthen the intelligence service. Secondly, the FBI has yet to implement some basic government-wide hiring flexibilities that were authorized several years ago. For example, the FBI still uses the “rule of three” whereby only three names are provided to the selecting official, despite the fact that the much more flexible “category rating” approach was approved government-wide in 2002. Recently, FBI personnel received OPM training on category rating and ranking. This was a needed step. ASD staff must now develop and implement the revised policies and procedures, educate managers, supervisors, and employees on the revised procedures, and then use the new procedures to rate and rank candidates.

PAY AND COMPENSATION

Pay issues exist for all components of the FBI workforce, including intelligence service personnel, special agents, and administrative staff. The Bureau was given authority to develop a new pay system for its intelligence service in December 2004 as a result of the Intelligence Reform Act. The Act gave the Bureau authority to create an ICS that would not be bound by the classification and compensation rules of Title 5 of the U.S. Code. This pay flexibility for the mandated expansion of the FBI’s intelligence workforce is desirable. However, as with most other government agencies, pay issues exist for all parts of the Bureau’s workforce. For example, pay issues affect special agents. Numerous agents are pay-capped and the lack of

effective pay incentives to encourage agents to move to high cost areas is contributing to high vacancy rates in cities, especially Washington, D.C., with critical agent staffing needs.

The experience of other federal agencies that have different pay systems for different categories of employees suggests that it is a source of both confusion and friction among staff, managers, and executives. Before proceeding, the Bureau should consider the experience of the Federal Aviation Administration, DHS, and other agencies which have struggled, or are struggling, with pay system issues that employees view as creating classes of citizens—the “haves” and the “have nots”—within the organization. It may also be instructive to learn from the experience of the banking regulatory agencies, e.g., Federal Deposit Insurance Corporation, that in the late 1980’s created a very attractive compensation program and in the late 1990’s and early 2000’s had to retrench because funds would no longer support the expense of the system. The most successful agencies are those which have articulated a pay philosophy that is consistent with their strategic goals, and then crafted a compensation program to support those goals.

New Intelligence Career Service Human Resource Authorities

The Bureau initially developed an ambitious schedule for implementing the requirements and flexibilities provided in the Intelligence Reform Act for the Intelligence Career Service (ICS). With respect to implementing pay and classification flexibilities, the Bureau stated in its February 16, 2005 Report to the President, *“Comprehensive Plan for the FBI Intelligence Program with Performance Measures,”* that it would submit its plan to OMB in April 2005 and begin a phased implementation of this authority in June 2005.

The Bureau now realizes this timetable, even for a phased implementation, was overly optimistic. It has been the experience of virtually every agency that has designed and implemented such systems that considerably more time is needed to develop the systems, procedures, communications, and training that are needed for a successful change of this magnitude. It will take DOD and DHS more than three years to implement their new compensation systems fully. In this regard, neither the Intelligence Reform Act nor the November 23, 2004 Presidential Memorandum, *“Further Strengthening Federal Bureau of Investigation Capabilities,”* imposes or suggests a deadline for implementing changes in the classification and compensation systems for the ICS.

The Bureau is currently partnering with OPM on interim and long-term compensation and classification systems for the ICS. Since the legislation limits flexibility to the ICS workforce—intelligence analysts, language analysts, and surveillance specialists, the Bureau reportedly plans to use the ICS as a prototype for eventually including all occupations. As this proceeds, special agent and other Bureau-wide pay issues must be considered, given the possible application of many of the decisions to the entire FBI workforce.

Decisions on the direction of the ICS compensation program are currently pending, based on further information gathering, analysis, and decision-making. A critical “lesson learned” from other organizations making such major change is that these important steps must be taken deliberately and be supplemented by broad-based vetting of possible approaches prior to making final decisions.

The FBI has begun a dialogue with DOD and DHS to benefit from their experiences. Both Departments are now in the process of issuing regulations that will guide their new compensation and performance management systems. The Bureau should also continue to be involved in discussions with the DNI's Chief Human Capital Officer and those in other intelligence agencies regarding their human resources plans, policies, and procedures. This is especially important as the intelligence community begins to work toward a more unified human resources approach. In addition, the Bureau's pay system for its ICS may be impacted by the recent order by the President that the Bureau reorganize to establish a National Security Service workforce

Retaining Intelligence Analysts

Retention of the many new intelligence analysts who have been hired over the past few years is critical. Several Bureau officials report that these new intelligence analysts, on the whole, are very different from those who were placed in those positions earlier. The recently issued Department of Justice IG report entitled, *The FBI's Efforts to Hire, Train, and Retain Intelligence Analysts*, documents this assessment. That report found that, compared to earlier hires, intelligence analysts hired between 2002 and 2004 are much more likely to have advanced degrees, prior intelligence community experience, experience living abroad, and foreign language proficiency. They also come to the FBI, however, with much greater expectations for career potential and job satisfaction.

Retaining this highly qualified talent is of utmost importance as the Bureau undergoes the development of an intelligence capability and enhances its counterterrorism and counterintelligence programs. The attrition rate for intelligence analysts in fiscal year 2004 was about 8 percent, which is in line with other intelligence agencies' experience. Moreover, a little over 40 percent of the FBI intelligence analysts who have left their jobs in the past have done so to accept other Bureau positions, mostly as special agents. Therefore, their experience is not being lost to the Bureau.

Data for the first eight months of fiscal year 2005 does not show large numbers of intelligence analysts leaving. Of a population of nearly 1,900 intelligence analysts, only 40 had left as of May 2005. This included 11 retirements, 21 voluntary separations, 7 moves to other Bureau positions, and one removal. It should be remembered, however, that most of the new intelligence analysts hired last year were given recruiting bonuses and signed agreements to stay with the Bureau for up to three years. The retention rate of these analysts will have to be closely monitored to detect any emerging patterns once these employment agreements expire.

There are some other indications that future attrition patterns may be different from those of the past, given the changing nature of the Bureau's intelligence analyst workforce. For example, the Department of Justice IG surveyed FBI intelligence analysts and found that analysts with advanced degrees are less satisfied in their work than those without advanced degrees; that analysts hired within the past three years are less satisfied than earlier entrants; and that those with prior intelligence experience are less satisfied than those who do not have that experience. Overall, 22 percent of the FBI's current analysts reported that they planned to leave the Bureau within the next five years—for those hired in the last 3 years the comparable proportion is 35

percent. Only 16 percent of those hired since 2002 say they are “very likely” to stay for the next five years.

The extent to which pay issues affect retention of newly hired intelligence analysts is unknown. From the recruitment standpoint, thousands of applications for posted intelligence-related positions have been received and feedback from management indicates a high degree of satisfaction with the quality of candidates. However, anecdotal evidence suggests that the FBI’s intelligence analysts are being recruited by other organizations where they can attain better paying jobs, jobs with greater earnings potential, or jobs with better total compensation (including, pay, benefits, recognition, and career rewards).

There are also some questions of potential overlap in pay issues with special agents. One question is whether the ICS will evolve to require schedule availability and administratively uncontrollable overtime similar to that of special agents and some other FBI support personnel. Other questions relate to the relocation and mobility expectations of intelligence analysts. Some analysts have been hired for local offices without any agreement to relocate, while others—the more recent—are subject to such agreements. These and other questions need to be addressed before compensation system determinations are made.

Special Agent Pay Issues

There is much more history available regarding pay issues for special agents. Discussions with FBI employee groups composed of special agent middle managers identified two key issues. The first is pay compression for GS-14 and -15 special agents who, because of the additional 25 percent of salary they receive as availability pay, are at the top of the pay scale. The second is the lack of effective pay incentives to encourage agents to move to high cost areas—such as Washington, D.C.—where the FBI has the most critical staffing needs.

Similar issues were identified across the entire law enforcement occupation (LEO) in a recent study by the Office of Personnel Management that was mandated by the Federal Law Enforcement Pay and Benefits Parity Act of 2003.¹³ The focus of the LEO study was on the broad and varied law enforcement officer career field that includes positions at multiple levels, operating in diverse law enforcement environments, across many agencies. The study identifies inconsistencies in pay practices across law enforcement agencies, most of which are the result of “patchwork” organizational fixes, rather than occupationally-focused compensation strategies.

Special Agent Pay Cap: As noted above, many FBI special agents at the GS-14 and -15 levels are capped at the GS-15/Step 10 salary. This pay cap varies by location as is shown in Table 6.

¹³The Federal Law Enforcement Pay and Benefits Parity Act of 2003 required OPM to submit a report to Congress comparing classification, pay, and benefits among the federal law enforcement agencies. It further required that OPM make recommendations to correct unwarranted inequities.

Table 6: Pay Caps by Locality

Location	Locality Rate	Pay Cap
San Francisco	26.39%	\$140,300
Los Angeles	21.69%	\$140,300
New York	20.99%	\$140,300
Washington, D.C.	15.98%	\$135,136
Other areas not specified	11.72%	\$131,400

Note: The specific locations are only some of the locations with a special locality rate. The rate shown in for “other areas not specified” is the lowest locality rate paid to FBI employees.
Source: OPM

It is estimated that 640 of the more than 12,000 special agents are currently pay capped—another 830 are within \$10,000 of the pay cap.

According to OPM, there are three issues related to the pay cap. The first is “pay compression.” This means that employees at several grades are all effectively earning the same amount of money. In the FBI’s case, many GS-14s, most GS-15s, and even some SES staff, all earn about the same gross salary, with some agents describing it as “within five dollars per pay period.”¹⁴

The second dynamic is what OPM calls “pay inversion.” In this case, were the premium pay cap to be lifted, employees at GS-14 and GS-15 could be earning more than their supervisors. This is already the case at some federal agencies where pay practices are exempt from the provisions of Title 5.

The third issue is the long-term cost to the retirement system. Premium pay is considered basic pay for annuity purposes and its wide-scale payment may create a large unfunded cost for the federal retirement system.

The Bureau should address these pay cap issues for special agents as a part of an overall pay and compensation study. That study should explore all options, including additional legislative authority.

High Cost Localities: The FBI, like other agencies, is also suffering from pay issues related to high-cost living areas. The OPM law enforcement pay study stated: “The GS pay system does not provide sufficient flexibility to address specific pay competitiveness problems among law enforcement occupations in a targeted manner.” The study also has the following to say about another LEO pay issue that the FBI clearly faces, i.e., providing sufficient incentives for staff to relocate to high cost areas: “The GS locality pay system does not provide adequate flexibility to adjust rates so that larger increases can be provided to LEOs in high labor cost areas (such as San Francisco, Los Angeles, and New York City) and lesser increases to LEOs in locations where

¹⁴ The SES pay range for agencies without a certified performance management system is \$107,200 to \$149,200. For agencies with a certified system the range is \$107,500 to \$162,100. Executive pay levels are: V-\$131,400; IV-\$140,300; III-\$149,200; II-\$162,000; and I-\$180,100.

Federal LEO pay already is competitive or superior.” While Washington, D.C. is not included in this list in the LEO study, it is clearly a city where FBI staffing of certain categories of jobs has become a serious problem.

The Bureau currently has difficulty attracting agents to many of its high cost field offices and to headquarters. As of May 2005, most of the large FBI offices in high cost areas have fewer agents than their authorized Funded Staffing Levels. The Bureau’s field offices in New York, Los Angeles, Washington, San Francisco, and Newark, for example, have a total of more than 150 unfilled, but funded, positions. In addition, FBI headquarters in Washington currently has more than 500 vacant, but funded, agent positions.

The Bureau has offered a small number of relocation bonuses to special agents who agree to transfer to some of the more difficult positions to fill in high cost areas. For example, in FY 2004 the Bureau provided relocation bonuses to five individuals to transfer to high cost areas.¹⁵ Although relocation bonuses can help alleviate some of this problem, this is a complex issue that should be thoroughly assessed as a part of an overall pay and compensation study. The Bureau has established an ad hoc working group to develop options to address special agent understaffing in FBI headquarters, and its recommendations may provide useful solutions.

The Law Enforcement Officer (LEO) Early Retirement Benefit: In addition to inadequate pay incentives for employees to move to high cost of living locations, and pay compression/pay inversion issues, the LEO study raised the potentially negative impact of LEO early retirement programs that prematurely deprive the law enforcement organizations of experienced staff who may be capable of more years of effective service. Currently, FBI special agents are eligible to retire at age 50 with 20 years of service and with an annuity equal to nearly half of their salary. Special agents must retire by age 57, unless the Director grants a specific waiver. Bureau officials note that, by the time an agent reaches the executive level, they are within a few years of retirement eligibility. There also seems to be general agreement that at least some of the problem with the lack of continuity in FBI executive positions is traceable to this lower retirement age. This problem may be exacerbated in the near future since more than 90 percent of FBI agents in the SES currently are age 45 or older and will be eligible for retirement in five or less years.

Another issue related to the special agent retirement program is the impact it could have on the Bureau as it hires more non-agent professionals who do not have the accelerated retirement benefit. The Bureau may find that more of these non-agents will have the experience needed for executive positions because of the higher age and service requirements for these individuals to retire. Thus, the Bureau may need to reassess the appropriate mix of leadership positions filled by agents and non-agents.

In addition, as the Bureau’s mission evolves to encompass criminal investigations, intelligence, and counterterrorist activities, it may be necessary to re-examine the “young and vigorous workforce” justification for the early retirement provisions. The LEO study suggests that the

¹⁵ These relocation bonuses were paid using the government-wide authority. As previously mentioned, the Bureau has not used the new enhanced relocation bonus authority provided in December 2004.

mandatory retirement provisions may no longer be appropriate for across-the-board application to the full spectrum of LEO positions, and this may have long-term consequences for FBI special agents.

Overall Pay Policies

As noted earlier, there are several pay issues that will impact the varied segments of the Bureau workforce and adjusting pay for one component is likely to affect other parts of the workforce. Thus, any changes should be considered carefully and not in isolation. Although the OPM LEO pay study focused only on the law enforcement occupation, parts of the study shed light on broader issues of pay comparability. The findings are similar to most pay studies, with the first being the now familiar finding that the GS system is “outdated, inflexible, market-insensitive, and performance insensitive....” Because of its inflexible structure, the GS system invites across-the-board solutions to problems that require a more targeted approach. This latter conclusion is directly relevant to the FBI pay opportunities and challenges.

A second conclusion is that disparities in pay flexibilities within agencies can harm morale, create staffing disruptions, and increase costs unnecessarily. This is also relevant to the FBI. The first point for consideration is how the FBI develops and integrates the intelligence and criminal investigation career paths. For the new analyst career path to be accepted, and for the intelligence dimension of the agent position to be embraced by individual agents, there must be a sense of internal pay equity between these two groups.

Further, an integrated FBI intelligence/criminal investigator pay program must be competitive with its federal counterparts, to avoid the FBI becoming a training ground for other intelligence agencies that can offer better pay or benefits to analysts. Obtaining accurate comparative pay information from the other intelligence agencies could be very useful to the FBI in making these decisions.

However, the FBI should not be concerned only with the pay programs of the intelligence agencies. DHS and DOD are now developing flexible systems “that allow rate ranges to be strategically set for specific occupational categories as necessary to meet labor market requirements and agency needs.” DHS is the second largest employer of law enforcement personnel after the Department of Justice, and its experience would be helpful to the FBI.

Finally, another OPM effort also supports the wisdom of considering all occupations when addressing pay issues. Specifically, OPM is revising the standards and definitions relating to law enforcement positions generally. Historically, these standards have covered only criminal and other investigators. The current OPM vision is to extend the standards to Justice and National Security, and perhaps include intelligence occupations, along with the more traditional law enforcement occupations. This effort is still in the developmental phase, but should inform an integrated approach by the FBI.

SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

The Bureau does not have a comprehensive succession planning and leadership development strategy for the SES or for subordinate levels of management. SES positions are filled on a case-by-case basis, and there is no formal SES candidate development program. SES competencies, the basis for succession planning and career development, were articulated at the FBI in the early 1990s but have not been validated. There is no approved leadership development training program that covers all segments of the FBI workforce based on validated leadership competencies.

In addition, turnover in FBI SES executive positions at headquarters and in the field is extensive. Turnover in the field hampers critical relationships with stakeholders, including state and local law enforcement contacts. At headquarters, it contributes to a lack of consistency and follow-through on program improvement initiatives.

A number of specific initiatives are planned or underway at the FBI that address some of these issues. For example, the Bureau is taking some steps to improve its succession planning process and is using the RAND Corporation to develop an information base to assist in the development of an SES succession planning process. However, the Bureau lacks a comprehensive and managed plan for designing and implementing a complete system for succession planning and leadership development. In addition, like many other human capital programs, the responsibility for leadership development at the FBI is fragmented.

Leadership Turnover and Unfilled Positions

One of the consequences of the lack of a systematic succession planning process is frequent turnover of officials filling those positions. SES executives and GS-15s realize that advancement within the FBI depends upon regular movement between positions, rather than remaining in a position for lengthy periods of time. At the same time, the Bureau takes a case-by-case approach to filling SES positions that is heavily dependent on SES executives and GS-15s voluntarily seeking out and applying for new positions in which they are interested.

The result of this approach, and the relatively short career of FBI agents due to the mandatory retirement requirement, is frequent turnover. As pointed out earlier in this report, the short tenure of ASD executives is hampering a systematic approach to addressing human capital challenges. The Bureau is, however, considering an SES policy change that would provide a procedure for identifying “draftee candidates” for referral to a vacancy where the pool of qualified, voluntary candidates is inadequate.

The need for committed, consistent leadership over a significant period of time, especially in the context of major transformation efforts, is obvious. In this context, “significant” is often defined by GAO as three to seven years. The median tenure in the current assignment of Special Agents-in-Charge (SAC) of FBI field offices is only 15 months, while that of current SES officers in headquarters assignments is just 13 months. The FBI needs greater leadership stability and experience to support effective transition. A number of FBI officials have commented that the

historically short tenure of SACs and other key leaders has contributed to a slower pace for transformation.

While consideration is being given to establishing an FBI policy that SACs will generally serve for an average of two years, various FBI executives say that the minimum tenure of SACs should be 36 months, although there can be exceptions. These officials explain that any shorter tenure hampers field office consistency and makes it extremely difficult to develop effective relationships with state and local officials—a key role for SACs.

Several FBI officials say the headquarters executives need three to five years to ensure that management initiatives are implemented. Yet, no official in a headquarters SES position and only four SACs have been serving longer in their current positions than the FBI Director, who has been in his position since September 2001. In a most recent example, the Chief Financial Officer is leaving to assume a SAC position after less than one year in the position.

Succession Planning

As noted in its Strategic Human Capital Plan, the Bureau recognizes that its succession planning and leadership development program has significant needs and gaps. Succession planning and leadership development are widely viewed as keys to workforce and organizational effectiveness. Ideally, they encompass a set of interrelated elements involving career paths with competency-related assignments and progression; a competency-based set of training and development requirements and options; a program for identifying, encouraging, and selecting employees with leadership potential to prepare for and seek leadership positions; a leadership training and development framework and delivery system; and systems and methods for identifying and selecting leaders at all levels in the organization.

Comprehensive succession planning includes the entire workforce, with appropriate differentiation for various occupational groups and career paths. Key principles of effective succession planning include the following:

- sound workforce analysis and planning that identifies current and projected gaps and surpluses related to staffing needs;
- support and direction by top level leadership that ensures a system for program and project planning and management;
- systematic monitoring of program and project implementation with clear assignment of accountability and corrective actions;
- effective communication with stakeholders of program activities and opportunities and effective collaboration between and among organizational elements responsible for various planning and implementation activities;
- cost-effective program evaluation; and

- ensuring that decisions regarding participation in, or selection for, assignment, promotion, and development opportunities are based on merit and promote the organization's diversity goals.

Exemplary succession planning programs are clear about what is expected of employees with regard to required assignments and developmental experiences, including both intellectual and geographic mobility. They also provide appropriate incentives and consequences to support those expectations. Finally, successful succession planning ensures that related human capital management programs such as recruitment, compensation, work-life, and performance management fully support the development and progression of employees.

The Bureau has articulated the need for enhanced leadership. However, it lacks a comprehensive approach to developing a succession planning system for selecting, managing, and developing staff for leadership positions that would culminate in an integrated program for selecting and developing SES candidates and incumbents.

Planning to develop a succession management system has been underway in ASD's Executive Development and Selection Program Section. This includes technical assistance from the RAND Corporation in developing information for a succession planning model. RAND is systematically collecting and analyzing all FBI SES job requirements to identify the skills and experiences needed for each SES position, both agent and professional support. At the same time, an effort is underway to establish a personnel assessment register (a type of skills inventory) that will facilitate compiling lists of qualified candidates for SES jobs, assessing the adequacy of the FBI pool of managers who would be potential SES candidates, and helping identify the need for external recruitment and enhanced developmental efforts. When a succession planning system is implemented, the Bureau should be able to be more proactive in identifying, developing, and selecting qualified employees for specific jobs.

A succession planning program may also help diminish some of the work-life issues—discussed later in this report—the Bureau now faces. Such a program may provide more time for planning relocations, particularly as they are interwoven with the life cycle of the agent's family. Long-term succession planning may also facilitate the ability of agents and the FBI to project and plan for a delayed retirement. Again, this is a major life cycle event and planning for non-traditional retirement requires early intervention.

Leadership Development Programs

In addition to weaknesses in succession planning, the Bureau also lacks a comprehensive leadership development program that covers all segments of the FBI workforce and reflects training and development objectives and activities that are competency-based. Even the Intelligence Directorate's relatively comprehensive career path action plan for intelligence analysts focuses on their basic training. The career path is intended to include a management track, but specific requirements, options, and activities have not been established at this time. Management training for SES members at the Kellogg School of Management has been well received, but constitutes a stand-alone, short term activity outside the context of any larger leadership development strategy. Its program "Navigating Strategic Change," has been used to help integrate intelligence into FBI operations, and all senior intelligence service personnel and

all field supervisory agents will participate. In addition, the Training and Development Division has been formulating an “FBI Leadership Training Framework” that will provide the basis for a complete leadership development program.

Competencies for managers of support personnel should be developed. The Bureau needs enhanced data bases of position competency requirements, employee competencies, and training and development experiences. A fully integrated system of program and project planning, monitoring, and reporting is lacking. Organizational and leadership issues in the human capital management function contribute to these weaknesses, and program evaluation is minimal.

Dispersed Responsibility for Leadership Development

Responsibility for leadership development is currently dispersed to at least three separate organizations—ASD, Training and Development Division (TDD), and the Intelligence Directorate. The TDD Strategic Program Plan FY 2004-2009 describes this fragmentation.

Currently in the FBI there are multiple divisions, sections and units with responsibility for creating, offering or purchasing training. This fragmented approach is confusing, lacks accountability and is inefficient. There is no single point of responsibility for workforce training and no comprehensive system to track and measure the development of employee skills or the FBI’s investment in training.

ASD has primary responsibility for career paths and development and succession planning. For example, ASD’s Executive Development and Selection Program Section is principally responsible for developing, in collaboration with TDD, career paths for the various categories of FBI employees—special agents, members of the SES, Presidential Management Fellows Program participants, and administrative support staff. The Intelligence Directorate has lead responsibility for developing the competencies, career paths—including training and development activities—for the ICS, and policies and procedures for promotions within the ICS career ladder. In addition, the Directorate is responsible for developing intelligence certification requirements for special agents and the ICS, and has developed a series of working groups in an effort to facilitate collaboration with TDD and ASD in carrying out these responsibilities. Some ASD and TDD officials report that this arrangement has not been satisfactory from their perspective.

Training is also developed and delivered by other organizations, including field offices. For example, the Human Resources Management Section in ASD’s Personnel Management Branch will reportedly develop training related to the new performance appraisal system. A major field office is also reportedly developing a management training program with another federal agency and a university.

Despite the various offices involved in training and career development, the Bureau has made efforts to integrate the programs. For example, ASD, TDD, and the Directorate of Intelligence have collaborated on career path development, competency identification, and intelligence training. Nevertheless, this dispersed responsibility for training raises questions of whether the Bureau is making the most effective possible use of its scarce resources. At this time, primary responsibility for training and development is vested in TDD, which is headed by an Assistant

Director of Training and Development. This Division falls under the responsibility of the EAD for Law Enforcement Services and is responsible for two major functions. The first is the FBI Academy. It is the primary delivery mechanism for most enterprise-wide training; the College of Analytical Studies; the new agents training program; the National Academy for training State and local law enforcement officials; and the leadership management instructional program. Second, TDD also develops programs, tools, materials, and delivery support services for the Bureau's various career development and leadership programs.

At least one internal Bureau review has concluded that training and career development needed to be reorganized and integrated to coordinate human capital programs effectively. A training reengineering committee recommended in February 2003 that training and development functions be placed under the EAD for Administration. This recommendation reportedly was approved and then set aside because of an imminent leadership change.

A pending FBI review of its human capital management organizational structure reportedly will address the important question of whether the organization responsible for human capital management should include responsibility for training and development. Some FBI officials argue that merging the training function into a larger human resources organization will diminish the Training Academy's standing with state and local law enforcement agencies. Even if the decision is to maintain training as a separate organization in view of the FBI's intergovernmental training function, however, organizational changes should be made that would strengthen elements of the career development and training program. For example, the establishment of specific career development and training programs could be integrated with the overall career planning of special agents, ICS personnel, administrative staff, managers, and the SES corps.

CAREER DEVELOPMENT AND TRAINING

Traditionally, the FBI has focused on entry-level training for new agents. With the increased emphasis on intelligence, entry-level training of ICS personnel has become a priority. However, the initial intelligence training program developed by TDD was not effective, and the revised course developed by the Intelligence Directorate continues to draw substantial criticism from participants. Course sessions were not systematically delivered and there were gaps in certain areas and repetition in others. The Department of Justice's IG outlined several weaknesses in the training,¹⁶ and post-course evaluations by participants identified numerous areas for improvement. The Intelligence Directorate and TDD are continually assessing the course and new curriculum guides and student materials will be used beginning in June 2005. In addition, TDD is in the process of hiring additional full-time faculty rather than relying on contractors and volunteers from elsewhere in the Bureau. As of June 2005, the Bureau had conducted eight introductory intelligence courses and five refresher courses, thus putting it on track to reach its goal of exposing 1,000 personnel to these courses by December 2005. It should be noted that the added demands of this program are significantly straining the capacity of the Quantico training facility, which is also badly in need of repair, renovation, and modernization.

¹⁶ U.S. Department of Justice, Office of the Inspector General. *The Federal Bureau of Investigation's Efforts to Hire, Train, and Retain Intelligence Analysts*. Washington, D.C.: May 2005.

TDD is also beginning to develop a systematic career development model for all FBI occupations and has initially focused on special agents. In addition, the Intelligence Directorate is developing career paths for ICS personnel. The Bureau has plans to develop career models for all occupations. Other issues to address include implementation of the Intelligence Officer Certification program, which is a key developmental requirement for both the intelligence analyst and special agent career fields. Finally, the FY 2007–2011 “strategic plan” may result in creating a new occupation category in the Bureau—Mission Specialist. This cadre may include some agents with special skills, such as pilots, and current support positions such as forensic examiners, computer specialists, weapons specialists, engineers, translators, analysts, and others. If this proposal is adopted, the Bureau will also need to develop a career development program for Mission Specialists as distinct from other support staff.

Although TDD is taking the lead in developing the comprehensive career path models, other parts of the Bureau have also developed occupational and leadership competencies. Competencies have been developed for the SES, special agents, supervisory special agents, and ICS personnel, and separate efforts are underway to develop competencies for support staff. In addition, the Bureau is developing new performance and awards systems that do not directly link to the career development model competencies.

Agent and Intelligence Analyst Training at Quantico

Training for new agents and ICS personnel (intelligence analysts, language analysts, and surveillance specialists) are currently the primary FBI activities at the Quantico training facility. Agents participate in an 18-week course that has been expanded to include counterterrorism, counterintelligence, and intelligence issues. ICS personnel with less than five years experience are being required to attend a seven week basic intelligence course, with more than five years experience must attend a two week intermediate training course. Another goal is for intelligence service personnel to participate in joint training with new agents, though the different durations of the agent and intelligence service training makes meaningful integrated training difficult.

TDD originally developed the training course for beginning intelligence analysts. The first course was held in fiscal year 2002, but had a number of problems. Course modules were not logically structured, resulting in gaps in some subjects and repetition of others. Course evaluations by participants expressed numerous concerns. A May 2005 Department of Justice IG report noted that the problems with the course resulted in poor attendance and frequent changes in curriculum.¹⁷ The IG’s survey of intelligence analysts who had attended the course indicated that over 60 percent said the course did not meet their expectations. A June 30, 2005 course evaluation by the most recent ICS class indicates continued and broad dissatisfaction on the part of attendees.

In 2004, TDD began working with the Intelligence Directorate to design a new basic intelligence analyst course that is more systematic and includes much more detailed objectives and lesson

¹⁷ U.S. Department of Justice, Office of the Inspector General. *The Federal Bureau of Investigation’s Efforts to Hire, Train, and Retain Intelligence Analysts*. Washington, D.C.: May 2005.

plans. Beginning in June 2005, basic intelligence training will use this redesigned course. In addition, the Bureau plans for all new intelligence service personnel hired after October 2005 to enter-on duty at Quantico for five weeks of “cohort” training to begin their career. This basic intelligence analytic training, which will also include all ICS personnel who have not yet completed the required training, will then be followed by several additional weeks of specialized training for intelligence analysts, language analysts, and surveillance specialists. Many issues remain to be worked out regarding this training.

Intelligence-based training for special agents is also a major priority. The FBI has said the main components of such training will include:

- modifying the New Agent Training curriculum to center on an International Terrorist Enterprise;
- doubling the counterintelligence/counterterrorism instruction element of this curriculum from 55 hours to 110 hours of classroom instruction;
- developing and implementing additional practical exercises;
- implementing “cradle-to-grave” in-service specialized and advanced training tied specifically to intelligence, counterterrorism, counterintelligence, cyber, and criminal career paths;
- preparing a written training development plan, in coordination with the Intelligence Directorate, for advanced and specialized intelligence training necessary for Intelligence Officer Certification; and
- developing plans to integrate key intelligence-related topics throughout all in-service agent training.

The increased training for intelligence service personnel, along with continuing training for special agents, is putting a strain on the facility at Quantico, which is in disrepair and requires several security upgrades to be able to conduct required technology and other classified training. The increased training for intelligence service personnel has also increased the need for qualified instructors. The Bureau is beginning to hire more full-time instructors to address concerns about relying on volunteers from elsewhere in the Bureau and contractors. It is unclear whether Quantico will have the capacity to train all the new agents and intelligence service personnel that the Bureau plans to hire over the next several years, while at the same time continuing training for existing intelligence service personnel.

Career Management and Development

The FBI is beginning to focus on improved career development for all employees. This is important for two basic reasons. First, all employees in the various career paths of special agent, intelligence analyst, and professional and administrative support occupations must have the competencies needed to ensure the Bureau meets its current and emerging responsibilities.

Second, as more new leaders at all levels are needed to direct staff and programs, systems must be in place to select, develop, and motivate the best possible candidates for these critical positions.

Consequently, the Bureau is focused on developing a much more comprehensive approach to career management and related training and development for its entire workforce. This will include the development of competencies for all occupations; the identification of career paths—including types of assignments, formal internal and external training. It will also require a mentoring program and certification for selected occupations—including intelligence analysts, computer specialists, and accountants. For special agents, the career development model will include programs such as the five year up or out term limit policy for supervisory agents and the Intelligence Officer Certification requirement.

In addition, as mentioned earlier the FY 2007-2011 “strategic plan” may require development of a cadre of “Mission Specialists,” to include a technically-skilled operational complement of special agents and other personnel. Clearly, this new cadre will require a comprehensive career management and development plan.

Special Agent Career Management Programs

Career management for special agents has historically received the most attention, and over the past several years significant efforts have been made to strengthen it. The special agent career path has been modified to identify and develop personnel with critical skills, experience, and aptitude in the priority program areas of intelligence, counterterrorism, counterintelligence, and criminal. The Bureau is developing and implementing several special agent career development initiatives. Specifically, ASD has developed a core skills database to capture pre-Bureau experience, education, and investigative/intelligence experience and training; a rotational transfer policy to ensure structured progression from broad-based field experience to specialization; and the five year up or out term limit policy which limits to five years the time a supervisory special agent in the field can serve in that capacity in the same location.

Special agents will be eligible to move between intelligence and investigative programs, based on the needs of the Bureau. Intelligence training and assignments will be embedded in the competency model for the four investigative programs.¹⁸ In addition, the Bureau’s Intelligence Directorate has established a special agent intelligence service program that includes Intelligence Officer Certification to ensure the development of a cadre of intelligence-oriented agents and leaders. Intelligence Officer Certification will be optional for supervisory agents, but will be required for Assistant Special Agents in Charge and other executive management positions. The Bureau has not yet established a target date when candidates for executive positions will have to meet this requirement.

Further, as a part of the overall career development model program, TDD is developing a core skills competency training model that initially outlines competencies within each of the special agent career tracks and identifies career development opportunities, including assignments and

¹⁸ The four programs are counterintelligence, criminal, counterterrorism, and cyber.

needed training. Pilot testing for the special agent career model will begin in September 2005, with full implementation scheduled for a year later.

Career Management for Intelligence Career Service Personnel

TDD is responsible for career development programs for ICS personnel, but has deferred the development of these programs to the Intelligence Directorate. Recently, the Directorate of Intelligence has been working with TDD to establish competency-based career paths, training programs, and retention strategies for its ICS. This effort is based on requirements and authorities provided in the Intelligence Reform and Terrorism Prevention Act of 2004. The Intelligence Directorate is using a competency-based approach, and has designed and validated the initial competency models for intelligence analysts, language analysts, and physical surveillance specialists. This model will drive other aspects of human capital, such as selection, hiring, and career path development.

The Directorate of Intelligence has established an Intelligence Career Management Section to provide training, development, and human capital services for ICS personnel. The Section is about 40 percent understaffed and has been responsible for providing instructors and administrative support for intelligence training in addition to giving priority to staffing ICS operational positions. These two factors have limited the resources and activities available for full implementation of various career development initiatives. Finally, the Intelligence Directorate has established a Career Mentoring Program that has been recently revised because of poor participation. It intends to implement the revised Career Mentoring Program by December 2005.

Little Career Development for Administrative Support Personnel

The resources devoted to the creation of a career development and training program for FBI administrative support and clerical personnel have significantly lagged those provided for special agents and ICS personnel. In large measure, this reflects the low priority the Bureau has established for this program.

The need for greater career development for support employees has been recognized in the past. A 2002 report of the Organizational Program Evaluation and Analysis Unit of the Inspection Division, *Field Division Organizational Analysis*, expressed concern regarding the lack of a career path for support employees, including intelligence analysts, but did not recommend that one be established. Instead, it recommended referring this issue to the ASD's Support Management Development Unit for development of a career path for support personnel and an appropriate training program. This recommendation remains valid, but the details must be adjusted to recognize the creation of the statutory ICS and the development of a career path, career development, and training plan for that service.

Resource shortages also have limited the development of a support personnel career model. The 2002 Inspection Division report also found that ASD's Support Management Development Unit and TDD's Professional Development Unit were not adequately staffed to perform their intended missions. Only recently has the Support Management Development Unit been provided with a

Chief, and not until March 2005 was it fully staffed. Despite its limited resources, the Support Management Development Unit has begun to develop a Centralized Support Management System for all mid-level support management positions in the Bureau. This System is intended to consist of a standardized assessment process to measure management competencies.

Better Linkages Needed Among Various Competency Development Activities

As noted in previous sections, the Bureau has identified various sets of competencies for individual human capital program components. SES competencies were developed several years ago, but have not been validated and do not track to SES competencies identified by OPM. Special agent and supervisory special agent competencies have also been developed and are used for performance management and promotion criteria. ASD also has a new separate effort to develop competencies for support personnel occupations. Competencies are also the basis for the performance appraisal system, which is currently being revised from a pass-fail system to a multi-level system. In addition, an enhanced awards system is being planned that will focus more on performance awards. The most comprehensive competency development effort is being done by TDD. These competencies are being identified as part of a career development model that will include training, career assignments, mentoring, and credentialing. Although TDD had the lead on the overall career development model, including special agents, ASD has proposed the establishment of an Agent Career Development Unit to oversee the career development of special agents by identifying core skills, facilitating the individual training process, and monitoring compulsory requirements.

Although all of these efforts represent positive human capital management improvements, they need to be more directly linked to each other. Competencies should be the basis for workforce planning, recruiting, career development, training, performance management, and promotion. The Bureau should take steps to integrate all of these activities, building on one set of competencies for each occupation or occupational group. The career development model being developed by TDD should be the basis for the development of these unified competencies.

WORK-LIFE PROGRAMS

Work-life programs are important components of recruitment strategies, retention efforts, and compensation and benefit programs, even though most of these programs are discretionary. Although the Bureau has authorized the use of many work-life programs—such as alternative work schedules, part-time employment, and telecommuting, the actual use of these programs is limited. FBI personnel report that Bureau policy and practice discourages such programs and lets SACs decide whether and to what extent the programs will be used in field locations.

A statement by an FBI official fairly represents the dilemma facing the FBI: “We simply can’t miss following up on a terrorist lead because the assigned staff was on a flex day.” While these concerns are real, the Bureau should determine whether reasonable accommodation can be made between work demands and work-life programs in order to keep the FBI competitive in recruiting and retaining the personnel who are critical to its mission success. If viewed as tools

available to a manager, work-life programs constitute low cost adjustments that can improve mission performance and enhance morale.

There are several trends in the structure of work and the structure of families that are prompting successful organizations to think differently about working arrangements. Research on generational issues in the workplace conducted by the Academy, the National Association of Schools and Employers, the Partnership for Public Service, and others, suggests that the most recent generations joining the workforce have different values, priorities, needs, and a different approach to work. They are just as talented, dedicated, and committed as prior generations, but they are arranging their work lives differently.

Demographics in America are also changing. The country has a falling birthrate and an economy that continues to grow. This suggests that the competition for the best employees will increase substantially between now and 2050. The public and private organizations that compete successfully will be those that are able to be more flexible and offer a variety of work options.

For these reasons, work-life programs have evolved from “nice to have” to strategic recruitment and retention tools that leading organizations are using today. This does not mean that the needs of the organization no longer come first. What it does mean, however, is that the organization must think creatively and realistically about how work is structured, how work is accomplished, when and where it can be done, and similar questions in order to remain competitive in the hiring market. These questions are particularly challenging for the FBI, which has unusual work demands that are critical to the safety and security of the country and involve access to classified materials. However, it also has communications capabilities and longer hours of work that in combination may provide for significant flexibility.

Alternate Work Schedule

In the FBI, alternative work schedules are at the manager’s discretion. Very few FBI headquarters or field offices make use of them. These schedules, if appropriately tested and refined, can actually facilitate a longer business day. Although FBI special agents already work nine-hour or longer days and receive availability pay, other FBI personnel have more traditional eight-hour work schedules.

Alternate work schedules allow employees to schedule doctor and child or elder care demands on alternate work schedule days and reduce use of unscheduled leave. Alternate work schedules for non-agent personnel can include, for example, four 10-hour days per week or nine-hour days over two work weeks with every other Friday (or other designated) day off. Such schedules can help offset time away from family when FBI staff are in an extended temporary duty status by allowing three-day weekends every other week, and may help attract staff to FBI headquarters positions. In addition, alternate work schedules could be used at the Bureau to extend the non-agent personnel work day and help to provide administrative support for special agents, who already work longer days.

Part-Time and Job Sharing

Currently, job sharing and part-time work are discouraged at the FBI because a part-time employee is counted against an entire full-time position by the FBI. Any manager would be reluctant to commit a full-time position to part-time work. Yet, the FBI's goals of recruiting a diverse workforce and re-branding itself as a family friendly employer are not consistent with this practice. FBI personnel say that, if the FBI does not support family friendly work schedules, then it should be clear in its recruiting that accommodation of family friendly schedules will occur only in particular instances and only at the manager's discretion. The FBI should reconsider this policy.

Relocations and Enhanced Use of Relocation Bonuses

As an FBI agent's career progresses and family obligations increase, relocation becomes increasingly difficult. This is particularly the case when a move is to a high cost city where even a promotion and pay increase may not be sufficient to avoid a decrease in purchasing power. Also, the career of a non-FBI spouse may be derailed, leaving the couple to face a significant loss of financial stability. The FBI should explore the requirements for creating a relocation service for non-FBI spouses, like those used by other agencies, to assist with some of these issues. Alternatives to relocation, such as extended temporary duty or "commute versus relocate" programs, should continue to be explored by the FBI as well. Other organizations that have had to deal with mobility requirements and lack of precision in knowing where the work will take their personnel should be consulted by the FBI for lessons learned and ways of dealing with these issues.

As the FBI confronts the future employment challenges resulting from changing demographics, alternatives to the traditional ways of getting work done will become critical if the FBI is to maintain its status as a highly sought-after employer. Finding the right formula for the Bureau and its work-life programs will require a willingness to experiment, re-tool, and share successes.

* * * * *

SUMMARY

"Prior to 9/11, the FBI's primary charge was solving crimes. Now, preventing crimes—more specifically, acts of terrorism—is priority one. This is a monumental shift, and runs counter to everything almost every FBI agent in the past was trained to do. While the FBI is making progress adapting to its new role, it also has made some missteps. Director Mueller deserves a lot of the credit for the changes that already have been made at the bureau. He also would be the first to admit there is still a long way to go. Change is never easy. We all resist it. But the changes being asked of the FBI are critical to the safety of every American."

Congressman Frank Wolf, Chairman, Subcommittee on Science, the Departments of State, Justice, Commerce, and Related Agencies, House Appropriations Committee, June 30, 2005

The FBI is in the vortex of monumental changes in its mission, culture, and organization. At the heart of this undertaking are its people and their leadership. Director Mueller and the Bureau's workforce have fully recognized, as have its external stakeholders, that transformation in how it manages its people—its human capital—must accompany and fully support the changes in mission, culture, and organization.

Throughout this report, the Academy Panel has praised, critiqued, and made suggestions regarding numerous aspects of the Bureau's human capital management function. At the same time, it recognizes that "the perfect can be the enemy of the good," and that it is important to credit the Bureau for the many changes it is initiating on its own.

The report endeavors to comment constructively on the major dimensions of human capital management, such as strategic workforce planning, succession planning, leadership development, recruiting and hiring, compensation, career development, training, and work-life programs. It includes an identification and assessment of various issues that appear to be barriers to enhancing human capital management at the FBI, along with suggestions for overcoming these barriers. We trust this will help the Bureau strengthen its human capital management function, and, as a result, the organization itself.

More significant and far reaching, is the Panel's conviction that the key to successful human capital transformation is a combination of leadership, organization, and accountability for comprehensive and integrated human capital policies, programs, and practices. This conviction is the foundation of the Panel's recommendations for appointing a Chief Human Capital Officer, creating a human capital implementation team, focusing responsibility and accountability for human capital management in a single office, and ensuring that human capital management is a priority of the Bureau's leadership team. The Bureau does not lack projects, activities, commitment, or energy for confronting a wide range of human capital issues. It does, however, clearly need enhanced leadership, organizational infrastructure, and systems for it to more effectively harness and direct these notable, and often well-done, efforts.

New developments and challenges continue to emerge that directly affect the Bureau's mission, culture, and organization. The recent directive of the President that the FBI reorganize to create a national security-related workforce within the FBI in order to capitalize on the FBI's progress and to integrate the FBI's intelligence elements fully into the broader intelligence community is a clear example of this. It underscores the need for the Bureau to be able to address, in an aggressive and systematic manner, the human capital dimensions of this change to ensure they are integrated with and supported by other ongoing human capital programs and policies.

The Panel and the Academy look forward to making continuing contributions to the Bureau as it continues its transformation journey.

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 - Section Chief, Strategic Management and Operations Support Section
 - Section Chief, Administrative Section
- Employee Advisory Committees
 - AEGIS
 - Administrative Officers Advisory Committee
 - Female Special Agents Advisory Committee
 - Mid-Management Advisory Committee
 - Special Agents Advisory Committee
 - Special Agents in Charge Advisory Committee

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Other Interviews

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