

THE WHITE HOUSE

WASHINGTON

May 27, 1976

MEMORANDUM FOR THE HEADS OF
DEPARTMENTS AND AGENCIES

Over the past two decades, there has been a gradual but substantial rise in the average grade of General Schedule employees. Much of this rise is due to the fact that technological changes and other factors have brought about significant shifts in the makeup of the Federal workforce. These changes are reflected by a marked increase in the proportion of technical, professional, and managerial employees in the General Schedule.

We cannot assume, however, that this is the whole explanation. Recent reviews by the Civil Service Commission, the General Accounting Office, and the Office of Management and Budget indicate that classification and position management systems are not functioning as effectively as they should in a number of Federal agencies. There is evidence of both overgrading and undergrading because positions are either improperly described or inaccurately classified. This creates a situation which is unfair to all concerned. There are also indications in several agencies of excessive organization fragmentation, duplication of work and superfluous layers of supervision.

Where work has become substantially more complex or difficult, managers have a clear obligation to make commensurate adjustments in the way work is organized and in the grades of individual jobs. At the same time, there is an equally clear responsibility to ensure that undue grade increases are not allowed to occur. Position classification is a matter of law. Government managers are required to put jobs in their proper grades and Federal employees are entitled to equitable pay. Proper position management ensures that work is organized in a cost effective manner to provide optimum development and use of people's skills and energies. When either position classification or position management is deficient the result may be an unnecessary increase in the cost of Government.



I, therefore, am calling upon you to reexamine your internal position management and classification systems to ensure they are operating effectively and in full compliance with applicable laws and regulations. Agency heads will conduct this review in a manner to be prescribed by the Civil Service Commission and will report to the Commission both the actions they have taken and the results of those actions.

At the same time, the Civil Service Commission will pursue vigorously its continuing programs for evaluating agency performance and bringing about corrective action in the areas of position management and classification. Where the Commission finds extensive overgrading, undergrading, or underutilization of personnel resources, it will bring its findings to the attention of the Agency head concerned. In addition, the Commission and the Office of Management and Budget will work with the agencies involved to correct such problems, and may prescribe special instructions where warranted.

Herald R. Ford



Department of Defense

Grade Distribution Tables
(Filled Positions)

End-Strength in 000's

	Actual	Pres Budget		New Plan	
	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 77</u>	<u>FY 78</u>
Senior Civilians (GS-9/18) <u>a/</u>					
Supergrade & Equivalent <u>b/</u>	1.303	1.275	1.267	1.200	1.135
GS-15	6.3	6.0	5.9	5.5	5.2
GS-14	15.1	14.3	14.2	13.3	12.6
GS-13	39.2	37.3	36.8	34.5	32.0
GS-12	60.7	58.5	57.7	54.0	50.0
GS-9/11	<u>140.1</u>	<u>137.3</u>	<u>135.7</u>	<u>129.5</u>	<u>124.1</u>
Subtotal GS-9/18	262.6	254.7	251.6	238.0	225.0
Total Civilian <u>c/</u>	1,078	1,058	1,036	1,036	1,036
Officers <u>d/</u>					
Gen/Flag	1.199	1.185	1.185	1.150	1.100
O-6	12.5	12.2	12.1	11.8	11.5
O-5	30.6	30.0	29.8	29.2	28.7
O-4	47.7	46.3	45.4	45.0	44.0
O-1/3	<u>165.5</u>	<u>156.9</u>	<u>153.7</u>	<u>153.8</u>	<u>153.7</u>
Subtotal Officers	257.5	246.6	242.2	241.0	239.0
Total Military <u>c/</u>	2,127	2,087	2,101	2,101	2,098

a/ Excludes part-time and intermittent workers.

b/ A 10% vacancy rate is assumed in displaying the President's Budget, reflecting current experience. Authorizations are: FY 76: 1.417; FY 77: 1.408. A 5% vacancy rate is assumed for the New Plan. Authorizations are: FY 77: 1.263; FY 78: 1.195.

c/ Source: FYDP.

d/ Excludes doctors, dentists, Civil Functions, Reserve and Guard appropriations (except for Gen/Flag officers).

