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summary report on
MANAGEMENT IMPROVEMENT PROGRAM
fiscal year 1954

management assistance branch
office of the comptroller
national security agency

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NATIONAL SECURITY AGENCY

SUMMARY REPORT ON MANAGEMENT IMPROVEMENT PROGRAM

FISCAL YEAR 1954

- I Introduction
- II Trends in management improvement activity
- III Major examples of management improvement in Fiscal Year 1954
- IV Projected management improvement efforts in Fiscal Year 1955

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NATIONAL SECURITY AGENCY

SUMMARY REPORT ON MANAGEMENT IMPROVEMENT PROGRAM

FISCAL YEAR 1954

I INTRODUCTION

This report on the Management Improvement Program within the National Security Agency during Fiscal Year 1954 is in accord with the policy, set forth in Title X, Public Law 429, 81st Congress, and defined in Executive Order 10072 and the Bureau of Budget Circular, A-9, revised. It is based upon the reports required by NSA Regulation 112-1, dated 25 August 1953, under the revised reporting instructions contained in Disposition Form, "Management Improvement Data," from the Comptroller, NSA, dated 2 August 1954.

Each Staff Division and Office was instructed to limit its report to significant examples of management improvement in representative functions within its area of responsibility. Therefore, the individual reports submitted did not represent a full documentation of all management improvement activities, but rather a selection of the improvements within the reporting area. This summary presents those which are outstanding and of general interest beyond the reporting organization.

Reporting organizations were invited to include brief descriptive statements concerning projected management improvement efforts in Fiscal Year 1955. In general, those included herein were selected because they covered definable areas of effort or distinctive types of effort. Broad generalizations are not included.

Management improvement is defined as any action which results in improved effectiveness, efficiency and economy. The Management Improvement Program is defined as the organized effort to promote such actions throughout the Agency. Responsibility is fixed upon each employee to effect improvements in his own work, and on the Chiefs of Divisions and Offices for the promotion and development of the Management Improvement Program within their respective organizations.

II TRENDS IN MANAGEMENT IMPROVEMENT ACTIVITY

During the review of the reports on management improvement activity in Fiscal Year 1954, similar reports for Fiscal Year 1953 were examined. There emerged several distinct impressions of the reporters' concepts of and reactions to the Management Improvement Program. Qualitative rather than quantitative, these impressions are indicative of the trends in management improvement in the Agency. At the same time, they suggest areas and directions in which the Management Improvement Program may be most effectively promoted in Fiscal Year 1955.

Many of the facts presented pertained to actions of management, but the actions themselves did not reveal management improvement. This inability to distinguish between management actions, per se, and efforts toward management improvement may be misleading. Good management means good decisions, and a good management may find it impossible to report improvements because none were needed. And, so in its report, it includes action. This is the most charitable interpretation. Reports for Fiscal Year 1954 reveal an improvement over the preceding year in this respect.

The need for management improvement was generally admitted, but with significant variations in the understanding of what the need means, and in the appreciation of the responsibility imposed by the need. As a result, actions taken to meet the need ranged from an aggressive promotion of positive efforts at management improvement to a tranquil confidence in the adequacy of existing management practices.

A significant feature was the increasing recognition of the importance of proper training for personnel at all levels of responsibility. Training for competence to perform current assignments and training for the assumption of greater responsibilities were both pushed intensively during Fiscal Year 1954. The long-range value of this activity in improving Agency management is incalculable.

In conclusion, it was apparent that at the end of Fiscal Year 1954 there was throughout the Agency a greater awareness of the necessity for management improvement than existed at the year's beginning. This report reveals the diversity of means employed in accomplishing the objectives of the Management Improvement Program.

~~TOP SECRET~~ CONTROL NUMBER 00F64-07
COPY 5 OF 53 COPIES
PAGE 2 OF 10 PAGES

III MAJOR EXAMPLES OF MANAGEMENT IMPROVEMENT IN FISCAL YEAR 1954

The examples selected for inclusion in this report have been arranged under broad major fields of activity in which the action was taken. Although many of them could have been placed in more than one field of activity, no example is reported more than once. The organization reporting the action is shown in parentheses immediately following the statement.

MANPOWER UTILIZATION

Full-time productive employment of personnel in the School waiting final clearance is being accomplished by assignment of unclassified work projects from PROD and other offices. (SCH)

A psychological research program was initiated to provide NSA with valid instruments for use in the selection and placement of individuals in NSA specialties and for the development of yardsticks of efficiency. (PERS)

The program for employee performance appraisal and in-service placement has been revised to promote the development of firm career service and to contribute to the general efficiency and morale of personnel. (PERS)

The Personnel Newsletter was introduced to improve communications and the relationships between the individual and Agency management. (PERS)

SPACE UTILIZATION

A swing shift, involving 1500 persons, was successfully introduced, thereby increasing the average operational space per person 25%. The many administrative problems created by this change have been solved. (PROD)

The change in location of the School did not result in more space, but, scheduling of classess has become much more effective and efficient because of the greater number and smaller sizes of rooms. (SCH)

The centralization of books, periodicals and technical documents in central libraries at NSS and AHS not only conserved space, but resulted in a marked increase in operating efficiency of the libraries and in convenience for library users. (TEC)

MACHINE AND EQUIPMENT UTILIZATION

The new Perfector Roll Fed Press produces a given amount of work with an indicated savings of 75% in man-hours, compared with the sheet fed press. There is an additional saving of 25% in the cutting operation. (COMSEC)

Replacement of XEROX processing with presensitized plates effects a saving of approximately \$4,000 per annum in labor and material, exclusive of salvage value of the plates. (COMSEC)

Automatic equipment in the Bindery speeds up production and eliminated a manual operation requiring six persons. Also, collating time has been reduced 60% and trimming time, 60%. (COMSEC)

Centralization of instrument repair activities, formerly located in several Divisions, resulted in more efficient service to all, in reduced costs and in definite time savings. (R/D)

An estimated saving of \$60,000 to \$70,000 annually resulted from installation of sprocket feed kits and use of fan fold paper on teletype equipment. (COM)

Continued expansion of on-line operation (from 17.7% in May, 1953, to 46.8% in May, 1954) resulted in a 13.5% increase in daily average groupage. (COM)

Mechanical stock accounting replaces manual operation coincidentally with the publication of each section of the NSA Interim Supply Catalog. Reports now available through mechanical accounting have become an effective tool in determining realistic stock levels, in effecting timely procurement and in controlling inventory. Cost accounting data as well as item accounting data will be available, thereby assuring better financial and logistical management and control. (LOG)

Comprehensive and realistic training in R/T intercept and processing is made possible by special equipment, simulating actual field conditions. (SCH)

The document control program employs "coordinate indexing" in its cataloging. Mechanical (IBM) assistance for the posting in this system has been introduced, with an annual saving of at least one-man year. (TEC)

PAPER HANDLING

A new Routing Slip eliminates multiple logging in and out at various levels and automatically provides internal routing by organization, thereby speeding up delivery of incoming and outgoing correspondence. (COMSEC)

Open-end contracts for new book purchases have been arranged at selected bookstores in Washington, New York and Chicago. Orders placed with these dealers are filled promptly, and monthly billings submitted, thereby effectively reducing delivery time and significantly lowering accounting time. (TEC)

The Reports Coordination Program was made fully effective. Measurable savings amounting to an annual accrual rate of \$2,300 resulted from the disapproval, substitution, recission or revision of 55 reports. Collateral benefits (e.g., elimination of compilation of unnecessary data and improvement in data reported) are extensive. (COMP)

Revision of Travel Information and Itinerary Form (NSA 1975) reduces typing time significantly. (COMP)

Issuance of suballotments has been limited to "activity" alone, instead of to "activity" plus specific amounts for individual sub-accounts. Number of issuances was reduced by at least 50%. (COMP)

Decentralization of the approving authority for awards in the Incentive Awards Program has accelerated actions significantly, with a corresponding

Top Secret Control Number 00F54-07
Copy 3 of 53 Copies
Page 4 of 10 Pages

improvement in employee appreciation of the Program. (COMP)

The principle of Skip Echelon Administration was introduced generally throughout the Agency with noticeable effectiveness. (COMP)

WORK MEASUREMENT

The Work Measurement System was installed in five PROD Divisions and in one COMSEC Division. It was introduced in one COMSEC Division and in two Staff Divisions, COMP and PERS. (COMP)

The Work Measurement Program within PROD was accelerated by the establishment of thirty positions to be manned by qualified personnel with operational experience. (PROD)

The Operation Research Program was developed to aid in the analysis of manpower and facilities utilization. (PROD)

MANAGEMENT TRAINING

A program of supervisory development was established to be offered to all first line supervisors within PROD. (PROD)

An intensive training program for personnel at all levels was carried on in the field of management methods. More than 600 employees attended lectures and discussions. Selected key officials were sent to university and professional society development courses in scientific management. (TNG)

TECHNICAL TRAINING

The basic text on traffic analysis was completed to the point of publication and the first of six texts on cryptanalysis was nearly as complete. (TNG)

Eight volumes, including textbooks, glossaries and readers, were completed in five languages. Courses were given to analysts in languages formerly unknown in the Agency. (TNG)

To provide guidance in a possible revision of career programs within the individual Services, thereby promoting better training in the highly specialized skills in cryptologic work, a prototype plan was developed for further planning in this field. (TNG)

Definite progress in reaching common understanding of training problems with all collaborating Agencies and Services was made. Two cooperative training projects are being planned; the Navy and Air Force at March AFB; and NSA at Washington for all Services. (TNG)

EFFICIENCY AWARDS PROGRAM

Entire program was promoted more intensively than before, by introduction of competitive concepts between Agency organizations, and by participation in the Public Service Awards Contest. Suggestions in Fiscal Year 1954 exceeded those of Fiscal Year 1953 by 3.8%. Those submitted in the last half of FY-1954 exceeded those in the first half by 106%. Total accrued savings amounted to

~~Top Secret~~ Control Number 00F54-07
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Page 5 of 10 Pages

\$163,300, an increase of 14% over the savings of FY-1953. (COMP)

STANDARDIZATION

The NSA Interim Supply Catalog provides a common identification for general expendable supply items. Before its publication, there was no common language upon which the base accounting, procurement and storage of identical items. (LOG)

NSA Regulations and NSA Memoranda were consolidated into one publication. Also a subject classification was developed for both the new NSA Regulation Series and NSA Circulars. (AG)

A standard method of classifying vital records to be deposited in the Alternate Records Depository at Crane, Indiana was initiated, thus making the material more readily available, if and when needed. (AG)

The program for standardizing job descriptions to fit both civilian and military personnel was initiated. It provides greater flexibility in rotation, and reassignments, as well as uniformity in grade structures. (PERS)

An Agency-wide Locator System was installed to maintain accurate personnel location data on a current basis, and to provide an authoritative centralized source for such purposes as preparation of Agency phone book. (COMP)

The Forms Management Program has been generally accepted throughout the Agency. There were about 1500 NSA Forms in current use at the end of the Fiscal Year, of which 60% have been standardized. Estimated total annual savings from this program are \$120,000. (COMP)

A standard format for transmission via Service teletype facilities was developed and adopted, with significant reductions in processing time. (COM)

MATERIAL HANDLING

Installation of the SOMAT (paper pulping machine) has resulted in a definite saving in man-hours and in the elimination of numerous interruptions to productive activity. Large containers at strategic locations makes use of small paper burn bags unnecessary. (PROD)

The problems created by the monthly accumulation of some 5,000 cubic feet of records have been effectively minimized by use of microfilming. (PROD)

EQUIPMENT PURCHASE

Procedures have been established whereby HqC is advised of potential procurement of equipment when such action is initiated. Constructive and timely planning for power and other utilities, and accessory construction then precedes the delivery of the equipment. (HqC)

PLANNING

The NSA Emergency War Plan was completely revised, establishing NSA support requirements for guidance in planning by the Services and other government agencies. (P/P)

The NSA Midrange Plan - the first developed - established overall NSA objectives which are attainable within the midrange period. (P/P)

An NSA Long-range Planning Group was established for development of plans for the long-range, ten years in the future. (P/P)

The NSA Organizational Manual, covering Headquarters and Field Activities, was completed. It will be maintained on a current status. (P/P)

ORGANIZATION

A set of flow charts - two hundred eighty-one in all - was compiled showing for the first time a complete picture of the movement of material into, within and out of PROD. (PROD)

Two Divisions have been reorganized and a new Division, Physical Research, has been established within R/D. These reflect more specifically the scope of missions assigned and to make more effective all operations concerned therewith. (R/D)

Functions and structure within TEC have been reorganized along professional library lines, with clearly defined areas of responsibility established. (TEC)

Centralization of mail distribution functions has been effected by the transfer of these duties at AHS from PROD to AG. A more efficient service has resulted. (AG)

DECENTRALIZATION

The decentralization program was effectively initiated by actual assignment to the field of most of the priority problems which were scheduled for decentralization. Indicative of the nature of these steps was the establishment of minimum standards for intercept installation in the field. Another was the flexibility allowed local commanders on local assignments. (PROD)

SCHEDULE CONTROL

Greater control over COMINT end products was developed in three areas:

1. Consumers agencies now submit their needs in writing, and, if the desired COMINT is available, it is published in regular series.
2. Weekly informal sessions between consumers and NSA developed greater consumers participation in establishing goals and priorities with a corresponding improvement in services rendered to all.

3. Editorial policies and practices were brought under more effective control by the COMINT Coordinating Board. (PROD)

FISCAL

Issued schedule for installation of Financial Management Plan, which, when in full operation, will integrate such activities as financial inventory control, labor, material and overhead cost control, production and quality control, programming and budgeting, and collection and reimbursement accounting. (COMP)

Issued standard chart of indirect accounts for use in labor distribution reports and related operations. (COMP)

Integrated fiscal accounts in Operating Offices with COMP accounts with a corresponding elimination of duplication and an estimated savings in excess of \$5,000 per year. (COMP)

IV PROJECTED MANAGEMENT IMPROVEMENT EFFORTS IN FISCAL YEAR 1955

The program of conversion from off-line to on-line operations will be continued. (COM)

Plans will be formulated for the establishment of a Centralized COMINT Communications Center (CCCC) in all theaters of operation. (COM)

A Production Control Section will be established in NSA-42 to perform production analysis, material control, routing, scheduling, dispatching and time study. A Process Engineering Section will be established to provide a central source for engineering data. (COMSEC)

Special emphasis will be placed on the non-technical and managerial training of supervisors. (COMSEC)

Specific plans are in process for the continued improvement of control over COMINT. These include a system for assessing the intelligence value of PROD output, the employment of "project engineers" to work with PROD components in raising the intelligence value of their output, the development of a method to report PROD-wide intelligence subjects, and the monitoring of PROD output to improve adherence to approved publication standards. (PROD)

Continuing emphasis will be placed on the further development of procedures to give more timely, effective and responsive COMINT support to overseas commands. To do this, cross-servicing arrangements for direct distribution of COMINT information to all theater commands from processing centers at all echelons will be increased; procedures for channeling COMINT requirements from overseas units to NSA will be developed. (PROD)

The necessity for a well-rounded Records Management Program will be emphasized. Efforts will be made to eliminate unnecessary records by preventing their creation. Methods of maintenance of necessary records will be improved. A uniform and orderly retirement and disposition program is planned. (AG)

It is proposed to conform the NSA subject classification series of publications to the Department of Defense Directives System Classification Numbers. (AG)

The subject matter of courses in the Management Engineering Career Program will be expanded to include organization, methods and procedures, equipment and facilities. (COMP)

An integrated accounting system, comparable to commercial double-entry accounting, will be designed and introduced to accumulate related costs in a consistent manner throughout the Agency. (COMP)

Extension of labor cost control to cover all elements is scheduled. Regulations, procedures and manuals for material and overhead cost control will be prepared. (COMP)

The current NSA Supply System will be studied and evaluated to develop, if necessary, appropriate recommendations for reorganization and realignment of

00F54-07

~~TOP SECRET~~ CONTROL NUMBER
COPY 5 OF 63 COPIES
PAGE 9 OF 10 PAGES

the logistics activities, functions and procedures of the Agency. (LOG)

The policy that NSA is not a depot for storage of cryptologic spare parts will be coordinated with the Services during the year. NSA may continue to act as a central procurement agency for unique parts, with delivery being directed to the ordering Service. (LOG)

A Registry for consultants will be established to provide for a more effective utilization of consultants, experts and advisors by Agency organizations. (PERS)

Valid psychometric selection instruments in the language and cryptologic fields are being developed to improve the selection and assignment of the best qualified personnel within the Agency. (PERS)

Continued and increased emphasis will be placed on planning for decentralization of operations of COMSEC, R/D, and PROD, to secure greater efficiency by:

- a. Bringing executive nearer to point of decision-making
- b. Improving quality of decisions made
- c. Reducing volume of paper work
- d. Reducing expenses of coordination (P/P)

The Field Commanders Conference will be repeated in FY-1955. Cooperation and coordinations between Headquarters and Field Units were noticeably improved by the First Conference in FY-1954. (P/P)

The quality of instruction at the School will be improved by the establishment of an instructor rotation program between TNG, PROD and SCH. (SCH)

New courses will be introduced as needed and developed. For example, a course in electronics will be given in the Fall to provide highly specialized training for personnel in PROD, R/D, and COMSEC. (SCH)

A Security Education Program for Agency personnel will be established and carried on during FY-1955. (SEC)

NSA Library's Public Catalog will be reorganized and rearranged according to standard catalog format, as used by large reference libraries. (TEC)