



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

June 21, 1976

The Honorable Robert E. Hampton
Chairman
U.S. Civil Service Commission
1900 E Street, NW
Washington, D.C. 20415

Dear Bob:

During my tenure at the Commission, I have attempted to introduce a number of reforms that will enable us most effectively to meet the new and constantly changing problems facing this agency. The enactment of fundamental changes in the securities laws last year, the President's regulatory reform proposals, and the dynamic changes in the securities markets are just a few of the forces that we must respond to in fulfilling our mission.

It goes without saying that we can respond effectively only if we can attract and motivate superior executive talent with the breadth of vision to see beyond the parochial concerns of their own functions or professions. In this regard, I have previously expressed to you my desire to break away from our traditional approach, which placed almost total reliance on lawyer-oriented concerns. My proposal to classify our Director of Economic and Policy Research at the GS-18 level is an important part of our effort to upgrade the role of economic analysis in the Commission. In a like manner, I want to lend emphasis to the role of the professional manager in accomplishing our mission. The paradox of ever-increasing costs accompanied by constant pressure to control government expenditures makes it imperative that every resource at our command be used to the greatest advantage. This can be done only if we can attract, challenge, and reward first-rate executive talent.

I have on my staff an individual who possesses this talent - Jim Foster, the Director of the Office of Reports and Information Services. During nearly four years in this and predecessor positions, Jim has demonstrated a rare combination of administrative, human relations, and technical skills required to organize and execute an extensive variety of programs. Consequently, he has assumed responsibility for an ever-increasing number of ongoing programs as well as special management problems requiring innovative and creative study. As his job has evolved over the years, Jim now has responsibility for a number of the Commission's critical programs.

For example, Jim plays an important role in several of our target areas under the regulatory reform program, which, as you know, is accorded the highest priority by the President. As part of this effort, we are

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modernizing our records and information handling systems, a high priority SEC objective. While we have been successful in securing OMB approval for a substantial supplemental appropriation to assist us in this effort -- a fact of no small significance in an era of government-wide program and budget cuts -- your support, and that of the Civil Service Commission, in the allocation of executive resources to manage the program is critical. It would surely be anomalous if, in this day of reforming the regulatory process, the various interested agencies of government could not pull together to harness the fiscal and manpower resources required to support an important new initiative.

Another example of Jim's managerial talents is his ability to dissect extremely complex administrative problems, break them down into their constituent parts, and develop viable solutions without requiring a vast empire for their implementation. He has been especially successful in organizing his operation so he can accomplish his functions with a relatively small staff of para-professional or non-professional employees, where less capable managers would require high-grade professionals. Not only does this enable us to minimize our manpower costs, but it also provides challenging upward mobility assignments for many of our lower grade employees. Thus, the value of this position is in its executive functions; it is in sharp contrast to most of the Commission's top level positions which focus on professional attorney rather than administrative skills. Here again, I am attempting to avoid an over-reliance on the attorney staff, and I regard this job as an effective balance to the attorney viewpoint.

In view of the importance which we at the SEC attach to this position, I am hopeful that you and your fellow commissioners will see fit to approve a classification of GS-16 for it. In fact, I regard this job as sufficiently critical that I propose to use an existing vacant GS-16 slot for its establishment. The Commission has a vacant GS-16 space which was previously allocated to an Associate Director position in the Division of Corporation Finance. Even though that position is extremely important, I have determined that the Director, Office of Reports and Information Services, is even more so, and am willing to reallocate the space accordingly.

Finally, let me say that this is not just an attempt to reward a good manager for a job well done. Because Jim has done such an impressive job over the past few years, his responsibilities have steadily increased and the Commissioners and top staff have placed an ever increasing reliance upon him. If this sounds as though I am talking about a person rather than a job to be done, it is only because Jim has literally made the job what it is by his own talent, resourcefulness and perseverance. In this regard, I want to mention that it is my intention to recommend to my fellow Commissioners that we nominate Jim for the National Civil Service League Award in recognition of his outstanding contributions to this agency. I think this is an indicator of the esteem in which Jim is held within the Commission, and although I fully

realize that it is not a classification factor per se, I believe it does serve to show that we regard him as much more than just a good manager, and we give him responsibility for major Commission programs commensurate with his abilities.

I hope you will favorably consider our request for a GS-16 classification. Again, I express my appreciation for the cooperation you and your staff have given me.

Sincerely,


Roderick M. Hills
Chairman