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Improving CIA Analytic Performance: DI Analytic Priorities

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A host of reports have been written over the 50 years of CIA history evaluating analytic performance and recommending changes in priorities and trade-craft. These “post-mortem reports” have been issued by Agency leaders and components as well as by Congressional committees and commissions and non-governmental organizations concerned about intelligence performance. Starting with the 1990s, post-mortem reports increased in number, generated both by charges of specific intelligence failures and by general recognition that the post-Cold War period presented new challenges to intelligence.

The recent post-mortem reports have helped Directorate of Intelligence leaders to examine current doctrine and practice critically, and to address identified challenges in training programs. This Occasional Paper is one of a series of assessments of what recent critiques have said about the key challenges facing the DI in the new century.

The present paper addresses the challenge of establishing priorities among competing uses of analytic resources (for example, current trend reporting vs. customized “action” analysis vs. in-depth studies). It reviews six post-mortem critiques: (1) Twentieth Century Fund Task Force on the Future of Intelligence, *In from the Cold* (1996); (2) Adm. David Jeremiah (R), *Intelligence Community’s Performance on the Indian Nuclear Tests* (1998); (3) *Report of the Commission to Assess the Ballistic Missile Threat to the United States* (1998); (4) Independent Task force of the Council on Foreign Relations, *Making Intelligence Smarter: The Future of U.S. Intelligence* (1996); (5) Commission on the Roles and Capabilities of the United States Intelligence Community, *Preparing for the 21st Century: An Appraisal of U.S. Intelligence* (1996); (6) Staff Study, Permanent Select Committee on Intelligence, House of Representatives, *IC21: Intelligence Community in the 21st Century* (1996).

Setting Analytic Priorities in a Dynamic Policy World

Over the decades, consumers of intelligence have recognized that on a host of issues the DI has more ample analytic assets to help them get their policy jobs done than do other elements of the Intelligence Community. Consequently, explicit and implicit demand for analysis—from the White House, civilian policy agencies, DOD and military commands, and Congress—has regularly taxed the DI’s capacity to respond. During the 1990s, a profusion of policy issues requiring analytic support—for example, environmental and humanitarian issues—and downsizing of the DI and all other Intelligence Community units increased the imbalance between the demands on the Directorate and its resources to respond by its own quality standards.

Sharp changes in policy focus brought on by dramatic events—for example the Gulf War, the Balkan crises, and most recently the 11 September 2001 terrorist attacks—and secular changes in policymaker preferences (such as greater reliance on non-intelligence sources for background analysis) add to the challenge DI leaders faces in setting analytic and resource priorities that both meet consumer needs and reflect Directorate capabilities..

In these circumstances, DI leadership has had regularly to refine the signals it sends to analysts on what it sees as the appropriate mix of analytic deliverables. What balance of attention between in-depth and expertise-building studies on the one hand, and crisis management analysis and current policy support generally on the other hand? Between generally distributed trend analysis (for example, the SEIB) and customized action analysis (requested memoranda)? Between work on fixed policy priorities (“hard targets”) and work on flash points which require only passing but intense national security attention (“global coverage” or surge issues)? Equally important, which officials are to be given the status of *clients*, with authority to levy individualized tasking, and which are to be considered *customers*, essentially entitled only to broadcast assessments?

Leadership decisions on priorities are of great importance to analysts. How analysts are recruited, trained, deployed, and rewarded is at stake. Tracking signals is no easy matter: *What analysts are to do more of seems always to be more clearly stated than what analysts are to do less of.* And as the factors affecting leadership decisions are mostly external (for example, policy focus; congressional funding) and inherently fluid, analysts, with guidance from their managers, have to insure against the prospect of changes over time in DI analytic and resource priorities that can affect their careers.

The post-mortem critiques assessed in the present memorandum covered the waterfront with their range of commentary on priorities, but focused essentially on three overlapping post-Cold War shifts in DI deployment of resources that took effect by the mid- to late-1990s, when the critiques were issued.

1. DI analysts were fewer in number and less experienced overall than previously, and more likely to be engaged as analytic generalists (switching accounts often) than to be trained as substantive specialists.

2. The DI produced many fewer in-depth substantive studies and invested analysts' time more heavily in current support vehicles such as the PDB and the SEIB.
3. Analysts were more likely to be working on hard target issues, including in the DCI and DI centers dedicated to non-proliferation, counter-terrorism, and combating organized crime and narcotics trade that feature operational and action-oriented analysis. And they were much more thinly deployed to follow regional and country political, military, and economic developments.

With exceptions (as noted in the text), the critiques called for reversing these trends and moving closer to the earlier balance of analytic and resource priorities.

Rebuild Diminished Ranks of Analytic Expertise

Several of the post-mortem reports judged that analyst expertise had slipped below a satisfactory level, either across the board on national security topics or on the specific issue that was the focus of the critique. The critics recognized that the decline in analytic strength was in part the result of downsizing in personnel. But what was depicted as excessive focus on analysis in support of crisis management—such as US military engagements—and current policy support generally was also seen as erosive of research activities of all kinds, especially on longer-range aspects of national security issues. Some reports called for an expansion of analytic ranks and resources, with most also calling for an increase in research and other expertise-building activities, even if the increase was to require a curtailment of analysis in support of current policy.

Noting that analyst salaries constitute a small part of the intelligence budget, the report of the Twentieth Century Fund Task Force on the Future of Intelligence, *In From the Cold* (1996), would “reinvigorate” analysis by doubling its budget. In its view, a larger number of analysts who were better prepared to support national security policy decisionmaking was a priority national need—even if the expansion had to be funded at the expense of intelligence collection.

More specifically, the report produced by Adm. David Jeremiah (R), *Intelligence Community's Performance on the Indian Nuclear Tests* (1998), calls for increased analytic coverage of South Asian nuclear developments, attributing the failure to anticipate the May 1998 resumption of Indian nuclear testing in part to a dearth of analytic expertise. Similarly, the *Report of the Commission to Assess the Ballistic Missile Threat to the United States* (1998), known as the Rumsfeld Commission after the name of its chairman and current Secretary of Defense, Donald Rumsfeld, calls for a reversal of the diminution of the analytic ranks of experienced scientists and engineers, which it blames in part for what it sees as a poor record in anticipating rogue country ballistic missile threats to the United States.

Promote Career Incentives for Substantive Expertise

The post-mortem critiques also addressed what they saw as an underlying issue related to inadequate expertise—longstanding incentives for analysts to turn to management careers at the height of their substantive competency. The report of the Commission on the Roles and Capabilities of the United States Intelligence Community, *Preparing for the 21st Century: An Appraisal of U.S. Intelligence* (1996), chartered by Congress and perhaps the most comprehensive appraisal of post-Cold War intelligence, rather dramatically sets out its case for incentives to promote greater substantive specialization by analysts.

An intelligence analyst sent to brief a senior policymaker on “country x” faces a daunting situation. The policymaker often is someone who has lived in, or frequently travels to “country x,” has daily contacts with his or her counterparts there and with substantive experts in the United States, and reads the current literature on “country x.” The intelligence analyst, on the other hand, may have neither lived in, nor even traveled to “country x,” and his or her contacts with experts in the U.S. and within “country x” itself may be limited. Yet he or she is expected to provide fresh insight to the policymaker.

The report recognizes that some analysts have national reputations in their substantive specialty but that “they are the exception rather than the rule.” It also recognizes the existence of training programs to provide greater expertise, but finds these of “limited” scope. The report then recommends several measures to promote the status and quality of analysts.

- More intelligence analysts should be given the opportunity to serve in, and travel to, the country or countries they are expected to cover.
- Analysts should be encouraged to take university or graduate courses here and abroad within their areas of expertise and to establish contacts with experts in the private sector. They should [also] be rewarded for learning and maintaining proficiency in relevant foreign languages.
- Analysts should be encouraged to remain within their substantive areas of expertise rather than having to rotate to other areas or serve in management positions in order to be promoted. Substantive expertise should be rewarded.

The Twentieth Century Fund Task Force report lends forceful support to the last point.

Career incentives that currently encourage flexibility over depth and managerial experience over analytic prowess should be changed....The best analysts inside government need to share in the status of their peers outside. They thus need to be permitted to become real experts, fluent in the languages and steeped in the culture of other nations, with the opportunity to specialize over

long periods of time, to mix easily with outside colleagues, and to publish their findings openly.

The Report of the Independent Task force of the Council on Foreign Relations, *Making Intelligence Smarter: The Future of U.S. Intelligence* (1996), makes the point, albeit without specifying shortcomings, that managerial skills as well as analytic specialization are needed to ensure quality analysis.

Certain...career personnel...need to be encouraged to specialize in a geographic area or function and rewarded for excellence. Not everyone need pursue a career with a management component. This is not meant to diminish the value of management skills. To the contrary, the CIA in particular needs to place much more emphasis on formal management and leadership training as well as demonstrated competence as a prerequisite for promotion for those headed for senior levels.

Increase In-depth Analysis

The criticism that the resource commitment to “more penetrating and forward-looking analysis of issues” was inadequate was closely related to the commentary on inadequate expertise. Here the issue was that the available substantive expertise was seen to be dissipated on analysis that gisted the latest intelligence collection regarding, say, “support to the military and diplomatic operations”—at the expense of what the critiques referred to as “longer-term strategic issues.”

The Rumsfeld Report on the missile threat to the United States was most outspoken here.

The fact that [so much of the available intelligence resources] relate to the support of real-time operations—support to military and diplomatic operations, anti-drug and anti-nuclear smuggling, political analysis of unstable governments—assures that near-time operational issues will receive the greatest attention while longer-term strategic issues are left to be dealt with as time and resources may or may not permit.

In the Commission’s view, this emphasis on near-term issues and operations needs to be moderated considerably, especially as it affects the ballistic missile and WMD [Weapons of Mass Destruction] threats. To provide timely and actionable warning against these threats requires long-term, in depth studies of...developments. Such studies require the creation of a dedicated cadre of analysts with access to collection resources. Treating the threat as one of a hundred or more high priority issues, all of which are placed on the back burner with each crisis and contingency that comes along, will not improve the capability of the IC to provide actionable warning. If near-term issue demands cannot be moderated, then additional resources must be provided so longer-term issues can and are consistently addressed.

Action Analysis (Close Support of Policy) Also Endorsed

While the heavy commitment of resources to event and trend reporting in current analysis publications was questioned in some critiques, action analysis was endorsed in others. The Staff Study, Permanent Select Committee on Intelligence, House of Representatives, *IC21: Intelligence Community in the 21st Century* (1996) discussed in some detail the performance of the Counter-Terrorism Center, the Counter-narcotics and Crime Center, the [then] Non-Proliferation Center, and the other DCI and DI centers. In endorsing the utility of centers, the study concluded that on “critical, enduring issues” emphasis on analysis in support of collection and operations (a variant of action analysis) is an effective use of intelligence resources.

We concluded that, in most respects, the Centers have become successful, established organizations that should continue to exist. In fact, in many respects, they are now indispensable, representing the type of functional outlook and horizontal integration of analysis and collection that will be critical in addressing the complex transnational issues of the future.

The Council on Foreign Relations report also endorsed the relative value of action or close policy support analysis in discussing National Intelligence Estimates. The report finds intelligence analysts as a rule have no comparative advantage over analysts in academia and the private sector in general when it comes to the “long-term analysis of familiar subjects and broad trends” that characterize many Estimates. Intelligence analysts are more likely to have useful secret information and to meet the priority needs of policymakers, who of necessity “most focus on the immediate,” by emphasizing “current intelligence.”

The implied message for the DI in the two reports cited above is that decisions on analytic priorities—for example, between support of current operations and policy, and support of in-depth and estimative analysis—should take most heavily into account the relevant national security policy priorities and the intelligence analysts’ comparative advantages on the issues at hand.

Recent DI Measures Regarding Priorities

In recent years, the DI has promoted measures that would, in effect, advance recommendations of the post-mortem reports regarding priorities and analyst expertise. Starting in the mid-1990s, codification and development of qualifications for analysts in the several “occupational” or discipline areas of analysis (for example, economics, military analysis, leadership analysis) was recognized as a Directorate concern. As part of the DI strategic Plan, the offerings of training courses for the identified fields of analytic specialization were expanded and incorporated into the curriculum of the Sherman Kent School for Intelligence Analysis after its founding in 2000. In recognition of a growing Directorate dependence on relatively new analysts, the Kent School launched the Career Analyst Program, an extended and intensive training regime for new recruits.

Additionally, opportunities for analysts to be posted abroad to acquire foreign “ground truth” were increased. The number of in-depth analytic projects was expanded, as were the interactions of DI analysts with academic and private sector substantive experts. And in 2000, the Senior Analytic Service was established, to provide a senior career path for experienced analysts who preferred not to enter the managerial ranks.

All that acknowledged, the DI remained true to its professional commitment to adjust production priorities to policy priorities. The terrorist attacks of 11 September 2001 thus led to a large-scale shift of Directorate resources into the counter-terrorism effort, with its emphasis on analytic support of tactical warning, collection, and operations. While the commitment to expanding analytic skills and depth remains intact, some related DI actions were placed on hold. A planned expansion of hiring and training new analysts is intended, over time, to restore the momentum.

Summary Considerations: Implications for Analyst Career Planning

As recent trends indicate, DI analytic and resource priorities are subject to change over time as a result of external circumstances (for example, the aforementioned shifts in funding levels and policy priorities) as well as of new directions in leadership’s strategic planning. No matter what the operational level of the DI’s generalized commitment to promote analytic expertise, most analysts will likely switch substantive specialties several times in a career, and will become periodically engaged in crisis management and other surge activities, at times on subjects essentially new to them. And not always voluntarily.

Thus, analysts, even during periods when they are heavily tasked with a specialized substantive responsibility, should work to develop mission-general capabilities that are applicable to a broad range of analytic tasks. Similarly, even when crashing on, say, crisis management support, analysts should seek opportunities to develop distinctive in-depth expertise.

In these cross-over efforts, it usually helps to see every analytic task as containing both an issue-based and a capabilities-based component. Thus, when engaged in a research project, analysts, with the backing of supervisors, should *consciously invest in self-training* on one or more of the many tradecraft skills that can be transferred from one analytic billet to another. These investments as a rule will improve the quality of the work immediately at hand, as well as increase readiness for smooth redeployment to new analytic responsibilities. For example, analysts engaged in substantively specialized work should invest time in sharpening skills in:

- Effective management of intelligence collection and open-source exploitation activities.
- Critical evaluation of the diagnosticity and authenticity of information, including the traffic from clandestine HUMINT and specialized intelligence collection platforms.

- Sound argumentation in making estimative judgments (including identifying key variables and challenging working assumptions).
- Credible management of substantive uncertainty, for the benefit of skeptical policy clients, including appropriate use of alternative analysis techniques.
- Experience-based understanding of the policymakers' world—how Washington works in terms of providing guidance and feedback to help identify distinctive analytic value-added.

Again, engagement in these activities is almost always a requirement for producing a satisfactory research study. What is called for here is to use the requirement as an investment in self-training with a continuous payoff, and not as a one-time expenditure.

Similarly, every assignment that requires heavy levels of quick-turnaround production should be seen as an opportunity for building substantive expertise. Ideally, formal research projects and training are most suited to the task. But every assignment—no matter what the volume, conciseness, and speed of the deliverables produced—can be turned into *an opportunity for self-investment* in substantive depth that DI analysts are obligated to undertake. For example:

- Building a sophisticated mental model of the issue (how politics or drug traffic or money laundering in country x usually works) can be advanced through reading daily traffic as well as through structured research. The challenge is for analysts self-consciously to think of such elements of expert understanding of complex issues as motivations and risk calculations of key players and factors blocking and facilitating modernization or social order.
- Asking more experienced colleagues *why* questions generally, and for assistance in identifying potential triggers and signposts of change. The goal is to help turn the analyst's understanding of daily incidents regarding an organization, country, or region into understanding of underlying political, economic, and cultural factors.
- As for learning from outside experts—if there is no time to read books on an analyst's substantive issues, then he or she should make time to read book reviews and journal articles selected with guidance from more experienced colleagues.

In sum, for the Directorate as an organization, the changing of analysts' assignments is all but inevitable; for individual analysts who want to take the lead in managing their careers and in contributing to the organization's strength, a change in assignments is a learning opportunity.