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GAO report does not solve pay controversy

By [Joe Davidson](#) | July 23

Arguments surrounding differences in pay for federal and private-sector employees won't be solved by the latest report on the controversy.

The Government Accountability Office (GAO) waded into this muddle Monday with a report that looks at other reports on disparities in pay. Those studies present significantly conflicting positions on which group is paid more and used different methodologies.

“[T]heir findings should not be taken in isolation as the answer to how federal pay and total compensation compares with other sectors,” the GAO study says.

So where does that leave the debate?

The same place it was before the GAO weighed in.

The [GAO](#) helps us understand how experts arrived at their conclusions, but it doesn't tell us which conclusion is correct.

The GAO looked at studies by the American Enterprise Institute (AEI) for Public Policy Research, Congressional Budget Office (CBO), Cato Institute, President's Pay Agent, Heritage Foundation and the Project on Government Oversight (POGO).

AEI, Heritage and the CBO use the human capital approach, which considers personal attributes, such as education, experience, race and gender.

POGO and the President's Pay Agent (composed of the labor secretary, the Office of Management and Budget director and the Office of Personnel Management director) make job-to-job comparisons “based on job-related attributes such as

occupation and level of work,” according to the GAO. Personal characteristics of workers are not considered.

Cato uses a trend analysis that “illustrates broad trends in pay over time without controlling for attributes of the workers or jobs,” GAO said.

All of this is nice to know, but the “so what” question remains.

So does the debate.

Ali Ahmad, a spokesman for Rep. Darrell Issa (R-Calif.), the chairman of the House Oversight and Government Reform Committee, who has been critical of federal compensation, said the government should include “benefits like the relatively high level of job security federal workers enjoy, when making decisions related to pay and total compensation. Clearly the Federal government needs to do more to create a federal pay model that more closely tracks economic conditions that exist in the private sector.”

John Gage, president of American Federation of Government Employees, said: “The human capital approach is entirely worthless for pay-setting. It provides no useful information for Congress or the Executive branch regarding the question of whether federal salaries are comparable to those in the private sector or state and local government for workers performing the same kinds of jobs.”

Robert Goldenkoff, the GAO’s director of strategic issues, said in an interview that the Pay Agent has recommended that a congressionally appointed commission examine the issue to ensure that federal and private pay comparisons are as accurate as possible.

One thing that won’t develop an accurate picture is mixing all the methodologies in a pot to cook up an average.

“You can’t do some sort of mash-up,” Goldenkoff said.

Little engine that could

The Surface Transportation Board (STB) is so small its entire staff could squeeze into one Metrorail car, though with tight standing for sure.

But like the little engine that could, the agency, with 142 employees who regulate railroads, beats its larger siblings in an area that to some sounds like an oxymoron: government innovation.

The STB has the highest score, 87.7 out of 100, among all agencies on an innovation ranking issued by the Partnership for Public Service. “Board leaders encourage employees to make suggestions during a weekly open door meeting, and honor the best proposals with the agency’s own ‘genius’ award, presented at an annual ceremony,” says the Achieving a Culture of Innovation report. But the report isn’t all good news.

While STB is at the top, the National Labor Relations Board is at the bottom of the small agency list. The Security and Exchange Commission (SEC) and the Department of Homeland Security (DHS) are at the bottom of the large agency rankings. And although 59.2 percent of surveyed federal employees said they are encouraged to find new and better ways of completing their mission, a paltry 38.8 percent said their agencies reward innovation and creativity.

Reward does not necessarily mean money. Recognition for their work and, significantly, empowering employees and allowing them to be involved in decision making are important factors in encouraging innovation.

“Most distressing,” said Max Stier, president and chief executive of the partnership, is the gap with the private sector, where 71 percent of employees say innovation is encouraged. (The [Partnership](#) has a content sharing relationship with The Washington Post.)

Peter Boogaard, a DHS spokesman, said that through the department’s “ThinkEfficiency campaign, employees are encouraged to find smart and creative ways to accomplish our mission and protect our country by cutting costs, streamlining processes, and eliminating duplication.”

John Nester, an SEC spokesman, took issue with the report.

“These rankings,” he said, “are based on outdated data that does not reflect a series of measures we’ve put in place to encourage innovative ideas and creating thinking.”

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