

## Pay and Benefits Watch So Yesterday

By Emily Long [elong@govexec.com](mailto:elong@govexec.com) August 19, 2010

Federal workers frustrated by the General Schedule have the sympathy of their agency's human resources officials, many of whom would not mind seeing the government "blow up" the decades-old personnel system.

According to a survey released Wednesday from the nonprofit Partnership for Public Service, the majority of federal chief human capital officers believes the GS system is due for a makeover. In particular, the way federal jobs are divided into 15 grade levels is arbitrary and too rigid to allow managers to pay employees fairly, they said.

But those same HR folks also aren't sold on a true pay-for-performance system to take the place of the General Schedule. While supportive of rewarding top employees, CHCOS said they are particularly concerned about the failed history of pay-for-performance systems and limited agency budgets for financial rewards.

Officials can't define what a new personnel system might look like, but they do know the government's current offering isn't working, the survey found. Jeff Neal, CHCO at the Homeland Security Department, said a reformed pay structure should be fair, consistent and easily explainable, adding government is only now beginning to make these changes.

"Whatever we end up with, it needs to be a far more flexible system that allows us to respond to market changes and pay what it takes to actually get the talent we need to carry out the mission," he said.

Easier said than done.

### Mind the (Pay) Gap

The disparity between federal and private sector pay has been making headlines lately, and it's unlikely the controversy will die down anytime soon.

*USA Today* [reported](#) last week that on average, federal pay and benefits (ringing in at \$123,049) are more than double what private workers earn (\$61,051). The report, based on data from the Bureau of Economic Analysis, also concluded the pay gap between federal and private sector employees has doubled during the past decade.

Some observers have criticized the "apples-to-oranges" pay comparison, which leaves out factors such as job function, skill level, age and location. The Office of Personnel Management on Friday said its best guess is federal workers actually make 22 percent less than their private sector counterparts. That number, however, is still an overall average.

According to OPM, analyses like those from *USA Today*, the right-leaning [Heritage Foundation](#) and the libertarian Cato Institute include lower paid positions typically not found in the federal government. The most recent Bureau of Labor Statistics data, which OPM considers the best source on the subject, shows that when occupations are compared on a job-by-job basis, factoring in geographic distribution, nonfederal salaries remain higher than federal salaries.

Tad DeHaven, a budget analyst Cato, agreed that current pay comparisons are inaccurate, but said ultimately federal workers are paid whatever Congress and the president agree upon. In fiscal 2011, that could include a 1.4 percent pay increase.

OPM Director John Berry said he is looking for a formula to compare federal and private sector pay; the agency will [begin its review in September](#).