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STATEMENT OF

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BEFORE THE

SUBCOMMITTEE ON LEGISLATIVE  
HOUSE COMMITTEE ON APPROPRIATIONS

ON

GAO'S REPORT TO THE CONGRESS  
"COMPARISON OF THE U.S. GOVERNMENT  
PRINTING OFFICE'S PAY AND CLASSIFICATION  
SYSTEM TO OTHER FEDERAL AND PRIVATE SECTOR  
SYSTEMS" (GAO/FPCD-83-32)

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here to discuss our report on "Comparison of the U.S. Government Printing Office's (GPO's) Pay and Classification System to Other Federal and Private Sector Systems" (GAO/FPCD-83-32). This report was done as a result of a December 20, 1982, request letter from six Members of Congress. We were asked specifically to (1) evaluate and analyze GPO's pay-setting and classification procedures at its central and field printing and procurement offices, (2) compare GPO pay-setting practices with the General Schedule, the Federal Wage System (FWS), and systems used by other Federal agencies that negotiate wages, (3) compare GPO pay rates with those of Federal

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and private sector firms having similar occupations, and (4) suggest alternatives to current GPO pay-setting and classification practices.

To conduct this review, we made onsite visits to the GPO central office, the Department Service Office (formerly a regional printing plant), and regional printing and procurement offices in Chicago, Denver, New York, San Francisco, and Seattle. We interviewed GPO management officials at these facilities and interviewed employees in the nine occupational categories we were requested to review. The employees were selected by us from lists of names provided by both management and union officials. Our goal was to determine their duties and responsibilities and to observe the work they perform.

As requested, we visited six other Federal printing and related facilities: the Pentagon Division of the Defense Printing Service, the Department of Commerce's Office of Publications and National Oceanic and Atmospheric Administration, the Office of the Federal Register, the National Labor Relations Board, and the Defense Mapping Agency's Hydrographic and Topographic Center. We also visited two other Federal printing facilities: the U.S. Geological Survey and the Bureau of Engraving and Printing. At these facilities, we obtained official job descriptions for the occupations under review and observed employees performing their assigned work.

In making the occupational comparisons, we did not conduct a formal classification audit. We did, however, recognize and consider the same factors the Office of Personnel Management (OPM) considers when it classifies a job: knowledge and skills, responsibilities, physical effort, and work environment. Other factors that may be relevant in a collective bargaining process such as size of facility, volume of work, time constraints, diversity of equipment and machinery, production requirements, and hiring standards, were not used in our analysis because they are not included in the Federal classification process.

We matched the GPO occupational categories to comparable General Schedule and FWS occupations with the assistance of an OPM classification specialist on printing and lithographic occupations. This comparison involved a review of written duties and an onsite review of specific jobs. We compared a total of 21 jobs.

We were also requested to visit six private sector establishments in the Washington, D.C., and Baltimore area. We toured three of these facilities and discussed the occupational job requirements with management representatives. The remaining three establishments advised us that they could not participate in our study.

Because the number of participating firms was limited, we decided to make our comparison of GPO positions with positions

in private sector establishments by using the results of the 1982 FWS Washington, D.C., printing and lithographic wage survey conducted by the Department of Defense (DOD). The DOD wage survey included about 135 printing and lithographic companies.

Using the methodology just described, we found that GPO employees who collectively bargain receive higher wages than printing and lithographic employees at other Federal agencies or in private sector firms in the Washington, D.C., area. For example, in the 21 job comparisons we made, the wage difference between GPO employees and other Federal employees for calendar year 1982 averaged 42 percent overall, or \$8,410--a range of \$3,222 to \$17,879 (\$1.55 to \$8.59 an hour) more than the representative General Schedule or FWS wage rate for similar occupations. These 21 jobs account for approximately 41 percent of the 3,400 collective bargaining employees at GPO.

GPO employees also were paid more than private sector employees in the Washington, D.C. area, according to wage data collected by DOD for the FWS pay schedules. In eight job comparisons, GPO employees earned from \$.36 to \$5.14 more per hour than did private sector employees doing similar work.

From calendar years 1972 through 1982, cumulative percentage pay increases for GPO's collective bargaining employees have outpaced those of their Federal counterparts. GPO pay increases over this period ranged from 112 to 131 percent; pay increases for FWS employees doing similar work ranged from 93 to 120

percent. And both GPO and FWS pay increases were higher than the 75 percent pay increases granted to General Schedule employees. However, the Consumer Price Index increased 130 percent over this same time period.

GPO's pay-setting system for employees in collective bargaining units is not subject to the pay principles that apply to the Government's administratively set pay systems. Federal pay principles include:

- Setting and adjusting Federal pay rates that are in line with comparable or prevailing rates in the private sector.
- Offering equal pay for substantially equal work.
- Maintaining pay distinctions that recognize substantial differences in duties, responsibilities, and skills requirements.

Most Federal white-collar employees are under the General Schedule pay system. The comparability process for this system includes a provision that allows the President to offer an alternative plan if the annual comparability adjustment is not warranted because of "national emergency or economic conditions affecting the general welfare." Accordingly, in 6 of the last 8 fiscal years, Presidents have proposed and the Congress has approved alternative plans for pay raises smaller than those recommended by the comparability process. The Congress also has limited pay raises for Federal blue-collar employees in FWS for each of the last 5 fiscal years. Like other Federal collective

bargaining units, GPO wage agreements have not been subjected to such limitations. This accounts for some of the wage differences between GPO and other Federal employees.

At GPO, the only criteria for negotiating wages for bargaining unit employees is that pay rates be in "the interest of Government and just to the persons employed." All journeyman GPO employees within occupational groupings such as "compositors" and "bookbinders" make the same wage, despite the fact that jobs under these general titles require different work and skill levels.

Also unlike other Federal pay systems, wage rates for all maintenance craft groups at GPO, such as electricians and carpenters, are linked to the wage rates paid to compositors. Thus, all employees in these groups, regardless of their specific jobs, receive the same rates of pay as compositors. And, under the current agreement, central office printing plant workers, including laborers, truck drivers, warehouse workers, and other semiskilled and unskilled workers receive the same percentage increases received by all GPO craft employees.

In addition, GPO's premium pay for shift differentials and holiday work is higher than that paid to other Federal and private sector employees. For example, GPO collective bargaining employees are paid a 15-percent night shift differential for both second and third shifts. In contrast, private sector printing establishments in the Washington, D.C., area pay, on

the average, 5 percent for the second shift and about 10 percent for the third shift. Under the FWS, the rates for the second and third shifts are fixed by law at 7.5 percent and 10 percent, respectively.

Furthermore, GPO's primary benefits, such as retirement, health and life insurance, and paid time off for vacations, holidays, and sick leave, are the same as those granted most other Federal employees. We did not independently compare Federal and private sector benefits, but the Congressional Budget Office and Hay Associates did. And their studies conclude that Federal benefits are generally comparable to those typically available in the private sector. These studies, however, did not specifically cover the printing and lithographic industry.

We were also asked to identify alternative pay and classification systems for GPO. Our report shows that GPO management's approach and philosophy for setting wages differs sharply from that of the GPO unions. For example, management contends that GPO wages should be based on comparability with wages paid to other Federal and private sector employees doing similar work in the same locality. Furthermore, it believes that employees should be paid for the value of their skills and that the practice of paying identical wages to employees using different levels of skills creates problems of pay equity. GPO unions, on the other hand, contend that GPO's work is not comparable to the work performed in other Federal and private sector

establishments and that pay increases are necessary to prevent a decline in real wages. Because of these differences in philosophy, we suggested in the report that a joint/labor management task force, consisting of Government and private sector representatives, should be established to identify features of public and private sector pay-setting practices that may be applicable to GPO. We listed two options in the report that the task force should study as possible alternative pay systems for GPO. They are:

- Modify GPO's collective bargaining process to require that negotiated wage rates be determined on the basis of private sector prevailing wage surveys.
- Place GPO under appropriate Federal pay systems such as the FWS and General Schedule. Under this option, most GPO collective bargaining employees would be placed under the FWS.

This concludes our statement and we would be happy to answer any questions you have. We provided copies of the report for this hearing.