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REPORT TO THE CONGRESS



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Holiday Administration Overseas: Improvement Needed To Achieve More Equitable Treatment Of Employees

Multiagency

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

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MARCH 17, 1975

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This is our report entitled "Holiday Administration
Overseas: Improvement Needed to Achieve More Equitable
Treatment of Employees."

We made our review pursuant to the Budget and Accounting
Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act
of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director,
Office of Management and Budget; the Secretary of State; the
Secretary of Defense; the Chairman, Civil Service Commission;
the Administrator, Agency for International Development; and
the Director, ACTION.

A handwritten signature in cursive script, reading "James B. Axtell".

Comptroller General
of the United States

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ABBREVIATIONS

AID	Agency for International Development
DOD	Department of Defense
GAO	General Accounting Office
NATO	North Atlantic Treaty Organization
OMB	Office of Management and Budget
USIA	United States Information Agency



D I G E S T

WHY THE REVIEW WAS MADE

GAO reviewed holiday administration policies and practices of various U.S. agencies overseas because of indications that employees in common circumstances were not receiving equitable treatment.

FINDINGS AND CONCLUSIONS

At the beginning of 1975, about 675,300 uniformed and civilian U.S. employees from 23 different Federal agencies were serving in 138 posts in other countries. (See p. 1.)

Current Federal law permits host country holidays to be declared as nonworkdays at overseas posts. (See p. 5.)

The degree to which holidays are being observed overseas may be inappropriate. Observance of additional holidays by civilian and alien employees overseas involves 2,900 staff years annually at an estimated cost of about \$22 million in salaries paid for lost workdays.

U.S. civilian agency employees were granted an average of 18 holidays overseas. Diplomatic missions of six other countries checked by GAO generally granted their employees fewer

holidays annually than did the United States.

Holidays granted by such missions at 15 posts visited by GAO ranged, on the average, from 12 to 19. U.S. and other major business concerns overseas granted their employees an average of 13-1/2 holidays annually. (See p. 11.)

Agency officials overseas believed that too many holidays were being observed overseas. (See p. 14.)

The number of holidays granted employees in a given country varies widely between agencies, between posts, and between American and alien employees. For example:

- During 1973 in Spain, National Aeronautics and Space Administration employees were granted 9 holidays while Department of Justice employees were granted 23 holidays.
- The Department of State observes 12 holidays annually in Cameroon and 24 or more in Laos.
- In Thailand, one Defense unit allowed its employees U.S. holidays only, another unit allowed U.S. holidays plus two Thai holidays, and a

third unit allowed all holidays recognized by the Embassy. (See pp. 16, 17, 21, and 22.)

Inequities resulting from wide variances in holiday administration among and between Federal agencies has had an immeasurably adverse impact on employee morale. (See p. 16.)

No agency within the Federal Government is responsible for establishing uniform policies and standards for holiday administration overseas. Similarly, most individual agencies have not developed precise policies and standards regarding holiday observance overseas but have left such matters to the discretion of the principal officer at each post. (See p. 20.)

In some cases, practices or rules of the host government affect decisions on whether or not local holidays will be observed. In Turkey, for example, local laws require the observance of three Turkish holidays by all people. (See p. 21.)

Holiday observance policies adopted by Australia, Canada, Peru, and New Zealand may merit consideration by U.S. policymakers. These governments set ceilings on the total number of holidays their overseas employees may observe, leaving it to the discretion of the senior official in the host country to decide which national or host country holidays will be observed within such ceilings. (See pp. 12 and 13.)

Federal legislation requires that American civilian employees

receive premium pay for work on American holidays. (See p. 4.)

This report complements GAO's earlier report, "Fundamental Changes Needed to Achieve a Uniform Government-Wide Overseas Benefits and Allowances System for U.S. Employees" (B-180403, Sept. 9, 1974).

RECOMMENDATIONS

The Director of the Office of Management and Budget should:

- Establish common policies and standards governing holiday administration overseas and monitor implementation of such policies.
- Establish a ceiling on the total number of holidays that can be observed at overseas posts and authorize the Ambassador and/or senior military official to establish U.S. and host government holidays to be observed within such ceiling.
- Require approval for any exceptions to a ceiling.
- Consider appropriateness of legislation to exclude overseas employees from the premium pay provision of the Federal Employee Pay Act of 1945 for work on U.S. holidays at those posts where host country holidays are observed in lieu of American holidays and authorize premium pay on the days which are designated as substitutes for American holidays. (See p. 29.)

Operating requirements of Defense activities may dictate that they observe a different holiday schedule from the one observed by the foreign affairs community in a given country. Therefore, the Office of Management and Budget should have the Secretary of Defense take steps to develop holiday policy guidance so that in a given country:

--The various Defense activities observe a reasonably uniform holiday schedule.

--U.S. civilian and alien employees observe the same holidays where practical.

Some options for implementing these recommendations include:

3 --Giving Civil Service Commission the responsibility, in consultation with the Departments of State and Defense. 32

4 --Having the Office of Management and Budget assume the responsibility.

--Establishing a holiday observance committee chaired by the Office of Management and Budget.

AGENCY ACTIONS AND UNRESOLVED ISSUES

The five agencies which commented on GAO recommendations generally agreed a need exists to establish a uniform Government-wide policy for holiday administration overseas.

Defense agreed that its activities in a given country should

observe a reasonably uniform holiday schedule and that U.S. civilian and alien employees should observe, where practical, the same holidays.

5 The Agency for International Development and ACTION supported the idea of establishing a ceiling on the number of days to be observed as holidays overseas. 97 349

The Office of Management and Budget said a ceiling system could increase lost productive time if it resulted in increasing the number of holidays observed by Defense activities.

The Department of State said GAO's suggestions for implementing its recommendations would centralize control of holiday observance overseas. It added that such centralization would be inconsistent with the responsibility of the Secretary of State for coordinating overseas programs and would remove responsibility from agencies with experience in overseas programs.

State has invited interested agencies to participate in an interagency committee on employee benefits. It believes this will provide an opportunity for concerned agencies to consider the recommendations and insure that their views are considered during formulation of holiday observance policies.

This approach is a desirable starting point for implementing the recommendations. In the final analysis, the President has ultimate responsibility in

matters of this nature and the Office of Management and Budget is in the best position to insure and enforce the reasonable degree of uniformity recommended. There is no reason to believe that the Office of Management and Budget would develop such policies and procedures without giving due consideration to all interested parties.

Civil Service Commission comments had not been received at the time final processing of the report began. GAO understands the Commission generally

agreed there is a need for a uniform Government-wide policy and a ceiling on the number of holidays which can be observed.

MATTERS FOR CONSIDERATION
BY THE CONGRESS

If the longstanding congressional aim of equality is to be achieved, the Congress should closely monitor executive branch action to develop and implement policies to correct holiday administration inequities overseas.

CHAPTER 1

INTRODUCTION

We examined the holiday administration policies and practices of Federal agencies operating overseas because of indications that employees in common circumstances were not receiving equitable treatment. We sought a basis for recommending changes which would result in more equitable treatment of U.S. employees overseas.

At the beginning of 1975, about 675,300 uniformed and civilian U.S. employees representing 23 different Federal agencies were serving at 138 foreign posts overseas. The makeup of these employees was, as follows:

Civilian employees	38,300
Alien employees	159,000
Uniformed personnel	478,000

SCOPE OF REVIEW

Our review consisted primarily of an examination into (1) the statutory basis for U.S. employees serving at foreign posts observing another country's holidays; (2) policy guidance on holiday observance overseas; and (3) the consistency of current observance practices among Federal agencies with operations at foreign posts.

We visited 17 of the 138 U.S. foreign service posts, as listed in appendix I. At each post we

- obtained the views of senior officials of key U.S. agencies on their holiday administration practices,
- contacted the diplomatic missions of several other nations to determine their holiday administration practices, and
- accepted as accurate the personnel strength, salary, and holiday observance data provided at our request by the various agencies.

In certain countries we also met with, or secured information from, host country officials and officials of U.S. and other major business firms regarding their holiday observance practices.

CHAPTER 2

CURRENT HOLIDAY POLICIES AND STANDARDS

Federal law sets aside 9 days annually as days of special commemoration. All Federal employees are excused from work to observe these holidays without loss of leave or pay. In addition, current law permits local holidays to be declared as nonworkdays for uniformed, civilian, and alien employees at overseas posts.

Uniform holiday policies and standards have not been developed by U.S. agencies operating in foreign areas. The Department of State, Department of Defense (DOD), and Peace Corps each have their own policies and standards. The remaining 20 agencies, identified in appendix I, generally adopt Department of State policies for their overseas operations.

STATUTORY AUTHORITY FOR OBSERVING AMERICAN HOLIDAYS

Under current Federal law American employees are not specifically excused from work on designated public holidays. However, the law provides that annual leave will not be charged for absences on such holidays, and employees required to work on holidays are authorized premium pay.

Section 6103 of title 5, United States Code, (1970), establishes the following 9 days as legal public holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

Section 205 of the Annual and Sick Leave Act of 1951, as codified in 5 U.S.C. 6302 (1970), provides:

"The days of leave provided by this subchapter are days on which an employee would otherwise work and receive pay and are exclusive of holidays and nonworkdays established by Federal statute, executive order, or administrative order."

The Federal Employees Pay Act of 1945, as amended and codified in 5 U.S.C. 5546 (1970), provides that:

"An employee who performs work on a holiday designated by Federal statute, [or] executive order * * * is entitled to pay at the rate of his basic pay, plus premium pay at a rate equal to the rate of basic pay * * *."

There is no exception from the statutory provisions for U.S. employees assigned to Federal positions overseas. As a result, even if the holidays are not normally observed in the country of employment, employees are entitled to be absent from work on those holidays without charge to leave or, if required to work, are entitled to premium pay. Additional nonworkdays may be established by Executive or administrative order to meet the needs and convenience of the Government. The essential difference between a holiday and a nonworkday is that an employee required to work on a holiday is entitled to premium pay (5 U.S.C. 5546), while an employee required to work on a specially established nonworkday is not entitled to such premium pay.

These statutes apply to all U.S. civilian employees, both civil service and Foreign Service. Although Foreign Service officers are subject to separate personnel statutes, with regard to holidays and leave they are specifically made subject to the provisions of the Annual and Sick Leave Act of 1951, cited above (22 U.S.C. 1151). Peace Corps employees are hired under the same terms as Foreign Service employees (22 U.S.C. 2506).

Alien employees are excluded from the leave system that applies to U.S. citizen employees; however, agency heads have discretion to grant them leave of absence with pay not to exceed the amount of sick and annual leave allowable to citizen employees (5 U.S.C. 6301, 6310). They are also excluded from the provisions of law entitling U.S. citizen employees to premium pay for working on American holidays (5 U.S.C. 5541).

Alien employees can be granted leave of absence with pay if they are prevented from working because their agency is closed due to an American holiday or a host country holiday which has been administratively designated as a non-workday. The right of alien employees to additional pay, if required to work on a host country holiday observed by their agency, depends upon the agency's compensation plans which, in turn, are based upon the compensation practices in the locality (22 U.S.C. 889).

STATUTORY AUTHORITY FOR OBSERVING
ANOTHER COUNTRY'S HOLIDAYS
BY U.S. EMPLOYEES SERVING OVERSEAS

Current Federal law clearly indicates that nonworkdays may be authorized by departmental level administrative order, as well as by Executive order of the President. The authority to designate nonworkdays may further be delegated to senior agency officials of overseas operations.

The President has delegated authority to chiefs of diplomatic missions to exercise supervision over all Government agencies operating in their respective countries.

"Sec. 201. Functions of Chiefs of United States Diplomatic Missions. The several Chiefs of the United States Diplomatic Missions in foreign countries, as the representatives of the President and acting on his behalf, shall have and exercise, to the extent permitted by law and in accordance with such instructions as the President may from time to time promulgate, affirmative responsibility for the coordination and supervision over the carrying out by agencies of their functions in the respective countries." (Executive Order 10893, Nov. 8, 1960) 1/

1/The essence of this Executive Order was enacted, with some modifications, in section 12 of the State Department/USIA Authorization Act, Fiscal Year 1975, Public Law 93-475, 88 Stat. 1442 (October 26, 1974), which gives United States Ambassadors to foreign countries full responsibility for the direction and supervision of all civilian Government employees in their respective countries.

Department of State regulations delegate specific authority to the principal officer at each diplomatic mission to close his establishment on host government holidays and excuse employees without charge to annual leave. Further, he may authorize the closing of both State Department and other U.S. Government offices in the foreign country. If authority has been delegated to heads of non-State Department offices abroad these officials may also authorize the observance of these holidays.

State treats foreign holidays as nonworkdays. The Foreign Affairs Manual provides that:

"Duty on Local [Host Country] Holidays. The approving officer for each agency has authority to order such employees as are needed to work on local holidays observed by the post which came within their basic workweeks. Work on local holidays by American employees does not entitle them to holiday pay and does not constitute overtime unless it is in addition to the basic workweek."

AGENCY POLICIES AND STANDARDS

Uniform holiday policies and standards have not been developed within the executive branch for U.S. agencies operating in foreign areas. The policies currently being followed by such agencies are discussed below.

1. Department of State

The policy guidance to American Embassies directs all overseas posts to be closed to the public on all American legal holidays and any other day designated a holiday by Federal statute or Executive order. In addition, the principal officer at each post is authorized to close offices on host country holidays of sufficient importance to warrant recognition. He is encouraged to restrict the total number of holidays granted to 18 or fewer--9 American and 9 host country holidays. If the host country has more than 9 holidays, the principal officer is to designate only the more important ones for observance.

State has established the following criteria for observing host country holidays.

- The day is customarily observed by the host government, local business firms, and the diplomatic community.
- Failure to observe it would be contrary to the best interests of the United States--a day when it would be clearly offensive to the host country or to the local community to remain open for business.
- It would be impractical to keep offices open because of drastic curtailment of services, such as transportation or building maintenance.

It is the standard practice of Embassies to excuse all employees on American and designated host country holidays without loss of leave or pay. Premium holiday pay is not authorized for Americans required to work on host country holidays nor for alien employees required to work on American holidays.

2. Department of Defense

A precise policy on host country holidays has not been established. DOD policies are covered, in a general way, in broad civilian personnel policy instructions. DOD considers it unnecessary, and at times even undesirable, to attempt uniformity among areas.

American civilian employee policies are based on Federal Personnel Manual guidance, which is silent on U.S. employees stationed at foreign posts observing another country's holidays and/or Embassy practices in the country where the command is located. DOD has set some basic principles to be satisfied in developing local national personnel policies and practices. These include:

"* * *local law and customs to be followed* * *to the extent that such* * *are compatible with the basic management needs of U.S. Forces."

"Local nationals* * *be afforded conditions of employment which are based on local law and customs and which are generally equivalent to those enjoyed by persons with similar skills and in similar occupations in the general economy of the country. Employment conditions offered should be favorable enough to meet existing fair standards in the labor market, but not so advantageous as to create a 'privileged group' within the country."

The Departments of the Army, Navy, and Air Force have instructions that are essentially the same. Army policy governing holiday observances abroad provides that the U.S. citizen employees will be excused on the 9 Federal holidays specified in 5 U.S.C. 6103 unless some adjustment in the holiday pattern is required either by another U.S. law or by a treaty commitment with a foreign government. Holiday observances for alien employees are to conform to the requirements of the laws of the host country.

Briefly, the personnel instructions of the three services provide that:

- U.S. citizen employees may be excused without loss of leave or pay only when it is not possible to assign the employees to other work.
- Non-U.S. citizen employees are not entitled to holiday benefits and excused leave. When consistent with local prevailing employment customs, locally developed regulations may provide for excusing such personnel whenever they are prevented from working because of the closing of an activity for observance of American holidays.

None of the guidance is specific, and each military command has been relatively free to set its own policies.

DOD employees in certain European countries are considered to be attached to, or in support of, the North Atlantic Treaty Organization (NATO) and therefore subject to NATO regulations. These provide, in part, that public holidays of the host country will be observed as prescribed by the heads of the NATO bodies. Employees are not prevented from

observing other religious or national holidays, but the days taken are counted against their annual leave.

3. Peace Corps

The Peace Corps director in each country is authorized to determine which host country and American holidays will be observed by the staff. As a general rule, they tend to recognize only important host country holidays and only an occasional American holiday. Still, in some countries, the Director has adopted the Embassy holiday schedule. The Peace Corps said that its policy was established to provide a flexible approach to the many differences in the countries in which they operate.

Peace Corps volunteers, who are not Federal employees, are expected to observe only host country holidays. They have been invited to work directly for host country institutions and should, therefore, follow local practices. It is the Peace Corps' policy not to excuse volunteers from work on an American holiday unless it coincides with a host country holiday. In practice, volunteers are excused in most countries to observe certain American holidays, such as Thanksgiving and the Fourth of July, even though they do not fall on host country holidays.

4. Other civilian agencies

Generally, except as noted below, all other Federal agencies operating overseas, as identified in appendix I, have adopted Department of State policies and practices. Therefore, any holiday decisions made by an Embassy will also be followed by nearly all other agencies in the country. Some agencies were inconsistent in the adoption of State policies and practices. For example, we were told the Internal Revenue Services policy is to not observe host country holidays; however, its basic holiday guidance was subject to differing interpretations by its overseas offices. Some offices observed only American holidays while others observed host country holidays by following Embassy practices. Also, in some countries, the Foreign Broadcast Information Service, due to operational limitations, has been forced to adopt the same policy as generally followed by DOD.

Civilian agencies which have not adopted State policies include the Department of Interior, the Foreign Broadcast Information Service, and GAO. These agencies have a relatively small presence overseas. They usually do not hire alien employees, or the nature of their mission is such that they believe they cannot afford the luxury of observing all the holidays recognized by the Embassy.

CHAPTER 3

HOLIDAYS OBSERVED OVERSEAS MAY BE EXCESSIVE

The degree to which holidays are observed overseas by U.S. Government civilian and alien employees may be inappropriate. Civilian agencies grant overseas employees a worldwide average of 18 holidays annually. Diplomatic missions of six other countries checked by GAO generally grant their employees fewer holidays than does the United States. Holidays granted by such missions in 15 of the countries visited by GAO ranged from 12 to 19. American and other major business concerns overseas grant their employees an average of 13-1/2 holidays annually.

COST TO OBSERVE HOLIDAYS

Expenditures are not increased because of a holiday unless personnel eligible for premium pay are required to work. In terms of lost productivity, however, there is an increased cost--the more holidays observed, the higher the operating costs. We estimate that nearly 2,900 staff years of potential productivity, at a cost of about \$22 million, are lost annually by observing holidays overseas in addition to the 9 U.S. holidays. This estimate does not include those DOD uniformed personnel who observe more than 9 holidays annually.

Agency officials pointed out that holidays do not necessarily result in total productivity loss since some personnel generally work on holidays. Although there may be some validity to this statement, it was not possible to quantify the work performed on holidays. We have observed over a period of time that, although it is not unusual for a minimum of employees to work on holidays overseas, it is a more relaxed routine, often involving a shorter workday. Frequently, duty personnel are only on call and not really at work. There are many reasons why people work on holidays, ranging from boredom and lack of anything else to do to essential priority work which has to be done. Mission-essential work is always accomplished without regard to holidays.

COMPARISON OF U.S. PRACTICES
WITH PRACTICES OF OTHER NATIONS

Holiday policies and practices vary widely among the diplomatic community in most countries. Certain nations have no limit on the holidays their diplomatic missions may observe. As a result, the number observed by each nation generally varies from country to country. For example, the Japanese in Peru observe only one Japanese holiday (the Emperor's birthday) and all Peruvian holidays. In Indonesia, however, they observe 15 Japanese and 10 Indonesian holidays.

In 15^a of the 17 countries we visited, we contacted six diplomatic missions of other nations to find out how they handle holidays. We secured information on the practices of each diplomatic mission within the country and compared the average number of holidays observed by each nation in all the countries included in the sample. Our test showed that the U.S. mission generally observed the highest or next to the highest number of holidays in each of the 15 countries, while Canada generally observed the fewest. Further, only Japan and Germany observed, on the average, a greater number of holidays than the United States.

<u>Diplomatic mission</u>	<u>Average number of holidays observed</u>		
	<u>Own national</u>	<u>Host country</u>	<u>Total</u>
Japan	8	11.3	19.3
Germany	11	7.3	18.3
United States	9	9.2	18.2
France	8	8.3	16.3
United Kingdom	6.5	8.1	14.6
Australia	7	5.8	12.8
Canada	6.5	5.2	11.7

Australia, Canada, and New Zealand have established ceilings on the number of holidays their diplomatic missions may observe. These ceilings are 13 for Australian missions, 11 for New Zealand missions, and 11 for Canadian missions.

^aThe six countries selected did not have diplomatic missions in Taiwan, and we did not make this test in Hong Kong.

Canada apparently authorized exceptions since more than 11 holidays were being observed in 4 of the 15 countries. Missions of the United Kingdom adhere to a self-imposed ceiling for holidays in some countries. During our work in Peru, we were informed that Peruvian diplomatic missions were limited to observing the host country's holidays and the two days of independence observed in Peru.

As far as we could determine, the Ambassador or senior mission official has the authority to use his discretion in the selection of holidays to be observed. Some of the missions have tried to keep a 50:50 ratio between their own and host country holidays when they make their holiday schedule. The holidays observed are not necessarily the same each year.

One other way in which other diplomatic missions in some countries limit the number of holidays they observe is to forego the observance of some of their own national holidays. For example, Australian missions observe, on the average, only 7 of their 13 national holidays, and British missions which do not have a holiday restriction observe 4 to 8 of their own 12 national holidays in all but one country included in this test. The United States is the only country which observes all of its own national holidays and many of the host government's holidays.

COMPARISON OF U.S. PRACTICES WITH THOSE OF INDUSTRY

In the same 15 countries we also determined the holiday practices of local industry and compared them with the practices of the U.S. diplomatic mission. Industry granted its employees, on the average, 13-1/2 holidays in these countries whereas the American Embassies granted their employees 18. The Foreign Service Act of 1946, as amended (22 U.S.C. 889), provides that compensation plans for alien employees are to be based upon wage rates and compensation practices prevailing in the locality. However, since this may not be the case where alien employees observe both American and host country holidays, consideration should be given the matter when implementing the recommendations discussed on pages 29 and 30.

American businesses operating overseas which we contacted generally observed only those American holidays which coincided with a host country holiday. They conformed completely with the holiday customs and traditions of the host country. Officials of one American company in Brazil complained about the Embassy being closed on American holidays when everything else was open, thereby precluding their performance of business with the Embassy on those days. Also, American schools overseas often observe only the local holidays.

AGENCY OFFICIALS BELIEVE THE UNITED STATES
OBSERVES TOO MANY HOLIDAYS OVERSEAS

Agency officials voiced various opinions concerning current holiday policies and practices. It was generally felt that too many holidays were being observed overseas and that something should be done to bring order to the situation. Officials in several countries told us that, in their opinion, there was some "fat" in the holiday schedule that could be removed. This could be done without political repercussions if it were done tactfully. The following examples illustrate the nature of the comments made by agency officials regarding excessive holiday observances.

--Zaire: Officials believe that the holiday policy in Zaire and at some other overseas posts was too liberal. A Department of State official stated that excessive holiday observances marginally decreased productivity. A DOD official said that he must put in unofficial overtime to catch up. An Agency for International Development (AID) official stated that holiday observance was a nuisance U.S. officials overseas learn to live with.

--Laos: One AID official stated that the large number of holidays observed by the Embassy in Laos were a headache. He said in May 1974 they would have 5 holidays. A Treasury official said there were enough holidays observed in 1 year to satisfy the holiday needs for 3 years. A DOD official told us holidays were a waste, although he personally found them to be great for getting things done without disturbance.

One Department of State official cited the 8 holidays in October as an illustration of the excessiveness of the holidays being granted. The last week in October contained 1 American holiday and 4 Lao holidays. Friday would be the only workday that week. He said most people would probably take leave that day so a whole week would be lost.

--Taiwan: One Department of State official stated that State's holiday regulations were "wishy-washy" and much too permissive. Another State official said the regulations did not provide any leverage which could be used when labor, employee groups, or the host government applied pressure for additional holidays. Both of these officials believed that, in the aggregate, too many holidays were being observed in Taiwan.

CHAPTER 4

VARIANCES IN HOLIDAY ADMINISTRATION OVERSEAS

The practices followed in observing host country holidays by U.S. agencies operating at foreign posts vary widely. Such variances exist within agencies, between agencies, between posts, and between American and alien employees. The inequities from the wide variances among and between Federal agencies has had an immeasurably adverse impact on employee morale. A general feeling common to U.S. business community officials and many host government officials was that the lack of consistency between and within U.S. agencies presented a confusing and inappropriate image for the U.S. community.

VARIANCES WITHIN AGENCIES

In 10 of the countries visited, holiday practices varied within U.S. agencies. The following examples illustrate the nature of the variances.

--Germany: In 1973 the Department of Commerce granted its employees at the Frankfurt Trade Center 18 holidays but granted only 11 holidays to its employees at its Frankfurt Travel Service.

--Philippines: In 1973 the Treasury Department granted its Division of Disbursement employees 20 holidays but granted its Internal Revenue Service employees only 9 holidays.

--Italy: DOD in 1973 granted the following holidays:

	<u>American employees</u>	<u>Alien employees</u>
Air Force Transport Command	19	17½
Army Material Management Command	9	17½
NATO Defense College	10	10
All other	19	19

--Japan: The Department of Transportation's Federal Aviation Administration employees received 16 holidays in 1973, but its Coast Guard alien employees received only 11 holidays.

VARIANCES BETWEEN AGENCIES

In 12 of the countries visited, the number of holidays granted employees varied considerably between agencies. The nature and type of variances involved are illustrated by the following examples.

- Saudi Arabia: In 1973 Department of State, U.S. Information Agency (USIA), and Defense attache employees were granted 18 holidays. AID, U.S. Geological Survey, and all other DOD employees were granted only 10 holidays.
- Korea: Employees of the Departments of State and Agriculture, AID, USIA, and the Defense attache function were granted 21 holidays in 1973. Peace Corps employees were granted 13 holidays. Other DOD American and alien employees were granted 9 and 10 holidays, respectively, in 1973.
- Spain: Employees of the Departments of State, Agriculture, and Justice and most DOD employees were granted 23 holidays in 1973. National Aeronautics and Space Administration and certain Navy American employees were granted 9 holidays and Navy alien employees were granted 15½ holidays.
- Brazil: Certain DOD employees in Brazil were granted 24 holidays in 1973, while employees of the 12 other U.S. agencies operating in Brazil in 1973 were granted 19 holidays.
- Philippines: There were variances in holidays granted employees of the numerous U.S. agencies operating in the Philippines in 1973, as follows:

<u>American employees</u>	<u>Number of holidays granted</u>
1,151 employees in 2 agencies	9
376 employees in 11 agencies	20

<u>Alien employees</u>	<u>Number of holidays granted</u>
11,678 employees in 1 agency	14
2,930 employees in 1 agency	15
1,280 employees in 11 agencies	20

VARIANCES BETWEEN POSTS

The number of holidays granted employees in 1973 at the 17 posts visited ranged from a low of 4 for Department of Transportation employees in Zaire to a high of 24 for some DOD employees in Brazil. The range of holidays observed by most American employees, excluding those assigned to military commands, at the posts visited is further illustrated, as follows:

<u>Range of holidays granted</u>	<u>Number of posts</u>
11 or less	2
15 to 19	8
19 and 20	4
21 or more	3

At the high range, when maximum authorized annual, sick, and home leave is considered in addition to holidays granted, an overseas employee could be absent from work more than 30 percent of the year, or 1.5 workdays out of 5. However, stateside employees can be absent, at the maximum, about 18 percent of the year.

VARIANCES BETWEEN AMERICAN AND ALIEN EMPLOYEES

In seven of the countries visited, there were variances between the holidays granted American and alien employees.

--In Thailand most American civilian employees were granted 17 holidays in 1973, while most alien employees were granted 12 holidays.

--In the Philippines most DOD American civilian employees were granted 9 U.S. holidays in 1973. Most DOD alien employees were granted 14 Philippine holidays.

--In Korea most DOD American civilian employees were granted 9 holidays in 1973, while most DOD alien employees were granted 10 holidays.

* * * * *

Additional details concerning each of the categories of variances discussed above are included in appendix I.

INEQUITABLE TREATMENT RESULTS
IN MORALE PROBLEMS

The varying holiday practices of U.S. agencies overseas result, to an immeasurable degree, in inequitable treatment of employees. Most American civilian employees of DOD generally get only 9 holidays each year, while foreign service employees, working in the same country, may get 20 or more holidays. Alien employees do not have the same leave and holiday rights as U.S. citizen employees; although it seems that all alien employees in the same country should get equitable treatment.

A number of both American and alien employees in the countries visited, although small in relative terms, voiced their concern and frustration to us that they were not excused from work on certain holidays when many of their colleagues and coworkers were.

A number of senior American officials expressed the view that employee morale would be greatly improved if holidays were granted to all U.S. employees at a post on an equitable basis.

Evidence demonstrates that morale problems are being created by current U.S. holiday observance practices at foreign posts. Under these circumstances, while some employees are given a day off, others must work. Such a situation is compounded when employees of two agencies with different holiday practices work in the same building. In Thailand officials informed us that DOD alien employees have complained about the apparent inequity but that the military command has been unable to obtain permission to change their holiday practices to conform with the Embassy. With the recent change in government, and accompanying labor unrest, officials note the situation is becoming more politically sensitive.

CHAPTER 5

CAUSES OF VARIANCES IN HOLIDAY ADMINISTRATION OVERSEAS

The wide variance in U.S. holiday administration overseas basically results from the lack of uniform Government-wide policies and standards. As discussed in chapter 2, the Department of State, DOD, and the Peace Corps each have their own holiday policies and standards. These policies lack specificity, are significantly different, and leave most matters to the discretion of the principal officer at each post. Other agencies operating overseas generally adopt Department of State practices.

NEED FOR UNIFORM GOVERNMENT-WIDE POLICIES AND STANDARDS

If the principle of equity is to be observed in holiday administration overseas, uniform Government-wide policies and standards are needed.

No Federal agency has been assigned responsibility for establishing such policies and standards. Therefore agencies have tended to implement policies and practices which fit their particular needs as they see them. Military activities have generally taken the position that they can perform Government business on host country holidays; therefore, very restrictive practices have been implemented in most countries. Conversely, most civilian agencies have taken the position that they cannot properly carry on business on host country holidays, so they have very liberal policies and practices.

One factor officials consider in making local holiday decisions is diplomatic rapport with the host government. Another is the political environment at the time. For example, the Ambassador to Laos informed us that, with the new Lao coalition government just starting to function, it would be unwise for the United States to observe fewer holidays than the Communist delegations to Laos until the political situation settles. The deputy chief of mission in Thailand expressed similar views because of the political instability in that country. These two factors vary in importance from country to country.

Through the years, practices have resulted from decisions based on such political and diplomatic considerations. They have become established, sometimes being incorporated into labor contracts. Past practices often set precedence which agencies find very difficult to reverse.

Also, at times, political decisions made by the host government determine whether or not a host country holiday will be observed. In Turkey, for example, local laws require the observance of three Turkish holidays by all people, leaving U.S. agencies little choice but to recognize the holidays.

Department of State guidance authorizes the observance of host country holidays. However, the guidance is stated in such broad terms that it is subject to a variety of interpretations. The observance of almost any host country holiday can be justified by Foreign Affairs Manual criteria. The phrase "local holidays of sufficient importance to warrant recognition" is subject to the broadest possible interpretation. The guidance makes no mention of the purpose of the holiday or its emotional content.

In Argentina, where 25 holidays are recognized, the Embassy has included several holidays which are optional for industry and commerce throughout the country. The question arises of whether these days are really sufficiently important to warrant recognition. Argentina is but one country where this question could be raised.

The permissiveness of the criteria results in greatly varying numbers of holidays being observed in the various countries throughout the world. Although diplomatic missions should try to hold the number of holidays granted to 18 or less, this aspect of the policy is not very closely adhered to. More than half of the diplomatic posts recognize more than 18 holidays. Holidays recognized in 1974 ranged from 12 in Cameroon to 22 in Laos. The number actually observed each year varies as most countries do not have holiday substitution laws permitting holidays falling on nonworkdays to be observed on a workday.

In 1974 an average of about 17 holidays were observed by each mission because some holidays fell on weekends. This

figure did not take into consideration any special holidays which may have been declared throughout the year. Some countries, such as the Philippines, have a tendency to declare special holidays, where in 1973 7 such holidays were declared.

It is impossible to make a general statement on whether Department of State posts are abiding by the intent of the regulation. Some posts are making conscientious efforts to hold down the number of holidays they observe. The consul general in Hong Kong, for example, has interpreted the rule-of-thumb limit of 18 holidays as the maximum number of holidays a post can observe. The post has rigidly held this line in designating local holidays. Nevertheless, posts generally interpret the policy much more liberally. One post even goes so far as to recognize local holidays before they are decreed by the host government. Its administrative procedure states:

"If the Haitian Government should by decree designate additional days as legal holidays in Haiti, such days will be granted as official holidays for Haitian employees of the Embassy."
(Underscoring added for emphasis.)

Within the Peace Corps the only inconsistencies in holiday administration were those between posts because of the Peace Corps' policy of delegating to the country director the responsibility for granting holidays.

DOD has not developed policy guidance on granting host country holidays. As a result, holiday administration between commands and posts varied considerably. For example, in Thailand the Defense attache follows Embassy practices; the Military Assistance Command, the Army, and part of the Navy excuse American employees on all holidays recognized by the Embassy but require alien employees to work or take leave on U.S. holidays; the Air Force follows the normal DOD practice of not excusing Americans on host country holidays or aliens on U.S. holidays; and the Navy's officer in charge of construction excuses its American employees on U.S. holidays plus the Thai King's and Queen's birthdays but excuses alien employees on Thai holidays only.

As can be seen, there are inconsistencies within the Navy itself, as well as between the services, in Thailand. Furthermore, although DOD does treat all its alien employees in Thailand the same, there is inequitable treatment of American employees. In England the reverse situation exists. There the alien employees receive the inequitable treatment; the Navy grants its alien employees 8½ holidays, the Army 7½, and the Air Force 9½.

IDENTIFICATION OF POLICY
AND CONTROL OPTIONS

Optional policies and controls identified and discussed by various agency officials during our review included (1) observing only U.S. holidays, (2) observing only host country holidays in foreign areas, (3) granting American employees U.S. holidays and alien employees the host country holidays, (4) granting alien employees both U.S. and host government holidays but excusing American employees on U.S. holidays only, and (5) establishing a ceiling on the total number of holidays which may be observed in foreign areas and permitting posts to observe a combination of U.S. and host country holidays.

1. Observe only U.S. holidays

The most direct solution to the current holiday situation is to not observe host country holidays. The advantage of this option is that this would guarantee equality among Federal employees. However, there are several disadvantages which agency officials believe outweigh the advantages.

Although this may economically be the best solution, political and diplomatic considerations make it impractical. Complete indifference to local laws, customs, and traditions would be an affront to the host government. It would also cause employee relations and morale problems, especially among alien employees. When the American Embassy and the offices of other U.S. agencies are closed on U.S. holidays, the ability of the host country to conduct business with the United States on a normal workday is restricted or made more difficult. The general public is precluded from conducting business entirely.

2. Observe only host country holidays

This option also guarantees a certain amount of equality. Where the first option would provide total equality among Federal employees overseas, this option would only provide equality for all U.S. Government employees within each country.

The disadvantages are that it totally ignores the holiday traditions and customs of the United States. Certain officials believe the observance of American holidays overseas is essential as it is one of the ways Americans overseas can show that they are proud to be American or to remind employees that they are Americans. Other officials felt it would be un-American to give up the observance of American holidays overseas.

3. Americans observe American holidays--aliens observe host country holidays

Another option is to adopt the practice generally followed by DOD activities: require Americans to work on host country holidays and alien employees to work on U.S. holidays. Military officials generally believe this to be a suitable solution. They contend that the extra premium pay which results is more than offset by the extra costs of other options.

The problem with this option is that it results in supervisory personnel working without staff on host government holidays, and alien staff working without supervision on U.S. holidays. Civilian officials contend that for several reasons, including security, alien employees could not work without American supervision on holidays. To get anything accomplished, agencies would have to require certain Americans to work, at premium pay, to provide the required supervision.

Certain military officials in responsible positions believe that the DOD practice is inefficient. They contend that what generally happens on all holidays--U.S. and host country--is that they are quasi-holidays for everyone and very little is accomplished. They feel this is false efficiency and a wasteful practice.

Certain Department of State officials feel that it is offensive to the host country to require American employees to work on certain host country holidays, particularly the country's national day. This option is not well received by civilian agencies.

4. Americans observe U.S. holidays--aliens observe both U.S. and host country holidays

A variation some civilian officials find acceptable is to excuse alien employees on U.S. and designated host country holidays but require Americans to either work or take annual leave on the host country holidays. The argument for this approach is that, while it is not practical to require alien employees to work without supervision, there are always things Americans can do which do not require the presence of the alien staff. Opponents state that this is a discriminatory approach which is unfair to the American employees, especially the secretarial staff. Certain officials felt this approach would not necessarily result in any increased efficiency.

5. Establish a ceiling on total holidays, observing a combination of U.S. and host country holidays

It is generally felt that this option provides the posts with the most latitude in establishing holiday practices for a given country. It gives them the flexibility needed to handle most of the differences between countries and still permits them to keep their unproductivity to a minimum without causing major political repercussions.

Department of State officials believe it would be politically and diplomatically unwise to make substantial reductions in the number of host country holidays recognized. Therefore, they prefer to not observe a few selected U.S. holidays or to observe them on dates when host country holidays occur.

The U.S. Embassy in Cameroon is doing exactly this. Its administrative notice on holidays for 1974 stated:

"The holiday schedule for 1974 combines the 10 Cameroonian holidays with the 9 American holidays.

This new combined schedule provides for a total of 12 holidays to be enjoyed simultaneously by all personnel. Christmas, New Year's Day, July 4th, and Thanksgiving Day will be the only American holidays taken on the days normally set aside for their observance. The other American holidays will thus be taken on the local Cameroonian holidays as follows:

<u>American holiday</u>	<u>Cameroonian holiday</u>	<u>Date</u>
Washington's Birthday	Youth Day	February 11
Labor Day	Labor Day	May 1
Memorial Day	National Day	May 20
Columbus Day	Assumption	August 15
Veterans Day	End of Ramadan	October--to be announced

"Any American who wishes to avail himself of the right to observe an American holiday on the day legally reserved for its observance, may do so. He would, of course, be expected to work on the day it is observed by the Embassy."

Notwithstanding what is being done in Cameroon, most posts interpret the statutes as mandatory requirements to excuse employees on all 9 American legal holidays on the date designated in the law.

We found that generally people feel that U.S. holidays, especially the 5 "Monday" holidays lose their significance when serving overseas. They feel that the other 4 holidays--New Year's, Independence Day, Thanksgiving, and Christmas--should be observed regardless of where the employee happened to be. However, even here there were divergent views on whether they needed to be observed on the same date designated for observance in the United States. Two of the holidays, New Year's and Christmas, generally pose no problem because they are observed by most countries on the same date as in the United States.

The only disadvantage in this option was an initial adverse effect on employee morale, especially among the American employees. The officials felt this would be short lived and the situation would return to normal as employees became accustomed to the change. Some felt this would be a minor problem as long as employees continued to receive at least 9 holidays each year, the same as if they were in the United States.

If posts were not allowed to observe U.S. and host country holidays concurrently, certain officials felt that the political environment, the strength of the labor unions and employee groups, the number of holidays normally observed, and the number of different religions in the country could or would mitigate against the success of any ceiling imposed on overseas posts.

CHAPTER 6

CONCLUSIONS, RECOMMENDATIONS AND AGENCY COMMENTS

No agency within the Federal Government has been assigned the responsibility for establishing uniform policies and standards for holiday administration overseas, and most individual agencies have not developed precise policies and standards but have left such matters to the discretion of the principal officer at each post. It would be appropriate to have OMB centralize responsibility for administration of holiday observance overseas.

In some cases, practices or rules of the host government affect decisions on whether or not holidays will be observed. Embassies often find it to be politically necessary to recognize special holidays. We believe that uniform policies and standards should take such situations into consideration.

The holiday administration practices of DOD activities varied considerably within countries and between countries, partly because DOD had not developed overall policy guidance on observing host country holidays.

GAO believes that holiday observance policies adopted by other countries, such as Australia, Canada, Peru, and New Zealand, may merit consideration by U.S. policymakers. These governments have set a ceiling on the total number of holidays their overseas employees may observe, leaving it, as far as we could determine, to the discretion of the senior official in the host country to decide which holidays will be observed within such ceilings.

Present law requires that premium compensation be paid to American employees for work on U.S. holidays. Therefore, it may be necessary to amend the premium pay provision of title 5 of the United States Code to permit adoption of uniform policies and standards which would allow U.S. holidays to be observed on dates different from those observed in the United States or host country holidays to be observed in lieu of certain U.S. holidays.

RECOMMENDATIONS

We recommend that the Director, OMB, take steps necessary to:

- Establish common policies and standards governing holiday administration overseas and monitor the implementation of such policies.
- Establish a ceiling on the total number of holidays that can be observed at overseas posts and authorize the Ambassador and/or senior military official to establish U.S. and host government holidays to be observed within such ceiling.
- Require an approval process for any exceptions to the ceiling.
- Consider the appropriateness of seeking legislation to exclude overseas employees from the premium pay provision of the Federal Employee Pay Act of 1945 for working on U.S. holidays at those posts where host country holidays are observed in lieu of U.S. holidays and authorize premium pay on the days which are designated as substitutes for U.S. holidays.

We recognize that the operating requirements of the various DOD activities overseas may dictate observance of a slightly different holiday schedule than the one observed by the foreign affairs community in a given country. OMB should have the Secretary of Defense take steps to develop an overall equitable holiday observance policy so that, in a given country:

- The various DOD activities observe a reasonably uniform holiday schedule.
- U.S. civilian and alien employees observe the same holiday schedule, where practical.

Some of the options for implementing these recommendations include:

- Giving the Civil Service Commission, in consultation with the Department of State and DOD, the responsibility.
- Having OMB assume the responsibility.
- Establishing a holiday observance committee chaired by OMB.

AGENCY COMMENTS

The five agencies, which commented on our recommendations, generally concurred in the need to establish a uniform Government-wide policy for holiday administration overseas or, at least, a uniform policy within a given country. In commenting further on our recommendations:

- OMB agreed the Government should strive for a more equitable holiday observance policy for its overseas employees. It said the considerable variance in the number of holidays observed by foreign countries and the variance in the nature of Federal agency work and their relationships to the local communities complicated any solution designed to provide more uniform treatment. Additionally, OMB expressed reservations on establishing a ceiling on the number of days to be observed as holidays. It felt a ceiling could increase lost productive time by increasing the average number of holidays observed by DOD's U.S. civilian and alien employees.
- State said our recommendations were generally consistent with existing policy and strongly agreed that a uniform holiday policy within a given country was desirable. State felt that it should be responsible for establishing the unified policy, and that our suggestions would be inconsistent with the responsibility of the Secretary of State for coordinating overseas programs and would remove the responsibility from the agencies with experience in overseas programs necessary to arrive at an informed

judgment. It is State's belief that an interagency committee on employee benefits, to which all interested agencies have been invited to send representatives, will be appropriate for considering our recommendations and obtaining their views during the formulation of holiday observance policies.

--DOD agreed a uniform Government-wide policy would be in order and that the premium pay provisions of the Federal Employee Pay Act of 1945 would need to be amended to preclude payment of premium pay if U.S. holidays are not observed. DOD also agreed that, within a given country, its activities should observe a reasonably uniform holiday schedule and, where practical, U.S. civilian and alien employees should observe the same holidays.

--AID believed there should be some overall U.S. Government policy, at least within a given country, although establishing a ceiling under which each Ambassador would select the holidays to be observed would mean reprogramming AID's computerized payroll system. AID supported the view that State should be responsible for establishing the unified policy.

--ACTION largely agreed with our recommendations and said it would like the opportunity to assist in developing a unified policy. It said also that any authority for the senior American official in a given country to determine which days to observe as holidays should include the requirement for consultation with the senior officials of all U.S. Government organizations operating in that country.

Civil Service Commission comments had not been received at the time final processing of the report had begun. We understand the Commission generally concurs on the need for a uniform Government-wide policy and a ceiling on the number of holidays which can be observed.

GAO EVALUATION

OMB has suggested that adopting a holiday ceiling higher than the average number of holidays currently observed by DOD activities overseas could increase lost productive time. We agree. However, we believe a holiday ceiling in line with the current number of domestic holidays would not increase but, in fact, could decrease lost productive time. As previously noted, the operating requirements of DOD activities overseas may dictate observance of a slightly different holiday schedule than that observed by the foreign affairs community. We believe that, through the joint efforts of the concerned agencies, reasonably uniform holiday observance policies, including a holiday ceiling, can be established to consider these differences and provide equitable treatment of personnel under common circumstances and conditions of service.

Although a change in holiday observance policy and practices may necessitate some modification of AID's computerized payroll system, neither State nor DOD, which also operate computerized payroll systems, have indicated that implementing a holiday ceiling would cause problems with their payroll systems. AID did not provide additional information as to why it would not be able to readily adapt its system to reflect a policy change.

The Department of State's approach--obtaining the views of an interagency committee on employee benefits during the formulation of holiday observance policies--is a desirable starting point for implementing the recommendations. We believe though that, in the final analysis, the President has ultimate responsibility in matters of this nature and only OMB can insure the reasonable degree of uniformity recommended and implementation of any consensus reached. Further, we believe there is no basis for assuming that OMB would develop such policies and procedures without giving due consideration to all interested parties.

HOLIDAYS OBSERVED
BY U.S. AGENCIES OVERSEAS
IN 1973
IN COUNTRIES VISITED BY GAO

<u>Country and agency</u>	<u>Personnel</u>			
	<u>American</u>		<u>Foreign</u>	
	<u>Average number of employees</u>	<u>Holidays observed (note a)</u>	<u>Average number of employees</u>	<u>Holidays observed (note a)</u>
Brazil:				
Department of State	123	19	245	19
Agency for International Development	72	19	160	19
U.S. Information Agency	35	19	138	19
ACTION/Peace Corps	12	19	30	19
Department of Agriculture	4	19	5	19
Department of the Treasury	5	19	-	-
Department of Justice	3	19	-	-
Department of Health, Education & Welfare	4	19	1	19
Department of Commerce	1	19	1	19
Department of Transporta- tion	1	19	1	19
Library of Congress	1	19	13	19
Smithsonian Institution	2	19 ^b	-	-
Department of Defense	109	19 ^b	67	19 ^b
Ethiopia:				
Department of State	51	19	82	19
Agency for International Development	28	19	36	19
U.S. Information Agency	7	19	28	19

	Personnel			
	American		Foreign	
	Average number of <u>employees</u>	Holidays observed <u>(note a)</u>	Average number of <u>employees</u>	Holidays observed <u>(note a)</u>
Ethiopia: (continued):				
ACTION/Peace Corps	4	19	5	19
Department of Defense	114	19	35	19
Germany:				
Department of State	272	18 ^c	651	18
U.S. Information Agency	50	18	264	18
Department of Justice	23	18	4	18
Department of the Treasury	10	18	2	18
Department of Agriculture	6	18	8	18
Department of Transporta- tion	47	18	6	18
Department of Commerce				
Trade Center, Frankfurt	1	18	6	18
Travel Service, Frankfurt	2	11	4	11
Department of the Interior	1	18	-	-
General Accounting Office	45	9	-	-
Department of Defense--	56	18	13	18
Defense attache, Military Assistance Advisory Group and other (note d)	12,279	9	59,769	9

Personnel

	<u>American</u>		<u>Foreign</u>	
	<u>Average number of employees</u>	<u>Holidays observed (note a)</u>	<u>Average number of employees</u>	<u>Holidays observed (note a)</u>
Hong Kong:				
Department of State	56	18	142	18
Department of Justice	13	18	6	18
Department of the Treasury	6	18	2	18
Department of Agriculture	3	18	1	18
U.S. Information Agency	8	18	43	18
Export-Import Bank	1	18	1	18 ^e
Department of Defense	29	18 ^e	41	18 ^e
India:				
Department of State	137	17 ^f	567	17 ^f
U.S. Information Agency	36	17 ^f	419	17 ^f
Agency for International Development	23	17 ^f	137	17 ^f
Department of Agriculture	7	17 ^f	18	17 ^f
ACTION/Peace Corps	3	12 ^f	4	13
Library of Congress	3	17	107	17
Department of the Treasury	2	17	1	17
Department of Justice	2	17	-	-
Department of Health, Education & Welfare	1	17	2	17
Atomic Energy Commission	1	18	-	-
Department of Defense	27	17	13	17

Personnel			
American		Foreign	
Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)

Indonesia:

Department of State	77	15	96	15
Agency for International Development	53	15	75	15
U.S. Information Agency	16	15	58	15
Department of Agriculture	2	15	1	15
Library of Congress	1	15	13	15
Department of Defense	77	15	26	15

Italy:

Department of State	182	19	432	19
U.S. Information Agency	16	19	102	19
Department of the Treasury	11	19	5	19
Department of Agriculture	10	19	14	19
Department of Justice	21	19	10	19
Department of Commerce	2	19	7	19
) American Battle Monuments Commission:				
Rome	3	19	23	19
Florence	1	9	15	17½
Department of Defense (note d):				
U.S. Army Material Management Agency	2	9	4	17½
NATO Defense College	16	10	1	10
U.S. Air Force Air Trans- port Command	3	19	1	17½
All other	76	19	14	19

Personnel			
American		Foreign	
Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)

Japan (excludes Okinawa):

Department of State	118	16	272	16
U.S. Information Agency	30	16	191	16
Department of Justice	10	16	3	16
Department of Agriculture	6	16	11	16
Department of the Treasury	16	16	6	16
Department of Commerce	5	16	12	16
Department of Transportation:				
Federal Aviation Administration	26	16	6	16
Coast Guard	-	-	4	11
Library of Congress	1	16	-	-
Atomic Energy Commission	3	16	-	-
Foreign Broadcast Information Service	3	16	21	16
Agency for International Development	2	16	1	16
National Science Foundation	1	16	2	16
Department of Health, Education & Welfare	-	-	1	16
Department of the Interior	1	16	-	-
Department of Defense:				
Defense attache	34	16	7	16
Other	19,676	9	20,372	11

	Personnel			
	American		Foreign	
	Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)
Korea:				
Department of State	48	21	102	21
U.S. Information Agency	13	21	93	21
ACTION/Peace Corps	5	13	24	13
Agency for International Development	36	21	127	21
Department of Agriculture	2	21	1	21
Department of Defense:				
Defense attache	5	21	1	21
Other	37,422	9	15,379	10
Laos:				
Department of State	60	24	81	24
U.S. Information Agency	8	24	39	24
Agency for International Development	276	24	1,928	24
Department of the Treasury	7	24	-	-
Department of Transportation	24	24	-	-
Department of Justice	4	24	-	-
Department of Defense	203	24	367	24
Peru:				
Department of State	55	15½	68	15½
U.S. Information Agency	13	15½	29	15½

Personnel

American		Foreign	
Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)

Peru: (continued):

Agency for International Development	30	15½	62	15½
Department of Agriculture	1	15½	3	15½
Department of Justice	3	15½	-	-
ACTION/Peace Corps	5	15½	9	15½
Department of Transportation	1	15½	1	15½
Department of Defense	23	15½	10	15½

Philippines:

Department of State	192	20	338	20
U.S. Information Agency	31	20	402	20
Agency for International Development	76	20	167	20
Veterans Administration	21	20	281	20
Department of Justice	12	20	3	20
Department of the Treasury:				
Internal Revenue Service	2	9	-	-
Division of Disbursements	2	20	21	20
Department of Transportation	18	20	6	20
Department of Agriculture	2	20	3	20
ACTION/Peace Corps	10	20	11	20
American Battle Monuments Commission	2	20	44	20

	Personnel			
	American		Foreign	
	Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)
Philippines: (continued):				
Department of Defense:				
Defense attache	10 ^d	20	4	20
U.S. Air Force	799 ^d	9	2,930	15
Other	350 ^d	9	11,678	14
Saudi Arabia:				
Department of State	35	18	92	18
U.S. Information Agency	5	18	10	18
Agency for International Development	8	10	-	-
U.S. Geological Survey	27	10	-	-
Department of Defense:				
Defense attache	3	18	1	18
Other	249	10	15	10
Spain:				
Department of State	58	23	110	23
U.S. Information Agency	9	23	43	23
Department of Agriculture	2	23	4	23
Department of Justice	10	23	1	23
National Aeronautics and Space Administration	4	9	-	-

Personnel			
American		Foreign	
Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)

Spain: (continued):

Department of Defense:

Officer in charge of construction
Other

16	9	19	15½
101	23	24	23

Taiwan:

Department of State
U.S. Information Agency
Department of Agriculture
Agency for International Development
Department of Defense:
Air Force
Other

39	18½	114	18½
11	18½	59	18½
2	18½	1	18½
4	18½	22	18½
3,079	13½	595	13½
1,298	18½	954	18½

Thailand:

Department of State
U.S. Information Agency
Agency for International Development
Department of Justice
ACTION/Peace Corps
Foreign Broadcast Information Service

128	17	229	19
33	17	175	19
139	17	494	19
21	17	2	19
6	14	2	14
5	9	24	12

	Personnel			
	American		Foreign	
	Average number of employees	Holidays observed (note a)	Average number of employees	Holidays observed (note a)
Thailand: (continued):				
Department of Agriculture	2	17	3	19
Department of the Treasury	2	17	-	-
General Accounting Office	15	9	-	-
Department of Defense:				
Air Force and Navy	272 ^d	9	4,037	12
Officer in charge of construction	24 ^d	11	-	-
Other	668	17	2,756	12
Zaire:				
Department of State	64	11	73	11
U.S. Information Agency	11	11	33	11
Agency for International Development	24	11	15	11
ACTION/Peace Corps	6	6	2	6
Department of Agriculture	1	11	2	11
Department of Transportation	9	4	-	-
Department of Defense	28	11	8	11

^aHolidays observed do not include 3 special holidays declared in 1973 by U.S. Government--day of mourning for former President Johnson, one extra Christmas holiday and one extra New Year's holiday.

^bSome personnel of the Joint Brazilian/United States Military Commission observed an additional 5 Brazilian military holidays during 1973.

^cThe 37 members of the Courier Office in Frankfurt observed only 9 holidays in 1973.

^dExcludes uniformed military personnel assigned to service commands.

^eNavy Purchasing Office and the 7th Fleet Representative observed only 17 holidays.

^fEmployees in consular districts outside of New Delhi observed 18 holidays.

Note: The personnel figures shown include both civilian and military unless noted. They do not include contractor personnel or Peace Corps volunteers.

APPENDIX II

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 11 1974

Mr. Victor L. Lowe
Director
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Lowe:

This is in reply to your request for the views of this Office on a draft report entitled, "Holiday Administration Overseas; Opportunities for Improvement."

We commend the effort you have made to study the administration of holidays for Government employees overseas. Until this time, little summary data had been collected in this area, and your analysis certainly will help in looking at overseas holiday administration from a Government-wide perspective.

While we agree with the underlying thrust of your study -- that the Government should strive for a more equitable policy in holiday observance by its overseas employees -- two factors seem to complicate any solution designed to provide more uniform treatment. First, as indicated in your report, the number of holidays observed by foreign countries varies considerably. Second, and perhaps even more important, Federal agency holiday practice overseas also varies according to the nature of the work and its relationship to the local community. Some Federal agencies feel obliged to observe local holidays as a sign of respect to the host country. Others, such as the Department of Defense, may determine that observance of certain local holidays is not essential, since U.S. military installations frequently operate more or less as self-contained units overseas.

We also have some reservations about the recommendation for a ceiling on the total number of holidays to be observed at overseas posts. This recommendation would involve establishing a ceiling system similar to ones used by Canada, Australia, and

New Zealand. We would expect such a ceiling system to result in significantly higher costs (or lost man-years) to the Government than the present de-centralized administrative arrangement. The draft report implies that \$22 million might be saved if a ceiling were imposed on overseas holidays, but we believe this would not be the case.

If, for instance, a ceiling of 13 holidays were imposed, two things could be expected to happen: (1) employees in civilian agencies who currently average 18 holidays annually would drop down to 13 days per year; (2) employees of the Department of Defense (DOD) would rise from an average of 9 or 10 holidays to 13.

[See GAO note]

Since the premise for imposing a ceiling would be to achieve uniform treatment, it would not be logical to lower the civilian agency ceiling to 13 without also increasing that for the military agencies. The effect, therefore, would be to establish 13 as the new costlier standard overall.

Despite our reservations about the use of a ceiling system, we await with interest the response of other agencies to your report and hope to be of further assistance to you in this area.

Sincerely,



Edward F. Preston
Assistant Director
Executive Development and
Labor Relations Division

GAO note: OMB showed the potential impact of a theoretical 13-day holiday ceiling. Since the figures did not exclude uniformed military personnel, the example was deleted to avoid possible misunderstanding.

APPENDIX III



DEPARTMENT OF STATE
ASSISTANT SECRETARY FOR ADMINISTRATION
WASHINGTON, D C 20520

October 24, 1974

Mr. J. Kenneth Fasick
Director
International Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. ^{Kew} Fasick:

The Secretary has asked me to reply to your letter of August 22 transmitting the draft report on "Holiday Administration Overseas: Opportunities for Improvement."

Executive Order 10893, November 9, 1960, delegates to the several chiefs of mission "--- affirmative responsibility for the coordination and supervision over the carrying out by agencies of their functions in the respective countries." The Secretary of State, as a part of his responsibility for coordination of overseas programs, provides the chiefs of mission in the field with general guidance on the establishment of a holiday observance policy in each country.


The "recommendations" contained in the draft report are generally consistent with existing policy. The Department strongly agrees that the number of holidays in any given country should be the minimum required to insure that American personnel have reasonable chance to observe traditional American holidays, and to respect the traditional practices, and religious and political sensitivities of the host country.

The Department also strongly agrees that a uniform holiday policy within any given country is highly desirable. We recognize, of course, that the Peace Corps handles this question -- like other personnel benefits and compensation matters -- differently from other agencies, and we have taken into account the fact that DOD's structure of employee benefits differs in some respects from civilian agencies.

In addition to the actual "recommendations" contained in the draft report, there are "options" (page 5, 48) for implementing the recommendations. These options would have the effect of centralizing control of holiday observance overseas in the Civil Service Commission, OMB or a committee chaired by OMB. These "options" are in fact not necessary to the implementation of the "recommendations", and the Department cannot concur in any of them. They are inconsistent with the responsibility of the Secretary of State for coordination of overseas programs, would remove responsibility from the agencies with the experience in overseas programs necessary to arrive at an informed judgment, and would result in duplicative reporting and monitoring that would be wasteful and inefficient.

As you know, the Department has recently invited interested agencies to designate representatives to an inter-agency committee on employee benefits. That will provide all concerned agencies with an opportunity to consider the recommendations in the draft report and insure that their views are being taken into account in the formulation of holiday observance policies as on other employee benefits. We believe that this inter-agency effort will result in greater equity and uniformity in all personnel benefits.

Sincerely,


John M. Thomas

APPENDIX IV



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

MANPOWER AND
RESERVE AFFAIRS

1 2 SEP 1974

Mr. J. K. Fasick
Director, International Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Fasick:

This is with reference to your letter to the Secretary of Defense dated August 22, 1974, regarding GAO Draft Report dated August 22, 1974, "Holiday Administration Overseas; Opportunities for Improvement."

We have reviewed the report and agree that a uniform Government-wide policy with respect to holiday administration overseas would seem to be in order. However, if the new policy will result in the observance of U.S. holidays on dates which are different from when they are observed in the United States or the observance of host country holidays in lieu of U.S. holidays, we believe it is essential that the premium pay provisions of the Federal Employee Pay Act of 1945 be amended to preclude payment of premium pay under these circumstances.

We appreciate the opportunity to review the report.

Sincerely,

A handwritten signature in cursive script that reads "William K. Brehm".

William K. Brehm

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C. 20523

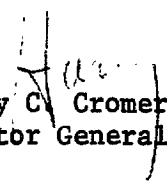
(07 1971)

Mr. J.K. Fasick
Director
International Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fasick:

Attached are Agency for International Development comments on your draft report "Holiday Administration Overseas: Opportunities for Improvement." Although no action for A.I.D. is specifically recommended in the report, any action taken in this area would affect this Agency's employees overseas. We, therefore, feel that we should comment and that our comments should be given consideration in preparation of the final report.

Sincerely yours,


Harry C. Cromer
Auditor General

Attachment

APPENDIX V

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41 CFR) 101-11.8

UNITED STATES GOVERNMENT

Memorandum

TO : AG, Mr. Harry C. Cromer

DATE: 307 3 1974

FROM : AA/SER, Willard H. Meisner, Acting

SUBJECT: GAO Report Entitled "Holiday Administration Overseas: Opportunities for Improvement!"

We have reviewed the General Accounting Office draft report on Holiday Administration Overseas. Generally, we concur in the possible establishment of a ceiling, but disagree in making the Office of Management and Budget responsible. The information as set forth has raised some questions which are not fully answered by the Report.

The Report, on page 22, states that in the countries visited, "the U.S. Mission generally observed the highest or next to the highest number of holidays" when compared with other selected Missions. Later it explained that these other Missions used various methods (ceiling on total holidays, limit host countries holidays, limit U.S. national holidays, etc.), to arrive at their holiday schedule. We do not know, of course, how these six Missions were selected; how they stand in conjunction with Missions in all other countries; and whether the host countries selected are normal examples of all countries in which U.S. employees are stationed.

Beyond that, can the U.S. Government expect foreign national employees to work, at regular pay, on their national holidays? The report doesn't indicate what the other Missions studied do or what the morale of their staff is.

During consideration to change the current regulations concerning holidays, the General Accounting Office must consider the payment and leave record-keeping problems involved. To establish a ceiling and let each Ambassador select his own holidays would mean reprogramming A.I.D.'s computerized payroll system and possibly require manual review of all USAID Time and Attendance Reports.

In conclusion, I feel there should be some U.S. Government policy established, at least within a given country. Further, because of the diplomatic impact, I believe the Department of State rather than the Office of Management and Budget should be responsible for establishing



5010-110

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this policy. In view of the Ambassador's role and the Department of State's experience and sensitivity to political and cultural considerations, we would follow the Department of State's recommendations regarding this subject. Of course, in any final solution, employee morale (both state-side and overseas); equity among Posts; and the resultant affect upon payroll and personnel systems must be considered.



OFFICE OF
THE DIRECTOR

ACTION

WASHINGTON, D.C. 20525

October 3, 1974

Mr. J. K. Fasick, Director
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Fasick:

We appreciated the opportunity to review the draft report on overseas holiday administration. We are in substantial agreement with the recommendations made in the report, especially those outlined in Recommendation 5. We believe that a ceiling should be established on the total number of days to be observed as holidays abroad and that this ceiling should be applicable to all U.S. Government agencies.

We support the development of a unified policy under the leadership of OMB with the proviso that we have an opportunity to assist in the development of the final policy.

We support the idea that within the minimum limitation the senior American official in country should make the judgment about which days will be observed as holidays. We believe, however, his authority to make that judgment should include the requirement for consultation with the senior officials of all American organizations operating in that country.

The Cameroon example is a good one in that it reflects both the philosophic and practical implications faced by Peace Corps operations overseas.

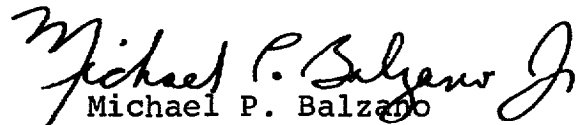
As a matter of policy and practice we have attempted to respect and to relate to the Host Country in the closest possible way including the observation of significant Host Country holidays. From our point of view, if a choice is to be made between Host Country and American holidays, we will observe Host Country holidays. At the same time, we recognize that the four American holidays cited in the Cameroon example are especially dear to our staff; we therefore support a policy that sets New Years Day, Christmas, Independence Day, and Thanksgiving as the basic American holidays to be observed overseas and the remainder within the ceiling to be applicable to those Host Country holidays determined at the country level, assuming that the ceiling limitation does not cause an offense to a particular Host Country.

APPENDIX VI

We would support legislation designed to provide greater flexibility in the granting of leave for persons assigned overseas.

Again, my thanks for the opportunity to comment upon this draft and we look forward to working with you in the development of a more reasonable and equitable policy for overseas holiday administration.

Sincerely,


Michael P. Balzano
Director

APPENDIX VII

PRINCIPAL OFFICIALS
RESPONSIBLE FOR ADMINISTRATION OF
ACTIVITIES DISCUSSED IN THIS REPORT

Tenure of office
From To

DEPARTMENT OF STATE

SECRETARY OF STATE:

Henry A. Kissinger Sept. 1973 Present

ACTION (PEACE CORPS)

DIRECTOR:

Michael P. Balzano, Jr. Apr. 1973 Present

DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE:

James R. Schlesinger Jul. 1973 Present

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