

REPORT BY THE U.S.

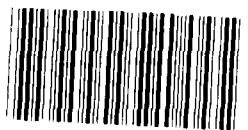
RELEASED

124762

# General Accounting Office

## Description Of Selected Systems For Classifying Federal Civilian Positions And Personnel

Federal classification systems are used to determine the value or worth of either positions or persons. This report describes the classification systems used for four pay schedules that when considered together, apply to about 85 percent of federal civilian employees. The systems for classifying General Schedule and Federal Wage System positions focus on the job rather than the job occupant. The classification systems for Foreign Service employees and employees covered by the Veterans Administration's Department of Medicine and Surgery schedules are rank-in-person systems that focus on the job occupant.



124762



GGD-84-90  
JULY 13, 1984

529414

**Request for copies of GAO reports should be sent to:**

**U.S. General Accounting Office  
Document Handling and Information  
Services Facility  
P.O. Box 6015  
Gaithersburg, Md. 20760**

**Telephone (202) 275-6241**

**The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".**



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT  
DIVISION

B-215627

The Honorable Patricia Schroeder  
Chairwoman, Subcommittee on Civil Service  
Committee on Post Office and Civil  
Service  
House of Representatives

The Honorable Mary Rose Oakar  
Chairwoman, Subcommittee on Compensation  
and Employee Benefits  
Committee on Post Office and Civil  
Service  
House of Representatives

The Honorable Donald J. Albosta  
Chairman, Subcommittee on Human  
Resources  
Committee on Post Office and Civil  
Service  
House of Representatives

This report responds to your request for a study of the principal systems for classifying federal civilian personnel. During the 1982 Pay Equity Hearings held by the Subcommittees on Civil Service, Compensation and Employee Benefits, and Human Resources, House Committee on Post Office and Civil Service, there was concern that female-dominated occupations may be undervalued by classification techniques that may be biased against the jobs traditionally performed by women.

You requested a description of various federal classification systems to provide background information for evaluating sex bias in federal classification systems. We examined the systems for classifying General Schedule (GS) positions, Federal Wage System (FWS) positions, Foreign Service professionals, and Veterans Administration (VA) professionals under the Department of Medicine and Surgery schedules. These systems cover about 85 percent of federal civilian employees, excluding the Postal Service. The GS and FWS are rank-in-position methods that assess the value of the job rather than the job occupant. The Foreign Service System and the VA's Department of Medicine and Surgery schedules are rank-in-person systems which assess the

value of the job occupant. Employees not covered by these systems are in agencies specifically excluded by law such as the Nuclear Regulatory Commission, National Security Agency, Central Intelligence Agency, and Tennessee Valley Authority. Some of these agencies use the GS pay system even though they are not covered by the classification requirements.

We conducted our work between October 1983 and June 1984 at the Washington, D.C., headquarters of the Office of Personnel Management (OPM), the Department of State, and the VA. At these locations we

--interviewed officials responsible for developing and administering the systems;

--reviewed authorizing legislation and its history, relevant procedure and policy manuals, and available statistical data;<sup>1</sup> and

--examined relevant academic and research literature concerning classification, job evaluation, and job analysis.

We did not include the Postal Service because, since 1970, its pay rates have been determined through collective bargaining rather than the classification process.

As requested by your office, we neither reviewed how these systems are operating nor assessed their relative merits. Our review was done in accordance with generally accepted government auditing standards, except that we did not obtain agency comments.

#### ASSIGNING VALUE TO POSITIONS

Position classification systems are formal methods for determining the value or worth of positions in an organization. The objective of position classification is to establish a rational, systematic structure of jobs based upon their worth to the organization.

OPM has responsibility and authority for managing federal position classification except for certain positions or employees in agencies exempted by law. OPM establishes standards and procedures for evaluating each position's worth.

---

<sup>1</sup>GS and FWS statistical data on the number of employees, standards, and occupations were being updated by OPM at the time this report was issued.

Agencies responsible for exempt personnel or positions assign value to them.

About 83 percent of full-time federal employees (excluding Postal Service) are in positions evaluated under two (GS and FWS) of the four systems discussed in this report. The following is a brief overview of these systems which are discussed in more detail in appendixes II and III.

### GS positions

The GS system covers most white-collar federal employees. The purpose of the GS system as defined in 5 U.S.C. 5101 is to provide a classification and salary plan under which (1) the principle of equal pay for substantially equal work will be followed; (2) differences in pay are proportional to differences in the difficulty and responsibility of work; and (3) individual positions will be placed in classes according to their duties, responsibilities, and qualification requirements.

There are 1.4 million employees, 442 occupations, and 18 pay grades in the GS pay system. Positions are classified using either the narrative or the factor evaluation method. (The details of these methods are discussed in app. II.) OPM has developed position classification standards using both methods which result in standards that differ in both format and content. To develop standards, OPM performs an occupational study to identify the duties, responsibilities, and qualifications for all grade levels of each occupation.

The narrative method was the only method used for GS employees until the mid-1970s, and it currently covers approximately 63 percent of these employees in 298 occupations.<sup>2</sup> Narrative standards use up to eight factors to describe the important characteristics of the work. In writing narrative standards, OPM only includes the factors that distinguish one grade from the next within a particular occupation. For example, the public information job series only uses two factors-- (1) nature and scope of assignment and (2) level of responsibility--to distinguish grade levels.

---

<sup>2</sup>OPM included (1) occupations with narrative standards for specific occupations and (2) occupations with standards that do not have criteria for determining grade level, but which suggest using grade level criteria from other standards.

As a result of the Job Evaluation Policy Act of 1970, about 34 percent of GS employees, or 474,000, are now covered by Factor Evaluation System (FES) standards. FES standards use nine factors to describe important characteristics of the work. From one to nine levels of performance are defined for each factor and a prescribed number of points is assigned to each level. Classifiers total the points for a position and use a conversion chart to determine the grade level.

The following chart lists three important distinctions between the two GS systems.

<u>Narrative standard</u>	<u>FES standard</u>
Standards may include different factors selected from eight possible factors <sup>a</sup>	All standards include nine factors <sup>b</sup>
Factors in the standard that are selected are assigned an equal level of importance	Factors are assigned different levels of importance (weighted)
Grade level is determined through nonquantitative analysis	Grade level is determined through quantitative analysis by aggregating points prescribed for each assigned factor level

<sup>a</sup>The narrative factors are (1) nature and variety of work; (2) nature of the supervision received by the incumbent; (3) nature of available guidelines for performance of the work; (4) originality required; (5) purposes and nature of person-to-person work relationships; (6) nature and scope of the recommendations, decisions, commitments, and conclusions; (7) nature and extent of supervision exercised over the work of other employees; and (8) qualifications required to perform the work.

<sup>b</sup>The FES factors are (1) knowledge required by the position, (2) supervisory controls, (3) guidelines, (4) complexity, (5) scope and effect, (6) personal contacts, (7) purpose of contacts, (8) physical demands, and (9) work environment.

Under both methods OPM attempts to develop consistent standards and grades by comparing standards to each other, comparing grade levels with those described in law, obtaining comments from internal and external reviewers, and providing common training to standards writers. The factor evaluation method also uses the primary standard to check for consistency. The

primary standard describes each factor and all factor levels in general terms, thus permitting comparisons between it and other standards.

A separate general standard for supervisors is used to establish their grades. Since establishing the general standard in 1965, standards written for specific occupations do not describe supervisory responsibilities.

### FWS positions

The FWS covers 520,000 blue-collar trade, craft, or labor employees in 372 occupations. Under 5 U.S.C. 5346, OPM is responsible for implementing and administering a job grading system for positions covered by the FWS after consulting with agencies and employee organizations. OPM has the responsibility for (1) establishing the basic occupational alignment and grade structure, (2) defining and establishing the boundaries for individual occupations, (3) establishing job titles within occupations, (4) developing and publishing job grading standards, and (5) providing a method to assure consistency in the application of job standards. Occupational standards are developed to provide the criteria for classifying a position in the appropriate schedule, occupation, and grade. All standards include the same four factors for evaluating positions: (1) skill and knowledge, (2) responsibility, (3) physical effort, and (4) working conditions. OPM also describes the duties and responsibilities at each grade for one or more jobs common to many agencies as a guide to consistently distinguish grade levels in standards.

The three major FWS schedules are wage grade, wage leader, and wage supervisor. Wage grade employees perform nonsupervisory work and are evaluated using standards for specific occupations. The other two schedules cover employees who have some responsibility for the work of others. These employees are evaluated using general standards for supervisory or leader positions.

### ASSIGNING VALUE TO PERSONS

Rank-in-person classification systems determine the value or worth of an employee to the organization. In these systems, the rank is determined by evaluating the employee's ability, qualifications, and accomplishments, without necessarily considering the duties and responsibilities of the position the person occupies. In contrast to rank-in-position systems, rank-in-person systems allow employees in similar positions to be ranked and therefore paid differently. We examined two rank-in-person systems in the federal government that are used

for employees in (1) the Foreign Service and (2) VA's Department of Medicine and Surgery schedules. We did not examine the Senior Executive Service (SES), which is a rank-in-person system established by the Civil Service Reform Act of 1978. More than 98 percent of eligible executive branch employees, formerly classified under the GS or Executive Schedule Levels IV and V, converted to SES. We did not review SES because it has fewer employees and has not been in place as long as the two systems we selected. The following is a brief overview of the two systems which are discussed in more detail in appendixes IV and V.

#### Foreign Service professionals

The Foreign Service covers about 14,000 white-collar employees in several agencies--primarily the State Department--who are involved in planning, conducting, and implementing U.S. foreign policy. According to State Department officials, the ranking of individuals rather than positions provides needed flexibility in staffing positions and developing employees.

Employees enter the Foreign Service for a probationary period during which promotions are at predetermined times and based solely on satisfactory performance. At the conclusion of the probationary period, employees are ranked annually by Foreign Service Selection Boards to determine if they are capable of performing the duties and responsibilities required at the next higher level. The boards consider the employees' substantive knowledge in their area; leadership; managerial, intellectual, and interpersonal skills; and other factors deemed appropriate. The boards review the employees' entire performance records to determine their capabilities. Employees are ranked in 12 grades: 3 in the Senior Foreign Service and 9 in the Foreign Service.

#### VA medical professionals

VA's Department of Medicine and Surgery employs about 39,000 full-time employees who are covered by its rank-in-person system. All are medical professionals: physicians, dentists, nurses, podiatrists, optometrists, physician assistants, nurse anesthetists, and expanded function dental auxiliaries.

Professional Standards Boards evaluate each person's qualifications for selection or promotion. The majority of board members have experience in the profession of the person being reviewed and use two general criteria--professional attainments and experience--that are specifically described in each qualification standard to evaluate persons in each profession.

- - - -



This report completes the first phase of our work on classification systems. In the second phase we will provide information on the classification systems of a number of nonfederal organizations.

As requested by your offices, we have not obtained agency comments on this report. Also, unless the contents of this report are publicly announced earlier, we plan no further distribution until 10 days from the date of this report. At that time, we will send copies to interested parties and make copies available to others upon request.



William J. Anderson  
Director

### FEDERAL POSITION CLASSIFICATION

Traditional classification approaches include "rank-in-position" methods that assess the value of the job and "rank-in-person" methods that assess the value of the job occupant. The principal approach used in the federal government is rank-in-position.

### HISTORY OF FEDERAL POSITION CLASSIFICATION

Although the federal government has used position classification for over 100 years, the Classification Act of 1923 (Public Law 67-516) provided the foundation for the current federal job classification and pay system. The objective of the act was to provide consistency in pay, staffing, and other personnel functions across the various positions which then comprised the federal white-collar work force. Under the 1923 act as amended, the U.S. Civil Service Commission was authorized to centrally classify all white-collar positions in Washington, D.C. All positions were to be paid in accordance with the qualifications required and the responsibility and difficulty the jobs entailed. The goal was assuring that federal employees performing substantially equal work were equally compensated, without regard to comparability with the private sector.

The expansion of the federal government during the 1940s and the particularly rapid growth of field staff led to further changes in the federal pay and classification system. Because classification in the field offices remained the sole responsibility of the agencies, there was little consistency among agencies outside of the Washington area. Executive Orders 9330, dated April 1943, and 9512, dated January 1945, expanded the Commission's authority to oversee classification throughout the government. These orders permitted the Commission to develop classification standards and conduct post-classification audits to ensure conformity to the standards. The actual classification of the positions remained the responsibility of the individual agencies. The Classification Act of 1949 (Public Law 81-429) was a comprehensive revision of the 1923 act, and codified the changes that resulted from the executive orders. The 1949 act also established 18 GS grades, which are still in place.

The federal pay and classification system continued to be criticized for such shortcomings as confusion resulting from the number and variety of systems, the complexity and obsolescence of standards, and a lack of understanding of the system. These issues eventually led to the Job Evaluation Policy Act of 1970

(Public Law 91-216), which directed the Commission to "prepare a comprehensive plan for the establishment of a coordinated system of job evaluation and ranking for civilian positions in the executive branch." The Commission appointed a Job Evaluation and Pay Review Task Force to undertake this mission. The Task Force discovered that about 65 systems were used for classifying and paying the 2.2 million federal employees then in service and found a number of examples of pay inequities. They recommended that the Commission be given full authority and responsibility for developing and administering, where practicable, a coordinated job evaluation and ranking plan for all civilian positions and employees in the executive branch. A factor ranking method with benchmark position descriptions was the principal job evaluation method recommended, although it would be supplemented by personal competence ranking for certain special occupations.

The Commission adopted the Task Force's recommendation on the factor ranking method of job evaluation. However, instead of developing separate systems for each of five work force categories as the Task Force proposed, the Commission began the process of designing a single system to cover all nonsupervisory General Schedule (GS) jobs in grades GS-1 to GS-15. Their objective was a better alignment of positions, greater classification consistency, and improved understanding of the system by employees and supervisors. The system was designed and tested in 1973 and 1974 and, by December 1975, the FES was approved by the Commission. Although most occupations are still covered by narrative standards, as of July 1984, 63 FES standards had been prepared for 474,000 employees in GS occupations. A description of both the narrative and FES methods is included in appendix II.

#### BACKGROUND ON POSITION CLASSIFICATION

Both GS methods are examples of position classification systems. An objective of position classification is to establish a rational, systematic structure of jobs based upon their worth to the organization. Position classification considers and measures the relative involvement of skill, effort, and responsibility required of employees for satisfactory performance and equates such measures with appropriate pay levels.

Both public and private organizations in the United States use position classification to set pay. Bureau of National Affairs surveys show that the use of classification plans in small organizations increased from 40 percent in 1956 to 74 percent in 1976.

Uses of position classification vary among organizations. For example, some employers make little use of classification procedures, letting other factors, such as market rates, determine the worth of their jobs. Some organizations use position classification in pay-setting for only certain types of employees, such as managers or nonunion employees. In other organizations, position classification is used for all positions.

One objective of position classification can be to obtain internal and external consistency in wages and salaries. Internal consistency refers to the proper alignment of wages within an organization. Thus, jobs that are more valuable to the organization would be paid more than jobs of less value. External consistency refers to the degree to which an organization's pay structure conforms to the rate paid for comparable positions outside the organization--i.e., market competitiveness. Wage or market surveys are commonly used to determine these pay rates. Although an organization may have a pay structure that is internally consistent, it may pay more or less than other organizations in the market and thus fail to achieve external consistency.

#### Position classification methodology

Although several methods of position classification may be used to set pay, virtually all have the same general methodology. First, information about the jobs to be classified is gathered and the duties, tasks, requirements, working conditions, or other factors of each job are thoroughly described. As a result of this process, a written job description is developed identifying the important features of the job and job specifications or qualifications are developed for the knowledge, skills, and abilities required to perform the job. Second, each job is evaluated on its "worth" to the organization and all the jobs are then ranked hierarchically. Third, the evaluation results are used in setting wage or salary rates. Factors other than classification that also may be used in setting wages include information on area wage rates for similar jobs, collective bargaining agreements, company policy decisions, or existing salary ranges.

The four basic methods of evaluating jobs are ranking, grade description, point factor, and factor comparison. The first two methods are commonly described as nonquantitative or whole job methods, whereas the latter two are referred to as quantitative or factor-based methods. The federal government's Federal Wage System and the narrative method of the General Schedule are similar to the grade description method. The General Schedule factor evaluation system includes aspects of both the point factor and factor comparison methods.

### Ranking

In the ranking method, jobs are compared with each other and arranged in order of value based on the rater's overall knowledge of the jobs. The raters do not use specific factors, but simply compare jobs and determine which are more, less, or equally demanding. Under the ranking method, raters do not have a predetermined scale of values to use in determining the worth of a job to the organization.

### Grade description

The grade description method is another nonquantitative approach in which the whole job is evaluated. A predetermined set of grade levels is first defined based on differences in skill, responsibility, and other job aspects. Each job is then assigned to one of the grades by comparing its characteristics with the levels describing each category in the grade structure.

### Point factor

The most widely used method of evaluating jobs is the point factor method. In this method a set of factors is selected that is intended to reflect the features of the jobs that the employer values. Each factor should be distinct, definable, measurable, understandable, and, when combined with other factors, should be a general indication of job worth. The number of factors used in this type of evaluation varies depending on how many are believed necessary to capture the important dimensions of the jobs being evaluated. The most commonly used factors are skill, responsibility, effort, and working conditions, and these factors are frequently divided into subfactors. The organization assigns a value (i.e., a number of points) to each factor based on its overall importance in determining the worth of a position. Each factor is divided into distinct levels of performance. Each level is then assigned a portion of the total points for the factor. Points are aggregated to obtain the total number of points for each job. Rates of pay are then assigned based on the number of points each job receives.

### Factor comparison

The factor comparison system is similar to the point factor system in that jobs are evaluated using job factors, like skill or responsibility, and standard measures for the factors. Both systems rely on job descriptions and the opinions of trained specialists and line managers in arriving at the final evaluations. However, in the factor comparison approach, each

organization chooses key jobs that are used as the value measures rather than a point total.

The first step in the factor comparison method is to determine key jobs that cover the range from high- to low-paying jobs, and are generally regarded as fairly compensated. They also should be definable in accurate and clear terms. Next, the key jobs are ranked on an overall basis and then on a set of job factors, one at a time. After the factor rankings are completed for each job, the base pay for each key job is allocated to each factor based on its contribution to the total value of the job.

To evaluate jobs using this method, the duties and responsibilities of each factor are (1) compared to the corresponding factors for each key job and (2) assigned the values of the most closely matched factors, regardless of which key jobs contain the factors. The values for each factor in each job are aggregated to determine a total dollar value for the job.

CLASSIFICATION OF GENERAL SCHEDULE POSITIONS

The General Schedule (GS) is an 18-grade classification system for determining the compensation of most civilian employees based on the duties, responsibilities, and qualification requirements of the position occupied. As of July 1983, approximately 1.4 million full-time permanent employees in 442 occupations were covered by the system.

GS employees fill positions in professional, administrative, technical, or clerical occupations, commonly referred to as white-collar occupations. These occupations have been defined as follows:

- Professional occupations characteristically require specialized college level knowledge or experience pertinent to a specialized field.
- Administrative occupations involve the type of skills typically gained through college level general education or experience rather than specialized majors.
- Technical occupations are associated with and supportive of a professional or administrative field.
- Clerical occupations involve structured work in support of office, business, or fiscal operations.

The statutory basis for the GS classification system is contained in the Classification Act of 1949 (as amended, 5 U.S.C. 5101 et seq.). The 1949 act merged grades in the professional and scientific service; the subprofessional service; and the clerical, administrative, and fiscal service into a General Schedule consisting of 18 grades.

The GS system is intended to provide a classification and salary plan under which (1) the principle of equal pay for substantially equal work will be followed; (2) differences in pay are proportional to differences in difficulty and responsibility of work; and (3) individual positions will be placed in classes according to their duties, responsibilities, and qualification requirements.

Under the law, OPM is responsible for developing the classification system, developing and writing current classification standards, writing regulations necessary for the administration of the system, monitoring agency compliance with the classification standards, and investigating employee requests for review of the classification performed by the agencies. Agencies are

responsible for placing their positions in the appropriate schedule, occupation, and grade (i.e., class) using the classification standards. While agencies may redelegate this authority to their subordinate organizational units (installations), agency heads hold the ultimate authority and responsibility for classifying positions under their jurisdiction.

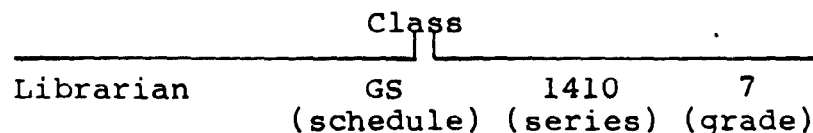
OPM may revoke an agency's classification authority if it is found that the agency is not placing positions in classes in conformance with published standards. According to OPM, it has never revoked an agency's classification authority. OPM, however, has infrequently arranged for an agency to withdraw classification authority from subordinate organizations.

#### THE CLASSIFICATION PROCESS

OPM develops standards for specific occupations (series). Standards provide the criteria that agency personnel use to determine the series, title, and grade most appropriately assigned to positions and describe the minimum qualifications necessary to successfully perform the duties and responsibilities of the job.

#### Classification and qualification standards

A classification standard provides criteria for determining the kinds and levels of work in an occupation. A group of individual positions similar in kind and level of work is commonly called a class of positions:



The standards describe the important characteristics of the work in a class that distinguishes it from other classes. It typically includes background information on the occupation, the job title(s), a definition of terms, and descriptions of typical positions (benchmarks).

A qualification standard describes the knowledge, skills, and abilities considered necessary for successful performance of the duties of a class of positions. There must be a logical connection between the duties performed and the qualifications required.



An occupational study is conducted before preparing classification and qualification standards. This study includes an analysis of the work of the occupation; how the work is done; the subject matter of the work; the relationship of the work to other occupations; and the knowledges, skills, and abilities required to perform the work. This information is obtained from a variety of sources, including supervisors, employees, professional and technical societies, unions and other organized groups, and personnel specialists. As part of the occupational study, drafts of the classification and qualification standards are written and comments on the drafts are solicited from affected agencies and other interested parties.

Occupational specialists in OPM develop the classification standards. These standards are prepared for the use of skilled personnel specialists or managers knowledgeable about the occupations. If an occupation is located in only one agency, the agency may write the standard subject to OPM guidance and approval. OPM has written all 63 Factor Evaluation System (FES) standards that have been issued. Of the 74 standards under development, OPM is writing all but 2.

#### Classifying positions

Individual positions are placed in their appropriate class by agency classifiers or other officials within the agency. In classifying a position, the classifier determines the appropriate pay schedule, the kind of work, and the level of work by comparing the duties, responsibilities, and qualifications with an appropriate standard. Position descriptions are developed and written by personnel in the agency responsible for the position and describe the current duties and responsibilities assigned or delegated to that position in a specific organizational unit. Position descriptions should address the same factors used in the classification standards. For example, the classification standard and position description for the Computer Specialist series should both describe the complexity factor.

Using the position description, the classifier first determines whether the position is under the General Schedule or is exempted by 5 U.S.C. 5102. For example, this section exempts trade, craft, and labor employees. The classifier then determines the appropriate classification standard for the kind of work performed in the position. In determining the appropriate occupation, the classifier may first examine a list of job series titles in OPM's Handbook of Occupational Groups and Series of Classes to find those that could be appropriate. The classifier then examines the brief definition of these

occupations given in this handbook. Based on the titles and definitions, the classifier examines the specific standard for those occupations that might be appropriate. The standard provides information on the type of work performed, background information, and types of positions included in and excluded from the occupation. Considering all characteristics of the position, the classifier chooses the standard(s) judged to be most appropriate.

Once the appropriate occupation and standard are chosen, the classifier determines the position's level of work by matching the level of duties and responsibilities in the position description with the levels described in the standard. The grade of the position results from the match between the position description and the standard descriptions.

Both the choice of an appropriate standard and the appropriate grade for a position involve the use of the classifier's professional judgment. Classification decisions may be discussed with the employees, the employees' supervisors, other unit managers, and the classifiers' supervisors. Differences of opinion are reconciled and the classification decision is made. Since the use of professional judgment is an essential part of the classification process, the classification of positions could vary within and across organizational lines.

#### TWO GS CLASSIFICATION METHODS

Until the 1970s, the narrative method was used to evaluate GS positions. The Job Evaluation Policy Act of 1970, however, directed that a more orderly procedure be established for position classification. This law did not change the substantive requirements of the 1923 and 1949 classification acts but was intended to establish a procedure for improving the classification system. The 1970 act directed the Civil Service Commission (its classification responsibilities are now in OPM) to prepare a comprehensive plan for establishing a coordinated system of job evaluation and ranking for GS positions within the executive branch of the federal government. This plan was to include provisions for the establishment of a methodology for evaluating jobs and aligning them by level of difficulty. In response to this directive, the Civil Service Commission developed FES in the early 1970s. FES, which uses a point factor method for assigning nonsupervisory positions to grades, was approved in 1975.

The content of the standards and the method of assigning job values differs between the narrative and factor evaluation methods.

### The narrative method

Under the narrative standards, eight factors are used to describe the important characteristics of the work. The factors are

- the nature and variety of the work;
- the nature of the supervision received by the incumbent;
- the nature of available guidelines for performing the work;
- originality required;
- the purposes and nature of person-to-person work relationships;
- the nature and scope of the recommendations, decisions, commitments, and conclusions made by the employee;
- the nature and extent of supervision exercised over the work of other employees; and
- the qualifications required to perform the work.

Initially, standards writers consider all eight factors to determine which distinguish the levels of performance within an occupation. Only the factors that the standards developers believe are important in determining grade levels for each occupation are included in narrative standards. According to OPM, comparison of the standard to other standards and the statute, supervisory and peer review, and similar training of the standards developers help ensure consistency among standards.

Approximately 63 percent, or 859,000, of GS employees are classified in 298 occupations described by the narrative standards.

### The FES

The FES uses the point factor method of evaluating jobs and assigning grade levels. An FES standard uses (1) knowledge required by the position, (2) supervisory controls, (3) guidelines, (4) complexity, (5) scope and effect, (6) personal contacts, (7) purpose of contacts, (8) physical demands, and (9) work environment to describe the duties and responsibilities of an occupation. Each factor is broken down into graduated levels

of complexity. The maximum number of points varies among factors. The following chart shows the distribution of points for two factors' levels.

<u>Knowledge factor</u>		<u>Guidelines factor</u>	
<u>Level</u>	<u>Points</u>	<u>Level</u>	<u>Points</u>
1	50	1	25
2	200	2	125
3	350	3	275
4	550	4	450
5	750	5	650
6	950		
7	1250		
8	1550		
9	1850		

The primary standard, often referred to as "the standard-for-standards," describes in broad terms the various levels of the nine factors used in FES. For example, the primary standard for the highest level of knowledge states "Mastery of a professional field to generate and develop new hypotheses and theories, or equivalent knowledge or skill." The factor level descriptions for specific occupations are aligned with the primary standard's descriptions to achieve consistency.

To determine a position's grade level, the classifier compares position descriptions with the nine factors in the standards. The position description is used to determine which level in the standard accurately describes the duties and responsibilities of the position. The position is assigned the number of points specified for the factor level that matches the position's duties and responsibilities.

Once all nine factors are evaluated, the points for all factors are totaled. The total for each position is converted to a grade level by using a grade conversion table.

FES  
Grade Conversion Table

<u>GS Grade</u>	<u>Point range</u>
1	190-250
2	255-450
3	455-650
4	655-850
5	855-1100
6	1105-1350
7	1355-1600
8	1605-1850
9	1855-2100
10	2105-2350
11	2355-2750
12	2755-3150
13	3155-3600
14	3605-4050
15	4055-up

Approximately 474,000 GS employees are classified using FES. In addition, OPM has issued five functional guides<sup>1</sup> in the FES format that cross several occupational lines.

SUPERVISORY POSITIONS UNDER  
THE GENERAL SCHEDULE

Supervisory positions are classified in the appropriate series using OPM's Supervisory Grade Evaluation Guide. It is used to determine the appropriate grade level for these positions. The guide is used for positions that meet its definition for a supervisor, because GS classifications standards do not include supervisory criteria.<sup>2</sup>

The grading process for supervisors involves determining the appropriate increment, if any, over the grade level of the

<sup>1</sup>The five guides are for typing and stenography, test and evaluation engineering, policy analysis, instructor, and instructional specialist (the number of employees covered by these guides was not available).

<sup>2</sup>According to OPM, the guide was not completed until 1965. Consequently about 28 standards issued before 1965 still include the narrative factor "nature and extent of supervision exercised over the work of other employees." In these standards, this factor is used in lieu of the guide.

work supervised. The guide emphasizes that this process involves the use of judgment on the part of the classifier. The process generally involves two steps: (1) the determination of the base level of work supervised and (2) the determination of the number of grades to be added to the base level. For all supervisors, the base level of the work is determined by the highest grade level of a substantial proportion of the nonsupervisory positions.

For supervisors of work that is classified at one-grade intervals through grade GS-8, classifiers consider the kind and degree of supervision, scope and variety of operations supervised, and special additional responsibilities. The classifier compares the supervisory responsibilities of a position with those factors prescribed in the guide and assigns a specified number of points to the position. The total number of points that the position receives determines the number of grade levels above the base level that the position warrants. If the resulting grade is GS-12 or GS-13, one grade level is subtracted from the supervisory position. If the resulting grade is GS-14 or GS-15, two grades are subtracted.

Supervisors of workers above grade GS-8 or in series with 2-grade intervals are evaluated using the nature and extent of supervisory responsibility, managerial aspects, and special additional elements affecting supervisory work as well as the base level of work supervised. The classifier determines if the nature and extent of supervisory responsibility justifies the increment of one or two grade levels above the base level. Generally, this will yield the final grade assigned to the position. However, this grade can be increased if warranted by the managerial aspects of the positions and any special elements. The guide states that the final grade level determination requires the application of considerable judgment.

CLASSIFICATION OF  
FEDERAL WAGE SYSTEM POSITIONS

The Federal Wage System (FWS) is the classification and pay system for the 372 craft, trade, and labor<sup>1</sup> (blue-collar) occupations in the federal government. FWS's policies and practices are based on the principles that there should be equal pay for substantially equal work, pay distinctions should be maintained in keeping with work distinctions, and rates of pay will be in line with prevailing levels for comparable work in a local wage area. These policies and practices were developed to achieve interagency equity in wage rates and to bring about equitable coordination of wage-fixing practices among the different executive departments and agencies. It is a rank-in-position system which generally requires that employees' grades be determined by the duties, responsibilities, and qualification requirements of their positions.

HISTORY OF FWS

Before the establishment of FWS, each federal agency developed its own system for classifying and compensating blue-collar employees. The separate systems resulted in wage disparities among federal employees performing the same work within and among organizations. To resolve these wage disparities, a Presidential memorandum, dated November 16, 1965, directed the Civil Service Commission to develop a common set of policies and operating procedures for classifying (grading) and compensating blue-collar positions that were paid with appropriated funds. In response to this memorandum, the Commission, with the cooperation and advice of agency and union representatives, developed the Coordinated Federal Wage System. It established job grading standards, and established uniform procedures to develop wage schedules in the different wage areas. It also established a single set of job titles and grading standards to be used by all agencies. Public Law 92-392, dated August 19, 1972, codified the Coordinated Federal Wage System into law. In addition, this law extended the pay-setting procedures and job grading standards to the nonappropriated fund blue-collar employees in the Department of Defense, and to employees of the Veterans Administration Canteen Service.

The FWS includes all employees in positions having trade, craft, or laboring experience and knowledge as the most important (paramount) requirement. This system covers about 450,000 appropriated fund and 70,000 nonappropriated fund full-time employees in 372 occupations.

---

<sup>1</sup>This system covers most nonpostal trade and labor jobs.

OPM is responsible for implementing and administering FWS by (1) establishing the basic occupational alignment and grade structure, (2) defining and establishing the boundaries for individual occupations, (3) establishing job titles within occupations, (4) developing and publishing job grading standards, and (5) providing a method to assure consistency in the application of job standards.

In addition, the law authorizes and directs the Office of Personnel Management (OPM) to monitor agency compliance with its published job standards. If OPM finds that an agency has failed to adhere to the job grading standards in classifying a position, OPM may place the position in its appropriate class. To meet its responsibility, OPM has developed policies, practices, procedures, regulations, and other guidance to use in developing standards, evaluating positions, and monitoring compliance.

#### CLASSIFICATION PROCESS

Under FWS, OPM issues job grading standards for occupations. There are 36 job families which are subdivided into occupations. Within each job family, there is one general occupation and a number of specific occupations. For example, the Food Preparation and Serving Family includes the general Food Preparation and Serving occupation as well as specific occupations like Baking or Cooking.

#### Job grading standards for nonsupervisory personnel

As of April 1984, OPM has issued job grading standards for 127 of 372 occupations. In addition, OPM has issued supervisor, leader, intermediate job, trades helper, inspector, and production facilitating job standards that apply to individuals in all occupations.

Job grading standards provide the criteria for determining the appropriate schedule, occupation, and grade in which to classify a position. They describe the specific knowledge, skills, and abilities necessary to perform the work within an occupational series at one or more grade level(s). Grade definitions use (1) skill and knowledge, (2) responsibility, (3) physical effort, and (4) working conditions as the key characteristics among the different levels (i.e. grades) of work within an occupation. There are 15 grades in the nonsupervisory schedule for wage grade employees.



Standards development

The development of FWS standards involves a process similar to the development of narrative standards under the General Schedule. It involves a study of occupations to provide a basis for writing standards. The study generally includes observing the work and discussing it with supervisors, employees, and union representatives. Next, draft standards are written and circulated to agencies and unions for comments and suggestions. Agency and union responses to drafts are considered and incorporated in the final version to the extent OPM believes appropriate.

Two features distinguish FWS job grading standards from narrative standards. First, FWS standards always include the four factors described above. Second, FWS standards use key ranking jobs. A key ranking job describes the duties and responsibilities of a job that is found in many agencies and therefore should be understood by most experienced standards writers. One or more jobs are chosen to describe each grade level. For example, carpenter is one of the occupations that defines wage grade 9. Its key ranking job description is as follows:

"Carpenter

Wage Grade: 9

Builds, repairs, alters and installs wooden articles and structures. Constructs and installs window frames, door frames, inside walls, floors, ceilings, closets, counters, shelves, casing, wood foundations, and similar structures. Lays beams, shingles and clapboards. Plans and lays out work from blueprints, drawings and verbal instructions. Determines work sequence, materials and tools to be used. Measures and cuts materials to required lengths. Uses hand and portable power tools of the carpentry trade, shop woodworking equipment and standard measuring [sic] instruments such as rulers, carpenter's square and levels.

Makes independent judgments and decisions within the framework of oral and written instructions and accepted trade practices, processes and procedures while completing assignments.

Continually handles objects weighing up to 10 pounds and occasionally handles objects weighing up to 50 pounds. Occasionally [sic] works in awkward and cramped positions.

Works inside in areas that are usually dusty and noisy and outside, sometimes in bad weather. Is exposed to the possibility of cuts, bruises and broken bones."

The key ranking job descriptions provide a point of comparison that could help develop standards that consistently differentiate levels of work (i.e., grades) within and among standards.

#### Classifying positions

The grading process (i.e., classification) is also similar to the General Schedule's narrative method. The classifier determines the appropriate pay category (schedule), job family, job grading standard, and grade.

The first step in classifying a position is determining if the appropriate pay schedule is FWS. Section 5102(c)(7) of title 5 of the United States Code exempts from coverage under the General Schedule those

"employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semi-skilled or skilled manual-labor occupations, and other employees including foremen and supervisors in positions having trade, craft, or laboring experience and knowledge as the paramount requirement . . . ."

A position is exempt from the General Schedule if physical work, not of an administrative, clerical, scientific, artistic, or technical nature, is the paramount requirement to perform the job's primary duty. Judgment is involved because the presence of manual work in a position does not in itself remove the position from the General Schedule.

Although the standards provide the criteria for determining the position's grade, standards do not cover all possible grade levels for an occupation. If jobs differ substantially from the skill, knowledge, and other work requirements described for the grade levels in the standard, agency classifiers may grade positions above or below those grades. The classifier determines which duties and responsibilities to consider in evaluating a position by assessing whether they are regular and recurrent or, although not regular and recurrent, critical to successful performance.

### Examining guides

OPM develops examining guides that describe the knowledge, skill, ability, and personal characteristics required to predict the potential for successful performance of a job's duties, and are a way of determining if job applicants have this potential. Examining guide requirements should be consistent with the corresponding grade level criteria in job grading standards because any significant change in examining guide requirements for a job may affect the grade of a job. The examining guide is primarily a tool for ranking candidates seeking employment.

### Grading for supervisory positions

The grading and pay standard is only used for FWS employees supervising three or more employees in trades and labor work and provides for 17 supervisory grades. The job grading standard for supervisors includes three factors:

- supervisory responsibility;
- the level and complexity of the work supervised and their effect on the difficulty and responsibility of the supervisor's position; and
- the scope of supervisory responsibility resulting from the size and volume of the work supervised.

A chart is used to determine grade levels for combinations of these factors.

### Grading for leader positions

The work leader standard covers employees who, as a regular and recurring part of their jobs, and on a substantially full-time and continuing basis, lead three or more workers to (a) accomplish trades and labor work or (b) train them in the non-supervisory work of a trade and labor occupation. Both types of leaders, working or training, are responsible to their supervisors for assuring that the group's work or training assignment is complete. There are 15 grades in the work leader schedule.

Working leaders are nonsupervisory workers who, in addition to leading at least three other workers, perform regular non-supervisory work. Working leader jobs are graded on the basis of the highest level of nonsupervisory work led.

In addition to the requirements for a working leader, a training leader must also have practical knowledge of the

methods and techniques of instruction. Grade levels for training leaders are determined by either (a) the grade level of the nonsupervisory work for which the trainees qualify for upon completion of the training course; or (b) the highest nonsupervisory level of trade, skill, or knowledge required of the trainer.

SYSTEM FOR CLASSIFYING FOREIGN SERVICE PROFESSIONALS

The career Foreign Service was established to help the President and Secretary of State conduct U.S. foreign affairs. Foreign Service employees help prepare and formulate U.S. foreign policy, represent U.S. interests abroad, and implement programs and activities promoting a wide range of U.S. foreign policy objectives.

Foreign Service employees can be found in the Department of State, Department of Commerce, Department of Agriculture, Agency for International Development, United States Information Agency, Arms Control and Disarmament Agency, and Peace Corps.

The current pay and personnel practices of the Foreign Service are based on (1) the Foreign Service Act of 1924 (Public Law 68-135), (2) the Foreign Service Act of 1946, (Public Law 79-724) and (3) the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.).

The 1924 act established a Foreign Service to provide the President and the Secretary of State with highly qualified staff to represent the interests of the United States overseas and to assist in the development of foreign policy. The 1946 act retained several features of the 1924 legislation, such as the "rank-in-person" system, but contained a number of additional features designed to strengthen and improve the Foreign Service. For example, the 1946 act set up a number of personnel categories with separate pay scales; provided in general terms for the classification of Foreign Service positions; and established promotion, separation, and mandatory retirement policies for Foreign Service officers.

The Foreign Service Act of 1980 was intended to promote compatibility in the general policies and procedures among the foreign affairs agencies. More specifically, the act required that these agencies operate under a common statutory framework and have compatible administrative and personnel policies and operations to the maximum extent practical. In addition, the act called for a compatible relation between Foreign Service and other government personnel systems. The 1980 act also provided for the Senior Foreign Service, a simplified structure of Foreign Service personnel categories and salaries, and a system of incentive payments and awards. The act of 1980 also provided that operational responsibility and authority for all functions, except those specifically assigned to the Secretary of State, rest with the individual foreign affairs agency or department head.

The State Department<sup>1</sup> has primary responsibility for the Foreign Service Personnel System and employs over 9,000 of the 14,000 Foreign Service employees. The Secretary of State or the head of the foreign affairs agency, under the direction of the President, is authorized to

- make appointments to the Service,<sup>2</sup>
- classify positions other than chiefs of mission or ambassadors at large,
- assign Foreign Service employees to these positions,
- promote Foreign Service employees below the Senior Foreign Service; and
- make recommendations to the President for promotion into or within the Senior Foreign Service.

The President prescribes a salary schedule in accordance with 22 U.S.C. 3963 which applies to Foreign Service employees.

A number of differences can be found among the Foreign Service, the General Schedule, and the Federal Wage System. Foreign Service is a rank-in-person system. In the Foreign Service an individual's grade or rank is based on an annual selection board evaluation's of the individual's ability, qualifications, and accomplishments. The State Department does, however, evaluate positions and tries to balance the number of Foreign Service employees at each grade with the number of positions evaluated as deserving that grade. A Foreign Service employee might be qualified for a higher grade but there might not be an opening for that grade. Also, the grade of the employee and the grade of the position do not have to be the same. Although the State Department does try to match the grade of the employee and the position, the system permits employee assignments at any grade.

---

<sup>1</sup>This report describes the State Department's system. We did not examine other agencies' procedures for classifying Foreign Service employees.

<sup>2</sup>The President retains the authority to make some appointments e.g. ambassadors or chiefs of mission.

APPOINTMENTS AND PROMOTIONS

Foreign Service employees are divided into generalists and specialists. Generalists are involved in developing and implementing foreign policy whereas specialists provide the technical support to accomplish this.

Chiefs of mission and ambassadors at large serve at the pleasure of the President and, by law, should normally be career Foreign Service employees although noncareerists can be appointed. When leaving these positions, employees can revert to their prior career status in the Foreign Service.

The Senior Foreign Service is patterned after the Senior Executive Service. Senior officers provide executive leadership capabilities, policy formulation capabilities, and foreign language and area expertise. They are appointed by the President, by and with the Senate's advice and consent. The Senior Foreign Service is divided into the career ambassador/career minister, minister counselor, and counselor pay levels. According to the State Department, most Senior Foreign Service employees are generalists although some are specialists. They are responsible for formulating, organizing, directing, coordinating, and achieving policies related to foreign affairs.

The four generalist skill groups<sup>3</sup> include about 50 percent of the State Department's 9,200 Foreign Service employees. When competing for appointment, individuals are screened to evaluate their qualifications to become Foreign Service employees. A Board of Examiners determines eligibility by reviewing written examination scores, oral assessment results, an autobiography, education and employment history, community activities, and a background investigation. This process is designed to determine the functional skill group(s) for which an individual is qualified. Individuals who satisfy each part of the Board's review

---

<sup>3</sup>The groups are designated as political, economic, consular, and administration.

and have obtained a medical clearance<sup>4</sup> are ranked in each generalist category for which they are qualified.

Generalist appointments are typically made at three grade levels, i.e., FS-4, 5, or 6, although appointments can be made to higher grades when an individual's education and experience exceeds the FS-4 criteria. Grades for career candidate appointments are based on education and work experience according to the following chart:

<u>GRADE</u>	<u>REQUIREMENTS</u>
FS-6	Pass entry examinations, 21 years old, U.S. citizen, and available for worldwide assignment.
FS-5	All of the above, and a masters degree, or a combination of 7 years of university education and experience in a field of work similar to the Foreign Service and equivalent in difficulty to the FS-6 level.
FS-4	All of the above, and 18 months of additional education and/or experience in a field of similar difficulty to the work of the FS-5 level.

Employees are promoted during the probationary period after achieving a predetermined time in grade if their performance has been satisfactory.

---

<sup>4</sup>Foreign Service personnel and their dependents must be able to serve at a wide variety of overseas posts and meet medical fitness standards. In general, any medical condition is disqualifying if it would unduly restrict overseas assignability on a worldwide basis; constitute an unnecessary or significant risk to the life or limb of the applicant, dependents, or fellow employees; or be of such a nature as to require medical support not readily available at overseas posts. Medical conditions that require frequent observation and examination or prolonged treatment, which may be aggravated by certain geographic or climatic conditions, or which may require excessive time lost from duty or premature separation from the Foreign Service, are disqualifying.



After achieving career status, officers compete for promotions. State Department management determines the number of promotions each year based on its projected needs.

The criteria for promotion in the Foreign Service are the same for specialists and generalists. These criteria were developed in 1977 and contain five major areas of competencies: substantive knowledge, leadership, managerial skills, intellectual skills, and interpersonal skills.

#### FOREIGN SERVICE REVIEW BOARDS

A number of boards are set up to review, recommend, and rank Foreign Service employees for promotion. Boards review either specialists or generalists at designated levels. Boards look for accomplishments or growth of each member for the established competencies as well as other factors.

Generalist employees compete for promotions in three general ways under prescribed rules. The rules specify situations where generalists at the same grade in all functional skill groups can compete (e.g., FS-4 political, economic, administrative, and consular officers compete with each other for promotions). In other cases, only generalist employees at the same grade level within the same skill group can compete (e.g., FS-2 political officers compete for promotion). Senior Foreign Service promotions involve a 2-step ranking process. First, the highest ranked FS-1 employees are promoted within their skill group. Those not promoted in their skill groups under the first step are combined for a second ranking with the other skill groups. Those highest ranked are promoted.

CLASSIFICATION OF CERTAIN VETERANS  
ADMINISTRATION MEDICAL PROFESSIONALS

Public Law 79-293 authorized the establishment of the Department of Medicine and Surgery within the Veterans Administration (VA). It included a personnel system with a special classification and compensation system for the department. The act was intended to meet the VA's "urgent need" to attract quality health care professionals to staff facilities created to ensure complete health care for veterans. The legislation authorized a personnel system that allowed the appointment and promotion of health care professionals without regard to General Schedule hiring restrictions. Amendments were added later to enhance the VA's ability to recruit and retain health care professionals and to allow for salary ranges competitive with the private sector. The amended legislation is contained in 38 U.S.C. 4101 et seq.

The Department of Medicine and Surgery employs approximately 39,000 full-time employees who are covered by this compensation and classification system. According to VA, these medical professionals are physicians, dentists, nurses, podiatrists, optometrists, physician assistants, nurse anesthetists, and expanded function dental auxiliaries.

VA's Administrator establishes regulations and procedures for the appointment and promotion of the medical personnel in the eight professions. Generally, the grade level is determined by the individual's qualifications and professional attainments --a rank-in-person system. Thus, employees performing the same kind and difficulty of work may have different grade levels. However, the top grades of the Department of Medicine and Surgery's pay schedules are reserved for key administrators.

APPOINTMENTS AND PROMOTIONS

The minimum qualifications for each profession are set forth in the law. The general criteria for determining an individual's grade and step upon initial appointment are professional attainment and years of experience. The qualifications standards describe these criteria for each profession and grade level. Specific indicators of personal qualifications include academic degree, specialty certification, specialized work experience, professional publications, and teaching appointments.

VA's Administrator has final authority for establishing qualifications standards for promotions. VA's Office of Personnel and Labor Relations develops qualification standards with the advice and assistance of program and management officials. Professional organizations and employee associations may also be

consulted. In developing standards, information is gathered on recognized professional qualifications, typical entry level duties, and educational requirements. The proposed qualification standard is reviewed by VA management for technical accuracy, budgetary and legal implications, and effectiveness in meeting the needs of VA. The standard is then reviewed by the Chief Medical Director and recommended to the Administrator.

An individual cannot be promoted to a higher grade without meeting the qualifications of that grade level as stated in the standard or promotion criteria. In addition to professional attainment and years of experience, the employee's job performance is also considered in promotion decisions. Job performance is determined by using the employee's official personnel file, proficiency reports, supervisory evaluations, and other pertinent records. Normally, employees are considered for advancement on a yearly basis.

#### VA REVIEW BOARDS

Professional Standards Boards are established for each profession to determine the eligibility of applicants and to recommend a grade and step for appointments and advancements. The Chief Medical Director or a designee appoints board members in the central office, and the facility director appoints board members at medical centers.

Generally, the majority of the board must be in the same profession or a related profession of the individual being considered. For example, boards considering physicians are composed of physicians. The rank and profession of the board members will vary according to the individual the board is considering.

The VA's personnel policy manual requires that board members be chosen from the most capable, experienced, and responsible personnel available. Board membership changes over time, but the term to be served is not defined.

Individuals are evaluated during appointment and promotion reviews. According to the VA personnel manual, the boards make recommendations for individual grade levels based upon the criteria specified in the qualification standards and promotion criteria for the relevant profession. The qualification standards specify which requirements can be waived, the criteria for a waiver, and what level can approve a waiver.

Most appointment and promotion decisions are made at hospital facilities. The boards make their recommendations to the

Medical Center Director. If the Director does not agree with the board's recommendation, the Director will informally discuss the recommendation with the board. If no agreement is reached, the decision is sent to headquarters where another board will decide. In some instances, board recommendations are made at the regional or headquarters levels because either not enough qualified board members are available locally or because a key assignment is involved (e.g., Chiefs, Dental Service).

(966156)

281175

**AN EQUAL OPPORTUNITY EMPLOYER**

UNITED STATES  
GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE \$300

POSTAGE AND FEES PAID  
U.S. GENERAL ACCOUNTING OFFICE



**THIRD CLASS**