

# BLS Redesigns Its Compensation Surveys

BY JOHN E. BUCKLEY

For more than a century, BLS has conducted studies of wages primarily designed to yield national and regional estimates for occupations unique to specific industries. After World War II, as the need for locality-based statistics became more apparent, industry-specific studies were expanded to produce local labor market wage data for jobs found in a variety of industries. In 1960, a statistically selected group of localities was chosen from which data could be projected to represent all metropolitan areas of the United States, excluding Alaska and Hawaii. Over the years, changes in survey coverage were dictated mainly by Federal Government data needs and by changes occurring in the economy.

Since 1991, the nationwide program of locality pay surveys has been used to support the implementation of the Federal Employees Pay Comparability Act of 1990 (FEPCA). For the three decades prior to FEPCA, the Bureau conducted occupational pay surveys for use by the Federal Government to set national pay rates; FEPCA's enactment shifted the emphasis from setting Federal white-collar pay on a national basis to paying employees locality-sensitive rates. To accomplish the requirements of the act, BLS merged features of three occupational wage programs—the national White-Collar Pay Survey, the Area Wage Survey, and the Industry Wage Survey—into a single Occupational Compensation Survey (OCS) program.

As part of an ongoing effort to improve the timeliness, relevance, and accuracy of data collected—and also to reduce costs and respondent burden—the Bureau's compensation survey is being further refined.

The new program, tentatively entitled COMP2000, will combine the current OCS with the Employment Cost Index (ECI) and the Employee Benefits Survey (EBS) programs. Currently, the OCS program provides detailed occupational pay data with an emphasis on metropolitan areas. The ECI focuses on total compensation costs and wages at the national level, while also providing, on an employer cost-per-hour basis, separate estimates for total compensation, wages and salaries, and non-pay benefits. The EBS program produces national estimates of the incidence and details of benefits such as paid leave provisions, insurance, and pensions. Details include such plan features as

health care deductibles and pension benefit calculation factors.

## Getting from here to there

Merging the three independently conceived and divergent programs to produce a unified whole presented a challenge. For example, the ECI accounts for total employer costs on a per-hour worked basis; the OCS, however, obtains straight-time earnings for detailed occupations. In addition, certain payments other than straight-time earnings to employees, such as hazard and longevity pay, are not applied uniformly among the programs.

In recent years, the ECI and EBS programs made considerable progress in resolving definitional differences in the employee benefits information collected by both programs. Another effort is now underway to resolve existing differences in OCS and ECI/EBS concepts.

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The following box highlights some of the data elements currently available from the OCS, ECI, and EBS programs and expected products from COMP2000.

Because of its more efficient sample design, COMP2000 is expected to reduce respondent burden, increase the availability of compensation data for localities, and provide the ability to link benefit plan costs and plan details.

**Albuquerque test.** In February-March 1996, BLS conducted the first of six pilot surveys to test the new survey concepts and methods. This study of the Albuquerque, New Mexico, Metropolitan Statistical Area (MSA)<sup>1</sup> will help determine the amount of occupational data available from a probability selection of currently filled jobs in sampled establishments, a technique used in the ECI. However, the ECI is

designed to publish data only at the national and regional level. The OCS, on the other hand, surveys a predetermined set of occupations—jobs selected for their relatively high incumbency in the labor market. Using a predetermined set of survey occupations, however, precludes publication of estimates to represent all workers; the probability selection technique allows such estimates. The OCS sample of establishments is sufficiently robust to support publication of metropolitan area data. The Albuquerque test will help determine how much data will pass the Bureau's rigorous statistical standards, while also safeguarding the confidentiality of respondents' information.

The Albuquerque pilot study also will apply new techniques for determining the work level of the jobs selected. The leveling technique consists of determining what

point values are appropriate for each of 10 work-factor measures.<sup>2</sup> However, factor values are applied at different points on the scale depending on the job selected. For example, the leveling technique assigns 50 points to the "knowledge" factor for entry-level clerical workers; for entry-level professionals the value is 750 points for the same factor. All of the factors, except supervisory duties, come from the U.S. Office of Personnel Management's Factor Evaluation System.<sup>3</sup> This method was used in hope of producing pay data for non-Federal employees comparable with that of General Schedule Federal employees in grades 1 through 15. If successful, this leveling technique would replace the system of surveying predetermined multi-level jobs.

The five remaining pilot studies will be used to refine collection procedures, concepts, or instructions that the Albuquerque test discovered to be inadequate, unclear, or needing revision.<sup>4</sup> For example, in the sampled Albuquerque establishments, BLS field economists selected from 4 to 20 occupations depending on the size of the establishment. The test may indicate not only that 20 from establishments with 1,000 or more employees are insufficient (or too many) to obtain the goal of producing optimum levels of publishable data in a cost effective manner, and with a minimum of respondent burden, but also how sample sizes should be adjusted for future tests. The Albuquerque pilot also will be used to uncover other flaws, such as leveling procedures that require revision.

The upcoming Allentown-Bethlehem-Easton, Pennsylvania survey will test the feasibility of collecting data on variables that affect earnings—length of service, educational attainment, and job certification requirements. Additionally, the training of Bureau field economists in different data collection techniques is an integral part of the six test studies. Before the new

**Availability of Selected Data from OCS, ECI, EBS, and COMP2000**

Type of data	OCS	ECI	EBS	COMP2000
<b>Wage data for broad occupational groups (e.g., blue-collar occupations)</b>				
National and regional	No	Yes	No	Yes
Locality	No	No	No	Yes
<b>Wage data for selected jobs (e.g., order filler)</b>				
National and regional	Yes	Yes <sup>1</sup>	No	Yes <sup>2</sup>
Locality	Yes	No	No	Yes
<b>Benefits cost data</b>				
National and regional	No	Yes	Yes <sup>3</sup>	Yes
Locality	No	No	No	Yes
<b>Benefits incidence data</b>				
National and regional	No	No	Yes	Yes
Locality	Yes <sup>1</sup>	No	No	Yes
<b>Benefits details data</b>				
National and regional	No	No	Yes	Yes
Locality	Yes <sup>3</sup>	No	No	Yes
<b>Compensation costs data</b>				
National and regional	No	Yes	No	Yes
Locality	No	No	No	Yes

<sup>1</sup> Limited data.

<sup>2</sup> The COMP2000 program may not produce the multi-level occupational detail currently available through the OCS.

<sup>3</sup> Data are published on employee contributions to insurance and retirement plans.

program becomes fully operational, most field economists will have had the opportunity to work on one of the test studies and benefit from training

programs being developed as test results become available.

The results of all test surveys will be published by BLS, and upcoming

issues of *Compensation and Working Conditions* will report in greater detail the emerging COMP2000 program.

—Endnotes—

<sup>1</sup> A metropolitan statistical area consists of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration.

<sup>2</sup> The factors are knowledge, supervisory duties, supervisory controls, guidelines, complexity, scope and effect, personal contacts, purpose of contacts, physical demands, and work environment. The knowledge factor, based on the nature

and extent of information or facts that workers must understand to do acceptable work, is the most important factor in terms of weight, often providing more than half of the points for determining the levels. Supervisory duties (where applicable), supervisory controls (how broadly or narrowly work is assigned and controlled), guidelines (how broad or narrow), complexity of assignments, and scope and effect of the work receive considerably

more points than the remaining factors.

<sup>3</sup> The Office of Personnel Management's Supervisory Grade Evaluation Guide provides supervisory standards; the BLS pilot surveys will test ways of incorporating OPM's Guide for this factor.

<sup>4</sup> The five additional test areas are: Allentown-Bethlehem-Easton, PA; New Orleans, LA; Raleigh-Durham-Chapel Hill, NC; Rochester, NY; and Salt Lake City, UT.