GAO

Report to the Honorable Matthew G. Martinez House of Representatives

April 1986

LABOR RELATIONS

Employee-Management Relations at the Alhambra, California, Post Office





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United States General Accounting Office Washington, D.C. 20548

General Government Division
B-221427

April 7, 1986

The Honorable Matthew G. Martinez House of Representatives

Dear Mr. Martinez:

As requested in your letter of January 29, 1985, we have reviewed labor-management relations problems at the Alhambra, California, Post Office which were brought to your attention by the employees in a petition addressed to you. In the petition, the employees complained that an extremely stressful working relationship existed between them and management and asked for changes in the working environment. Specifically, the employees contended that management disrespected, harassed, and unreasonably disciplined them.

In performing our review, we analyzed applicable records, including minutes of labor-management meetings and grievance documents, and interviewed both employees and management officials. Details on the results of our review are contained in appendix I.

In summary, we found that a strained working relationship between Alhambra Post Office employees and management had existed for about 1-1/2 to 2 years at the time the petition was circulated and signed by about 100 of the approximately 120 employees in November 1984. However, subsequent to the petition, management had taken actions which appeared to have resolved the situation to the satisfaction of both employees and management. Among these actions was the appointment of a new Station Manager. Employees perceived improvement in their working conditions and their relationship with management. Management, which had been concerned about unfavorable trends in the Alhambra Post Office performance, such as high overtime and sick leave rates, also perceived these improvements plus improvements in the post office's performance.

While at the completion of our field work in August 1985, the problems at the Alhambra Post Office had apparently been satisfactorily resolved, we believe Service management at the Sequoia District Office and the Alhambra Management Sectional Center (MSC) needs to take certain actions to prevent labor-management problems from escalating to such a degree in the future.

As you mentioned in your request letter, about 2 years ago we reviewed similar labor-management problems at the Monterey Park, California,

Post Office. Both post offices are under the Sequoia District and Alhambra MSC. In reviewing the Alhambra Post Office problems, we looked for information that might have served as early warning signals to management of potential labor-management problems. We found trends and other information that the District and the MSC have which could have served as indicators of potential labor-management problems but were not used for this purpose.

- Trends in performance statistics. High overtime and sick leave percentages and high numbers of accidents could be an indication that employees are being overworked, a condition that would tend to be a source of dissatisfaction for employees.
- Trends in disciplinary and disciplinary grievance data recorded in the Disciplinary Action Report and statistical summaries. Increases in the numbers of disciplinary actions being taken against employees and/or increases in the numbers of disciplinary grievances filed by employees could serve as a source and/or indicator of dissatisfaction among employees.
- Minutes of labor-management meetings. Minutes of these meetings between employee union representatives and postal management are prepared by management. A repetition of the same concerns or complaints at these meetings over time indicates that such concerns and complaints are not being resolved and could be an indicator of employee dissatisfaction.

The Sequoia District Office and Alhambra MSC both track performance statistics discussed above to measure performance of individual post offices for budgetary purposes. In our analysis of this data, however, we found that it was not being used to identify potential labor-management relations problems. Further, had District and MSC management used data on disciplinary actions and grievances, as well as employee concerns contained in minutes of labor-management meetings, to identify actual or potential labor-management problems, it would have found unfavorable trends in these data which would have provided a basis for investigation. Such investigation could have resulted in actions being taken before the problem escalated to the levels reached in the Alhambra and Monterey Park situations.

The Sequoia District Manager and the Alhambra Postmaster/MSC Manager acknowledged that, although they were monitoring some of the above data for budgetary purposes, they were not monitoring any of it for indications of employee dissatisfaction. They said it would be a good idea to do so.

Recommendation to the Postmaster General

Since similar labor-management problems have recently occurred at two post offices under the Sequoia District and the Alhambra MSC, we recommend that the Postmaster General direct the Regional Postmaster General, Western Region, to require the Sequoia District Manager and the Alhambra Postmaster/MSC Manager, who reports to the District Manager, to

- monitor and evaluate data on performance, disciplinary activity, grievance activity, and employee concerns and complaints as contained in minutes of labor-management meetings to identify existing or potential labor-management problems; and
- follow up with facilities, as necessary, to resolve actual or potential labor-management problems identified using these sources.

Agency Comments

In commenting on our draft report, the Postal Service said that the Sequoia District and the Alhambra MSC had established the monitoring system recommended in the report. It added that "a broad array of indicators of labor-management relations will be watched and necessary actions taken to insure that there is no recurrence of the 1983-84 problems." Service comments on the draft report are included as appendix II.

Distribution of Copies of This Report

As arranged with your office, we are sending copies of this report to the Postmaster General; the Director, Office of Management and Budget; and other interested parties.

Sincerely yours,

D. J. anderson

William J. Anderson Director

Introduction

By letter dated January 29, 1985, Representative Matthew G. Martinez asked us to review employee-management relations problems at the Alhambra, California, Post Office. Representative Martinez pointed out he had received an employee petition that spelled out the critical nature of the situation by describing management's application of unreasonable disciplinary measures, a widespread attitude of disrespect toward employees, worker harassment, and other totally unacceptable methods of conduct. Representative Martinez felt the situation had deteriorated to the extent that only an outside party would be able to locate the sources of the problems and offer positive and fair solutions.

Objectives, Scope, and Methodology

The primary objectives of our review were to (1) determine the nature, extent, and status of labor-management relations problems at the Alhambra Post Office and (2) identify possible solutions to any existing problems. Another objective was to determine how the management at the Postal Service's Sequoia District Office (District headquarters) and Alhambra Management Sectional Center (MSC)¹ could detect potential labor-management relations problems early so that actions could be taken to resolve them.

To accomplish these objectives, we reviewed

- minutes of the five Alhambra Post Office labor-management meetings held between July 1982 and May 1984;
- performance data on the Alhambra Post Office for fiscal years 1984 and 1985;
- Postal Service policies on safety and leave;
- the 1984-1987 agreement between the U.S. Postal Service and the National Association of Letter Carriers (NALC) and the American Postal Workers Union (APWU);
- disciplinary actions taken against Alhambra Post Office employees during the period January 1, 1983, through May 31, 1985, as contained in employee files and/or grievance logs; and
- grievance documents related to disciplinary actions.

We also interviewed

• officials of the Sequoia District Office and Alhambra MSC;

¹An MSC is a designated postal facility whose manager has full management responsibility for all post offices within assigned ZIP Code areas. The Alhambra Post Office is within the Alhambra MSC's assigned area of responsibility.

- officials of the local branches of the NALC and APWU;
- the previous Alhambra Station Manager, the current Station Manager, and the two front-line supervisors who had been employed at the post office when the petition was signed; and
- 30 employees of the Alhambra Post Office (11 randomly selected in order to obtain an approximate 10 percent random sample of nonmanagement employees, 1 specifically selected because he had been the primary initiator of the petition, and 18 volunteers). Of these 30 employees, 29 had been employed at the Alhambra Post Office when the petition was signed.

Along with a member of your staff, we also attended a May 30, 1985, meeting between local branch officials of the NALC and interested letter carriers from the Alhambra Post Office. This meeting was held to determine current employee perceptions of the labor-management working relationship.

Most of our field work was done during the period April 1985 to August 1985. Our work was performed in accordance with generally accepted government auditing standards.

The Alhambra Post Office

The Alhambra Post Office serves a community of approximately 65,000 residents in Los Angeles County. Delivery and retail services are provided from two locations—Main Office and South Station. At the time of our review, the two locations had a total complement of 6 managers and 118 employees (87 letter carriers, 26 clerks, 1 special delivery messenger, and 4 maintenance employees).

The Alhambra Post Office is different from most other post offices in that its Postmaster is not stationed at the post office. Because the Alhambra Postmaster also serves as the Manager of the Alhambra MSC, he is stationed at the MSC, which is located in the city of Industry about 16 miles from the Alhambra Main Office. The Alhambra Postmaster/MSC Manager is responsible to the Manager of the Sequoia District.

Since the Alhambra Postmaster is not stationed at or near the post office, the day-to-day responsibility for post office operations rests with a Station Manager, who is at a managerial level below that of Postmaster. Station managers have more frequent opportunities for promotion and are moved to other locations more often than a postmaster. Thus, over a period of about 7 years ending August 1985, 10 different

people had served as Alhambra Station Manager, including 2 during the period March 1983 to August 1985.

Labor-Management Relationship at Alhambra Post Office

Employees, union officials, and managers we spoke with generally agreed that a tense and strained working relationship had existed for about 1-1/2 to 2 years before the petition was circulated and signed late in November 1984. However, they also generally agreed that the working relationship significantly improved shortly after the petition. Before we completed our field work in August 1985, the employees had gotten the improvement in the working environment that they apparently sought in the petition.

During the period March 1983 to the completion of our field work, two different managers served in the position of Station Manager. During the tenure of the Station Manager from March 1983 to December 1984

- some continuing concerns expressed by NALC representatives in five labor-management meetings held between July 1982 and May 1984 went unresolved—concerns dealing with carrier perceptions of being overburdened and pressured;
- use of formal disciplinary actions was on the rise and these actions were used more often than under the subsequent Station Manager; and
- indicators of post office performance showed some unfavorable trends which concerned the Alhambra Postmaster/MSC Manager.

The appointment of a new Station Manager shortly after the petition was circulated saw a reversal in the above conditions.

- Actions were taken on some of the earlier expressed employee concerns that had gone unresolved.
- Use of formal disciplinary actions against employees significantly decreased.
- Indicators of post office performance showed substantial improvement to the Alhambra Postmaster/MSC Manager.

In short, it appears that the management style that existed before the petition was different from the style that existed after the petition. The management style of the Station Manager before the petition was described to us by employees as authoritarian. He extensively used disciplinary actions and was perceived as unresponsive to employee concerns. The management style of the succeeding Station Manager was viewed by employees as participative. That is, he made more judicious

use of disciplinary actions, was responsive to employee concerns, and tried to motivate employees by creating an atmosphere of open communication and mutual trust.

These two different management styles yielded different performance results. The Alhambra Postmaster/MSC Manager advised us that the post office's performance had substantially improved since the new station manager took over and a participative style of management was introduced. Our own analysis confirmed that performance had improved even though the relationship between the number of personnel and the amount of work had remained essentially unchanged.

Following is a more detailed discussion of

- working conditions before the petition,
- management actions taken since the petition and those planned for the future,
- · working conditions after the petition, and
- a comparison of post office performances before and after the petition.

Working Conditions Before the Petition

Employees' concerns about their working environment were expressed in labor-management meetings held prior to the petition and were articulated in the petition. In the petition, employees contended that management disrespected, harassed, and unreasonably disciplined them.

Employee Concerns Expressed in Labor-Management Meetings

In the five labor-management meetings held between union representatives for the letter carriers and management during the period July 1982 to May 1984, the union representatives expressed numerous and various concerns about the working environment at the Alhambra Post Office. Following are the concerns which, as indicated in interviews and minutes of these meetings, were unresolved at the time the petition was circulated in November and had been voiced in each of the meetings.

- Routes did not reflect increases in mail volume and/or new construction.
 This caused carriers to work overtime. Employees wanted routes to be
 evaluated and then adjusted in such a manner that, in accordance with a
 Service-wide standard, it would normally take 8 hours each day to prepare and deliver the mail on each route.
- Supervisors were acting arbitrarily in making decisions on carriers' requests for overtime or assistance in cases where carriers estimated 8 hours would not be sufficient to prepare and deliver the mail.

Employees wanted supervisors to discuss these requests rather than unilaterally determine how much time was needed to prepare and deliver the mail.

• Employees were being required to work too much overtime and/or overtime was not being properly assigned. Employees wanted less overtime and assignment of necessary overtime in accordance with established Service procedures; that is, first, to employees who put their names on the overtime-desired list, indicating a desire to work overtime regularly; second, to employees who, on an occasional basis, orally volunteer to work overtime; and third, to others on a mandatory basis by juniority.

Among the 30 employees we interviewed, 23 were letter carriers. Of these letter carriers, 19 said that they had concerns about one or more of the preceding matters at the time of the petition.

In a discussion of these carriers' concerns with the prior Station Manager, he told us he had not been aware that the carriers had a strong or widespread perception that front-line supervisors were acting arbitrarily on carriers' requests for overtime or assistance. He said he was aware that there had been problems regarding overtime but he did not know why overtime had been at high levels or why front-line supervisors had periodically assigned overtime improperly. Further, he said he had been aware that routes were out of adjustment and acknowledged he had procrastinated in getting them adjusted.

Of the two front-line supervisors who had been present at the time the petition was circulated, only one supervised letter carriers and therefore had knowledge of concerns the carriers had expressed in the meetings. He said he did not believe that supervisors had acted arbitrarily on carriers' requests for overtime or assistance. He agreed that carriers had been required to work too much overtime but said he believed that overtime had been assigned in accordance with established Service procedures. He denied having harassed or disrespectfully treated employees who worked for him. He said that he had listened to and discussed with them their concerns and problems, although he was not always able to resolve them because of restrictive policies imposed by the prior Station Manager.

Employee Perceptions of Being Disrespected and Harassed

We asked all 30 employees we interviewed whether they had been treated disrespectfully or harassed by management and, if so, to cite examples. Of the 30 employees, 19 perceived they had been shown disrespect and 20 perceived that they had been harassed.

Actions which some of the employees considered disrespectful and/or forms of harassment included (1) supervisors yelling at them or chastising them on the workroom floor, (2) supervisors telling them they did not know how to do their jobs and that they ought to look for work elsewhere, and (3) supervisors criticizing them about petty things.

Disciplinary Actions and Grievances

We asked all 30 employees whether disciplinary actions had been initiated against them in the form of a letter of warning, a notice of suspension, or a notice of discharge and, if so, whether they perceived the actions as reasonable. Eighteen of the employees told us that they had received a total of 41 such letters or notices. Of these 41 actions, 38 were perceived as unreasonable. Following are some specific examples of disciplinary letters or notices perceived to be unreasonable.

- Letter of warning for an unsafe work practice. The employee got a paint chip under his fingernail and did not report it immediately. Subsequently, his finger became infected and he told what had happened.
- Letter of warning for irregular attendance. The employee was away from work about 107 hours in a 3-month period for an illness certified by a physician.
- Notice of suspension (7 days) for failure to work in a safe manner. The employee tripped on a sprinkler head and sprained his ankle.

In addition to asking the employees for their perceptions of disciplinary actions taken against them as individuals, we asked them for their perceptions of disciplinary actions overall. A common perception was that, before replacement of the Station Manager in December 1984, the number of disciplinary actions had been excessive and that many of the matters should have been dealt with by discussion rather than formal disciplinary actions. Many employees perceived that very few disciplinary actions had been issued under the current Station Manager and believed that this was a definite improvement over the way matters had been dealt with by supervisors in the past.

In addition to obtaining employee perceptions, we collected data on disciplinary actions that had been taken against workers who were employed at the Alhambra Post Office as of February 28, 1985. We used January 1, 1983, as the starting date for the collection period because information prior to that date was incomplete. We selected May 31, 1985, as the ending date for the collection period because May was the most recent month for which data was available at the time of this phase of our review.

For the 29-month period, we identified 122 disciplinary actions taken against the employees. Table I.1 shows the number of each type of disciplinary action taken by calendar year (CY). One letter of warning is omitted from the table because available data did not show the year of issuance.

Table I.1: Disciplinary Actions Taken During 29-Month Period

	Number of actions			
Type of action	CY 1983	CY 1984	CY 1985 (through May 31)	
Letter of Warning	37	42	3	
Notice of Suspension - 7 Days	9	19	0	
Notice of Suspension - 13 Days	0	6	1	
Notice of Discharge	0	1	3	
Total	46	68	7	

As shown in table I.1, the number of disciplinary actions increased significantly in 1984. Conversely, the number of disciplinary actions for 1985, based on the data for the 5-month period ending May 31, 1985, will be significantly lower than the numbers for 1983 and 1984.

In addition to determining the number of disciplinary actions, we compiled selected data on the 122 disciplinary actions. These compilations showed the following:

- The 122 disciplinary actions were taken against 50 of the 118 employees (42 percent). Of the 50 employees, 29 (58 percent) had more than one action taken against them.
- Of the 122 actions, 13 were related to violations of safety, 65 were related to violations of time and attendance, 14 were related to violations of policy or procedures, and the remaining 30 were for a variety of other reasons.
- Of the 122 actions, 81 were challenged by the employees in the grievance process. At Step 1 of the grievance process (front-line supervisor), 7 grievances were sustained, 30 were resolved by a compromise between the employee/union and management, and 44 were denied.
- Of the 44 grievances denied at Step 1, 38 were escalated to Step 2 (for the Alhambra Post Office, this is the Alhambra MSC Director for Employee and Labor Relations rather than the Postmaster). At Step 2, 5 grievances were sustained, 28 were resolved by a compromise, and 5 were denied.

• Of the 5 grievances denied at Step 2, all were taken to Step 3 (Western Regional Director for Employee and Labor Relations). At this level, two were resolved by a compromise and one was denied. Decisions on the remaining two were still pending at the completion of our field work.

Although we reviewed the disciplinary actions and grievance documents, we did not attempt to determine whether individual disciplinary actions were reasonable.

In our discussion with the prior Station Manager, we asked him for his views on the number of disciplinary actions issued and the number of employees receiving them during his tenure as Station Manager. He told us that he had not been aware that the numbers were so high and indicated he believed them to be excessive. He stated that the vast majority of actions had been issued for infractions of time and attendance rules because greater emphasis had been placed on compliance with time and attendance policies beginning sometime in 1983 and that, in retrospect, he had mistakenly assumed upper level management wanted infractions of such rules to be dealt with by taking disciplinary actions against the employees.

Management Actions Taken Since the Petition and Planned for the Future

Subsequent to the petition, management took various actions to deal with the labor-management problems at the Alhambra Post Office. At the completion of our field work in August 1985, additional actions were planned to further improve labor-management relations.

One of the actions taken was the December 1984 appointment of a new Station Manager for the post office. The Alhambra Postmaster/MSC Manager said that because of employee complaints he had received in 1984 and a deterioration in the Station Manager's performance in 1984, replacement of the Station Manager had been previously considered, but that the petition was "the final straw."

According to the Postmaster/MSC Manager, selection criteria included abilities to (1) deal effectively with people, (2) establish mutual trust and respect, and (3) foster involvement through continuous dialogue between supervisors and employees. The new Station Manager took over in December 1984.

Since assuming responsibility for the day-to-day operations of the post office, the Station Manager had

- established an open-door policy in which he made himself available to front-line supervisors, union representatives, and employees;
- held meetings with the front-line supervisors to advise them that he
 wanted an atmosphere of open communication between management
 and the employees and that he wanted them to cooperate to create such
 an atmosphere;
- directed front-line supervisors to discuss with him any intended disciplinary actions prior to taking such actions; and
- taken action to evaluate all routes and to reach agreements with the carriers and officials of the local branch of the NALC on adjustments to be made to the routes.

An additional action to control disciplinary actions against the employees had been taken by the Alhambra Postmaster/MSC Manager. He had directed that all proposed disciplinary actions at the Alhambra Post Office be reviewed by the MSC Employee/Labor Relations Department prior to issuance. This means there will actually be two reviews of any disciplinary action proposed by front-line supervisors—the first by the Station Manager, then a second by the MSC staff.

In addition to actions taken as of August 1985, others were planned for the future to further improve labor-management relations at the Alhambra Post Office. These actions included (1) implementing the Employee Involvement process at the Alhambra Post Office in late September 1985 (a Service-wide process in which the employees will be actively involved in identifying and solving workplace and service-related problems),² (2) providing interpersonal skills training to supervisors beginning in October 1985, and (3) hiring additional employees in October 1985 so that the route adjustments agreed upon could be implemented.³

On a broader scale, a Service-wide effort was planned which could eventually affect employee-management relations at all postal facilities. Under terms of the 1984-1987 agreement between the Service and the

²In commenting on our draft report, Service officials said that this process had been introduced to the letter carrier craft at the Alhambra Post Office, but that the process will not include employees covered by the Service's collective bargaining agreement with the APWU. The officials said that the APWU had elected not to participate in the process.

³In commenting on our draft report, the Regional Postmaster General, Western Region, said that "a form of 'route adjustment'" had been put into place in October 1985. He said that this adjustment, consisting of assistance being provided, as needed, to 36 routes by four routers (persons assigned to assist carriers), had greatly eased the overburdened routes. He added that the program was being evaluated and that if additional router positions were needed, they would be established.

NALC and APWU, a Postal Service Task Force on Discipline was to be established at the national level. The purpose of the Task Force is to study the manner in which discipline is administered by the Service and disputes about discipline are handled by the parties and to recommend changes which will improve the discipline and dispute-resolution systems. The Task Force will have the authority to test alternative discipline and dispute-resolution systems at various facilities.

According to a Service official, the task force, with joint Service-union membership, is expected to be a continuing body and will have no specific milestone dates. As of November 1985, the task force was collecting data, identifying problem areas to be studied, and monitoring the testing of innovative disciplinary systems by Postal Service regions.

Working Conditions After the Petition

In our discussions with the 30 employees, we found a generally held belief that working conditions had improved shortly after the petition and, more specifically, after the current Station Manager had taken over. According to the employees, this Station Manager had a desire and an ability to work and communicate with people, and his attitude had a positive effect on the front-line supervisors.

Officials of the local branch of the NALC advised us that they had received positive feedback from some of the Alhambra Post Office employees subsequent to the petition. We were provided a document by an NALC local branch official which contained the following observations about the May 30, 1985, union meeting mentioned earlier (see p. 5):

"The Union officers were there to ask the carriers if the situation had improved. The universal opinion of that group was, yes, there was measurable improvement. Routes were being adjusted so that they were eight hour assignments, managers were treating employees like human beings rather than pack mules, and the working atmosphere was better."

Alhambra Post Office Performance Before and After the Petition

Managers at the Sequoia District Office and Alhambra MSC track various data to measure the performance of individual post offices. This data includes (1) carrier overtime hours as a percentage of total carrier hours, (2) total office overtime hours as a percentage of total office hours, (3) carrier sick leave hours as a percentage of total carrier hours, (4) total office sick leave hours as a percentage of total office hours, and (5) accidents. Table I.2 shows the Alhambra Post Office performance in these five areas in fiscal years 1984 and 1985.

Table 1.2: Post Office Performance in Five Selected Areas of Measure

Performance measure	FY 1984	FY 1985	Improvement (percent)
Carrier overtime hours as a percentage of total carrier hours	14.5	11.2	22.8
Total office overtime hours as a percentage of total office hours	13.0	10.0	23.1
Carrier sick leave hours as a percentage of total carrier hours	3.1	3.0	3.2
Total office sick leave hours as a percentage of total office hours	3.6	2.7	25.0
Accidents	25	13	48.0

As can be seen in table I.2, the performance in fiscal year 1985 was better than the performance in fiscal year 1984 in all five areas. However, during the 2 years, the relationship between staffing and workload remained about the same; that is, while there were 1985 increases in staffing, they were offset by increases in workload. It is not clear to what extent the easing of employee-management tensions contributed to the post office's performance improvement and, conversely, to what extent improvement in performance led to an easing of tensions. These functions, we believe, may have been interdependent. But it is clear that there has been improvement in both performance and employee-management relations.

Advance Comments From the Postal Service



THE POSTMASTER GENERAL Washington, DC 20260-0010

February 11, 1986

Dear Mr. Anderson:

This refers to your draft report entitled "Employee-Management Relations at Alhambra, California, Post Office."

We are pleased with your finding that management actions taken since 1984 have resolved the strained labor-management relations at Alhambra that gave rise to your review.

In addition to the corrective actions described in your report, the Sequoia District and the Alhambra Management Sectional Center have established the monitoring system the report recommends. A broad array of indicators of labor management relations will be watched and necessary actions taken to insure that there is no recurrence of the 1983-84 problems.

Thank you for the opportunity to comment on your report.

Man

Albert

Mr. William J. AndersonDirector, General GovernmentDivisionU. S. General Accounting OfficeWashington, D. C. 20548-0001

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