March 26, 1999

ANTHONY J. VEGLIANTE
VICE PRESIDENT, LABOR RELATIONS

YVONNE D. MAGUIRE
VICE PRESIDENT, HUMAN RESOURCES


This report is designed to provide feedback on surveys, interviews, and case file reviews conducted at 10 USPS districts during May and June 1998 (Project Number 99-EA-009-LR-002).

The unions and USPS share responsibility for ensuring the effectiveness of the grievance-arbitration process. The unions are responsible for consolidating grievances dealing with similar issues, ensuring that grievances without merit are withdrawn or resolved early in the process, and where possible, working with USPS managers to settle workplace disputes. USPS managers and supervisors are required to meet with employees and their union representatives at grievance-arbitration Steps 1 and 2 and render decisions within time limits stipulated by the national agreements. In February 1998 the Postmaster General issued a directive reaffirming USPS’ responsibility to resolve disputes at the lowest possible level in accordance with the grievance-arbitration procedures established by the current national agreements between the USPS and employee unions.
Results in Brief

Our visits to the ten USPS districts disclosed that Step 1 and 2 grievance-arbitration procedures are generally not being administered as required by the national agreements. As a result, the grievance-arbitration procedures are not effective in resolving grievances at the lowest possible level. Specifically:

- Supervisors and Step 2 designees in at least three districts did not meet 10 to 17 percent of the time at Steps 1 and 2 or rendered timely decisions. When meetings did not occur, employees sometimes filed additional grievances on the same problems. When asked why meetings were not held, supervisors and Step 2 designees indicated that their operational responsibilities left little time to hold meetings. Labor relations specialists also indicated that Step 2 meetings are not held because there are an insufficient number of Step 2 designees in certain locations. Employees, union officials, and labor relations specialists frequently expressed concerns that the lack of meetings at Steps 1 and 2 will continue to be a problem as long as managers are not held accountable for complying with the grievance-arbitration procedures. Not meeting with employees perpetuates workplace disputes and causes them to develop into larger issues.

- When Step 1 and 2 meetings were held, 81 percent of supervisors and 74 percent of Step 2 designees we interviewed neither made offers nor took actions to resolve disputes. When offers were made at Step 1, they were frequently accepted by union representatives and employees. Supervisors and Step 2 designees told us that they lacked authority and believed it inappropriate to resolve grievances for letters of

---

1 This finding is based on interviews with grievance parties and a review of grievance files. We also believe such information reflects grievance practices throughout USPS because interviewees were selected based on a statistical sampling plan designed to provide projectable results across the nation.

2 We noted this practice in nine districts we visited; however, the practice was most extensive in the Boston, San Antonio, and Springfield districts.
demand, removals, and discipline related to safety violations or time and attendance at Steps 1 or 2. They believed settling such issues would negatively impact operations and employee performance. Supervisors and Step 2 designees also indicated they lacked authority to settle grievances involving payment of overtime not worked, staffing decisions, and crossing craft complaints. Supervisors and Step 2 designees also attributed their inaction to their lack of independence from the decisions that were grieved, especially disciplinary actions. Additionally, poor relationships between the grievance parties sometimes impacted the effectiveness of the Step 1 and 2 meetings.

- Eighty-two percent of the supervisors we interviewed believed they lacked authority to settle grievances at Step 1. Fifty-seven percent indicated that their superiors overrode or circumvented their authority to settle grievances.\(^3\) This occurred most frequently where grievances involved monetary settlements or reductions in disciplinary actions. Supervisors also believed that their superiors indirectly controlled the outcome of grievance settlements by second-guessing\(^4\) their decisions. They indicated this eventually forced them to stop making settlement offers at Step 1. As long as supervisor authority to settle grievances can be undermined, we believe that a large volume of grievances will continue to be appealed.

**Background**

The national agreements between the USPS and its four major employee unions establish grievance-arbitration procedures that provide USPS craft employees and union officials with a means to discuss and resolve their complaints concerning working conditions and management’s administration. These procedures are designed to quickly settle labor-management disputes that can often impair

---

\(^3\) These superiors included Postmasters, Station Managers, Managers of Distribution Operations (MDOs), or Managers of Postal Operations (MPOs).

\(^4\) Second-guessing is defined as criticizing actions or decisions after the results of those actions or decisions are known.
organizational productivity.

The grievance-arbitration procedures require that an aggrieved employee or a union representative discuss the grievance with the employee’s immediate supervisor within 14 days of the grievable incident (Step 1). If no resolution is achieved at Step 1, the grievance is appealed, and a USPS Step 2 designee must meet with the union representative within seven days of the appeal (Step 2) for the American Postal Workers Union (APWU), National Postal Mail Handlers Union (NPMHU), and National Association of Letter Carriers (NALC) grievances and within ten days for the National Rural Letter Carriers’ Association (NRLCA) grievances. These procedures are designed to ensure that all of the issues and facts are identified and considered by both parties and to facilitate settlement of grievances as expeditiously as possible. Failure to conduct a meeting or to render a decision within the allotted time moves the grievance to the next step of the grievance-arbitration process.\(^5\)

The national agreements also stipulate that the union representative shall have full authority to settle or withdraw the grievance in whole or in part. The USPS representatives (supervisors and Step 2 designees), likewise, shall have full authority to grant, settle, or deny the grievance in whole or in part. In some districts, the Step 2 designee responsibilities are assigned to district labor relations specialists. In other districts, the responsibilities are fulfilled by operations managers, such as Postmasters, Station Managers, and MDOs.

---

**Objectives, Scope, and Methodology**

As a first step in a continuing review of grievances in USPS, we focused our review largely on management’s administration of the grievance-arbitration process. Specific audit objectives include identifying actions that USPS can take to (1) resolve workplace disputes before they become grievances, and (2) settle grievances as early as practical.

---

\(^5\) Both parties can agree to an extension.
In answering our second audit objective, we visited 10 of 85 postal districts. At these districts, we interviewed employees, union stewards, supervisors, and Step 2 designees who were involved in approximately 200 closed grievances that had been filed during the period, 1995 through 1997. We also interviewed plant and district managers, labor relations specialists, and local union presidents at the 10 districts. We met with national presidents of the APWU, NALC, NPMHU, NRLCA, National Association of Postal Supervisors, National Association of Postmasters of the United States, and the National League of Postmasters. Finally, we surveyed plant and district managers and union National Business Agents.

Using the USPS Grievance and Arbitration Tracking System, that contains data on grievances at Step 3 and above, we determined the volume, nature, and sources of grievance activity. We then selected ten postal districts to visit based on the number of grievances in those districts. From these districts a sample of approximately 200 grievances was selected using probability proportional to size, where the size measure was the number of grievances in the district. Although we relied on computer-generated data from Grievance and Arbitration Tracking System for case selection, we tested this data with supporting documentation from grievance case files and through discussions with labor relations personnel at the ten districts. Our tests disclosed that Grievance and Arbitration Tracking System data on case status for some grievances inaccurately reported open cases as “closed.” Where that occurred, we replaced the cases in our sample.

At the ten sites visited, we reviewed grievance case files and conducted interviews with grievance parties, plant and district managers, some local union presidents and labor relations specialists. We also reviewed national agreements between the USPS and APWU, NALC, NPMHU, and NRLCA and memoranda of understanding with local unions at facilities we

---


7 The reliability of GATS data is discussed in our report entitled Grievance and Arbitration Management Information (LM-MA-99-001).
Our methodology was developed in consultation with the Postal Inspection Service, USPS Office of Labor Relations, Federal Conciliation and Mediation Service, the Offices of Inspector General for the Federal Aviation Administration and Department of Labor, a consultant for Laborers International Union of Northern America, and a former Senior Assistant Postmaster General for USPS. Consultants were used on this audit to obtain contextual background for cultural, operational, and technical factors affecting the grievance-arbitration process.

Our overall audit of grievance and arbitration procedures is being conducted in accordance with generally accepted government audit standards. This management advisory report was prepared in accordance with the President’s Council on Integrity and Efficiency, Quality Standards for Inspections. We visited USPS districts during May and June 1998.

### Observations - Step 1 and 2 Meetings

| Meetings at Steps 1 and 2 of Grievance-Arbitration Process | Our review disclosed that supervisors and Step 2 designees in at least three districts did not meet 10 to 17 percent\(^8\) of the time at Steps 1 and 2 to adjudicate workplace disputes, as required by the grievance-arbitration procedure.\(^9\) Grievance parties also indicated that Step 1 and 2 decisions are often not rendered within the time stipulated. For example, union officials in Boston provided 50 recent examples of meetings not being scheduled or Step 2 officials failing to show up for scheduled meetings. Case file documentation also supported the lack of meetings at Steps 1 and 2. Employees and union stewards also believe that not meeting to discuss grievances contributed to poor working relationships and often led to filing of additional grievances on the same problems. Some employees |

---

\(^8\) This percentage represents only those cases we sampled. However, we believe this percentage to be significantly higher based on interviews with labor relations specialists and union officials.

\(^9\) We noted this practice in nine of the districts we visited, however, the practice was most extensive in the Boston, San Antonio and Springfield districts.
indicated that they would have withdrawn their grievances had management shown a willingness to work with them. Others indicated that they just wanted an opportunity to be heard and would have accepted almost any kind of settlement offer.

<table>
<thead>
<tr>
<th>Availability of Supervisors and Step 2 Designees</th>
</tr>
</thead>
<tbody>
<tr>
<td>When asked why meetings were not held supervisors and Step 2 designees told us that operational responsibilities left little time available to hold meetings. Labor relations specialists also indicated that Step 2 meetings are not held because there are an insufficient number of Step 2 designees in certain locations. Even when the Step 2 designee responsibilities were assumed by labor relations specialists, we noted that competing responsibilities interfered with their ability to hold Step 2 meetings. For example, labor relations specialists are also responsible for grievance arbitration, Equal Employment Opportunity and Merit Systems Protection Board advocacy, and assist USPS’ Law Department in the research and settlement of unfair labor practices.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accountability of Supervisors and Step 2 Designees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees, union officials, and labor relations specialists frequently shared their beliefs that the lack of meetings at Steps 1 and 2 will continue as long as supervisors and Step 2 designees are not held accountable for complying with the grievance-arbitration procedures. Labor relations specialists in nine districts and plant and district managers in every district told us that they do not monitor compliance with the grievance-arbitration procedures. Not discussing grievances with employees perpetuates workplace disputes and causes them to develop into larger issues.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Observations- Efforts to Settle Grievances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlement Offers</td>
</tr>
<tr>
<td>Eighty-one percent of supervisors(^{11}) we interviewed told us they either denied grievances outright at Step 1 or took no action. Seventy-four percent of Step 2 designees(^{12}) we interviewed said they made no offers to</td>
</tr>
</tbody>
</table>

\(^{10}\)Labor relations specialists believe this is particularly true at locations with a high volume of grievance activity.

\(^{11}\)Eighty-one percent represents responses made by 137 of 169 supervisors interviewed.

\(^{12}\)Seventy-four percent represents responses made by 137 out of 186 Step 2 designees interviewed.
settle at Step 2. Employees and union stewards confirmed that efforts were frequently not made to settle grievances at these steps. We noted these observations in every district we visited.

Employees and union stewards frequently commented that “rubber stamping” decisions at Steps 1 and 2 undermined expeditious resolution of workplace disputes. Some union officials viewed this as a strategy employed by USPS officials to delay settlement. In their opinion, this was especially true where monetary remedies had been sought or union officials had alleged that the national agreements were violated to meet operational needs.

When offers were made at Step 1 in the cases we reviewed, they were frequently accepted. For example only five percent of union stewards and two percent of employees interviewed indicated they rejected such offers at Step 1. Similarly, nine percent of union stewards and six percent of employees interviewed told us they rejected offers made by Step 2 designees. When questioned on why offers were rejected, employees and union stewards indicated their rejections were based on inadequate offers, while supervisors and Step 2 designees attributed rejections to uncooperative union representatives.

<table>
<thead>
<tr>
<th>Supervisor and Step 2 Desigenee Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisors and Step 2 designees believed they were limited in what decisions they could make and the types of issues they could resolve. Temporary supervisors, for the most part, told us that they were unsure of their authority in the grievance-arbitration process. In contrast, Step 2 designees had a better grasp of their authority. However, even Step 2 designees did not always understand the full scope of their authority. They incorrectly indicated they could not settle issues involving monetary settlements or safety violations. Some district and plant managers that we interviewed believed that their supervisors and</td>
</tr>
</tbody>
</table>

---

13 Rubber stamping is defined as the practice of routinely denying grievances with little or no effort made by management to discuss and resolve the issues.

14 Temporary supervisors are known as “204-B’s.” Although we did not determine what percentage of supervisors interviewed were “204-Bs,” we believe the percentage to be small based on the years of supervisory experience reported by supervisors interviewed.
Step 2 designees had the authority to settle all issues, but did not exercise it. Others acknowledged that supervisors and Step 2 designees lacked authority on certain issues. Supervisors and Step 2 designees told us they lacked authority to resolve grievances relating to the following areas. They also shared the view that to settle many of these issues was inappropriate.

- Letters of demand,
- Removals,
- Discipline associated with safety violations,
- Discipline related to time and attendance,
- Overtime,
- Staffing, and
- Crossing crafts.

Supervisors and Step 2 designees in all districts told us that they lacked authority and believed it inappropriate to resolve grievances involving letters of demand, removals, and discipline associated with safety violations or time and attendance at Steps 1 or 2. They believe that settling such issues would compromise the high standards of performance the organization has established in these areas and reinforce bad behaviors that could negatively impact operations and employee performance. For example, USPS holds employees financially liable for any shortages that occur in cash or stamp stock for which they are accountable. When a shortage occurs, employees are issued a letter of demand for payment. According to supervisors and Step 2 designees we interviewed, absolving employees of the liability through the grievance process, undermines the fiduciary responsibility of the organization to properly manage its assets.

Supervisors and Step 2 designees in every district also told us they lacked authority to settle grievances involving payment for overtime, staffing decisions, and crossing crafts. They indicated that while they are free to provide make-up opportunities as outlined in memoranda of understanding with some unions, they are not authorized to pay individuals for overtime not worked. Such situations would include cases where additional opportunities for overtime did not exist or
where individuals not on the overtime desired list are worked instead of individuals on the list. Similarly, supervisors and Step 2 designees told us that grieved staffing decisions and crossing craft complaints are outside their span of control to settle because they lack authority to create, convert or restore job positions. For example, they told us they could not resolve grievances involving the failure to convert part-time flexible assignments to full-time positions or reverse district decisions to eliminate window clerk positions.

### Supervisor and Step 2 Designee Independence from Decisions Grieved

Sixty-three percent of the supervisors we interviewed told us they denied grievances because their original decisions were correct. In addition, supervisors in every district told us they would deny grievances that challenged decisions made by their superiors or facility managers. The reluctance to reverse previous decisions was especially apparent with cases involving disciplinary actions initiated by the supervisor or Step 2 designee. In fact, one supervisor explained that at his facility supervisors automatically deny disciplinary grievances. Two other supervisors told us that they had no recourse but to deny grievances concerning their Postmaster's performance of bargaining unit work.

### Impact of Relationships

We also noted that poor relationships influenced the effectiveness of the Step 1 and 2 meetings. We interviewed both the employee and union steward, who had been parties to a grievance in one district; they told us that due to animosity, neither the supervisor nor the Step 2 designee had spoken during their respective meetings. Another grievance we reviewed included a grievant that was hearing impaired. Despite her request, the supervisor elected not to arrange for an interpreter.

In three districts, we noted reluctance on the part of USPS supervisors to negotiate with union stewards, whom they believed to be unreasonably adversarial and overly aggressive in past meetings. As a result, these supervisors viewed any attempts to resolve grievances with these stewards as a waste of time.

---

15 We noted this practice in the Pittsburgh, Cincinnati, and Boston districts.
When managers do not resolve grievances that should be resolved at Steps 1 and 2, these disputes are appealed to higher levels for settlement. As a result, the grievance process becomes ineffective at resolving disputes at the lowest practical step. Fifty-three percent of the labor relations specialists we interviewed believe that 51 percent or more of the cases they reviewed at Step 3 should have been settled at earlier steps of the grievance-arbitration process. Labor relations specialists explained they are more successful than supervisors or Step 2 designees in settling grievances because they are independent from operations and the decisions being grieved, and they have no emotional attachment to the grievances.

### Observations - Supervisor Authority

| Supervisors Lack Authority | Eighty-two percent of the supervisors we interviewed believed they lacked authority to settle grievances at Step 1. Fifty-seven percent indicated that their superiors overrode or circumvented their authority to settle grievances at Step 1. This occurred most frequently where grievances involved monetary settlements or reductions in disciplinary actions. Temporary supervisors (204-B’s) are the most vulnerable to having their authority circumvented because they are less familiar with their responsibilities under the grievance-arbitration procedures. Supervisors in every district provided examples of their superiors circumventing their authority. A supervisor in one district told us that the Postmaster at her facility wanted to issue a “letter of warning” to an employee. The Postmaster would not let her reduce the discipline at the Step 1 meeting. A supervisor from another district told us that he had been instructed by the MDO and the Step 2 designee to deny a grievance involving the use of part-time flexibles, even though the supervisor believed that the grievant’s complaint was valid. This grievance was subsequently settled in the grievant’s favor at a higher appeals level. In another district, a supervisor told us that his MDO has an unwritten policy that all grievances are to be brought to |

---

16 These superiors included Postmasters, Station Managers, Managers of Distribution Operations (MDOs), or Managers of Postal Operations (MPOs)
him for disposition. Similarly, a supervisor from a different district told us that he had been instructed to elevate grievances to his MDO, and that his MDO had ordered him not to settle a Step 1 grievance regarding the posting of a holiday schedule. Another supervisor in that same district told us that all monetary issues have to be settled by his MDO.

<table>
<thead>
<tr>
<th>Supervisor Decisions Second-Guessed</th>
</tr>
</thead>
</table>
| Supervisors also believe that their superiors indirectly control the outcome of the grievance by second-guessing their decisions. They indicated this eventually forces them to stop making settlement offers at Step 1. A supervisor in one district told us he fears making grievance decisions that upper management does not like because it could destroy his career. This belief was reinforced by a plant manager in one district who stated, “Supervisors can resolve anything, but they better make the right decisions or they will answer for it.” In another district, a supervisor expressed concern that upper management second-guessed her decisions so frequently that she felt she lacked authority to settle grievances. According to a district labor relations specialist we interviewed, Step 2 designees in his district are not allowed to settle grievances. As with Postmasters, Step 2 designees are second-guessed by MDOs. Several district labor relations specialists also suggested that Step 1 and 2 responsibilities be returned to labor relations staff because supervisors and Step 2 designees are not going to reverse decisions made by their managers to settle grievances. Similarly, another district labor relations specialist told us that it is difficult for individuals to make decisions that would displease their bosses.

As long as supervisor authority to settle grievances can be undermined, we believe that a large volume of grievances will continue to be appealed. The potential for circumvention will exist as long as supervisors and Step 2 designees continue to be responsible for hearing grievances that challenge decisions made by themselves or their superiors.
Suggestions

On the basis of our review, we suggest that the Vice President, Labor Relations:

1. Emphasize that supervisors and Step 2 designees be more mindful of the Step 1 and 2 time limits prescribed by the grievance-arbitration procedures. At a minimum, Step 2 designees should clarify the issue(s) and the parties’ respective arguments in the Step 2 decision.

2. Ensure that individuals who are responsible for Step 2 decisions have actual independence and authority to settle grievances.

3. Reassess the grievance procedures for disciplinary actions, considering the importance of ensuring independence and objectivity of the parties that have authority to resolve grievances.

We also suggest that the Vice President, Human Resources:

4. Ensure that the performance evaluation system for USPS supervisors and managers includes compliance with the grievance-arbitration procedures.

5. Identify appropriate actions to be taken, such as training or counseling, when grievance procedures are not followed.

Management Comments

The Vice President, Labor Relations in commenting on a draft of this report (Attachment 1) stated that:

- We will continue to project the importance of all management officials adhering to contractual obligations. This includes an emphasis on the efficient and effective operation of the grievance procedure.
- The new grievance and arbitration tracking system will assist in monitoring both the timeliness of meetings and of decisions.
- The NALC Joint Contract Administration Manual and other agreed-upon interpretations of the National Agreement will help grievance
representatives to become aware of remedies upon which the national parties agree.

- Efforts will continue to make management representatives aware of the appropriate remedies and their authority.

- Recently concluded contract negotiations included a reassessment of the grievance procedure, and resulted in agreements with the APWU and NPMHU that we believe will enhance its efficacy. Steps taken include an in-depth examination of the propriety of discipline during Step 1 and 2 as well as deferral of suspensions (with the NPMHU) which removes one of the former impediments to resolution: the back pay. Because the grievance procedure is a negotiated term of the contract, other changes are not contemplated at this time.

The Vice President, Human Resources in commenting on a draft of this report (Attachment 2) stated:

- The executive and administrative schedule merit evaluation process encourages linking employee objectives to corporate goals. With the current emphasis on improving the workplace environment, we expect that many managers will develop individual objectives to improve contract compliance. We have avoided a top-down mandate of the content of individual objectives.

- Labor Relations has recently developed a four-hour training program for first-line supervisors in collaboration with Human Resources’ Employee Development function.
<table>
<thead>
<tr>
<th>Evaluation of Management Comments</th>
<th>Management’s comments were responsive to the issues raised in this advisory report.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We appreciated the cooperation and courtesies provided by your staff during this review. If you have any questions, please contract me at (703) 248-2300.</td>
</tr>
</tbody>
</table>

//Signed//
Billy J. Sauls
Assistant Inspector General
for Employee

Attachments

cc:  John E. Potter
     John R. Gunnels
     Alan B. Kiel
Major Contributors to This Report Were:
February 16, 1999

BILLY J. SAULS

SUBJECT: Transmittal of Management Advisory Report
Effectiveness of USPS Grievance-Arbitration Procedures

This letter is in response to your January 20, 1999, request that we review the subject draft management report (LM-MA-99-XXX) and provide comments on this draft.

The following are comments and responses to the “Suggestions” found on page 12 of the draft:

**OIG Suggestion #1:** Emphasize that supervisors and Step 2 designees be more mindful of the Step 1 and Step 2 time limits prescribed by the grievance arbitration procedure. At a minimum, Step 2 designees should clarify the issue(s) and the parties’ respective arguments in the Step 2 decision.

**Management Response:** With the current emphasis on workplace relationships and contractual compliance, we will continue to project the importance of all management officials adhering to contractual obligations. This includes an emphasis on the efficient and effective operation of the grievance procedure. In addition, the new grievance arbitration tracking system (GATS II) will provide reporting capability so that local offices and Step 2 designees have the ability to monitor both the timeliness of their meetings and of their decisions. Further, recent initiatives with the unions have resulted in emphasis on timeliness and quality of grievance decisions. For example, the Revised Dispute Resolution process, with the NALC (currently being tested) includes national training of Step B representatives. Hand-on, facilitated experience in writing decisions which clarify issues and arguments is a primary component of this joint national training.

**OIG Suggestion #2:** Ensure that all individuals who are responsible for Step 2 decisions have full independence and authority to settle grievances.

**Management Response:** We have agreed with the NALC, APWU and NPMHU to develop joint documents setting forth agreed-upon interpretations of the National Agreement. The NALC Joint Contract Administration Manual, which is already developed, ensures that local grievance representatives become aware of remedies open which the national parties agree. We will continue such efforts to make management representatives aware of the appropriate remedies and their authority in this regard. With the development of other interpretative documents and with the availability of an enhanced research database, it is our belief that management grievance representatives will have a greater comfort level with their roles including decisions on grievances within their scope of authority.

**OIG Suggestion #3:** Reassess the grievance procedures for disciplinary actions, considering the importance of ensuring independence and objectivity of the parties that have authority to receive grievances.

475 L Street, NW
Washington, DC 20204-2099
Management Response: Recently-concluded contract negotiations included a
reassessment of the grievance procedure, and resulted in agreements with the APMU and
NPMU that we believe will enhance its efficiency. Cases will go to arbitration more quickly,
which will result in in-depth examination of the propriety of discipline during Steps 1 and 2.
Also, our new agreements to defer suspensions (with APMU and the NALC cost
Dispute Resolution Procedure) or to employ no-time-off suspensions (with the NPMU) remove one
of the greatest former impediments to resolving the book pay issue. Because the
grievance procedure is a negotiated term of the contract, other changes are not
contemplated at this time.

Anthony D. Veccia
Vice President

cc: Yvonne D. Maguire
    Pete Bazylowicz
    John R. Couniels
    Alan B. Kiel

Restricted Information
Effectiveness of USPS Grievance-Arbitration Procedures

September 23, 1998

BILLY J. SAULS

SUBJECT: Transmittal of Management Advisory Report
Effectiveness of USPS Grievance-Arbitration Procedures

Dear Mr. Sauls:

Regarding your September 3 request for management comments on the Management Advisory Report on the Effectiveness of USPS Grievance-Arbitration Procedures, we note that you had specific recommendations for the Senior Vice President of Labor Relations and the Vice President of Human Resources.

Human Resources' general response to the report is that we support any efforts to improve the employee grievance-resolving process. In fact, we have recently established a new office of Workplace Environment Improvement to build a more positive workplace environment focusing on "people issues."

Regarding the specific recommendations for the Vice President of Human Resources, we offer the following comments.

OIG Suggestion #1: Ensure that the performance evaluation system for USPS supervisors and managers includes compliance with the grievance-arbitration procedures.

Management Response: The EAS merit evaluation process encourages linking individual employee objectives to corporate Customer/Perfection goals. With the current emphasis on improving the workplace environment, we expect that many managers will develop individual objectives to improve contract compliance, including local administration of the grievance procedure. On the other hand, we have avoided a top-down mandate of the context of individual objectives to allow our managers the freedom to develop meaningful objectives for each employee.

OIG Suggestion #2: Identify appropriate actions to be taken, such as training or counseling, when grievance procedures are not followed.

Management Response: Labor Relations has recently developed a four-hour training program for first-line supervisors in collaboration with Human Resources' Employee Development function. If you have not already been provided a copy of this program, let me know and we'll get you one.

cc: Jack Felder

 Restricted Information