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Report to Congressional Requesters

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POSTAL SERVICE

Employee-Management Relations at the Indianapolis Post Office Are Strained

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The Honorable Richard G. Lugar
United States Senate

The Honorable Andrew Jacobs, Jr.
House of Representatives

In response to your request, we have reviewed employee-management relations problems at the Indianapolis Post Office. Your request was prompted by numerous complaints you received from employees concerning management practices at the facility. As agreed, we identified the circumstances that led to employee complaints regarding the displacement of senior black managers, the integrity of promotion decisions, the treatment of workers, the handling of complaints regarding equal employment opportunities (EEO), and the actions taken by management to resolve employee complaints and concerns.

Our review focused on events that occurred primarily during 1986 through 1988. To gain insight into these events, we interviewed both labor and management employees, obtained written information from employees and union officials, and reviewed pertinent postal policies and procedures. Details on the scope, methodology, and results of our work are contained in appendix I.

Background

In a June 1986 national realignment, a field division office was established at the Indianapolis Post Office under the leadership of a new General Manager/Postmaster. Less than a year later, the Indianapolis Post Office changed its management structure from tour management, which designated responsibility for the operations of a given tour, to vertical management, which designated responsibility by function on a 24-hour basis. These organizational and personnel changes were unpopular with some employees and spawned unrest and strained relations with management.

In this environment, many employees brought complaints about division management to Congress and the media. Shortly after we started work at the Indianapolis Post Office, 175 employees came to us with complaints. These complaints focused principally on four issues. Many of these employees

- viewed the displacement of several black supervisors as unfair;

- questioned the integrity of management promotions, which seemed to favor certain employees;
- perceived mistreatment by supervisors in terms of excessive use of discipline and physical confrontations by supervisors; or
- believed that management was not committed to thorough and timely handling of EEO complaints.

Results in Brief

We found that the circumstances surrounding the displacement of senior black managers and the integrity of some promotion decisions could have led to employee perceptions of unfairness and discrimination. For example, none of the nine black men who held mid- to high-level supervisory positions before the reorganization received a similar position under the new structure. Several black females and white males did receive positions similar to those they held before the reorganization. However, with the exception of improperly advertising four positions and not having required approval of an extended temporary assignment, management complied with applicable postal procedures in making organizational changes.

Similarly, although management followed prescribed procedures in other promotions and acted within its prerogatives, certain practices, including inconsistencies in evaluating candidates, appeared to employees to favor selected candidates. The division also followed prescribed EEO complaint procedures and investigated, and usually closed, complaints within the mandated time frame. However, certain practices could be construed as limiting the effectiveness of the process.

We found no basis for employee concerns about widespread mistreatment of employees. Although the number of disciplinary actions had increased and we found two cases of disciplinary actions that seemed too severe, we saw no evidence of widespread mistreatment of employees.

Strained relationships between local union leadership and postal managers compounded the problems created by organizational and personnel changes. The Postal Service has since taken steps to address the employee complaints and to improve relations. These steps include reviewing complaints from employees about excessive job-related stress and implementing labor-management problem-solving initiatives. However, the American Postal Workers Union (APWU) has withdrawn its participation in some initiatives because it distrusts management. Consequently, employee-management relations are still strained.

Displacement of Black Managers

Some employees alleged to us that black male supervisors were unfairly displaced when the Indianapolis Post Office adopted a different management structure for mail processing operations. Before the change, black men held 9 of 21 mid- to high-level supervisory positions in mail processing. After the change, none of the nine black men who held a mid- to high-level supervisory position before vertical management received a similar position under vertical management. However, black men did hold 4 of 15 positions. Three black women and four of seven white men who held such positions before vertical management, received similar positions in the new structure.

The procedures used in filling the new management positions were viewed as unfair to those not selected. For example, four positions were improperly advertised rather than filled by available displaced employees. In addition, several applicants were assessed by fellow applicants—a practice that, while permitted under postal procedures, caused some employees to question the raters' objectivity. The Director of City Operations was the selecting official for all vertical management positions. Usually, the immediate supervisor selects personnel to fill the positions. One applicant on an unapproved extended acting manager assignment supervised two competing candidates and appeared to employees to be preselected.

Promotion of Employees

Some postal employees alleged to us that there was favoritism and racial discrimination in lower-level supervisory promotions. They cited cases where employees from other work units, who had no related work experience in the unit to which they were applying, were promoted into supervisory positions, while experienced employees within the units were not promoted. We found, however, that management followed prescribed promotion procedures and met affirmative action goals for fiscal years 1987 and 1988.

We identified a few instances of practices not prohibited by regulations that could have contributed to employee perceptions of favoritism and discrimination. These practices included inconsistency in who evaluated two promotion applicants and questionable reservations included in a recommendation for promotion for one employee.

Treatment of Workers

Some employees said that some supervisors harassed workers by issuing unwarranted disciplinary actions and by employing verbal or physical abuse. We analyzed a judgmental sample of 50 disciplinary cases. In all

but two cases, the disciplinary actions, as documented in the discipline files, appeared to be justified on the basis of Postal Service policy, collective bargaining agreements, and the employees' past disciplinary records. The discipline in two cases seemed too severe, considering the circumstances and the employees' past work records.

Employee perceptions of harsh treatment may have stemmed from an increase in the number of disciplinary actions. Although management officials said that they had not intended to impose more discipline, Postal Service data show that in the 6 months following the reorganization of mail processing operations, the number of disciplinary actions more than doubled, from 356 to 757, over the previous 6 months. Local management did not know the reasons for a sudden increase in the number of disciplinary actions.

Well-publicized actions in the building maintenance unit may also have raised employee concern. For example, that unit had two cases in which the disciplinary actions taken were perceived as unwarranted. In addition, an alleged abuse incident may have contributed to employee beliefs that harassment and mistreatment were occurring with the tacit approval of management.

Handling of EEO Complaints

Several Indianapolis postal employees said that management did not investigate EEO complaints in a thorough and timely manner. They believed that the EEO process was ineffective. Our analysis of formal complaints showed that while prescribed procedures were followed and complaints were investigated and usually closed within the mandated time frame, other practices could have contributed to the employees' perceptions that the process was ineffective. These practices included (1) frequent failures to interview the complainant so as to informally resolve complaints within the suggested 21 days of the initial complaint, (2) combining the counseling and investigative roles of EEO personnel, and (3) the failure to fill two of the four authorized EEO and Affirmative Action positions that had been vacant since June 1986 and December 1988. In addition, several employees alleged that the EEO process lacked credibility because corrective actions agreed to by the Postal Service in closing complaint cases did not take place. We confirmed one such case involving planned meetings with hearing-impaired employees.

Management Actions to Resolve Problems

Postal officials at Headquarters, the Central Region, and the Indianapolis Field Division have taken steps to address employee-management problems at the Indianapolis Post Office. These steps include several labor-management problem-solving initiatives, a review of supervisors' complaints of job-related stress, and changes to the physical environment of the workplace.

Postal Service labor-management initiatives in 1988 and early 1989 involved national and local union leadership in efforts to reduce disciplinary actions, resolve employee complaints, and enhance the level of trust between supervisors and employees. Supervisors and managers discussed supervisor complaints of stress to ascertain the possible causes. In response to other concerns, management took a number of actions to improve the workplace environment, including installing cooling fans to reduce summer temperatures in the main workroom.

Further, management temporarily reassigned three supervisors to other duties because they were not using the participative management approach endorsed by the Postal Service. Postal management also stopped assigning limited duty employees to the so-called "glass room" where some employees complained they were ridiculed.

Despite these initiatives, strained relations with the APWU have hindered Postal Service efforts to bring about improvements. Citing dissatisfaction with the efforts being made by the Postal Service, the APWU has withdrawn its participation from two Postal Service initiatives.

Conclusions

Major organizational and personnel changes can generate considerable employee apprehension and frustration in any organization. Consequently, to be successfully implemented, such changes must be made with sensitivity to employees' concerns.

Relations between management and employees at the Indianapolis Post Office are strained. Much of the employee dissatisfaction is a result of major organizational and personnel changes. In addition, several promotion and EEO procedures, although not expressly prohibited, were perceived by many employees as unfair and discriminatory.

The Postal Service has made a number of efforts to improve relations between management and employees. However, an atmosphere of distrust and dissatisfaction continues to prevail. The effectiveness of any

present or future initiatives will depend largely on the sustained cooperation of both management and employees.

Comments of the Postmaster General

In commenting on a draft of this report (see app. II), the Postmaster General said that positive steps have been taken to address the matters discussed in the report.

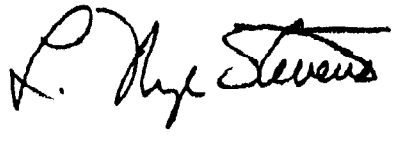
He said that, in addition to those initiatives discussed in the report, full-time employees have filled two previously vacant EEO and Affirmative Action related positions, selection for promotion to supervisory positions is being made by the immediate manager above the position, and the so-called "glass room" to which limited duty employees were assigned has been dismantled and removed from the workroom floor.

The Postmaster General noted that the new Division General Manager meets with employees and employee union heads to improve communications. He pointed out that grievance activity is 60 percent lower than the previous fiscal year despite the APWU's lack of participation in the Service's formal programs to improve the labor-management climate and resolve grievance problems at the point of origin.

The Postmaster General said that while progress has been made in improving labor-management relations at Indianapolis, further progress will require a continuing good faith effort by all parties. He said the Service will ensure that local management does its part.

As arranged with your offices, copies of this report are being sent to the Postmaster General, the Regional Postmaster General at the Central Region, and the Indianapolis Division Manager. We will send copies to other interested parties upon request.

The major contributors to this report are listed in appendix III. If you have any questions concerning this report, please call me on 275-8676.



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Operations Issues

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Abbreviations

APWU	American Postal Workers Union
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
LAMPS	Labor and Management Partners Program
MSC	Management Sectional Center
NALC	National Association of Letter Carriers
NAPS	National Association of Postal Supervisors

Employee-Management Relations Problems at the Indianapolis Post Office

Shortly after the on-duty deaths, thought by some to be stress-related, of two Indianapolis Post Office supervisors in March 1988, craft and supervisory employee complaints about job stress, discrimination, harassment, and favoritism were widely publicized by the Indianapolis media. On April 21, 1988, Senator Richard G. Lugar, then Senator Dan Quayle, and Representative Andrew Jacobs, Jr. requested that we review employee-management relations at the Indianapolis Post Office.

Background

Although the sudden death of the two supervisors focused media attention on working conditions at the Indianapolis Post Office, employee-management relations in the division had already deteriorated. These deteriorated relations resulted from prior organizational and management personnel changes following the 1986 nationwide realignment of field offices and a major reorganization of mail processing operations in the division in 1987.

Nationwide Realignment

Before June 1986, the Postal Service had five Regional Offices, 42 District Offices, and approximately 200 Management Sectional Centers (MSC). At that time, Indianapolis was an MSC reporting to the Indiana District Office (also located in Indianapolis). In a June 1986 national realignment, the Postal Service retained the 5 Regional Offices, established 74 Division Offices,[1] and eliminated the 42 District Offices and about 67 MSCs. Under this realignment, a new Indianapolis Division Office replaced the Indiana District Office; the geographical area covered was basically the same.

As part of the realignment, the Postal Service eliminated any MSC located in the same city as a new division office. In these new division offices, division management was given responsibilities formerly held by the MSC manager. Because the Indianapolis Post Office was an MSC in a city with a new division office, its top management positions—the Manager/Postmaster and the four Directors—were abolished. The Division Director for City Operations inherited most of the mail processing and delivery responsibilities for the Indianapolis metropolitan area. Most Indianapolis area postal employees work under this Director. As of June 1988, the Indianapolis Post Office had about 4,200 employees at its main post office, at suburban post offices, at its mail processing and distribution facility, its airport facility, and its vehicle maintenance facility.

[1] As of December 31, 1989, there were a total of 73 divisions nationwide.

Reorganization of Mail Processing Operations

The Postal Service authorizes two structures for managing mail processing operations: tour management and vertical management. Under the more popular structure—tour management—one person, called a tour superintendent, is responsible for all mail processing operations during an 8-hour tour of duty. At the end of the tour, another tour superintendent assumes these responsibilities. Under the vertical structure, responsibility for mail processing operations is divided functionally, rather than by tour, among several people, called operations managers, who have 24-hour responsibility for their assigned operations. Nationally, vertical management is used in 9 of the approximately 200 mail processing centers.

The Indianapolis Post Office changed from tour to vertical management in May 1987—about a year after the national realignment. The Indianapolis Field Division General Manager/Postmaster said that the new structure would achieve the following goals:

- Focus accountability for specific operations on one individual. Managers would have 24-hour responsibility for the operation rather than share it with two other people as occurs under the tour management approach.
- Reduce conflicts between tours. Managers from one tour sometimes blamed problems on earlier tours.
- Allow for more innovative problem solving. As specialists with 24-hour responsibility, managers can focus on improving overall operations rather than on solving problems on a specific tour.

In addition, the General Manager said that vertical management would require fewer supervisors. Under the tour management structure, for example, there were 21 supervisory positions: 1 Manager, 4 Tour Superintendents (1 for each 8-hour tour plus 1 relief superintendent), and 16 General Supervisors. Under vertical management, there are 15 supervisory positions: 1 Manager, 4 Tour Administrators, 6 Operations Managers, and 4 General Supervisors. The Postal Service's Executive and Administrative Schedule levels of these positions ranged from level 17 through level 22.

Throughout these significant organizational and managerial personnel changes, there was a growing distrust and lack of cooperation between management and labor—particularly involving the American Postal Workers Union (APWU). Division management, believing that the union President had groundless and exaggerated complaints, declined APWU requests for meetings. At the same time, the APWU leadership, seeing

questionable management changes, perceiving other problems, and feeling it was not heard by management, grew to distrust management.

Objectives, Scope, and Methodology

To obtain information on employee concerns, we posted notices in the workplace inviting employee comments. We met with the first 99 current and former employees who requested to speak with us, and we received written comments from 72 other employees.

Our objectives were to identify

- the circumstances that led to employee complaints regarding the displacement of senior black managers, the integrity of promotion decisions, the treatment of workers, and the handling of EEO complaints and
- the actions management has taken to resolve employee complaints and concerns.

We reviewed postal policies and procedures for EEO complaints, disciplinary actions, new supervisors' training, promotions, and other personnel actions. We interviewed managers, supervisors, and employees, and we contacted the local presidents of the National Association of Postal Supervisors (NAPS) and the unions. These unions were the National Association of Letter Carriers (NALC); the APWU; and the National Post Office Mailhandlers, Watchmen, Messengers, and Group Leaders (Mailhandlers).

To examine complaints about the displacement of black male supervisors, we compared supervisory positions in the old and new structures and reviewed all resulting promotions and personnel changes.

To examine complaints about favoritism and/or discrimination in promotions, we reviewed statistics for all 114 promotions—to level 14 and higher supervisor positions—made during fiscal years 1987 and 1988 and compared the results with affirmative action goals. For compliance with procedures, we reviewed 11 promotions—6 brought to our attention by employees and 5 judgmentally selected by us.

To examine complaints about the use of discipline to harass employees, we reviewed the discipline files for a judgmental sample of 50 disciplinary actions taken after June 1986. We also reviewed the training records of 54 newly promoted supervisors to see if these supervisors received the required basic supervisory training.

To examine complaints about how EEO complaints were investigated, we obtained EEO staffing and complaint statistics. We also reviewed a judgmental sample of 38 formal EEO complaints made after June 1986 to see if they were properly and timely processed.

We did not verify the accuracy of statistics Postal Service Headquarters provided on EEO complaints, disciplinary actions, and promotions.

Our field work was done from July 1988 through May 1989, in accordance with generally accepted government auditing standards.

Black Male Supervisors Displaced During Change to Vertical Management

Some employees alleged to us that black male supervisors were unfairly treated when the Indianapolis Post Office adopted a vertical management operating structure for mail processing. This new structure created new management positions. We compared supervisory positions in the old and new structures and identified all resulting promotions and personnel changes.

Before vertical management, black men held 9 of 21 mid- to high-level positions in mail processing. After vertical management, none of the nine black men who had previously had a mid- to high-level position received a similar position under the new structure, although other black men held 4 of 15 positions. Three black women and four of seven white men who had mid- to high-level positions before vertical management received similar positions in the new structure. The "before and after" profile of mid- to high-level managers is shown in table I.1.

Table I.1: Profile of Mid- To High-Level Supervisors (Bm=Black Men, Wm=White Men, Bw=Black Women)

Before	After	June 1989
9 BM	4 BM[a]	4 BM
7 WM	6 WM	8 WM
3 BW	4 BW	3 BW
2 Vacancies	1 Vacancy	1 Vacancy
Total 21	**15**	**16**

[a]Of the four black men who received vertical management positions, two were from other post offices and two were lower level Indianapolis supervisors who were promoted.

Of the nine displaced black male supervisors, one retired and one was later moved into a managerial position outside mail processing. Indianapolis management had ten excess supervisors (7 black men and 3 white men) remaining after vertical management was implemented. All were reassigned to lower level positions but with no loss of pay.

The seven excess black managers each applied for at least one of the new positions created by vertical management. Two were on "best candidate" lists, but neither was selected. Indianapolis postal officials said that they did not believe black men were adversely affected by vertical management because four other black men received positions in the new structure.

Some of the procedures used to fill the new positions could have been viewed as unfair to those not selected. We noted that

- some applicants were assessed by their fellow applicants;
- the selecting official was not always the immediate supervisor;
- four General Supervisor positions were improperly advertised; and
- one successful applicant appeared, to some employees, to have been preselected.

Applicants Assessed Fellow Applicants

Several supervisors assessed their peers and/or lower level supervisors and applied for the same positions themselves. Although this procedure was allowed and the raters noted on the evaluations that they also were candidates for the same positions, the procedure casts doubt on the raters' objectivity. Division management said that the alternative would have been to have evaluations done by someone other than the immediate supervisor. The following example shows what happened when one candidate was assessed by a peer who expressed a reservation when recommending the candidate.

A level 17 General Supervisor applied for level 17, 19, and 20 positions created by vertical management. Another General Supervisor, temporarily acting as a Tour Superintendent and the applicant's immediate supervisor, reviewed his applications and recommended him for the positions with some reservations. (The Acting Tour Superintendent applied for level 19 and 20 positions and was selected for a level 19 position before the level 17 positions were advertised.) The applicant made the "best candidate" list for only a level 17 General Supervisor position and was not selected. He thinks that the reservation expressed by the Acting Tour Superintendent kept him from being promoted. We found that the selecting official cited this reservation when explaining why the applicant was not selected. Because he was not selected, he was one of the General Supervisors reassigned to a lower level position when vertical management was implemented. This employee was promoted twice in the next 12 months and is now a level 19 Operations Manager.

Selections Not Made by Immediate Supervisors

Promotion selections are normally made by the immediate supervisor or manager above the position. Because Tour Administrators and Operations Managers report to the General Mail Facility Manager, he would have been the normal selecting official for new positions under vertical management. Instead, the Director of City Operations made all the selections. The General Mail Facility Manager, who held that position since 1974, was not consulted on any of the selections.

General Supervisor Positions Improperly Advertised

The Employee and Labor Relations Manual requires that when two or more employees occupy positions with the same occupation code and there is a reduction in the authorized number of these positions, all incumbents are to be considered for the remaining positions and the most appropriate selection is to be made. After filling the Tour Administrator and Operations Manager positions, Indianapolis needed four General Supervisors. They had 10 unassigned General Supervisors and 1 unassigned former Tour Superintendent. Rather than follow the prescribed procedure of selecting from the prior incumbents, Indianapolis management improperly issued a promotion announcement for four General Supervisors. In making the subsequent selections, the Director of City Operations chose 1 of the 10 unassigned General Supervisors and promoted two lower level supervisors. He left one position vacant until August 1988, when he selected one of the remaining unassigned white men.

Appearance of Preselection

Personnel actions prior to the selection of one applicant may have created the impression that he was preselected. Promotion procedures require that a selecting official must not preselect a candidate nor take an action that will create the impression that all candidates are not given a fair opportunity to be selected or that a candidate has been preselected. In the selection of a tour superintendent, there could have been an appearance of preselection because the person selected had been on an unapproved extended temporary assignment as acting manager over two candidates competing for the same position.

About 2 months after national realignment, the Director of City Operations brought a level 20 manager to Indianapolis from another division. Less than 3 months later, the Director made him the Acting Manager of the General Mail Facility—a level 22 position. He was Acting Manager for over 8 months. The Employee and Labor Relations Manual requires that temporary assignment to a higher grade position, during the absence of the incumbent, is limited to a maximum period of 90 calendar

days, which may be extended with the prior approval of the Regional Postmaster General. Extension of the assignment was not approved. The Director of City Operations said that he did not request this approval because he did not know it was required.

Seven months after he became the Acting Manager, Indianapolis management advertised the new vertical management positions. He requested noncompetitive consideration for the level 20 Tour Administrator position and was considered. Both Indianapolis Tour Superintendents—whose level 20 positions were abolished—had to compete for this position. When they applied, the Acting Manager reviewed their promotion applications. He did not recommend one for the position, and when he recommended the other he cited the man's wealth of knowledge and practical experience but expressed a reservation about his support of higher level managers. Nevertheless, both men made the Review Committee's "best candidate" list. The Director of City Operations considered the applicants on the list and the acting manager's request for noncompetitive consideration, and selected the Acting Manager. He said that this man was superior to the other candidates.

Promotion of Employees

Some postal employees alleged to us that there was favoritism and racial discrimination in supervisory promotions. They complained that some promotees lacked related work experience but were still selected by management.

To examine the allegations, we reviewed statistics for all 114 promotions to level 14 and higher supervisor positions made during fiscal years 1987 through 1988. We compared the results with affirmative action goals for the same period and found that the goals were met. We examined six promotions brought to our attention by employees plus five others judgmentally selected, and found that prescribed procedures were followed for each promotion.

We did, however, confirm some practices that could have contributed to employee perceptions of favoritism and discrimination. The practices, which were not prohibited by regulations, included inconsistency in who evaluated promotion applicants on temporary assignment, questionable reservations when recommending an employee for promotion, the use of supervisor-trainees not on the established candidate lists, and the promotion of employees not working in the unit of the vacant positions.

Immediate Supervisors Did Not Always Assess Applicants

Postal regulations designate the immediate supervisor/manager to evaluate candidates for promotions but are not specific as to who should rate an employee on a temporary work detail. This lack of specificity has resulted in different treatment of applicants temporarily working in the positions for which they applied. It is unclear how often this occurs.

For example, in 1 of the 11 cases we examined, a manager evaluated and recommended for promotion an employee who was on temporary assignment in his unit for 2 months. This applicant was selected for the position. In another instance, a manager did not evaluate an employee for promotion even though the employee had worked in the applied-for position in his unit for over 2 months and sporadically for several years. The manager advised the candidate to have her previous supervisor write her evaluation. She was not selected for the position. She later filed an EEO complaint, which is still pending, alleging that she was not selected because of her race and sex.

Questionable Use of Reservations When Recommending an Applicant

When an employee applies for promotion, the immediate supervisor/manager must review the position requirements and may either recommend the employee with or without reservations, or not recommend the applicant. Some employees allege that reservations are selectively used to keep qualified candidates, not favored by management, from being promoted.

For example, an employee's supervisor recommended him for a position but wrote on his application reservations of a questionable nature about the employee's physical condition and attitude toward management. The supervisor said that he personally considered the employee well qualified for the position, but that his manager had directed him to write the reservations on the employee's application. The manager, however, does not recall directing the supervisor to write the reservation. The physical qualifications for the vacant supervisory position were not as demanding as those for the applicant's current position, which he was fully performing. This employee had an excellent record and was previously recommended for an award for his performance, attendance, and positive attitude about work. He believes that the reservations expressed on his application by the supervisor prevented his promotion.

Supervisory Trainees Were Not Always Selected From Approved Candidate List

Some employees also complained about favoritism and discrimination in the selection of initial-level supervisor trainees. Experience gained by acting supervisors can give them an advantage in competing for promotion to supervisor.

The Postal Service has an initial-level supervisor training program that provides the opportunity for on-the-job training to qualified employees who have at least 1 year of Postal Service experience. Interested candidates apply, and a candidate evaluation board rates them superior, above average, or basic. Regulations say that generally those rated superior are used first as temporary supervisors, but any employee with 1 year of current continuous career service may be detailed as a temporary supervisor if necessary.

To determine if the Indianapolis Post Office selected the best people, we reviewed 111 initial-level temporary supervisor assignments made during the first three pay periods (6 weeks) of fiscal year 1988. We found that 88.3 percent of those selected were not on the superior rating list and 34 percent were not on any of the candidate lists.

Promoting Applicants From Other Work Units

Some employees, particularly in maintenance and fleet operations, complained to us that unqualified employees from other work units were promoted into supervisory positions while qualified employees within the unit were ignored. Furthermore, they alleged that the Director of City Operations preselected applicants without regard to their experience or expertise. These allegations were brought about, at least in part, by the Director's decision to make all promotion selections in his units rather than rely on the normal procedure of having the immediate manager/supervisor handle promotions. Some promotions and/or personnel actions that employees complained about are discussed below.

When a General Supervisor position in Fleet Operations was advertised, four employees with 6 to 19 years of experience in Fleet Operations applied for the position. A supervisor working at a neighborhood post office and lacking Fleet Operations experience also applied and was selected. Some Fleet Operations employees concluded that he was preselected. We asked the Director of City Operations about this selection, and he said that he had asked his area managers to look for possible candidates because he did not think there were any good candidates in Fleet Operations.

Some maintenance employees alleged that management preselected favorite employees from outside the maintenance unit, regardless of their experience, when filling supervisor-trainee positions and vacant supervisory positions. Five letter carriers were selected for supervisor-trainee positions in maintenance during 1988, and two of the five were later promoted to maintenance supervisors.

In another case, four maintenance employees applied for a superintendent position and were recommended by their supervisors. Two were recommended with reservations. The "best candidate" list included two of the maintenance employees and a mailhandler who had no maintenance experience. The mailhandler was selected but was reassigned outside maintenance 8 months later because his performance did not meet expectations.

Treatment of Workers

Several employees said that supervisors harassed workers by issuing unwarranted disciplinary actions and by verbally or physically abusing them.

Discipline Policy

The Postal Service's disciplinary procedures (Supervisor's Guide to Handling Grievances, Handbook EL-921) say that the main purpose of any disciplinary action is to correct an employee's undesirable behavior. The procedures stress that all actions must be for just cause, and, unless justified by the circumstances, the action must be progressive and corrective.

Collective bargaining agreements between the Postal Service and employee unions cite, as examples of just cause, insubordination, pilferage, intoxication, incompetence, failure to perform work as requested, violation of the terms of the collective bargaining agreement, and failure to observe safety rules and regulations.

The Postal Service employs a traditional approach to discipline. It believes that various standards of conduct and productivity can be achieved and maintained through a system of ever-increasing degrees of punishment. Such a system is called progressive discipline. As outlined in collective bargaining agreements, progressive discipline begins with a predisciplinary discussion (for minor offenses) with the employee through a step-by-step disciplinary process. The later stages include a letter of warning, suspensions of 14 days or less, suspensions of more

than 14 days, and discharge. The installation head or designee reviews and agrees to suspensions and removals.

After official notification, an employee may appeal a disciplinary action through an internal grievance process and, if not satisfied with the final internal decision, may appeal to external binding arbitration.

Since the early 1980s, the Postal Service has been trying to redirect managers from a traditional authoritarian management style to a management style that encourages employee involvement. Required training programs for all newly appointed supervisors emphasize a humanistic approach to management. The programs point out that the Postal Service formerly operated with an autocratic style of leadership that is no longer optimally effective. Postal supervisors are told that they need to develop interpersonal skills so that they can motivate employees to develop a sense of commitment so that all parties work together without any individual losing self-esteem or personal dignity. New supervisors are taught to create an atmosphere of positive discipline whereby employees accept and abide by rules they believe are fair and appropriate.

Discipline Actions

The data show that in the 6 months following the reorganization of mail processing operations, the number of disciplinary actions more than doubled over the previous 6 months, growing from 356 to 757. Management officials said that they had no special intent to impose more discipline and could not explain the increase in disciplinary actions.

To examine individual disciplinary actions, we judgmentally selected 32 severe actions from reported cases (removals and 14-day suspensions). In addition, to focus on potential problem areas, we selected 7 cases initiated by supervisors who had not yet received supervisory training and 11 cases from the building maintenance department that had employees who specifically complained about harsh discipline. In all but two cases, the disciplinary actions, as documented in the discipline files, appeared to be justified considering Postal Service policy, collective bargaining agreements, and the employees' disciplinary record.

Two cases, discussed below, seemed too severe considering the employees' past work record.

Case 1: A 14-year employee, who had a good work record, was on sick leave for about 4 weeks. When he returned to work, the supervisor

issued him a letter of warning for unsatisfactory attendance even though he had not been on sick leave during the previous 6 months. Further, the supervisor issued him another letter of warning a few days later for failure to follow instructions and for unsatisfactory work performance. The employee appealed the actions by filing a grievance—still in arbitration when we did our work—stating that he was being harassed by the supervisor. Other employees also interpreted the supervisor's actions as harassment. The supervisor denied his intent was to harass but admitted that the employee probably was intimidated by these actions.

Case 2: Within a 3-week period, a 9-year employee with no disciplinary record received a 7-day and a 14-day suspension from the same supervisor. The 7-day suspension was for failure to follow instructions in cleaning up and securing a work area. The 14-day suspension was for failure to follow proper safety procedures by putting a pair of metal cutters with the open point stuck down in his right hip pocket. The employee thought he was being harassed by the supervisor, and he appealed the disciplinary actions. Later, the Postal Service rescinded the disciplinary actions.

Confrontation With Supervisor

Additional perceptions of mistreatment arose when, in an angry confrontation with an employee, a supervisor allegedly cursed the employee, called him a liar, and poked him with his finger. The supervisor was given a letter of warning and was later transferred to other duties. After this incident, the local American Postal Workers Union informed its membership that management was using strong-arm tactics and that they should watch out for each other and not get cornered by supervisors.

Employees' knowledge of these cases possibly contributed to their belief that harassment and mistreatment were taking place with tacit approval of management.

Handling of EEO Complaints

Several Indianapolis postal employees said that Indianapolis management does not (1) investigate EEO complaints in a thorough or timely manner or (2) adequately follow up on EEO settlements to ensure that corrective actions are implemented. These employees claimed that the EEO process was ineffective and that it was generally a waste of their time to file an EEO complaint.

We found that the Indianapolis Post Office essentially followed required procedures for processing EEO complaints. However, some situations that could work against the effectiveness of the EEO process were noted. These situations included

- time taken to informally resolve EEO complaints,
- noncompliance with EEO settlements,
- combining the EEO counselor and investigator roles, and
- vacant EEO positions.

Indianapolis Post Office Generally Complied With Required EEO Procedures

Equal Employment Opportunity Commission (EEOC) regulations require a complainant to contact the employer's EEO office within 30 days of an alleged incident. Once this contact is made, EEOC regulations require that "insofar as is practicable" an EEO counselor shall complete a preliminary inquiry and attempt to informally resolve the complaint within 21 days. If not satisfied with this informal resolution process, the complainant can then file a formal complaint. If a complaint is filed, the Postal Service must do a formal investigation. If no resolution is reached, the complainant may request an EEOC hearing.

To determine how well the Indianapolis Post Office was complying with these criteria, we reviewed 38 formal complaints postal employees brought to our attention. For the most part, we found that the Indianapolis Post Office complied with those procedures mandated by EEOC and postal regulations. For example, during the informal stage, the EEO counselor met with complainants, made inquiries into the alleged incidents, reviewed relevant documentation, held a final interview to seek an informal resolution, and provided the complainants with a description of their rights and responsibilities. After a formal complaint was filed, the Postal Service advised the complainant in writing of all administrative requirements for processing the complaint. An investigator was assigned, knowledgeable people were interviewed, and the case was reviewed and documented.

Time Required to Resolve Informal Complaints

EEOC regulations say that "insofar as is practicable" the counselor shall conduct a final interview with the complainant to attempt an informal resolution within 21 days of the initial contact. Because time data for complaints resolved during the informal stage were not readily available, we limited our review of compliance with this suggested time frame to informal complaints that became formal complaints. Our analyses of automated statistical data for all formal complaints filed from October

1986 through December 1988, showed that the 21-day time frame for holding a final interview was exceeded on 81 percent of the cases. The average elapsed time was 45 days; the actual times ranged from 4 to 145 days. The 45-day average may not represent all informal complaints because complaints resolved during the informal stage were excluded.

Noncompliance With EEO Settlements

From the beginning of fiscal year 1985 through December 1988, 1,580 EEO complaints were filed at the Indianapolis Post Office. Although we could not determine to what extent this occurred, on the basis of our review of complaint files, management sometimes closed these complaints by agreeing to a specific corrective action. Several employees alleged, however, that the EEO process lacked credibility because the corrective actions did not always take place.

For example, a hearing-impaired employee said that he withdrew his formal complaint when Indianapolis management agreed to hold biweekly meetings with all hearing-impaired employees. The meetings were to cover safety, service, and other items of employee interest. Management also agreed to provide an interpreter at these meetings to facilitate the communication process. However, only two meetings were held during the first 4 months following the settlement. More importantly, the employee said that there was no interpreter at one meeting, and at the other meeting, an uncertified interpreter could not communicate with some of the employees.

Postal managers involved in the EEO process said that they were unaware that corrective action had not been taken in this case.

Key Roles Were Combined

During the 1986 realignment, the Postal Service moved EEO investigators from regional to division offices and combined their duties with those of EEO counselors. In a letter to the EEOC, the Postal Service said that the funding of two full-time positions to do virtually identical tasks was not justified. EEOC permitted this combining of roles on a trial basis but pointed out that the practice of having counselors and investigators perform nearly identical functions was unique to the Postal Service.

EEOC further explained that counseling and investigation are distinct functions and represent separate stages of the complaint process. The counselor's role is to make an informal inquiry and attempt an informal resolution to the problem as soon as possible. Under the combined role, the counselor becomes the investigator for the formal complaint. Two of

the Indianapolis counselor/investigators said that it might be better for the complainant if the investigator was someone different from the counselor and that an investigator from outside Indianapolis might get more respect and cooperation from supervisors.

Vacant EEO Positions

Two of four authorized EEO and Affirmative Action positions at the Indianapolis Post Office are vacant. The authorized full-time positions are:

- Manager of EEO Complaint Processing,
- Two Counselor/Investigators, and
- Affirmative Action/EEO Programs Coordinator.

For budgetary reasons, Indianapolis management had not filled the Affirmative Action/EEO Programs Coordinator position since its creation during the 1986 reorganization. Before reorganization, an EEO Specialist performed these duties. The Division General Manager and Field Director of Human Resources said that they now personally carry out the required duties.

Postal officials also elected not to fill one of the two full-time Counselor/Investigator positions that became vacant in December 1988. Instead, they use two part-time Counselor/Investigators. Although most cases were investigated and closed within the required time frame, it is unclear what other impact this change may have had. The 1989 EEO complaint volume has been about the same as it was in 1988 when there were two full-time and one part-time Counselor/Investigator.

Actions to Improve Employee Relations

Postal officials at Headquarters, the Central Region, and the Indianapolis Field Division have taken reasonable steps to address employee complaints at the Indianapolis Post Office. These steps included labor-management initiatives, a review of supervisors' stress complaints, and changes to the workplace environment. The Postal Service also has an Employee Involvement/Quality of Work Life Program.

Labor-Management Initiatives

After employee complaints surfaced in the media, Indianapolis postal management, supervisors, and union officials initiated labor relations improvement programs that included the following:

- A problem-solving group to discuss and seek solutions for major employee concerns.

- New informal discipline overview procedures to prevent issuance of disciplinary actions for frivolous acts. The NALC and the APWU withdrew from this effort in September 1988.
- The Indianapolis Post Office and the local APWU developed a labor relations improvement initiative called a Labor and Management Partners Program (LAMPS). The program, started in December 1988, sought timely resolution of employee complaints in order to prevent formal grievance actions. In February 1989, the union withdrew, citing a lack of commitment by management. Postal management considered the union's actions to be premature.
- In April 1989, a labor relations improvement initiative (Labor-Management Plan) was started with the NALC. The plan seeks improved labor-management relations through an enhanced level of trust, improved communication, and dispute resolution. It is a long-term program and requires sustained commitment to improve the labor-management climate. Indianapolis postal management attempted to initiate this plan earlier, but local unions declined.
- In conjunction with the National Association of Postal Supervisors (NAPS), Indianapolis postal management arranged a stress-management seminar and a career awareness conference. Management also circulated a questionnaire to study the workplace environment. No overall summary report was prepared on the questionnaire, but the Director of Human Resources said that the only area where problems were indicated was mail processing. Responses from supervisors in the airport facility, maintenance, and fleet operations were included with the mail processing responses. At the request of the Director of City Operations, a Communication Committee was established to improve working relationships between senior-level mail processing managers.

Review of Supervisors' Stress Complaints

After the Chairman of the Subcommittee on Postal Personnel and Modernization, House Post Office and Civil Service Committee, inquired about conditions and problems at the Indianapolis Post Office in April 1988, the Postal Service Central Region sent a Human Resources representative to study the situation. He interviewed 19 supervisors and mangers to ascertain the cause, if any, of stress at the Indianapolis Post Office. The interviewees were randomly selected from all supervisory levels within City Operations. His general impressions included the following:

- The problem was generally confined to the mail processing operation.

- Generally, higher management did not think stress complaints were valid but said that there had been a conscious effort to discipline supervisors to get them to do their jobs. Since the 1986 national realignment, 56 disciplinary actions have been issued against nonbargaining personnel, and 39 of these actions have occurred since vertical management was implemented.
- Line supervisors believed that undue pressure was being placed on them to improve productivity; even minor mistakes were not tolerated.
- Both line and higher level managers believed that the problems began after the switch to vertical management in May 1987. They thought that the Director of City Operations hand-picked the new management staff in an effort to exercise greater control over the operation.
- While the issue was not strictly racial, there were concerns that race was a contributing factor in the dispute. However, a review of the affirmative action statistics did not support the finding.
- The alleged stress-related death of two supervisors brought the matter to the forefront. In addition, a third supervisor had a heart attack shortly after the two deaths and two other supervisors complained of stress problems at the same time. These incidents resulted in further claims of undue stress.

Personnel Changes

Three supervisors were temporarily assigned other duties because they were not using the participative management approach endorsed by the Service.

Workplace Improvements

Workplace improvements included installing 36 floor or wall-mount fans to reduce summer temperatures on the workroom floor and replacing turnstile-type doors to allow easier entrance during emergencies. In addition, postal management stopped assigning limited-duty workers to the so-called "glass room", a 30-by-12-foot room on the mail processing floor with windows on one of the long walls. Limited duty workers assigned to the "glass room" complained of being ridiculed.

Employee Involvement/ Quality of Work Life Program

The Postal Service in 1986 and 1987, under separate agreements with the Mail Handlers Union and the National Association of Letter Carriers, respectively, started an Employee Involvement/Quality of Work Life program at Indianapolis. The American Postal Workers Union does not participate. The program is designed to influence management style and involve all employees in decisionmaking in an effort to make the post office a better place to work. The program intent is for management and

labor to work as a team, enabling everyone to use their knowledge, skills, and abilities more effectively.

According to program coordinators/facilitators, top management says that it supports the program. However, some workers question that support. For example, those workers complained to us that one management representative missed several team meetings and, when his absence was brought to senior management's attention, nothing happened. Further, the coordinators/facilitators believe that some supervisors view the program as an attempt to infringe upon their authority.

Postmaster General's Comments on a Draft of This Report

THE POSTMASTER GENERAL
Washington, D C 20260-0010

March 7, 1990

Dear Mr. Fogel:

This refers to your draft report entitled Employee-Management Relations at the Indianapolis Post Office Are Strained.

The report focuses on events that occurred primarily during 1986 through 1988. Since then positive steps have been taken to address the matters discussed in your report.

The vacant positions of EEO Counselor/Investigator and Affirmative Action/EEO Program Coordinator have been filled with full-time employees. Selection for promotion to supervisory positions is being made by the immediate manager to whom the vacancy reports. The so-called "glass room" to which limited duty employees were assigned has been dismantled and removed from the workroom floor. Other initiatives are discussed in the report itself.

The new Field Division General Manager attends open meetings at local union halls and has had stand up meetings on all tours to answer employee questions and improve communications. He regularly meets with local union heads to discuss issues unique to their membership. He also serves as co-chair of the local Employee Involvement Steering Committee to show top management's support.

Although the local APWU president has declined to participate in three of our formal programs to improve the labor/management climate and resolve grievance problems at the point of origin, grievance activity was still down 60 percent as compared to the previous fiscal year. In addition, an Indianapolis Station (Southport) has been chosen to be the national pilot site for our advanced bar code test, partly because of the working relationship that has developed between the Postal Service and local organization leaders.

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We think progress has been made in improving labor/management relations at Indianapolis. Further progess will require a continuing good faith effort by all parties. The Postal Service will ensure that local management does its part.

Sincerely,

Anthony M. Frank

Mr. Richard L. Fogel
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