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BY THE COMPTROLLER GENERAL

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Report To The Congress

OF THE UNITED STATES

Improved Grievance-Arbitration System: A Key To Better Labor Relations In The Postal Service

The grievance-arbitration system of the Postal Service's highly unionized workforce has become congested with grievances resulting in costs higher than necessary. Although this system affects 578,000 Postal employees covered by collective bargaining agreements, neither the Service nor the postal unions are as well served as they might be under a more efficient system.

Both postal and union officials have been working toward the mutually desired goal of a more effective labor-management relationship. This report discusses several problems which have hampered the Service's progress toward achieving an effective system and makes constructive recommendations. The report also points out that some local unions were lessening the effectiveness of the system by initiating and appealing unwarranted grievances, thereby contributing to an increased adversary relationship.

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To the President of the Senate and the
Speaker of the House of Representatives

The Postal Service is somewhat unique as a Federal employer in that it has the largest unionized workforce with collective bargaining similar to that of private industry. Approximately 578,000 Postal employees are covered by collective bargaining agreements between the Postal Service and the four national unions.

This report contains our evaluation of the grievance-arbitration system, a key element in labor relations within the Postal Service. The system, established through collective bargaining, provides a mechanism for the peaceful resolution of disagreements between management and employees or unions over wages, hours, and employment conditions. The recommendations in this report are intended to strengthen the Postal Service's management control of grievance activities.

We are sending copies of this report to the Director, Office of Management and Budget, and the Postmaster General, United States Postal Service.

Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

IMPROVED GRIEVANCE-ARBITRATION SYSTEM: A KEY TO BETTER LABOR RELATIONS IN THE POSTAL SERVICE

D I G E S T

The grievance-arbitration system of the Postal Service's highly unionized workforce has become congested with grievances resulting in costs higher than necessary. Although this system affects 578,000 Postal employees covered by collective bargaining agreements, neither the Service nor the postal unions are as well served as they might be under a more efficient system.

The grievance-arbitration system, established through collective bargaining, is a key element in labor relations within the Service. It provides a mechanism for the peaceful resolution of disagreements between management and employees or unions over wages, hours, and employment conditions. The system is generally considered to work well when most grievances are resolved at the lowest possible level and in a prompt, fair, and equitable manner.

While the Service and postal unions recognize these objectives, they have not achieved them. As a result, the Service and unions incur high grievance processing costs and the Service incurs high operating and personnel costs.

The size and expanse of the Postal Service, both in terms of the number of employees and facilities, and the relationship the Service has with the public make labor relations in the Service unique in comparison to other labor relations programs throughout the country. Since 1971, the Service's management and unions have made considerable progress in developing a meaningful and effective labor-management relationship; however, more could be done.

THE POSTAL SERVICE CAN IMPROVE ADMINISTRATION

The Service's progress toward more effective management control of grievances has been hampered by

- --inadequate documentation of grievances,
- --insufficient labor relations staffing and a lack of staff independence,
- --inadequate grievance processing and labor relations training,
- --inadequate communication of labor relations and contract information to local levels,
- --a lack of grievance monitoring at the facility level, and
- --a lack of accountability at the local level for labor relations problems.

Although labor relations personnel are generally responsible for administering the grievance-arbitration system, the grievances themselves transcend organizational lines. The problems GAO found involve individuals and situations from all postal operations. Consequently, to have an effective grievance-arbitration system a more concerted effort by the total organization is required.

Under the current labor contracts, the Service and postal unions have increased their commitment to effective labor relations by emphasizing the importance of low level grievance resolution, adequate documentation, and better communications. Although the Service has taken steps to improve labor relations training and to establish a grievance monitoring mechanism, it could do more.

MORE UNION COOPERATION NEEDED

Both postal and union officials have been working toward the mutually desired goal of a more effective labor-management relationship. At some postal facilities GAO visited, local postal managers and union representatives had an excellent working relationship; but at others, the local unions were undercutting the effectiveness of the grievance-arbitration system by initiating and appealing unwarranted grievances, creating an increased adversary relationship.

The organization and political nature of three of the postal unions limit their control over seeing that only warranted grievances are initiated and appealed to higher levels. More effective labor relations training by unions would help. Also, more cooperation between unions and postal management at the national level is needed to identify facilities with problems so that steps can be taken to improve labor relations.

RECOMMENDATIONS

The Postmaster General should:

--Require data collection guidelines and a form to focus supervisors' attention on the documentation needed to provide a basis for informed decisions.

--Adequately staff facilities with qualified personnel in order to resolve grievances in a timely and equitable manner.

--Require labor relations and grievance processing training for all line supervisors, managers, postmasters, and labor relations personnel.

--Require that grievance decisions provide the rationale for the decision.

--Use planned labor relations and grievance process evaluations to identify and correct facility level problems and contract administration deficiencies.

--Require facilities to use grievance control logs for tracking grievances through the system and for identifying problems.

--Evaluate postal supervisors, managers, and postmasters on their labor relations performance and take appropriate action, such as training or reassignment, when problems are identified.

AGENCY COMMENTS

The Postal Service said that the current labor agreement provides for a number of procedural changes along the lines GAO recommended and the Service is making administrative improvements. Specific actions taken or proposed by the Service on each recommendation are in appendix III. The Service believes that the procedural and administrative changes, taken together, will significantly improve the grievance-arbitration system.

The Service said it has no control over the number of grievances the unions choose to file or appeal, but it would continue to work cooperatively with them on these matters. (See p. 39.)

UNION COMMENTS

The four national Postal unions were asked to review and comment on portions of this report concerning union activities. The

three unions which provided written comments had no major disagreements with the facts as presented, but emphasized that local postal management, rather than the unions, generally sets the tone for labor-management relations. (See p. 47.)

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ABBREVIATIONS

APWU	American Postal Workers Union, AFL-CIO
GAO	General Accounting Office
NALC	National Association of Letter Carriers
NRLCA	National Rural Letter Carriers Association
MHU	National Post Office Mail Handlers, Watchmen, Messengers and Group Leaders Division of the Laborers' International Union of North America, AFL-CIO

CHAPTER 1

INTRODUCTION

The Postal Service is somewhat unique as a Federal employer in that it has the largest unionized workforce with collective bargaining similar to that of private industry. Prior to postal reorganization in 1970, labor management relations in the Post Office Department were guided by Executive Orders 10988 and 11491. The relationship between management and unions in the Post Office Department was generally unproductive. In an attempt to correct this problem, Congress passed the Postal Reorganization Act [Public Law 91-375, Aug. 12, 1970] authorizing the Service and postal unions to negotiate agreements covering, among other things, the resolution of labor-management disputes.

In 1971, the Service and postal unions agreed to a national labor contract that included a grievance-arbitration system which has been modified by subsequent labor agreements. The grievance-arbitration system provides postal employees and union officials with a means to peacefully air their complaints concerning working conditions and management's administration. The system provides postal management with an opportunity to learn what its labor problems are and to try to solve them. The system, if it works well, should improve labor-management relations, thus reducing the desire for employees and unions to strike in order to solve their labor problems. In addition, benefits such as increased productivity and better management should be expected.

STRIKE AND LABOR-MANAGEMENT RELATIONS PROMPT POSTAL REORGANIZATION ACT

Prior to postal reorganization, the Post Office Department's labor relations and grievance system were defined by Executive Orders 10988 and 11491. The President's Commission on Postal Reorganization, in its 1968 report concluded that grievance procedures under the executive orders did not work well, and the Post Office Department and postal unions had a generally unproductive relationship.

On March 18, 1970, more than 150,000 postal employees participated in an unprecedented work stoppage because of dissatisfaction over wages. It appears that this strike and the unproductive labor-management relationship prompted

passage of the Postal Reorganization Act on August 12, 1970. This act established the Postal Service as a semiautonomous agency, placed it under the National Labor Relations Act, prohibited strikes, required the Service and postal unions to negotiate a labor contract, and provided for binding arbitration in the event agreement on a contract was not reached. The apparent intent of the Congress was that labor relations in the Postal Service would be similar to that in private industry, except strikes would be prohibited.

On July 20, 1971, the Service and the four major postal unions agreed to a 2-year contract. This 1971 National Agreement contained procedures establishing a grievance arbitration system similar to that used in private industry and provided for binding arbitration by a neutral third party. This was a significant change from the previous system under executive order. Grievance procedures in the 1971 National Agreement were expected to remedy the causes of the generally unproductive relationship between postal unions and management under the executive orders.

IMPORTANCE OF A GRIEVANCE-ARBITRATION SYSTEM IN LABOR RELATIONS

Although negotiating a national labor contract involves long, hard, and tedious work by both management and unions, signing the agreement does not necessarily reduce labor conflict or produce harmonious labor management relations. It only signifies that both parties have reached some accord over the terms and conditions of employment--the best accord possible under the circumstances. Once negotiated, the National Agreement must be implemented and administered in accordance with the meaning and intent of the negotiating parties.

Contract administration--putting the agreement into practice at the operating level--is primarily the responsibility of management. Getting managers to effectively apply the agreement's provisions in conducting their operations is not an easy task. If this is not done, the role of postal unions is brought into play, because they "police" the agreement to make sure the Service adheres to the provisions of the agreement.

The grievance-arbitration system is the key to effective contract administration and sound labor-management relations. The system provides employees and unions with a means to air their complaints concerning the Service's administration of

the contract and any other work related problems. The system provides the Service with a means to solve employee/union problems and to identify and correct weak or poor contract administration. By resolving employee complaints, improving its administration of the contract, and correcting problems the Service can enhance the labor management relationship, reduce grievances, and hopefully improve employee morale and operating efficiency.

GRIEVANCE-ARBITRATION PROCEDURES

According to the 1975 National Agreement, only employees and unions can initiate grievances, and they have the right to grieve almost anything. The agreement provides for a four-step discipline grievance process and a five-step nondiscipline process as outlined below. The contract also defines roles and responsibilities of employees, union officials, managers, and arbitrators under each step.

1975 National Agreement
Grievance-Arbitration Procedures

Disciplinary grievances

Step	
1	Informal discussion between employee, union steward, and immediate supervisor
2a	Meeting of the steward or local union representative and the Service installation manager or his designee.
2b	Meeting between the area or regional union representative and the Service's regional representative at a location convenient to the parties.
-	Binding arbitration by a neutral third party.

Nondisciplinary grievances

Step	
1	Informal discussion between employee, union steward, and immediate supervisor.

2a	Meeting of the steward or local union representative and the Service installation manager or his designee.
3	Meeting of the area or regional union representative and the Service's regional representative.
4	Meeting of representatives from the national union and Postal Service headquarters.
-	Binding arbitration by a neutral third party.

The aggrieved party is normally represented in grievance hearings by a union official. At each grievance step, except arbitration, Service officials listen to and discuss the grievance and ultimately render decisions. If not satisfied with management's decisions, the employee representative can ultimately appeal the case to arbitration, where an independent arbitrator can decide the issue.

Each step of the grievance arbitration procedure has specific time limitations within which both the unions and the Service must respond. Mutual agreement by the parties can extend the time limits. A union's failure to adhere to its time limitations for appeal automatically waives the grievance. Management's failure to render a decision within its time limits "shall be deemed to move" the grievance to the next higher level in the grievance procedure. Either management or the union can elect to expedite the processing and bypass steps 3 or 4 or both for nondisciplinary grievances. The grievance processing time limits are generally shorter for discipline than for nondiscipline grievances.

The 1975 National Agreement also retained the expedited arbitration process for nonremoval discipline appeals first introduced in the 1973 contract. This process is designed to reduce arbitration costs through informal proceedings and remove delays in the adjudication of appeals by such things as requiring arbitrators to give their decisions within 48 hours of the conclusion of the arbitration proceedings.

The 1978 National Agreement contains significant changes from the 1975 grievance-arbitration procedures including:

--Making steps 1 and 2 grievance settlements nonprecedential, thereby giving management representatives greater leeway in reaching settlements at the lower levels.

--Requiring unions to use a grievance form when appealing grievances beyond step 1.

--Eliminating disciplinary step 2b.

--Allowing unions to set forth in writing for the record any claimed corrections or additions to management's facts or contentions in the step 2 decision.

--Allowing nondisciplinary grievances that do not involve interpretations of the National Agreement to be appealed from step 3 directly to arbitration.

--Allowing grievances appealed to steps 3 and 4 to be remanded to the preceding step for further evaluation or resolution.

--Limiting the grievances that can be appealed to step 4 to only those involving interpretive issues.

The main objectives of the changes were to encourage grievance settlement at the lowest possible level, require the development and exchange of all grievance-related facts and issues, and provide more effective and expeditious grievance processing.

CHAPTER 2

SERVICE'S GRIEVANCE-ARBITRATION SYSTEM NOT MEETING INTENDED OBJECTIVES

A grievance-arbitration system is generally considered efficient and effective when grievances are solved at the lowest possible level and in a prompt, fair, and equitable manner. While the Service and postal unions recognize these objectives in their system, they have not achieved them.

Because grievances are not always solved at the lowest possible levels and in a prompt, fair or equitable manner, conflict over certain contract issues has been increased or perpetuated at individual facilities and on a nationwide basis. By not effectively settling these conflicts, the system has become overburdened with unnecessary grievances, and the labor relations climate at the facility level has suffered. As a result, the Service and unions are incurring higher than necessary grievance processing costs, and the Service is incurring unnecessary operating and personnel costs. A poor labor relations climate can also impair the ability of Service managers to move the mail as efficiently and effectively as possible.

The congested grievance-arbitration system and higher than necessary personnel costs are attributable to the Service's and the unions' inability to establish effective management control over grievance activities. The specific problem areas in the Postal Service are discussed in detail in chapter 3. Some local unions have also lessened the system's overall effectiveness by their activities. (See Ch. 4.)

CHARACTERISTICS OF AN EFFECTIVE SYSTEM

An efficient and effective grievance arbitration system is generally characterized as achieving the following objectives:

--Solving most labor problems before becoming formal grievances or at the lowest possible steps of the process once they become formal grievances.

--Affording the complainant a prompt processing of his/her grievance or appeal.

--Solving labor problems and grievances in a fair and equitable manner.

Both Service and postal union officials concur with the importance of these objectives and have incorporated their essence in the 1978 National Agreement. The Service is emphasizing the essence of these objectives in its training program on the 1978 agreement and has emphasized their importance in grievance handling guidance provided to postal managers in previous years. Grievance handbooks, labor contracts in both the public and private sector, and a GAO report to the Congress have also emphasized the labor relations importance of these objectives.

Labor problems should be resolved before becoming grievances or at the lowest steps in the grievance process, since the parties at the lower levels are closest to the situation and generally are in a better position to understand and solve the problem in a fair and equitable manner. Prompt resolution in a fair and equitable manner is derived from the concept of an individual's rights to a speedy hearing and due process. Employees and unions expect management to treat them fairly and equitably by justifying its actions and decisions and providing them with proper redress.

GRIEVANCES ARE NOT ALWAYS SOLVED AT THE LOWEST POSSIBLE LEVEL

Although the Service and postal unions believe that most labor problems should be settled before becoming formal grievances or at the lowest possible levels in the grievance system, this has not been the case. Large backlogs of unsolved appeals at step 4 and arbitration have resulted--a situation that has been part of the grievance process since 1971 and has become progressively worse. Service and union officials, as well as some labor relations authorities, believe the system has almost broken down.

Only 2 of the 15 facilities we visited appeared to be effectively solving problems informally. At these facilities, postal management and union officials were discussing and attempting to resolve problems before they became formal grievances. At two other facilities, formal grievances also appeared to be effectively resolved at the second step. At the remaining 11 facilities, most problems were not solved informally or at steps 1 and 2 of the grievance system but were appealed to higher levels for resolution. The lack of effective low level settlement at these 11 facilities and others has contributed to the large volume of appeals shown in the following table.

Grievance Appeal Volumes
1975 National Agreement Cumulative
through July 30, 1978

Processing steps		Volume
Arbitration		20,474
Step 4		28,904
Step 3		100,765
Step 2b		41,871
Step 2a	note (a)	253,350
Step 1	note (a)	340,067
Total		785,431

a/ GAO estimates; Postal Service does not accumulate these statistics.

Our review of prearbitration and arbitration activity indicated that unmeritorious cases have been appealed through all steps of the system. For example, our analysis of nondiscipline arbitration appeals showed less than 3 percent of all closed cases actually went to arbitration (see app. I). The other 97 percent were closed at prearbitration, where about half were withdrawn by the unions and the other half settled by the Service. This indicates that postal unions appealed large numbers of unmeritorious cases to arbitration where they were eventually withdrawn, and that management failed to sustain or settle many meritorious cases at lower steps.

As a result of the large volume of appeals, large backlogs of unsolved appeals have accumulated at step 4 and arbitration levels. From January 1977 through July 1978 the parties settled over 2,300 appeals at arbitration, 6,100 in prearbitration, and 15,500 at step 4. However, the number of backlogged appeals had grown to nearly 18,000 as of August 1978--over 9,600 at arbitration and over 8,100 at step 4.

The backlog has been a part of the system since the 1971 contract but has become progressively worse. Service and union officials agree there are too many appeals, and they believe the system has become so clogged with grievances

and appeals that it has almost completely broken down. For example, the Senior Assistant Postmaster General for Employee and Labor Relations described the dire situation in 1977 as follows:

> "There are a large number of 1973 and 1975 certified contract cases on hand at Headquarters pending arbitration. We feel they are of a nature that could involve no precedent-setting issues. As Mr. * * * discussed with your General Managers for Labor Relations at the May 11 and 12 meeting, we must, out of necessity, begin sending these cases back to the regions for adjudication. I fully realize that by doing this, we are placing an additional workload on you, but unless this logjam breaks, and soon, the problem will become unmanageable."

According to newspaper articles, national American Postal Workers Union (APWU) officials have said that despite hiring additional personnel, they were overwhelmed with grievances. The outgoing National Association of Letter Carriers (NALC) union president was quoted as describing the grievance system as clogged with unnecessary grievances. "With about 30,000 grievances being instituted each year, it is humanly impossible to make the program work * * *."

In January 1979 the Executive Council of the NALC decided to return 5,800 step 4 and arbitration cases to regions for resolution or prioritizing for resolution at the national level. The Council stated "A system of priority ranking and accountability will be instituted so that continued submission of frivolous or unnecessary grievances will be counter-productive."

LABOR PROBLEMS NOT ALWAYS PROMPTLY SOLVED

Recognizing the importance of solving labor problems in a prompt manner, the Service and postal unions included in their national agreement specific processing time limits for filing, appealing, hearing, and deciding grievances at each step of the system. While time limits for the unions'

filing and appealing grievances are normally met, the time limits for management's holding hearings and rendering decisions at steps 2 through 4 are seldom met. Excessive delays have also occurred on arbitration appeals. Some grievances settled in 1978 were between 3 and 5 years old.

The time limits included in the 1975 National Agreement for processing grievances are shown in the chart on page 11. The 1978 agreement includes the same limits at the lower steps. However, at the higher steps some time frames have been increased to insure adequate documentation and full development of the facts while noninterpretative grievances can be referred directly to regional level arbitration, thus reducing the overall time needed to complete the process for these cases.

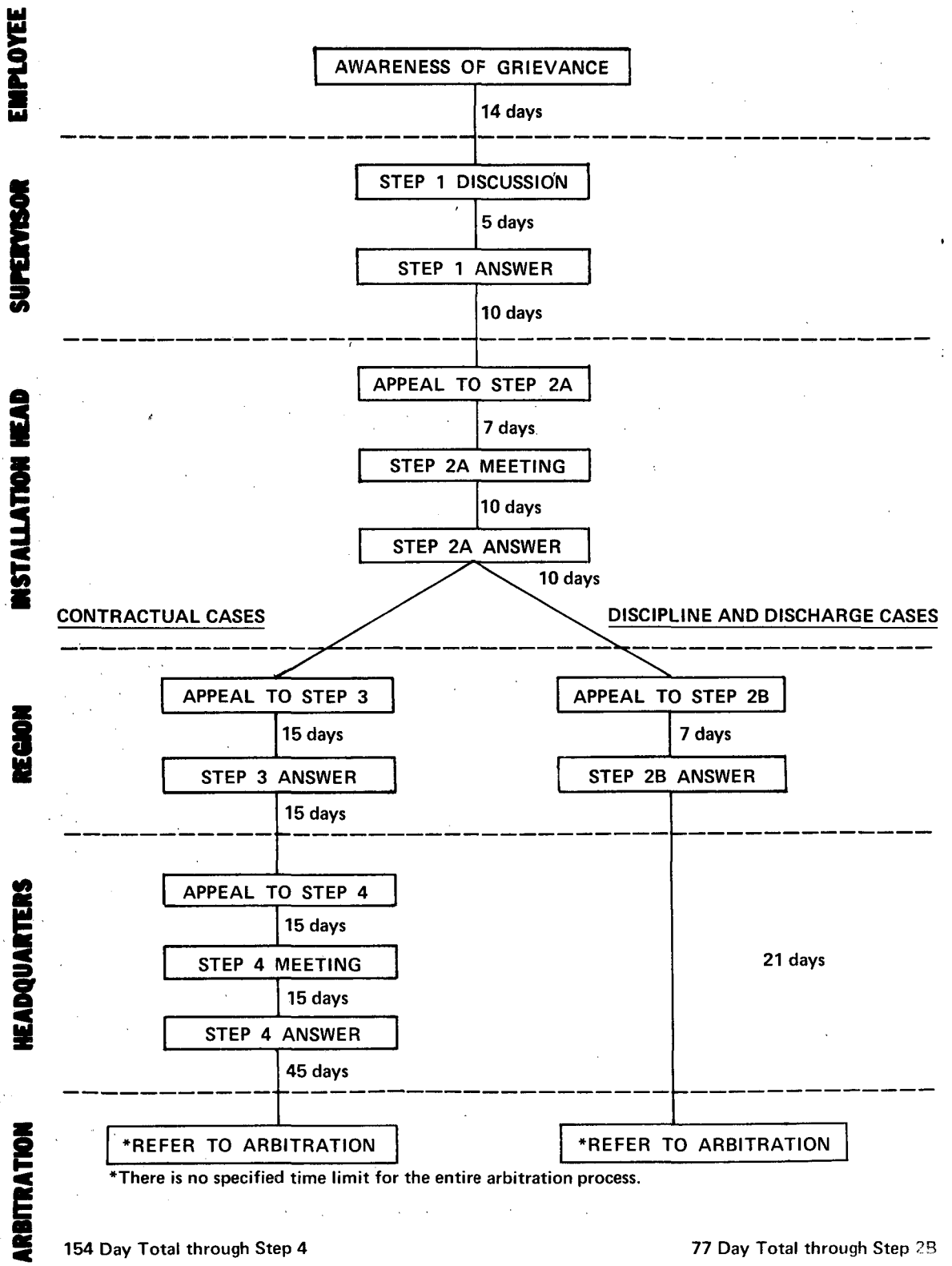
Our review of grievance processing times for each step showed that while unions almost always filed and appealed grievances within the specified time limits, management often exceeded time limits for holding hearings and rendering decisions. For example, for the Miami Post Office, the Service exceeded its step 2a time limits 80 percent of the time and exceeded its step 3 time limits 94 percent of the time. The average time the Service took to hear and decide step 4 appeals was 7.9 months, with some taking as much as 2-1/4 years.

The 1975 National Agreement did not specify limits for the entire arbitration process. A labor relations authority told us that the time from filing for arbitration through the award may be as short as 2 months but should seldom exceed 6 months. Our analysis of processing times on arbitration awards rendered from January 1977 through July 1978 for 1973 and 1975 contract appeals shows the following:

Contract	Type of arbitration	Processing time (months) Average	Range
1973	Nondiscipline	23.8	9.8-50.2
	Expedited discipline	22.8	14.7-39.3
	Removal	18.4	10.5-23.3
1975	Nondiscipline	10.6	3.2-24.6
	Expedited discipline	6.6	1.9-21.4
	Removal	5.9	0.4-16.7

The lower average times for discipline cases are due to the parties giving these priority in scheduling.

1975 NATIONAL AGREEMENT TIME LIMITS



The seriousness of timely grievance processing becomes apparent when average processing times for all the steps are added together. For example, 1975 nondiscipline cases took an average of 22 months, or nearly 2 years, to be processed through the last two steps, while some cases from 1973 took 3 to 5 years to be processed from step 1 through prearbitration or arbitration.

Both the Service and postal unions blame each other for contributing to the processing delays. As with the backlog situation, however, it will take a more concerted effort from both parties to correct the delays because, at current processing rates, we estimate it would take over 6 years just to process all the backlogged nondiscipline appeals.

PROBLEMS NOT ALWAYS SOLVED IN A FAIR AND EQUITABLE MANNER

Labor problems in the Postal Service do not always appear to be solved in a fair and equitable manner. Service decisions and settlements are often inconsistent with the facts in the case file, prior decisions and settlements, the National Agreement, and postal policies. And, although called for in the National Agreement, the Service is providing few, if any, reasons for its decisions. Thus, while grievances are eliminated from the system, the labor problems causing the grievance often remain unresolved and generate additional grievances on the same problem.

A primary function of the grievance-arbitration system is to solve disputes over the meaning and application of the parties' labor contract. According to the Service and postal union officials, arbitrators, and labor relation authorities, in order for grievance resolutions to be fair and equitable, disputes must be decided on the basis of a thorough review of the parties' contentions, documentation of facts and circumstances pertaining to the situation, prior grievance decisions and settlements, policies, and applicable provisions of the National Agreement. If, after this thorough review, the grievance has merit, it should be sustained in whole or in part, and the grievant should be provided with proper redress.

As demonstrated in the following examples, our review of regional case files identified Service decisions that were inconsistent with the facts, the National Agreement, and postal policy.

Example 1

A regional labor relations representative "resolved" an appeal and his resolution letter stated: "These grievances are resolved. Supervision will allow stewards reasonable time to investigate grievances." However, the labor relations representative's note to the postmaster--"Under the circumstances, it appears that reasonable time was given. "--indicated the grievance should have been denied.

Example 2

On a nondiscipline case a local union contended that temporary employees were used in lieu of part-time employees in violation of the National Agreement and that the part-time employees should receive pay for time missed. This grievance was denied at steps 1, 2a, 3, and 4 but was settled in prearbitration with the statement "grievant * * * is to receive one hour at the applicable straight time rate of pay." Regional officials told us they believed there was no violation of the agreement, but they did not want the issue to go to arbitration. Since the union agreed not to appeal the case further in return for one hour of pay, the appeal was settled.

Example 3

Management settled a suspension case in prearbitration as follows:

> "The above captioned case is settled prior to arbitration as follows: the fourteen (14) day suspension issued the grievant for improper conduct on July 21, 1977, is reduced to a letter of warning. The letter of warning will be reviewed on a continuing basis from April 17, 1978, through April 17, 1979. If there are no instances of like or similar nature during the review period, the letter of warning will be removed. The grievant will be paid five days administrative leave for the days of the suspension. The remaining days of the suspension will be charged to LWOP. This resolution is made on a nonprecedent setting basis and will not be cited in any grievance or arbitration hearings."

The National Agreement and the Service's discipline handbook state that discipline must be for just cause, progressive, and corrective (not punitive). These guides also recognize progressive and corrective discipline penalties of counselings, letters of warning, suspensions, and discharges. This settlement appears inconsistent with these principles. Either the employee deserved a letter of warning in which the remaining days of the suspension charged to LWOP should also have been paid as administrative leave, or the employee deserved a suspension of some days. The decision resulted in both a letter of warning and a 5-workday suspension.

In actual practice it is not always a simple matter to determine which party's interpretation is correct. If the meaning were clear, there would be no dispute. Consequently, a compromise is sometimes in order. Regardless of what the decision is, however, the reasons for the decision should be stated, because they form a basis for determining whether the contract's meaning was applied in a fair, equitable, and just manner.

As shown in the following examples, we also found Service grievance decision letters provided to the unions often contained few or no reasons for the decisions.

Step 2b decisions

"The 7-day suspension will be reduced to a 4-day suspension and the grievant will be reimbursed for two days at the straight time rate."

"The Letter of Warning is reduced to a Counseling."

Step 3 decisions

"The grievant will be considered to be a qualified bidder for any future similar positions."

"The grievant is entitled to be paid sick leave for November 12 and November 13, 1976."

These decision letters failed to provide a basis for the decisions or apply the contract's meaning to the problem situation.

Union officials told us that the Service provides few or no reasons for its decisions at steps 1, 2a, 3, and 4. Service regional and headquarters officials confirmed that

their philosophy was to give few or no reasons for decisions. These officials claimed that the union officials are often willing to accept resolved decisions without reasons because of internal union politics, inadequate documentation of facts pertinent to the grievance, and their unwillingness to have to explain a denial to their membership.

Similarly, we found that regional labor representatives were not always justifying decisions to the responsible operating managers. Although some representatives wrote notes or letters to facility managers, this practice was not consistently followed nor were the notes always useful. Regional labor representatives told us they also discuss grievances orally with facility managers. However, many of the managers at the 15 facilities and several districts we visited complained that they got insufficient feedback on higher level decisions. Regional decisions were described as "wishy-washy" and "saying nothing."

Many managers told us they want to know whether they are operating incorrectly and why. Facility management, as well as facility union officials, accused the regional labor representatives of "horsetrading," "swapping," and "playing politics" with grievances. At one facility, the postmaster had compiled a dossier of what he considered unjustified regional decisions.

We also found that the philosophy of higher level management is not always consistent with the principles of fairness and equity. Some regional and headquarters management officials told us that meting out higher discipline penalties than justified is often a desirable practice. This practice is employed so that management can obtain some form of discipline on the employee's record should the unjustified penalty be reduced through subsequent grievance appeals.

Higher level management officials informed us that they and their union counterparts will often agree to delay settling certain grievances to avoid arbitration costs or settlements that neither party wants to abide by. We were also told that delaying high-level grievance decisions is sometimes a good practice because the issue may change, or the witnesses or grievant involved in the case may leave the Service or be promoted, thus rendering the grievance moot.

Therefore, additional grievance processing or operational costs are avoided, and the chances of an unfavorable arbitration award are eliminated.

UNNECESSARY COSTS AND OPERATING INEFFICIENCIES RESULT FROM UNION/MANAGEMENT CONFLICT

Not resolving grievances at the lowest possible level and in a prompt, fair, and equitable manner has been increasing or perpetuating conflicts both locally and nationwide. This situation is overburdening the system with unnecessary grievances and damaging the labor management relationship at the facility level. As a result, the Service and unions are incurring unnecessary grievance administration costs, and the Service is incurring higher than necessary operating costs.

Although the Service does not segregate the costs of its labor relations function, we estimate that the direct administrative cost for grievance processing alone ranged between $40 and $143 million over the 3-year life of the 1975 agreement. The unions probably incurred between $4.9 and $10.3 million.

But there are other costs associated with ineffective grievance administration and labor relations which are more difficult, if not impossible, to measure. These are

--lost productive time and monetary payments resulting from unnecessary grievances and untimely grievance settlements, and

--losses in operating efficiency and effectiveness which may result from situations where labor management conflicts exist.

It is logical to assume that the more successful the Service is in meeting the three objectives of an effective grievance-arbitration system, the lower these costs will be.

Direct grievance administration costs

The major cost component of the Service's labor relations program is the administrative cost of the grievance system. Grievance administration costs are directly related to the number of grievances entering the system and the level at

which grievances are settled. Grievance costs escalate with each successive step in the appeals process. Consequently, from a cost standpoint alone, low level resolution of grievances is a desirable objective.

The Service does not segregate its grievance processing costs on a nationwide basis or compile statistics on grievance volumes for each of the various appeal levels. Using cost estimates provided by Service officials in three of the five regions and our best estimates of grievance volumes, total direct grievance processing costs over the 3-year life of the 1975 agreement probably ranged between $40 and $143 million, as shown in the following table.

Estimated Grievance Processing Costs
1975 National Agreement--Cumulative
Through July 31, 1978

Processing steps	Cost estimates Low	High
Arbitration	$ 3,608,000	$ 6,618,000
Prearbitration	1,307,000	3,665,000
Step 4	1,214,000	1,301,000
Step 3	2,418,000	10,077,000
Step 2b	4,480,000	12,565,000
Step 2a	17,228,000	66,631,000
Step 1	9,892,000	42,508,000
TOTALS	$40,147,000	$143,365,000

We did not obtain similar cost information from the unions. However, assuming that union grievance processing costs (collectively) are similar to the Service's, we estimate that their costs for arbitration and prearbitration could have ranged between $4.9 and $10.3 million during the same period. The unions would also have incurred costs at lower levels, but we have no basis for estimating those.

Future grievance processing costs for the Service are likely to remain high. According to the 1978 labor agreement, the existing backlogs will be processed, including arbitration, under the grievance-arbitration procedures of the expired 1975 agreement. On the basis of Service cost and actual grievance experience under the expired 1975 agreement, we estimate that the Service's cost to process the backlogged nondiscipline appeals alone will be between $1.9 and $4.0 million.

With the high rates of inflation resulting in higher employee labor costs, future grievance costs are likely to increase. Consequently, in order to lower their grievance arbitration costs it is extremely important for the Service and unions to work together to reduce the large numbers of grievances entering the system and progressing through the appeals process.

Poor labor relations climate adversely impacts operations

A grievance-arbitration system that is ineffectively used can have an adverse financial impact on the Service's operations. Some unnecessary costs, such as back pay and benefit costs resulting from inappropriate decisions at lower levels or untimely decisions at all levels, can be identified. On the other hand, the cost of an ineffective labor-management relationship on operations is difficult, if not impossible, to determine. However, if the grievance-arbitration system is effectively used to identify and correct problems and resolve conflicts, operating efficiency can be improved along with the labor management relationship. The Postmaster General has alluded to this in his statements on the need to end the "adversary relationships" that exist between the Service and the unions.

When the Service fails to fairly and equitably resolve discipline grievances at the lowest possible levels, it incurs back pay and benefit costs. The higher in the system the grievances reach before being resolved and the longer it takes to resolve them, the greater the costs are. We found this was occurring in many instances, and in some the costs were substantial. For example, one employee was removed on April 22, 1975, and was reinstated on April 27, 1978--a period of over 3 years. The employee received $22,000 in back pay, 240 hours of annual leave, and full restoration of sick leave.

Our analysis of the 550 removal cases arbitrated from January 1977 through July 1978 showed postal unions won 38 cases and obtained compromises on another 173 cases. The Service incurs back pay and fringe benefit costs on both lost and compromised cases. Considering that many removal grievances have taken over 12 months to be resolved, the Service has incurred a large amount of back pay and benefit costs.

The Service's failure to effectively use the grievance-arbitration system to identify and eliminate incorrect management practices may also be resulting in unnecessary operating costs. Our analysis of facility grievance activity identified several areas in which unions repeatedly filed grievances on violations in management's administration of the National Agreement. The areas in which many grievances were filed included working employees outside their work schedules, overtime, administering sick leave, higher level pay, and discipline. The settlement of the individual grievances can be costly. For example, in one grievance 15 carriers were paid an additional 125 hours at 50 percent of their pay rate because the Service worked them out of their normal workhours. The total impact of these administrative errors could be substantial, but it is difficult to determine.

Probably the most costly consequence of an ineffective grievance-arbitration system is its damaging effect on the labor-management relationship. Not solving problems promptly, fairly, and equitably at the lowest possible level leads to adverse perceptions and misunderstandings. Employees and unions perceive management as unwilling to or unconcerned about solving problems. Managers are misled or confused about the meaning and intent of contract provisions and postal policy. This results in continued conflicts and an adversary relationship. Such a relationship affects morale which, in turn, affects operating efficiency.

The Postmaster General has recognized that labor-management relations are not as they could or should be as indicated by the following remarks:

> "You know, its commonly charged that in our greater emphasis on efficiency and productivity, we've forgotten the great people tradition of the Post Office Department.
>
> Well, let's face it. It's easy to make this charge when in so many places we have an adversary relationship between craft employees and supervisors, between supervisors and postmasters, between postmasters and sectional center managers, and yes, between the associations and headquarters.
>
> I want that to end.
>
> Such divisiveness is fruitless and counterproductive. . .

> . . . I believe the people tradition is still with us. It just needs to be rekindled. I also believe that we can continue to push for even greater efficiency and still be conscious of treating people as human beings. They won't feel they're being treated like machines as long as you and your managers talk to them, listen to them, and treat them with the same courtesy we all expect to be treated with."

The Postmaster General also has recognized that labor relations should be given a high priority in the Service and that treatment of employees is important in the Service's ability to get the mail processed efficiently and effectively:

> ". . . we owe much to machinery and new technology. They have accounted for much of our recent progress, yet it is our people who carry the main burden.
>
> During my tenure as PMG, the public will always come first, because our sole reason for existing is to serve the public. But I assure you that consideration of and for our own employees will come a close second. I intend to see that every postal manager and every postal employee is treated fairly and with respect. . .
>
> . . . But what you will be doing in every case is demonstating to your employees that you care. As a result, you'll create an atmosphere in which your employees will have greater respect for you and greater respect for their own jobs . . .
>
> . . . Once such an atmosphere exists, the channels for effective communication are opened, enabling you to more easily and effectively manage. . .
>
> . . . And I believe one result of an increased show of caring for our employees will be a healthier attitude about their job performance."

The Service's grievance handbook also recognizes that the climate of labor-management relations in the Service will affect its ability to move the mail as efficiently and effectively as possible.

CHAPTER 3

MORE CONCERTED EFFORT NEEDED BY THE POSTAL SERVICE TO IMPROVE GRIEVANCE-ARBITRATION

Although labor relations personnel are generally responsible for implementing and administering the grievance-arbitration system, the grievances themselves transcend organizational lines and involve individuals and situations from all postal operations. Consequently, to establish an effective management system for controlling grievance activities, more concerted effort by the total organization is required.

Our review showed a number of problems which have hampered the Service's progress toward realizing more effective management control of grievances including

--inadequate documentation of grievances,

--inadequate labor relations staffing and a lack of staff independence,

--a need for grievance processing and labor relations training,

--inadequate communication of labor relations and contract information to local levels,

--inadequate grievance monitoring system at the facility level, and

--a lack of accountability at the local level for labor relations problems.

Many of the areas needing improvement are the responsibility of the labor relations group, while others require the support of other groups within the Postal Service. The extent to which all postal officials are knowledgeable and effective in conducting their operations within the provisions of the contract has a direct impact on the caseload of the grievance-arbitration system.

With the negotiation of the 1978 contract, greater commitment to effective labor-management relations has been asserted by postal and union officials. The new contract emphasizes the importance of low level problem settlement,

adequate documentation, and better communications; reasserts the importance of prompt grievance processing; and establishes the framework for joint problem solving on nationally significant labor issues. In addition, the Service is taking steps to improve labor relations training and establish a grievance monitoring mechanism. This commitment, if carried out, should do much to alleviate past problems. However, in certain areas more needs to be done.

INADEQUATE DOCUMENTATION HAS HAMPERED GRIEVANCE RESOLUTION

The lack of proper documentation is hampering the Service's ability to resolve grievances at the lowest possible levels and in a prompt, fair, and equitable manner. This situation exists because the Service, although requiring grievance documentation, has not enforced the requirement or instructed supervisors and facility managers on what documentation is needed and how it should be gathered. While the Service has emphasized the importance of grievance documentation in the 1978 National Agreement and in its training on the new grievance system provisions, more guidance is needed on the types of documentation required and the methods for gathering it.

The Service's grievance handbook requires supervisors to make a detailed and accurate record of the results of their step 1 investigation and discussions. The handbook stresses that it is essential to have documentation of all facts since it is the key to management's position in the grievance procedure. Many of the 2a grievance files we reviewed at the facilities visited contained little or no documentation. Supervisors did not always make records of their grievance investigations or discussions.

Postal officials that handle grievances at Step 2a told us documentation is often lacking because supervisors do not really investigate grievances or collect and submit the necessary documentation. As a result, the 2a designees have had to investigate and gather documentation on grievances appealed to their level. A number of the 2a postal representatives said that a major portion of their time is spent in an attempt to reconstruct the facts surrounding cases appealed to their level.

The inadequacy of documentation has also impeded the region's ability to render timely and equitable decisions. Many of the grievance files we reviewed at the regions lacked

the necessary documentation to support management's decisions. Regional management officials told us that they do not always get the necessary documentation from the facility and, as a result, have settled or denied grievances without sufficient documentation. In some cases, they have even rendered decisions without ever receiving the case file. This situation also affects headquarters' ability to effectively handle grievances. Although we did not review headquarters case files, headquarters union and management officials told us that inadequate documentation was a serious problem.

The Service apparently has long been aware of grievance documentation problems but has done little about it. Labor relations correspondence since 1972 has addressed grievance documentation problems and suggested the need for forms or checklists to assist in documenting the case.

The 1978 National Agreement emphasizes the need for a thorough accumulation of facts. New provisions allow for remanding step 3 and 4 appeals to the preceding steps if all the facts have not been gathered. The 1978 agreement also provides for the use of uniform step 2 appeal forms by the unions. These forms provide for a union recap of the grievance and require that supervisors initial the date of the step 1 decisions. Since these forms provide the union's recap of the grievance, the need still exists for a method of focusing the supervisors' attention on what documentation management needs. Some facility managers have recognized the importance of an initial level grievance documentation form and have developed their own. However, the use of a form varies among facilities.

INADEQUATE STAFFING AND LACK OF INDEPENDENCE AFFECTS GRIEVANCE PROCESSING AND DECISIONMAKING

On our facility and regional visits we found that some labor relations components had neither adequate staff nor sufficient independence to be objective. This resulted in grievances not being settled at the lowest possible levels and resolutions that were untimely and unmeritorious. Labor relations components must have adequate staffs with sufficient independence to insure that grievances receive objective reviews and decisions. The Service's grievance handbook and labor relations authorities stress the importance of making objective grievance decisions on the basis of facts and evidence for the situation, and not "rubber stamping" previous decisions.

Inadequate staffing

At 13 of the 15 facilities we visited, management's representative handling grievances included employees from operating and employee relations areas, as well as postmasters, because sufficient labor relations specialists were not available to process grievances. Since the representatives were processing grievances as a collateral duty, they did not always have the time or expertise needed to objectively resolve grievances. As a result, grievance processing was delayed and decisions were rendered on the basis of insufficient data, thus requiring resolution at higher levels.

At the Santa Monica facility, for example, the postmaster hears and decides each grievance appealed to step 2a. He performs this function and handles all EEO complaints in conjunction with his postmaster duties. Because of these time-consuming and diverse responsibilities, grievance decisions often take longer than necessary, and grievances are not sufficiently researched so that meritorious settlements can be rendered at the facility level. During 1977 this postmaster denied 77 percent of the grievances appealed to step 2a. The resolution of 54 percent of those cases that were appealed to steps 2b and 3 indicates that many incorrect decisions were made by the postmaster.

At the Flushing facility, even though an extremely low grievance rate existed, processing timeframes were not routinely met, in part because the position of "2a designee" is filled on a collateral basis by the employment officer. At the Pasadena facility, some grievances were being handled by a safety officer and a supervisor for employment services who lacked sufficient expertise, which resulted in their rendering decisions that were contrary to postal regulations.

Lack of independence

The grievance procedures provide for reviews and hearings at different organizational levels to ensure objectivity in the process. The 1975 contract states that for step 2b regional discipline appeals, the Regional Director of Employee and Labor Relations "shall provide a hearing at a management level higher than the installation level * * *" and "the management representative at step 2b shall be a person who has had no direct connection with the case and such person shall be at a higher level than the Employers' step 2a representative." We found that the manner in which this was being implemented in the Southern Region may not provide the intended objectivity.

For example, during 1977, step 2b grievance appeals from Miami were heard at the facility rather than at the Southern Region Headquarters. The individual appointed as regional 2b designee at the facility was a subordinate of the Miami Labor Relations Specialist who heard most step 2a appeals. According to the step 2b designee, appeals at this level are routinely denied unless the supervisor was obviously and flagrantly at fault. Union officials believe that the step 2b decisions are "rubber stamp" denials because the designee is afraid to make a decision favorable to the employee.

Both parties agree that the situation in Miami results in prearbitration meetings that accomplish what should have been accomplished at step 2b or lower in the grievance procedure. According to the step 2b designee, who also presides at the prearbitration meeting, a supervisor's actions that should have been overruled at step 2b are settled at prearbitration. As a result, the grievant has to abide by the supervisor's disciplinary action for approximately 6 months, although management at prearbitration may agree to a less severe discipline measure that could involve back pay for the grievant and/or removal of any reference to the discipline from his official file.

The 1978 agreement eliminates the step 2b appeal level for discipline grievances and requires both discipline and contractual appeals to be handled in the same manner at the regional level. The agreement states that step 3 appeals "shall be made in writing to the Regional Director for Employee and Labor Relations" and "the employee shall be represented at the Employer's regional level by an area or regional union representative" (emphasis added). Comments of union and management officials indicate one purpose of this change is to eliminate local facility management from the step 3 appeal decision process. We believe this change is a positive one.

TRAINING IN GRIEVANCE PROCESSING AND LABOR RELATIONS NEEDED

The Service has placed little emphasis on formal labor relations training. In the past, labor relations training for management personnel has been sporadic, nonuniform, and piecemeal. While several new training courses were developed during 1978, the coverage is still not adequate. Training is needed in grievance processing, in conducting day-to-day operations in conformance with the negotiated contract, and in keeping professional labor relations staff abreast of current labor relations issues.

According to Service officials, there was no formal training in the area of labor relations prior to 1973. During 1973, the Service created a Labor Education Division in headquarters and planned four 2-day courses in labor relations. Only two courses materialized, however, and these were not actively implemented by the regions. Headquarters' efforts in labor relations training were terminated from 1976 until 1978. The main reason for the halt was a lack of funds. Headquarters officials did not know if individual regions, districts, or local offices made any effort to train their own staffs after headquarters terminated its efforts.

We found that the regions have attempted to supplement headquarters training by various means. For example, the Western Region has developed a 1-day seminar on supervisory grievance and discipline handling. This seminar is provided to top management in selected districts and facilities who are, in turn, expected to provide the course to local facility supervisors and managers. However, local managers told us that budget constraints and the importance of mail processing have inhibited their ability to provide this training. The Northeast Region has developed a labor relations course but administers it only when grievance workload permits.

Some local facilities have instituted their own programs which vary from facility to facility in quality and frequency given. For example, the Miami facility offers two courses. One is a 45-minute film on grievance handling which was made a prerequisite for promotion to supervisors during 1976. The other is a grievance handling and discipline procedures course. This is an unstructured session lasting from 4 to 8 hours, has no text, outline, nor descriptive document, and the instructor stated he has no teaching materials or notes whatsoever. The Houston facility has developed a suitable framework for what appears to be a fairly comprehensive training program. However, budgetary and scheduling constraints had precluded its effective implementation.

Some facilities, such as Santa Monica and Houston, also need training for their labor relations components, but often find it difficult to obtain. Other facilities, like Beverly Hills and Las Vegas, need training for their labor relations staff, but local management is not actively seeking a means of providing it.

In 1978 postal headquarters resumed formal training in the labor relations area. (See app. II for a listing of courses offered). Although the courses offered by the Service are good in subject matter, many are voluntary or only offered to newly promoted individuals. Thus, those persons who have already been promoted may not have received needed labor relations training.

BETTER COMMUNICATION NEEDED TO IMPROVE CONTRACT ADMINISTRATION AND RESOLVE GRIEVANCES

Ineffective communication, particularly to lower management levels, has impaired the Service's ability to settle labor problems at low levels, and in a timely, fair, and equitable manner. Effective communication is a critical function of good labor-management relations. Managers at all levels need information that will assist them in properly administering the contract. This need is particularly crucial at the facility level, where day-to-day labor problems should be settled.

According to the Service's grievance handbook and labor relations authorities, the parties' grievance settlements and arbitrators' decisions form the predominant basis for clarifying and interpreting the Service's contract. The grievance process can also serve to identify areas needing a national policy or contract clarification statement to promote consistent contract interpretation and application and to limit labor disagreements and disputes.

The Service's grievance handbook emphasizes that supervisors, in order to properly respond to grievances, need to be familiar with applicable contract provisions, outcomes of prior similar cases, and any information relating to applicable policies. Because it may not be practicable for each supervisor to maintain or be familiar with all the information that clarifies the contract or provides guidance on its administration, this information should be available at the facility level to be used by all facility managers and supervisors to settle problems and disputes promptly and fairly at the facility level.

Better feedback to facility level needed on grievance settlements

Many of the grievance settlements do not contain the rationale upon which the decision was based and/or are not getting the proper distribution to the lower levels.

The National Agreement provides that grievance decisions and their attendant reasons should be communicated to the employee if decided at step 1, or in writing to the appropriate union representative at successive steps. This practice is necessary so that all parties understand the basis for the decision, thus avoiding similar situation and grievances in the future.

Postal officials believe that providing reasons for sustaining or settling grievances is not always necessary and in the best interest of the Service. They feel that when a grievance is sustained, the sustention itself tells the union that management has violated the contract or committed some sort of error in handling the grievance. When a grievance is settled, the parties have agreed to compromise because it is questionable which side has erred, if not both sides, or because the contract issues are unclear and should be interpreted either way. Postal officials contend that giving reasons for sustaining or settling a grievance in the decision letter could be harmful to the Service because unions could publicize the information nationwide to chastise management.

We believe that the benefits of providing reasons in decision letters outweigh the possible negative aspects. Without stating the basis for decision, the Service may not solve issues that are causing grievances. Our analysis of grievance issues at the 15 facilities showed that the lack of rationale results in grievances entering the system over and over again on the same issues.

For example, 52 grievances were filed at 2 facilities in 1977 on the Service's administration of Article 17, which deals with stewards representing employees. Most concerned the issue of releasing stewards to investigate and handle grievances. Managers at several facilities curtailed the time stewards were allowed to investigate grievances and felt that stewards had been given reasonable investigation time. Several local unions contended that the Service must release the steward immediately or shortly after the request and complained of harrassment and unreasonable time to investigate. Service managers contend their reason for denying the release of the stewards when requested was based on business conditions and was therefore a proper denial.

Our review of many of the case files showed little or no documentaton by the Service to support any business conditions which prohibited the release of stewards nor determinations as to whether reasonable time was given.

Most of these facility grievances were appealed to the region, where the Service's labor representative rendered ambiguous decisions such as:

> "The respective obligation of the parties concerning grievance investigation time is as cited in the National Agreement. The parties acknowledge their joint responsibility to conform with the applicable contractual provisions."

Some facilities we visited, such as Atlanta, North Jersey, and Houston, appear to provide appeal decision feedback to first-line supervisors, while other facilities did not. For example, at the New Orleans Post Office, tour superintendents told us that decision letters on step 2a, 2b, and 3 grievance appeals are either routed to first-line supervisors or discussed with them. However, most first-line supervisors we talked to commented that they are unaware of the disposition of grievances appealed to higher levels. These supervisors felt that feedback pertaining to management's position on a grievance appealed above their level would be excellent training and be beneficial in handling future similar grievances.

According to Service officials, headquarters uses different means to provide feedback to lower levels on step 4 decisions. When a step 4 grievance is denied, reasons for the denial are normally given in the text of the decision letter. If the grievance is sustained or settled, the normal procedure is to call the region involved and follow up with a note to the region and postmaster indicating reasons for the decision. The decision letter does not always contain reasons for the decision.

The distribution of step 4 decision letters is also lacking. Decisions are usually distributed to only the union and the region directly involved in the case. Headquarters relies on the regions to disseminate this information to the facility. As stated previously, we found facilities are not always getting information on higher level decisions.

From June 1977 to December 1978, over 1,146 contractual grievances were resolved at prearbitration--approximately 17 times the number resolved at arbitration. While a significant number of grievances are settled at prearbitration --after the last formal grievance appeal, but prior to arbitration--these settlements contribute little, if any, to

training or problem solving at the lower levels, because the settlement letters do not provide any meaningful information as to why the grievances were settled. Thus, while the settlements expunge the grievances from the system, they do not really solve the problems existing at the lower levels.

Arbitrator decisions not used effectively to clarify contract

The Service has not adequately communicated contract clarifying arbitration decisions to operating levels. In the past, headquarters prepared and distributed to regions, districts, and some facility managers an Arbitration Digest, which summarized and analyzed arbitration awards. However, the Digest was discontinued about 2 years ago due to a lack of manpower and funds.

Since the need to communicate contract clarifying arbitration decisions still existed, headquarters instituted the practice of sending the regions, for further distribution, various arbitraton awards having precedent value or otherwise serving to clarify the contract. We tested the distribution of arbitration awards at some facilities and found they generally were not receiving this information. We believe this situation represents a breakdown in the communication of information important to effective contract administration at the facility level.

Other contract clarifying communication is needed

Throughout our facility visits managers echoed the need for contract clarifying information. In addition to decision results, facility managers are not always receiving such information as national policies and memorandums of understanding. This situation allows or promotes inconsistent contract interpretation and application and, therefore, provides increased opportunity for labor disagreements and disputes.

For example, a major issue causing grievances at some of the facilities we visited is attendance. No national policy on attendance or on disciplining employees for poor attendance has been issued. As a result, some local facilities have instituted absence control programs as a matter of fact but not as a matter of policy, while others have instituted local absenteeism policies of varying stringencies. Thus, the problem of absenteeism is not consistently handled

throughout the Service. For instance, the Houston office does not have a written policy of requiring proof from employees that emergency annual leave is necessary and in fact used for an emergency; yet employees' leave charges to this category have been disallowed because such proof was not provided.

The Beverly Hills office developed a policy that envisions removing employees from the Service in 4 to 6 months if attendance for whatever reason is not deemed by management to be satisfactory. The Miami Office, on the other hand, has no attendance policy, but has instituted what they call an "Absence Control Program", and employees are disciplined when absent from work more than three times for any reason during a 6-month period.

We also found that memorandums of understanding are not always reaching the facility level. These memorandums are extremely important because they clarify the meaning of the existing contract or constitute new or additional union-management agreements on issues. On June 7, 20, and July 6, 1977, for example, the Service and the APWU, NALC, and The National Post Office Mail Handlers, Watchmen, Messengers and Group Leaders Division of the Laborers' International Union of North American (MHU) respectively signed memorandums that expunged counselings from employees' records and eliminated the need for further appeals of grievances on the counselings. Despite the significance of this memorandum, we found that the Flushing and Boston offices had not received it.

In another instance, the APWU local at the Las Vegas office filed a grievance concerning mailhandlers performing clerks' duties, citing a memorandum of understanding as a basis for the dispute. Las Vegas management and the regional labor relations representative informed us that they did not have a copy of the memorandum but "thought" that "something" had been agreed to. They were uncertain what the agreement was and if it was still applicable.

In the past, headquarters prepared a manual entitled the Labor Relations Reporter which was to provide assistance in contract interpretation, application, and administration. However, like the Arbitration Digest, it was discontinued about 2 years ago due to a lack of funds and staffing. We believe both the Reporter and Digest are tools that can communicate meaningful information to enable managers to interpret and apply the contract in a uniform and consistent manner.

AN EFFECTIVE MONITORING AND EVALUATION SYSTEM IS NEEDED

The Service does not have a system which would allow it to identify unclear contract issues, managers deficient in the areas of grievance handling and contract administration, or problems caused by unions. In the absence of such a system, the Service has no objective information on what problems exist at the facility level, and its ability to take corrective action to eliminate the causes is limited.

Although the grievance process can provide valuable information for evaluating the labor-management relationship and contract administration, the Service has not had a formal, systematic method of monitoring grievance activity nor has it conducted field audits at the regional or facility level to identify problems and correct their causes. Headquarters is developing a formal system for monitoring grievance activity at the national and regional levels and plans to have regions conduct field audits as needed. While this is a step in the right direction, more needs to be done to insure the system is used and extended to the facility level.

Management monitoring responsibilities need more emphasis

The Service has delegated major portions of the monitoring responsibility to the regional level, while headquarters has the overall responsibility for "analysis of trends and patterns of the grievance and arbitration process to determine the effectiveness."

In the three regions we visited, we found that the organization and structuring of regional labor relations was not uniform, the required degree of control has not been maintained, and monitoring responsibilities had not been effectively carried out.

As a matter of regional labor relations policy, the Service has stated that:

> "In order to establish a uniform approach to Labor Relations in the Postal Sevice, it is necessary that the organization and structuring of labor relations throughout the Postal Service be uniform and meaningful in order to effectively, efficiently, and economically accomplish the mission of the labor relations function at each level. The longstanding philosophy that there

> will be only one contract and one interpretation can only be realized if the required degree of control can be maintained at the appropriate labor relations level."

Each regional labor relations division is responsible for monitoring its program to identify trends and costs, to provide a focal point for interpretation and analysis, and to insure consistent and effective implementation of national and local labor agreements.

Each of the three regions we visited viewed their responsibilities differently and, therefore, the regional structure for fulfilling them differed. Western region labor relations officials stated they believe that formal systematic monitoring on a facility-by-facility basis would defeat the labor relations program by putting facilities in a competitive role. The region relies on verbal communications from labor relations representatives located throughout the region. These field representatives, in turn, do not perform any formal, systematic monitoring of the grievance system, but rather use their personal judgment. Several field representatives characterized their responsibility as primarily processing grievances with time to put out "fires" only.

Northeast region labor relations officials believe that the integrated monitoring of grievance data, coupled with verbal feedback from field representatives, districts, and facility labor personnel is essential as part of an effective labor relations program. However, regional officials have not been able to institute this type of monitoring system, because their time is almost totally devoted to processing the "horrendous" regional level grievance volume. The region has instituted a computerized system to keep track of regional level processing, but the system is not used for any type of grievance analysis. Regional officials stated that the high grievance volume has forced the region into the role of a "grievance processing factory" with little time for monitoring.

Southern region labor relations officials believe that grievance monitoring is important; however, it is the responsibility of individual districts, not the region. Regional labor relations representatives, who are located at the regional headquarters, believe their role is strictly the processing, not the monitoring of, step 3 grievances.

Headquarters has not formally monitored the regions to insure that their responsibilities are effectively carried out. Headquarters officials informed us that they rely on informal business communications with the regions and the unions to bring problems to their attention. In general, this does not happen until problems become serious situation, at which time greater effort is needed to eliminate the cause of the problem. We believe this informal system is inadequate, because it does not provide headquarters with enough information to identify problems and correct their causes at the lowest possible level.

Grievance monitoring needed at the facility level

Monitoring and grievance analysis at the facility level appears essential, because it is at this level that most problems and grievances originate and their settlements are ultimately implemented. However, little emphasis is currently placed on facility level monitoring. At the present time, there is no uniform system for recording and reporting grievance data at the facility. As a result, the Service does not know the number of grievances filed at step 1 or appealed to step 2 and thus does not have a systematic means of determining which facilities are having problems.

Management officials at some of the facilities we visited recognize the value of grievance monitoring and analysis and have instituted or plan to institute, monitoring and analysis procedures. Some facilities have sufficient information to monitor and analyze grievance activity, while others do not. Thus, facility level monitoring and analysis is not performed in a uniform or effective manner, or it is not performed at all.

In the absence of a uniform system for recording and reporting grievance data, some facilities have developed grievance control logs to maintain control over their grievance volumes. Labor relations authorities believe that such logs are necessary and form the foundation of an effective grievance arbitration evaluation system at the facility level.

A facility grievance control log is an essential tool for keeping track of grievances and analyzing issues, identifying the responsible union stewards and postal managers, controlling time limits, and determining the level at which grievances are ultimately resolved. Although the Service has stipulated many of these requirements in the grievance

handbook, it has not developed or required the use of a uniform control log. Our review at the 15 facilities shows that maintenance of control logs range from nonexistent to excellent.

Service plans to increase monitoring

Postal officials at headquarters said they plan to place more emphasis on monitoring in the future. Beginning in early 1979 regional grievance activity was computerized similar to the national grievance data. Headquarters relies on the regions to analyze this data to identify trends and problems at the facility level. Headquarters officials also plan to conduct field audits at the regional level and hope the regions will do the same at the facility level.

Computerization of grievance activity at the regional level is an improvement, but the data must be analyzed to be useful. Past experience indicates that computerized data at step 4 was not analyzed to identify problems and correct their causes because of the tremendous workload at headquarters. In the past, regional monitoring of grievance activity at the facility level was limited. With the revised grievance arbitration procedures in the 1978 National Agreement increasing the workload at the regions, it may be difficult for the regions to improve their monitoring of facilities.

ACCOUNTABILITY IN LABOR RELATIONS LACKING

The success of the Service's grievance system has been impaired, because postal managers have not been held accountable for obvious and/or continued contract violations, poor grievance handling, and poor labor relations practices or attitudes. Thus, while good grievance machinery is important, such machinery itself will not ensure success. Also of prime importance are the attitude and judgment of the individual managers at the level where grievances can be initiated and should be resolved.

The Service's grievance handbook states that the parties' attitude in handling grievances, probably more than any other aspect of the labor-management relationship, indicates their good faith. The handbook stresses the importance of deciding grievances in a prompt, fair, and reasonable manner and emphasizes that grievance decisions

should not be made in anger or used to "get back" at an employee. These principles are fully supported by labor relations authorities.

The National Agreement places certain conditions and limitations on the way management can exercise its rights, but without adequate training, managers may not know how to exercise their rights without violating the labor contract. Because the Service does not have an effective grievance monitoring and evaluation system and does not always provide feedback to the field on grievance settlements, local managers may not know when and how they violated the contract. In addition, since labor relations practices are not part of a manager's performance evaluation, local managers may consciously ignore the contract restrictions or deny legitimate grievances.

During our facility visits, union officials complained of instances where local management refused to implement grievance decisions or arbitration awards. We also found instances in which local management officials engaged in poor labor relations practices and exhibited questionable labor relations attitudes. A number of labor relations officials told us that they virtually lack any authority to require local management to implement grievance appeal decisions or change adverse labor relations practices and behavior resulting from poor labor relations attitudes.

We found some facility managers' actions ranged from an unwillingness to deal fairly with employees and unions to outright refusal to abide by the National Agreement or higher level grievance decisions. At one facility, for example, the Director of Employee and Labor Relations once refused to hold some step 2a hearings with his union counterpart, because he believed the meetings would serve no useful purpose. When hearings were held, the director arbitrarily limited them to 15 minutes, because he believed the local president was too verbose, talked in circles, and wanted to spend all of his on-the-clock time pursuing union business. The National Agreement requires management at step 2a to meet with the union representative. The Service handbook and labor relations authorities point out that the purpose of such meetings is to allow a full opportunity for a presentation of the grievance.

In another facility, a rash of step 2b and 3 grievance appeals occurred during 1976 and 1977. The situation resulted from local management's hard-line attitude toward labor relations, as reflected in statements to union representatives that "if they did not like what management was doing,

they could go ahead and file grievances." Management conveyed the impression that it would function as it desired without regard for the National Agreement. This attitude constitutes a basic refusal, on management's part, to solve problems before they become grievances, or at least locally after they have been grieved. As a result, grievances that should have been solved locally were passed to higher levels.

We also found instances where local management ignored higher level decisions on sustained grievances. As a result, the union continued to file and appeal grievances on the same issues subsequent to such decisions. For example, in one case involving a grievance filed by NRLCA, the Service sustained the grievance at step 3, but the local postmaster would not abide by the decision. NRLCA subsequently appealed the grievance to arbitration. The arbitrator's award stated that this decision in favor of the union was based entirely on the fact that the Service violated the agreement by not implementing its own decision. In another instance involving MHU, the union filed a suit against the Service because management had refused to correct its practices even after the grievance had been sustained by an arbitrator.

The problem of poor labor relations practices and attitudes also surfaced during arbitration proceedings and elicited arbitrators' comments. For example, in a southern region arbitration case, an employee had received an indefinite suspension with intended removal because he was "believed guilty of a crime for which a sentence of imprisonment can be imposed." The arbitrator found the case to be filled with management indecision and inaction, unexplained delays, procedural shortcomings, and a total disregard for the results of a court action. He ordered the employee's reinstatement with full back-pay covering 1 year and 3 months. In addition to being the most unusual case ever encountered in the administration of discipline, the arbitrator stated that "the record clearly supports the findings that the employer's actions were arbitrary and capricious and without just cause."

Management problems such as these were noted by the Service as early as 1976 and were discussed in a series of management labor relations conferences conducted at various locations throughout the country late that year. Despite the knowledge of these situations and attendant problems, the Service has taken little action to hold facility level managers accountable for their labor relations posture.

CONCLUSIONS

The Postal Service has not established an effective management system for controlling grievance activities. Consequently, as we pointed out in the previous chapter, the grievance-arbitration system has become congested, resulting in higher costs than necessary. The Service needs to do more in certain areas to correct the problems which have hampered progress toward realizing effective overall management control.

RECOMMENDATIONS

We recommend that the Postmaster General:

--Require data collection guidelines and a form to focus supervisors' attention on the documentation needed to provide a basis for informed decisions.

--Adequately staff facilities with qualified personnel in order to resolve grievances in a timely and equitable manner.

--Require labor relations and grievance processing training for all line supervisors, managers, postmasters, and labor relations personnel.

--Reinstitute the Labor Relations Reporter and Arbitration Digest and expand distribution to all major postal facilities.

--Distribute contract interpretive and clarifying information to all major facilities.

--Require that grievance decisions provide the rationale for the decision.

--Use planned labor relations and grievance process evaluations to identify and correct facility level problems and contract administration deficiencies.

--Require facilities to use grievance control logs for tracking grievances through the system and for identifying problems.

--Evaluate postal supervisors, managers, and postmasters on their labor relations performance and take appropriate action, such as training or reassignment, when problems are identified.

AGENCY COMMENTS AND OUR EVALUATION

The Postal Service advised us that the current labor agreement provides for a number of procedural changes along the lines recommended by our report, and the Service has made making a number of administrative improvements. The specific actions taken or proposed by the Service on each of our recommendations are included in appendix III.

The Service believes that, taken together, the procedural and administrative changes will significantly improve the grievance arbitration system. When fully implemented, we believe that these changes will give the Service greater management control over grievance activities, leading to more effective labor-management relations.

The Service also pointed out that it has no control over the number of grievances the unions may choose to file or appeal, but it would continue to work cooperatively with them on these matters.

CHAPTER 4

MORE UNION/MANAGEMENT COOPERATION NEEDED TO IMPROVE PROBLEM RESOLUTION

Both postal and union officials have been working toward the mutually desired goal of a more effective labor-management relationship. We visited postal facilities where local postal managers and union representatives apparently had an excellent working relationship. We also visited facilities where the other extreme prevailed. At some of the latter facilities, the local unions were lessening the effectiveness of the grievance-arbitration system by initiating and appealing unwarranted grievances, thereby contributing to an adversary relationship.

The organization and political nature of the APWU, NALC, and MHU limit their control in insuring that only warranted grievances are initiated and appealed to higher levels. More effective labor relations training by unions would help. In addition, a more cooperative relationship between unions and postal management at the national level is needed to identify facilities where problems exist so that unions and management can work together to improve labor relations at those facilities.

UNION RESPONSIBILITIES

Postal unions play an important role in the labor-management relationship by using the grievance-arbitration system as a means of policing management's administration of the contract and working toward a peaceful resolution of conflicts. The union representative acts as an overseer and an advocate in grievance administration. Since unions are legally obligated to fully and fairly represent all employees whether or not they are members, representatives must not discourage complaints or otherwise impair the pursuit of a case because of an affected employee's membership status.

While it is the union representative's responsibility to represent any complainant in the bargaining unit, it is also the representative's responsibility to screen complaints on a case-by-case basis and to weed out those that lack merit. The pursuit of unmeritorious grievances can be a disservice to all parties involved and to the union as an

organization. This problem can be minimized if union representatives make it clear to employees that the grievance procedure is not a panacea for all job-related and/or personal difficulties.

Unnecessary and repetitive grievances can also be avoided by consolidating grievances on a similar issue at the lowest point possible in the grievance process or by filing a class action grievance which will apply to all affected employees. These techniques can settle labor problems affecting many employees and thereby reduce the number of grievances in the system, shorten grievance processing time frames, assure more consistent contract application, and reduce associated grievance processing and labor relations costs. The Service and unions apparently recognize the value of consolidating grievances, since the 1975 agreement included a provision for accommodating class action grievance at the local levels. The parties also signed a memorandum of understanding which provides for processing one grievance at the regional level as representative of other similar grievances of record, the outcome of which will be applied to all similar grievances in question.

UNION AND MANAGEMENT COOPERATION HAS CONTRIBUTED TO EFFECTIVE LABOR-MANAGEMENT RELATIONS AT SOME FACILITIES

We found some instances in which the cooperative attitude of union and management officials had resulted in an effective labor-management relationship. At Portland, for example, management's "open door" policy resulted in Service and union officials getting together at almost any time to discuss and attempt to resolve problems informally. At Flushing the Postmaster emphasized resolving labor problems before a grievance was filed and he also had an "open door" policy with the unions.

Service managers were able to demonstrate their desire to be fair and equitable. Unions were able to obtain status and recognition from management, since Service officials were willing to listen and try to resolve their labor problems. The unions reacted favorably to management's cooperative attitude by working with management to solve their problems.

The existence of good labor relations attitudes and perceptions is also shown by the comments of local officials. The Flushing APWU president said low level resolution was being achieved because of the good working relationship and

concern for fairness by both sides. At Portland, NALC and MHU officials said they had a good relationship with management. Service officials at these two facilities said they believed in trying to solve labor problems either informally or at the lower steps and believed they had established good relationships with the unions.

Another example of cooperative efforts by local officials resulted from a National APWU study that was undertaken at the Denver Post Office in 1976 because of a concern over the tremendous volume of appeals to the highest steps. The study found little or no informal dialogue existing between Denver unions and management. Subsequent to the study, local union and management officials worked together in solving problems informally, and the formal grievance rate dropped significantly.

The national union informed us that the cooperative working relationship was only temporary. The situation has since reverted to what it was before the study.

SOME UNION REPRESENTATIVES ABUSE GRIEVANCE SYSTEM

Certain local unions have apparently elected to ignore the class action and representative grievance avenues available for reducing grievance volumes. Some unions also continue to file what appear to be repeat, petty, and/or frivolous grievances. Thus, some local unions use the grievance-arbitration system as a means of harassing management, which diminishes the time and effort available to handle truly deserving grievances.

The Hartford facility, with 1,126 APWU bargaining unit employees, provides a good example. During 1977 the local APWU flooded the grievance system by appealing about 3,045 contractual grievances to the regional level. This grievance activity is almost as high as that for the entire Western Region--3,487 APWU regional appeals for 53,715 APWU employees during the same period. Ninety-nine percent of Hartford's regional appeals were subsequently denied. Many of these grievances appear to be irresponsibly appealed. For example, 348 grievances were filed because management instituted a policy to insure that stewards would not disrupt employees during critical work times and that the whereabouts of stewards and grievants would be known. It appears that one or two grievances should have sufficed to test this policy's validity.

The Hartford union's lack of commitment to an effective grievance system is further exemplified by its actions on 709 individual grievances which were filed in 1977 on the 4 issues shown in the following table.

Issue	Number of grievances
Management's refusal to install locker-room door windows	219
Use of nonbid clerks and casuals to work pouch racks instead of their bid jobs	195
Management's denial of grievant's request to work airmail section, using two overtime clerks instead	133
Management's refusal to post a new bid position--and pay clerks back pay	162
Total	709

The 709 grievances were denied by management but submitted to arbitration by the APWU. Since the four issues concerned "repeat grievances," it was agreed at the arbitration level to select the first grievance filed on each issue to serve as the representative grievance to be heard.

An arbitration hearing was scheduled for May 23, 1978, but the APWU failed to appear. The arbitrator was authorized to proceed since the APWU failed to obtain an adjournment. A hearing was held, and management presented evidence and arguments concerning the four issues.

The arbitrator, in an attempt to make an appropriate award by providing the APWU an opportunity to present its position, requested the APWU to submit a written substantiation of its grievances before June 15, 1978. The arbitrator received no explanation or other communication from the APWU. Local APWU officials informed us that the issues were certified and scheduled for arbitration by the national union and, therefore, should have been handled at that level. The national union, however, informed us that the local union was responsible for the arbitration hearing. In the absence

of union representation, the arbitrator had to decide the issues on the basis of management's presentation; therefore, he denied the four grievances. Hartford management estimated that the APWU filed another 1,000 grievances on these 4 issues in 1976 and between January and May 1978.

Both parties at Hartford agree that the situation constitutes open warfare between management and the union. Union officials told us that the large volume of grievances is necessary to get management to recognize the union and the importance of the issues being grieved, and to abide by the contract and prior grievance decisions that were favorable to the union. Management officials contend that the union's "philosophy" is to harass management by any means at their disposal with no intention of letting up.

In our view, the union in this situation has abused their contractual right to grieve conditions of employment. Instead of using the grievance system to channel legitimate conflicts into an institutional mechanism for peaceful resolution, the union files repetitive grievances and appeals, many of which are on frivolous issues. In addition, by not consolidating grievances early in the system, unnecessary grievance processing costs are incurred.

Situations at other facilities also indicate grievance system abuses and poor attitudes by some local union officers. For instance, the Las Vegas APWU local simultaneously files Equal Employment Opportunity (EEO) complaints, grievances, and unfair labor practices on the same issues. At Miami, the NALC filed many repeat grievances on issues already appealed to step 3 and denied at that level, rather than waiting for the initial grievance to complete the grievance process or accepting the step 3 decision.

ORGANIZATION AND POLITICAL NATURE OF UNIONS IMPEDES GRIEVANCE PROCESSING

Service and union officials agree that some union representatives are appealing many repeat, petty, and frivolous grievances which add unnecessary grievances to an already overburdened system, thus increasing costs and diminishing union and management resources available to handle truly deserving grievances. We believe this situation exists because of the political nature of the unions and their inability to control their locals.

While the organization and constitution of each union differ, most union officers and other representatives such as stewards at local, state, and national levels, are elected. Because of the nature of the elected offices, politics exist at all levels but are especially prevalent at the local level.

Many local stewards are elected and, with the exception of the National Rural Letter Carriers Association (NRLCA) report to elected local presidents. NRLCA local stewards report to appointed state stewards. Because of the politics involved, stewards and local presidents are apt to file and appeal grievances, regardless of merits, to please their members or to gain their votes. Unmeritorious grievances are also filed and appealed by unions to avoid the possibility of unfair labor practice suits by members for inadequate representation. Although national union officials could not tell us the exact extent of politically inspired grievances, they admit that the number may be large enough to have a significant impact on the system.

According to union officials, postal unions, by virtue of their membership structure, are generally very democratic and loosely controlled organizations. With the exception of NRLCA, national unions have little or no control over local unions. For example, although the 1975 National Agreement states that a request for arbitration must be certified and approved by the national union president, this process has virtually become automatic with NALC and MHU. Because of the large number of disciplinary cases appealed to arbitration and the time limits to be adhered to, the two national unions seldom had time to review them before they are certified for arbitration. The extent of review and control of contractual cases varies among unions. The NRLCA and NALC national unions usually review each contractual case of step 4 and make the final decision on whether it should be appealed to arbitration, but NALC's decision appears to be more susceptible to large local union influence. However, local unions may disregard the national's recommendation and insist on taking cases to arbitration as long as the locals pay the arbitration fees.

Because of their lack of control over locals, national unions generally can only try to convince their locals to take certain actions. They have no power to force locals to do anything, since locals can threaten to support different candidates for national office.

GREATER UNION EMPHASIS ON TRAINING MAY HELP

Each union provides training on the grievance-arbitration process. However, the effectiveness of the training varies because of the nature of the training programs and the union organization. It appears the training could be more effective if unions make their courses mandatory for all union officials responsible for handling grievances.

Training is not mandatory in any of the unions. The NALC and NRLCA train regional or state representatives who in turn train local representatives. The APWU and MHU training is available to local representatives. All unions conduct some classroom training. The APWU also has a self-study program.

NALC officials believe that their training is very good, and most of their stewards and local presidents are well trained. APWU officials told us that all field offices and some state and local unions have purchased their training packages. However, because of high turnover of stewards and the self-study approach of the training, union officials are uncertain about its effectiveness.

MHU officials believe that their training is adequate; however, they are uncertain about how much of it is absorbed by participants. NRLCA officials believe that their training is effective for several reasons. Because their state steward's sole responsibility is to review and appeal grievances, and because they are appointed instead of elected, they are highly motivated to master their jobs. In addition, the national union has control over local and area stewards. This enables the unions to effectively screen and process grievances throughout the system.

CONCLUSIONS

The grievance-arbitration system cannot be fully effective unless all parties work together to make it so. Postal unions could do more to minimize irresponsibile grievances filed by local representatives and work more closely with postal management to restore good labor relations at trouble facilities. If training programs were made mandatory and responsible grievance handling were made a condition of continued stewardship or office, those individuals involved in the grievance process would possess sufficient knowledge for proper grievance handling and have the necessary incentive to properly apply that knowledge.

UNION COMMENTS AND OUR EVALUATION

This chapter in its entirety and certain portions of chapter 2 dealing specifically with union activities were sent in draft to each of the four national unions for review and comment. Written comments were received from the APWU, NALC, and NRLCA and are included in appendixes IV, V, and VI, respectively.

The unions' major concern was the absence of any criticisms of postal managers in the report segments we sent them. They emphasized that, generally, local postal management, rather than the unions, sets the tone for labor-management relations.

The unions' concern is understandable since they were not given the opportunity to review portions of the report which dealt with Service activities. We believe that we have adequately addressed most of the points raised by the unions on Service activities in the overall report.

With respect to our comments on the large volume of grievances in the system, the APWU pointed out that contractual language changes in the 1978 National Agreement and its recent efforts to clear up the grievance backlog have been successful in substantially eliminating the system's congestion. The NALC also pointed out the additional steps it has taken to eliminate the congestion and prevent a similar occurrence in the future.

THE APWU objected to our use of the words "petty" and "frivolous" to characterize grievances. They said that while some grievances are obviously more meritorious than others, the union cannot consider any grievance petty or frivolous. Although the national union may be reluctant to admit that some grievances are "petty" or frivolous, local representatives candidly refer to some of their grievances in those terms and worse.

The APWU also pointed out that with respect to our conclusion on mandatory training for union representatives, it would be impractical and probably impossible for the APWU alone to impose mandatory training as a condition for holding a union office or position. According to the APWU, such a change would require an amendment to their national constitution and be prohibitive from a cost standpoint due to constant turnover of local officers and stewards. While it may be difficult to make training mandatory as a condition of holding office, we believe more can be done by some unions to assure that local representives take advantage of available training.

CHAPTER 5

SCOPE OF REVIEW

We assessed the grievance-arbitration system under the provisions of the 1975 contract which expired on July 20, 1978. However, we also evaluated changes to grievance arbitration system under the negotiated 1978 contract. Our work was performed at Postal Service Headquarters, 3 of 5 regional offices, and 15 postal facilities. The regions and facilities visited are:

Regions and Facilities

Western	Southern	Northeast
Oakland, CA	Miami, FL	Flushing, NY
Pasadena, CA	Atlanta, GA	North Jersey, NJ
Beverly Hills, CA	New Orleans, LA	Boston, MA
Inglewood, CA	Houston, TX	Hartford, CT
Santa Monica, CA		
Las Vegas, NV		
Portland, OR		

To obtain a divergence of labor relation situations, we selected the regions and most of the facilities on a judgmental basis after consultation with the Service. The 15 postal facilities included 8 Management Sectional Centers, 4 Sectional Center Facilities, and 3 Post Offices. These facilities accounted for about 8,200, or 19 percent of the 43,000 1977 regional level appeals, and represent 38,000 of the 533,000 1977 bargaining unit employees.

In addition to studying the Service°s grievance-arbitration system, we consulted with individuals familiar with labor relations and grievance systems, and we reviewed contracts and manuals used in other systems to determine the nature of efficient and effective grievance systems and union-management relationships.

SUMMARY OF CLOSED CASES
1/01/77 to 7/31/78

Nondiscipline Cases	Unions				Total	
	APWU	NALC	MHU	NRLCA	Number	Percent
Contractual						
Arbitrated	39	18	2	8	67	2.9
Withdrawn	899	178	17	41	1135	48.3
Settled	950	149	18	29	1146	48.8
Total	1,888	345	37	78	2,348	100.0
Removal						
Arbitrated	288	215	41	6	550	49.7
Withdrawn	166	174	26	2	368	33.2
Settled	93	77	7	12	189	17.1
Total	547	466	74	20	1,107	100.0
Non-Removal						
Arbitrated	570	1,094	53	6	1,723	34.5
Withdrawn	654	630	46	8	1,338	26.8
Settled	768	1,124	35	6	1,933	38.7
Total	1,992	2,848	134	20	4,994	100.0

SYNOPSIS OF LABOR RELATIONS TRAINING COURSES

1978 TRAINING COURSES

Labor Relations Management (Management Action Series)

This course covers such topics as feedback and communications, management/union relationships, the labor movement, discipline procedures, grievance arbitration procedures, negotiations, and national and local agreements. The course is mandatory for all newly promoted labor relations professionals, managers, and postmasters within 6 months of their promotion. The course was offered three times in 1978 to a total of 23 people.

Arbitration Advocacy

This course taught labor relations professionals how to research, develop, and present cases for arbitration hearings. The course was initiated by the Postal Service and designed and conducted by the American Arbitration Association. It was offered on a very selective basis to groups of 20 people eight times between October 1977 and April 1978. The course was a one-time engagement which is no longer offered.

Other courses

There are about 36 other Management Action Series courses covering various subjects offered to newly promoted supervisors and managers in such areas as Delivery Services, Customer Services, and Safety Management. These courses last 3 weeks and devote 8 hours each to labor relations.

TRAINING COURSES BEING DEVELOPED

Employee and Labor Relations Management (Management Action Series)

Similar to Labor Relations Management except that it will be on a more sophisticated level. The course will be mandatory for all newly promoted managers in Employee and Labor Relations. It will last 3 weeks and will be offered about 5 times a year to groups of eight people.

Labor Relations Management
(Management Training Series)

This course covers the history of the labor movement and labor law, contract analysis, grievance handling, representation, discipline, arbitration, dealing with employees and union representatives, and local implementation and negotiation. This course has been developed at headquarters and will be released to the field after changes are made pertaining to the new National Agreement.

The course is a self-study course and will be given at the Personnel Employee Development Center at the individual facilities. It will be voluntary and will be available to anyone interested in taking it. Estimated time required to complete the course is 10-25 hours.

New contract training

A movie and set of 80 slides have been developed to assist in training for the new National Agreement. Orientation to the new contract will be provided by headquarters Employee & Labor Relations to regional directors. The regional directors would then be responsible for training the people in their region.

THE POSTMASTER GENERAL
Washington, DC 20260

October 10, 1979

Dear Mr. Voss:

Thank you for the opportunity to comment on your proposed report entitled "Improved Grievance-Arbitration System: A Key to Better Labor Relations in the Postal Service."

The report recognizes that formal grievance-arbitration is comparatively new to both postal managers and postal unions and that thousands of separate locations and tens of thousands of individuals are involved in the grievance-arbitration system. At some locations, excellent working relationships have been established and the system works well. At some others, relationships have been poor and grievances and appeals have been generated needlessly, overburdening the system and creating unnecessary costs for both management and the unions.

Most of the situations discussed in the report occurred under our 1975-78 labor agreement. Our current labor agreement provides for a number of procedural changes along the lines recommended by your report and the Service itself has been making a number of administrative improvements. Taken together, they address each of the report's nine recommendations which we believe will significantly improve our grievance-arbitration system.

1. Data Collection Guidance

   The 1978 National Agreement requires supervisors and union representatives to fully develop information relevant and material to grievances. Forms are being developed to be used at each step in the grievance procedure to insure that data is collected and adequate documentation is maintained in the grievance file.

2. Staffing

   Staffing levels will be periodically reviewed and adjusted where necessary.

3. Training

We have been inserting units on labor relations in our training programs for various types and levels of management and we will re-examine the need for the expansion of such training, including additional material on grievance processing.

4. Reinstatement of Labor Relations Reporter and Arbitration Digest

5. Distribute Contract Interpretive Information

We have reinstituted the Labor Relations Reporter and Arbitration Digest. The Labor Relations Reporter will include policy interpretations of the provisions of the 1978 National Agreement, applicable Memorandums of Understanding, interpretations stemming from key arbitration cases, as well as interpretive Step 4 decisions.

6. Rationales for Decisions

Article XV of the 1978 contract requires that grievance decisions provide the rationale for each decision. Decisions received to date at the Step 4 level indicate that there is a substantial improvement in this regard.

7. Identifying and Correcting Problem Areas

We have installed a new computerized monitoring system to audit the grievance-arbitration procedure which will help us identify problem areas and take appropriate action.

8. Tracking Grievances

A national reporting system has been developed for identifying grievances filed at Step 1 and appealed at Step 2. The system has been installed nationally effective at the beginning of Fiscal Year 1980.

9. Evaluate Managers' Labor Relations Performance

Supervisory effectiveness in the labor relations area is an inherent part of our present performance evaluation system. The computerized reporting and monitoring system mentioned in 7 and 8 above will help us identify problem areas and permit us to focus attention on supervisory performance in labor relations matters.

As the report makes clear, management has no control over the number of grievances the unions may choose to file or appeal, nor can it require union representatives to avail themselves of simplified techniques such as the consolidation of grievances. However, we shall continue to work cooperatively with the unions on these matters.

Sincerely,

William F. Bolger

Mr. Allen R. Voss, Director
General Government Division
U. S. General Accounting Office
Washington, DC 20548

American Postal Workers Union, AFL-CIO
817 14TH STREET, N. W., WASHINGTON, D. C. 20005

October 12, 1979

Allen R. Voss, Director
General Government Division
U.S. General Accounting Office
441 G Street N.W. - Room 3866
Washington, D.C.

Dear Mr. Voss:

On October 1, you furnished the American Postal Workers Union with a draft of portions of your office's report entitled "Improved Grievance Arbitration System: A Key to Better Labor Relations in the Postal Service." The cover letter, which accompanied the draft, invited our comments.

We have reviewed the document presented to us and the attachment to this letter will provide you with our written comments on specific points with which we disagree. We have also provided supplementary information relative to some statements and/or points of fact which have changed significantly during the period of time since the GAO's study was undertaken. Where no remarks are noted for a specific page, you may assume that we are either in agreement with your report or have no additional comments to make.

Sincerely yours,

Emmet Andrews
General President

EA:mr
opeiu #2
afl-cio

attachment

GAO note: Page references in all agency comments were revised to correspond to pages in the final report.

COMMENTS

IMPROVED GRIEVANCE ARBITRATION SYSTEM

A KEY TO BETTER LABOR RELATIONS IN THE POSTAL SERVICE

PAGE 7

It is true that initially the grievance procedure, insofar as backlog was concerned, went from bad to worse. The APWU has been sucessful in substantially eliminating that problem through the Union's "Operation Cleanup". Further, new contractual language in the 1978 - 1981 National Agreement is designed to prevent such backlogs from occuring in the future. At the time this investigation was undertaken by the GAO, a number of individual locals were filing excessive numbers of grievances. That problem has been virtually eliminated.

PAGE 9

The report states that the Unions are "overwhelmed with grievances". Once again, the APWU's "Operation Cleanup" and the new language in the current contract has rectified that problem to a large extent. During the early stages of implementation of the grievance/arbitration procedure, we were also hampered by an insufficient number of arbitrators to hear the cases pending arbitration.

PAGE 10

The report states that time limits for processing grievances at the various steps are rarely met by management. This was certainly true in the past and continues to be a problem, though the problem is decreasing as the procedures of the 1978-1981 contract are implemented.

PAGE 12

At the time the GAO began its report, the estimate of six years to clear up the backlog was probably accurate; however, as a result of "Operation Cleanup" and new contractual procedures, this is no longer true.

PAGE 41

While it is true that some Locals filed repetitive grievances, in many instances this was done to force management to focus attention on contract violations that had been allowed to continue, unchecked by management, for long periods of time.

PAGE 41

The APWU would like to emphasize the first three words at the top of this particular page, "consistent Contract application".[1/] In too many instances, top level management renders a precedent-setting decision which should be applicable to the entire Postal Service; however, such decisions are adhered to in some sections of the country and totally ignored in other sections by regional and/or local management officials.

PAGE 42

The pilot program instituted by the APWU in Denver proved a success only for a limited period of time. A change in postmasters has taken place and at present the situation has reverted to what it was before the pilot operation.

1/The three words referred to here now appear on line 8 of the first full paragraph of the page.

APWU COMMENTS - PAGE 2

PAGE 42

The APWU objects to the use of the words "petty" and "frivolous" to characterize grievances which involve the hours, wages and working conditions of those employees we represent. While some grievances are obviously more meritorous than others, the Union cannot consider any grievance petty or frivolous.

PAGE 43

The arbitration hearing referred to was for a case being arbitrated by the Hartford Local. The APWU at the National Level was not involved in, or responsible for, the presentation of the case. Local Union officials did not appear for the hearing as they stated that they had insufficient time to prepare for the hearing.

PAGE 44

The "open warfare" conditions which exist at Hartford would be alleviated to a great extent if management in that office would adhere to the provisions of the National Agreement and the precedents set by management decisions rendered in previous grievances. In addition, the APWU objects, as we noted in our comments on page 74, to the use of the word "frivolous" to characterize any grievance.

PAGE 44

At the top of the page the report refers to grievances which are repeatedly processed to Step 3 of the grievance procedure when identical grievances have already been denied at that step.[1/] The Step 3 decision does not represent the final adjudication of any grievance. The APWU has, and will continue to exercise, the right to contest any management decision which it considers to be in violation of the National Agreement.

Insofar as political influences are concerned, the APWU is well aware that politics plays a role in the grievance procedure. The report states that the Unions are unable to control their Locals because of internal politics. What excuse does postal management have for not being able to control their officials in the field who blatantly ignore precedent setting decisions rendered either by arbitrators or by representatives at USPS Headquarters?

PAGE 45

What is the GAO's precise definition of "politically inspired grievances"? Cannot excessive numbers of "politically inspired grievances" be compared with the many thousands of bills which are annually filed by members of the United States Senate and House of Representatives?

The APWU takes issue with the statement that "Because of the large number of disciplinary cases appealed to arbitration and the time limits to be adhered to, national unions seldom have time to review them before they are certified for arbitration." This has never been the case, disciplinary grievances have been automatically referred to arbitration when received at APWU Headquarters, but they are not certified for arbitration until after a national officer has

1/The discussion referred to now appears in the third paragraph of the page.

APPENDIX IV

reviewed the file. Those grievances which lack merit or proper documentation are not certified for arbitration by the National Union and are closed unless the Local Union decides to proceed to arbitration. 1/

PAGE 45-46

The study implies that the American Postal Workers Union does not conduct classroom training. This, of course, is not true. We do conduct classroom-type training, regularly, in the form of seminars. 2/

This classroom training is in addition to the package we have developed in the audio-visual programs. In addition, we provide staff training for our national, full-time and part-time officers in the area of Teacher Training, Safety and Health and Arbitration Procedures and Techniques.

Written material has been developed with workbooks and instructor's guides both of which are very comprehensive and designed to allow local and state officers to conduct Basic and Advanced training in the area of grievance processing.

PAGE 46 - CONCLUSIONS

While the report only addresses itself to mandatory training for Union officials, the APWU certainly feels that any system of mandatory training should be mandatory on the part of both parties involved in the grievance/arbitration procedure. While Union officers and stewards may be unsophisticated and relatively untrained in labor-management relations, in general, and grievance processing in particular, it is also true that management at both the local and regional levels is equally untrained and unsophisticated in these functions.

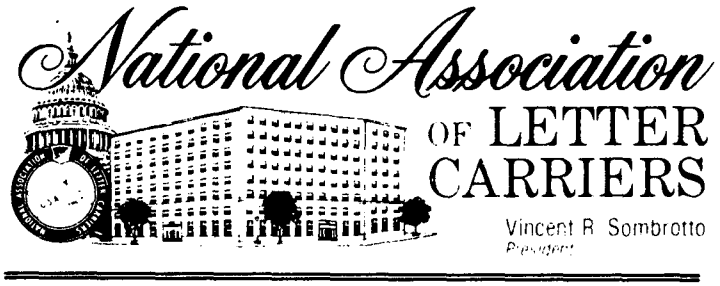
Should such mandatory training ever become fact rather than fiction, it would be necessary for the Postal Service to provide training time for Union officials on the clock, just as the USPS would do for its management personnel.

It would be impractical and probably impossible for the APWU alone to impose mandatory training as a condition for holding a Union position as an officer or steward. The current autonomy granted our Locals by the APWU National Constitution automatically prohibits the National Union from imposing such conditions on its local leadership. A change in the National Constitution would require a two-thirds majority vote of the delegates in attendance at our Biennial National Conventions. Inasmuch as the delegates are generally the officers and stewards in question it is extremely unlikely that a Constitutional change affecting Local autonomy would be passed by the necessary majority. In addition, the cost to the APWU of such mandatory training would be prohibitive in terms of actual money spent and the constant turnover in officers and stewards due to Local elections, resignations, promotions to management, etc. would both increase the cost and reduce the effectiveness of such training.

1/Report text changed to show that disciplinary grievances are reviewed by a national officer before being certified for arbitration.

2/Report text changed to recognize that the APWU conducts classroom-type training.

Tony R. Huerta
Francis J. Conners
Gustave J. Johnson
Ronald L. Hughes
Joseph H. Johnson Jr
William M. Dunn Jr



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October 10, 1979

Allen R. Voss, Director
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Voss:

The excerpts of the draft report "Improved Grievance Arbitration System: A Key to Better Labor Relations In The Postal Service" enclosed with your letter of October 1, 1979 indicate an awareness of the existence of the problem of grievances and arbitration in Postal labor relations, but a curiously one-sided approach to its solution.

The report's emphasis on the "political" aspect of local union representative's approach to grievances is misplaced. This is curious, because interspersed throughout the narrative blaming over-zealous union prosecution of grievances, there is lurking recognition of the fact that it is local management that sets the tone for the labor-management relationship. Thus, at pages 40 and 41-42, it is noted that, where local management has adopted an "open door" policy, demonstrating "their desire to be fair and equitable", the relationship was good. Did it not occur to the draftsmen of the report that a poor relationship, evidenced by a flood of grievances, was more likely than not a response to a "closed", hostile environment, promulgated by management?

Generally speaking, local union officials function in a reactive mode, responding to management initiatives. Thus, it is invariably management that sets the tone of the relationship. One should not be surprised when a group of workers -- and, perforce, their local representatives responding to their needs -- react negatively to a destructive, negative, thrust.

The Report notes (p. 9) a January, 1979 NALC pronouncement of "a system of priority ranking and accountability will be instituted so that continued submission of frivolous or unnecessary grievances will be counter-productive."

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POSTAL TELEPHONE TELEGRAPH INTERNATIONAL

APPENDIX V

In my recent report to the Executive Council last month (reprinted in The Postal Record, mailed to all 225,000 members), I stated as follows:

It has become clear that there must be a separation of function in the handling of the thousands of backed-up grievances and arbitrations pre-dating 1979, and those which are arising under the new procedure. Our initial effort to cull out of the 6,000 left-over cases those with little or no merit and to process them accordingly has met with partial success, but there is much to be done. We must not permit the same policy of accumulation and benign neglect to infect current grievances.

It is increasingly apparent that the overwhelming majority of cases must be processed to a *conclusion* at the regional level. Except for a *very few* cases involving national interpretative issues, cases will be handled from start to finish in the Regions. The NBA's and their assistants have the knowledge, experience and ability to deal with these matters. They are closer to the grievants, Branch leaders, local and regional management, and the facts. Consequently Branch Officers should direct questions pertaining to grievances to their NBA's and should not contact National Headquarters on grievances and related contract administration issues.

NALC can no longer tolerate the past tendency of relegating thousands of cases to certain oblivion by bucking them up to national headquarters where they simply languished in file cabinets. The 1978 Contract provides the mechanism to deal with the problem—through regionalization. All that is now required is that we have the will—and the resources—to carry it out.

The Contract Administration Unit will carefully review each and every case certified to arbitration by NBA's for national-level discussions at Step 4, and will accept only those which are appropriate. While there will doubtless be some variation in certification statistics in the various regions due to local conditions—including the practices of local management—any unusual deviation from the expected norm of very few certifications will be monitored especially closely. Our sole objective will be to restrict national processing **only** to those cases of widespread and major significance. Only in this way can we utilize the very few National Arbitrator dates available to us—while at the same time disposing of the many legitimate grievances which have heretofore been ignored.

Obviously, if NALC is deal with these grievances at the regional level, the resources to do so must be available.

While at first blush it might appear that these cases will represent an entirely new drain on NALC's resources (because the cases were never before really processed to a conclusion), that is not a truly necessary conclusion.

The fact is that many of these cases should be resolved—through settlement or withdrawal—before certification to arbitration. In the past, there has doubtless been the tendency to pass many of these cases along to the national office for ultimate disposition (or nondisposition) at that level. Since it is absolutely clear that the NALC is in no position to arbitrate thousands of additional cases every year, it is equally clear that we must make every effort to reserve for that process only those grievances which have merit and relative significance.

Thus, it will be expected that at the regional level an intelligent and realistic assessment of every grievance will be made and a sense of balance and priority will prevail. It also will be expected that NBA's will monitor the decision-making process on the local level so that Branches will make the same intelligent and realistic assessment. While it must be emphasized that NALC will be prepared to fight every meritorious grievance to arbitration if necessary, it must also be acknowledged that it **is economically and physically impossible to do so unless we screen out the inappropriate cases.**

Allen R. Voss
October 10, 1979
Page three

I have not seen a comparable mandate from USPS headquarters to their regional and local management. I have not seen a warning to local supervisors who seem to thrive on confrontation and harassment that these attitudes are counter-productive and will not be rewarded. Rather I have seen that these local martinets seem to be rewarded and promoted with regularity, wearing their unfair labor practice charges on their lapels as if they were medals.

I suggest that a credible mandate to local management, clearly expressed and followed-up, demanding that they act towards employees with decency, affording them dignity, respecting their elected representatives, attempting in an open manner to resolve their legitimate grievances in a fair way, would go much further towards improving labor management relations, reducing grievances and related costs, and improving the quality of service to the public, than any "training program". Union representatives don't need training in how to handle grievances; management needs instruction and training in how to deal with employees, and their union representatives, in order to avoid grievances.

I am available to discuss the draft report further, if you believe it would serve any useful purpose.

Sincerely,

Vincent R Sombrotto

Vincent R. Sombrotto
President

VRS:br
opeiu #2

cc: William F. Bolger, Postmaster General

APPENDIX VI

NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

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October 23, 1979

Mr. Allen R. Voss, Director
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Voss:

You recently provided this office with copies of the draft of a proposed report on Improved Grievance Arbitration System for our review and comment. You indicated you would be interested in any views or comments we may have regarding this draft report. You also requested that written comments be provided within fourteen days.

Due to other pressing matters, the fourteen days passed before I had the opportunity to submit our comments regarding the draft report. I trust our comments will not be too late.

With reference to Page 40 of your draft report, we feel the Postal Service is not cooperating in identifying problem areas and problem managers, also taking corrective measures to eliminate the cause in facilities where constant problems and grievances arise.

On Page 45 of your draft report, the statement at the bottom of the page seems to imply that our locals, too, can insist on taking cases to arbitration as long as the locals pay the fee. This is not so in the grievance-arbitration structure of the National Rural Letter Carriers' Association. You may have corrected this implication at the top of Page 46, however we feel the language could be more clearly defined so that no one has the impression that our locals can insist on taking cases to arbitration as long as they pay the fee.

These seem to be the only areas we have any problems with in your draft report.

With kindest personal regards.

Sincerely,

Dean King

Dean King
President

DK:mlb

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