

**Audit of
Milwaukee County
Employee Grievance Process**

March 2003

Committee on Finance and Audit

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March 10, 2003

To the Honorable Chairman
of the Board of Supervisors
of the County of Milwaukee

We have completed an audit of the employee grievance process. The grievance process is the formal mechanism used to resolve complaints by union represented employees alleging a violation of a collective bargaining agreement. The process is defined by the eight labor agreements currently in place within Milwaukee County.

Our report indicates that the grievance process for represented employees can be a time consuming and costly process. A formal centralized and coordinated County-wide management strategy to address grievance issues is not in place.

A management response from the Department of Administrative Services is included as Exhibit 5. We would like to thank key human resource managers throughout the County, the Department of Administrative Services, Corporation Counsel and representatives of District Council 48 for their cooperation in this review.

Please refer this report to the Committee on Finance and Audit.

Jerome J. Heer
Director of Audits

JJH/cah

cc: Milwaukee County Board of Supervisors
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Charles McDowell, Director, Division of Human Resources
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Audit of Milwaukee County Employee Grievance Process

Table of Contents

Summary.....	1
Background.....	4
Audit Sections:	
Section 1: Represented Employee Grievances.....	9
Section 2: Reasons for Increased Grievance Filings.....	19
Section 3: Conclusions and Recommendations	22
Exhibit 1 Audit Scope.....	26
Exhibit 2 Flowchart of Employee Grievance Activities and Processes	27
Exhibit 3 Grievance Initiation Form	29
Exhibit 4 Survey of Other Jurisdictions' Labor Relations Data	30
Exhibit 5 Department of Administrative Services Response.....	32

Summary

This is an audit of the employee grievance process. The grievance process is a series of steps by which over 5,000 represented County employees resolve complaints that allege a violation of a collective bargaining agreement. The process functions within a framework of regulations, policies, rules, collective bargaining agreement provisions, collateral agreements, past practice and arbitration decisions. The initial steps in the process are carried out on a decentralized basis throughout various County departments.

The County's Labor Relations function, recently established as a section of the Human Resources Division within the new Department of Administrative Services, is charged with the general responsibility of administering all collective bargaining agreements. This responsibility includes reviewing all department grievance actions that are appealed. Labor Relations may render a decision on the grievance appeal or facilitate a resolution. Any denial by Labor Relations of a grievance appeal can be challenged by union officials and advanced to binding arbitration – the final step of the grievance process.

Audit Objectives

Our audit objectives included an examination of the intent of the grievance process, the cost implications of current trends in Milwaukee County labor relations, reasons for increased grievance filings and an exploration of ways in which both the effectiveness and efficiency of the grievance process can be enhanced.

Trends in Grievance Filings

While the number of union represented employees decreased by 592 (10.1%) from 5,842 in 2000 to 5,250 in 2003, the number of written grievances filed annually has nearly doubled, from 264 in 2000 to 498 in 2002, an increase of 88.6 percent. Regular monitoring and investigation of the specific source of grievances is a first step toward identifying particular problem issues and/or 'hot spot' department locations for which corrective measures can be devised. Also, data shows that 201 of the 1,060 grievances filed during the period 2000—2002 were filed by just 16 individuals. Further, while 11.3% of the unionized workforce filed at least one grievance during the three-year period, just 0.3% of those employees accounted for 19% of all the grievances filed.

Estimated Cost of Grievances

Both management and employee costs escalate as grievances proceed through the associated steps in the process. The farther a grievance goes, the more time and resources are expended. To obtain a sense of the timeframes typically involved in resolving grievances, we calculated the average number of calendar days that lapse between the initial filing of a grievance and the ultimate resolution of that grievance, including a breakdown at each step of the grievance process. Based on a sample of resolved grievances over a three-year period, we found that: 1st step resolution took an average of 44 days; 2nd step resolution averaged 158 days; and 3rd step resolution took an average of 240 days. While actual staff costs associated with the grievance process are not documented, we have conservatively estimated those costs are about \$250,000 annually for hearings alone. This estimate does not include staff costs associated with travel or preparation time, or time devoted to settlements outside the actual hearings.

Reasons for Increased Grievance Filings

We have identified several factors contributing to the County's experience of increased grievance filings. One major contributing factor is the recent negotiated change in the District Council 48 labor agreement eliminating an initial verbal grievance step, and instead requiring grievance actions be initiated in writing. Another contributing factor is that there is no incentive on the part of either labor or management to minimize the number of grievances filed. For example:

- All parties involved are paid for any time spent addressing a grievance, regardless of the number of times an individual grieves an issue;
- No time limits are established for grievance hearings;
- Union representatives will accompany grievants at the initial step, regardless of the merits of the case; and
- Grievance resolutions are non-precedent setting, thus allowing the same issue to be grieved repeatedly.

Increased grievance filings is further explained by an absence of an effective effort to proactively manage employee/management labor disputes. This is evident in several respects including:

- There are problems with the accuracy and integrity of grievance data maintained by Labor Relations;
- There is no meaningful attempt at data analysis and problem identification;

- There is no ability to devise corrective action or develop strategies to improve labor relations; and
- There is no assurance of consistency over time or among different County supervisors/management in dealing with the same or similar contract disputes.

Conclusions and Recommendations

Both County management and labor representatives must recognize that excessive and rising employee grievances represent an avoidable cost indicative of labor/management problems that must be identified and resolved. During the course of our fieldwork, there were several indications that the current state of labor/management relations in Milwaukee County concerning the resolution of employee grievances can best be described as dysfunctional. For instance, we noted the following:

- Attitudes on the part of both management and the County's largest labor union reflect a position that each party suspected the other was more interested in protecting turf or 'winning' rather than resolving conflict;
- The fact that six employees filed nine or more grievances during the period 2000—2002, with one individual filing 75 grievances, is indicative of a breakdown in the employer/employee relationship; and
- There is no sustained effort to provide County managers and front line supervisors with training or guidance on the particulars of the County's eight collective bargaining agreements.

We have recommended measures that can be undertaken to improve accountability for proactive, consistent labor contract management and also to improve the effectiveness and efficiency of the grievance process. Our recommendations will facilitate improved Milwaukee County labor/management relations in the future.

We appreciate the cooperation of key human resource managers throughout the County, the Department of Administrative Services, Corporation Counsel and representatives of District Council 48 as we conducted this audit. A response to the audit recommendations from the Department of Administrative Services is presented as **Exhibit 5**.

Background

As of January 2003, Milwaukee County employed 6,379 individuals in the performance of a variety of services and functions on behalf of nearly one million residents. As shown in **Table 1**, 5,250 County employees (82%) are represented by one of 21 collective bargaining units, while the remaining 1,129 are non-represented. The non-represented category is comprised of three groups:

- Employees occupying positions that are classified within the Civil Service system and subject to civil service rules.
- Employees occupying positions that are exempt from the Civil Service classification system and are employed on an 'at-will' basis (employment can be terminated without cause) under the terms of the County's standard employment contract.

Table 1
Milwaukee County Workforce Composition
January 2003

<u>Classification</u>	<u>Number</u>	<u>Percent</u>
Represented	5,250	82.3%
Non-Represented (Classified)	864	13.5
Non-Represented (Exempt)	233	3.7
Elected Officials	<u>32</u>	<u>0.5</u>
Total	6,379	100%

Source: Milwaukee County payroll records.

Notes: Included in these figures are 394 active seasonal employees, of which 359 are represented by a union. In November 2002, 116 position classifications were converted from non-represented to union represented status following hearings before the Wisconsin Employee Relations Commission (WERC). This change resulted in the unionization of 309 employees, the majority of whom became members of AFSCME District Council 48. Further hearings are to take place before the WERC to determine the unionization of additional position classifications.

- Elected officials.

While nearly all employees represented by a union are in civil service positions, not all civil service positions are occupied by members of a union.

With the reorganization of County internal service functions in January 2003, the Labor Relations function is established as a section of the Human Resources Division within the Department of Administrative Services. Labor Relations is charged with general responsibility for negotiating and

administering all collective bargaining agreements; for establishing labor relations training programs for supervisory staff; and for conducting all labor related procedures ordered by the State and Federal regulatory bodies on behalf of the County. In addition, recent Adopted Budgets indicate Labor Relations reviews wages, hours, and employment conditions of all non-represented employees, and annually reports the results of those reviews to the County Board. However, we were unable to identify any such reports for recent years.

Both the Director and Deputy Director positions in Labor Relations were vacant for most of 2002. The Adopted Budget for 2003 includes \$427,000 and four funded position equivalents for the Labor Relations section. The 2003 budget also included the transfer of 16 human resources positions within the various County departments to a newly created configuration of the Division of Human Resources within the Department of Administrative Services. Labor relations was an important aspect of most of these 16 positions' workload. The transfer was made with the expectation that they would be centralized organizationally, but decentralized in their deployment, empowered to make decisions in the field but with enhanced consistency and efficiency. As part of the reorganization, two additional positions within the division have been assigned to Labor Relations.

Two key aspects involved with maintaining the County's workforce are the employee grievance and disciplinary processes.

- The employee grievance process is the formal mechanism used to resolve complaints by union represented employees alleging a violation of a collective bargaining agreement. There is a comparable mechanism for certain non-represented employees who wish to resolve work related disputes.
- The disciplinary process is in place to address unacceptable employee work performance and conduct. The process varies depending on whether or not the employee is union represented or covered under civil service rules.

This report focuses on the grievance process, while the disciplinary process is the focus of a separate audit report that will be issued in the near future.

Grievance Regulatory Environment

The grievance process functions within a framework of regulations, policies, rules, collective bargaining agreement provisions, collateral agreements, past practice and arbitration decisions. The manner in which grievance actions are handled is determined by whether the employee is union represented and/or covered by Civil Service rules. In the case of union represented employees, provisions of the collective bargaining agreements define the grievance process. For

non-represented employees covered under Civil Service rules, the grievance process is governed by Section 17.207 of Milwaukee County General Ordinances. Milwaukee County's 233 non-represented exempt employees, who are employed on an 'at will' basis, do not have a formal process to grieve employment disputes.

Grievance Process

While we refer throughout this report to a general concept of a grievance process, there are several minor variations in the processes used by various categories of employees to grieve employment disputes.

Union Represented Employees

Generally, contract provisions relating to grievance procedures are similar across the County's eight collective bargaining agreements. (Please see the Flowchart of Represented Employee Grievance Process, presented as **Exhibit 2**.) However, the language contained in each agreement dictates the specific manner, number of steps, time frames, final resolution terms, etc., of grievance handling. A breakdown showing the level of County employee membership covered by each of the

Collective Bargaining Agreement	Number of Employees	Percent of Represented Employees
District Council 48	4,038	76.9%
Sheriff's Deputies	657	12.5
Nurses	326	6.2
Building Trades	114	2.2
Attorneys	51	1.0
TEAMCO	40	0.8
Firefighters	16	0.3
Machinists	<u>8</u>	<u>0.1</u>
Total	5,250	100.0%

Source: Milwaukee County payroll records.

eight collective bargaining agreements is presented in **Table 2**.

As shown in **Table 2**, District Council 48—American Federation of State, County and Municipal Employees (DC 48) represents the largest number of County employees. With 4,038 members within its eight locals, DC 48 accounts for 77% of all union represented County employees. On the

other end of the spectrum is District No. 10—International Association of Machinist’s and Aerospace Workers, which represents eight County employees.

All eight labor agreements provide a progression of steps with specific deadlines that must be met in the resolution of grievances, although the particulars vary by agreement. Further, under all labor agreements, departmental decisions regarding grievance actions can be appealed to Labor Relations. Labor Relations may render a decision on the grievance appeal or facilitate a resolution. In the absence of a resolution, union officials may further challenge any Labor Relations denial of a grievance appeal. This final challenge, bringing the matter to binding arbitration, represents the final step of the grievance process.

Non-Represented (Classified) Employees

There are no labor agreements to define the grievance process for non-represented individuals employed in positions classified within the Civil Service system (non-rep employees). The grievance process for non-represented employees is described in section 17.207 of the Milwaukee County Ordinances. These protections include a means of resolving certain disputes concerning working conditions. For instance, non-rep employees can pursue grievances in relation to the application of wage schedules and provisions relating to hours of work and other working conditions.

The grievance process in place for non-rep employees can follow a progression of either three or five steps, depending on the department involved. The process is initiated with the non-rep employee’s verbal explanation of the grievance to the employee’s immediate supervisor and can advance to its final step, a hearing by the Personnel Review Board (PRB), if not resolved at an earlier step.

Our review of data maintained by the PRB indicates that during the past three years only one or two non-rep grievances per year have advanced to this final step. Consequently, we have not included the non-rep grievance process in this audit.

Non-Represented ‘Exempt’ Employees

Non-represented individuals employed in positions that are exempt from the Civil Service classification system (‘at will’ employees) are not eligible for Civil Service protections. Beyond provisions related to alleged acts of discrimination, s. 17.207 does not provide ‘at will’ employees a means to pursue work-related grievances.

Audit Objectives

An overview of the employee grievance process at Milwaukee County has been provided in this **Background** section of the audit report. The remainder of the report focuses on grievance process for Milwaukee County's represented employees. It includes an examination of the intent of the grievance process, the cost implications of current trends in Milwaukee County labor relations as reflected in grievance statistics, and an exploration of ways in which both the effectiveness and efficiency of the grievance process can be enhanced.

Section 1: Represented Employee Grievances

This section of the report focuses on grievances filed by represented employees under provisions contained in the eight labor agreements between Milwaukee County and the various collective bargaining units that represent some 5,250 County employees.

The grievance process associated with represented employees is defined by the terms of the respective labor agreements.

As described in the **Background** section of this report, the grievance process associated with represented employees is defined by the terms of the respective labor agreements. The purpose of a grievance process is to facilitate an orderly, efficient resolution to conflicts that may arise between employees and management in the day-to-day implementation and interpretation of contract provisions governing working conditions. Thus, the grievance process for represented employees are the procedures upon which organized labor and the County have formally agreed for resolving employee complaints alleging a labor agreement violation.

With the exception of District Council 48, all labor agreements provide an opportunity for an informal verbal resolution between the employee and supervisor at the first step of the process.

Trends in Grievance Filings

With the exception of District Council 48, all labor agreements provide an opportunity for an informal verbal resolution between the employee and supervisor at the first step of the process. In these instances submission of a written grievance form is not required until the second step of the process.

In contrast, the process specified under the DC 48 agreement requires employees to initiate all grievances in writing, a negotiated change that took effect in May 2001. Prior to that time, the initial step of the grievance process for DC 48 was comparable to the informal verbal step included in the County's other collective bargaining agreements.

The DC 48 contract requires grievance actions to be initiated in writing using a Grievance Initiation Form.

Under the current arrangement, the DC 48 contract requires grievance actions to be initiated in writing using a *Grievance Initiation Form* (see **Exhibit 3**), and that management's initial response must also be in writing. While some informal dispute resolution may take place, the contract specifies a formal written first-step process. In contrast, labor agreements for the other seven bargaining units provide that grievances are to be initiated verbally, with an opportunity for an employee and supervisor to resolve the issue informally. In those instances in which the grievance is not settled verbally, the next step in the process requires use of the *Grievance Initiation Form*.

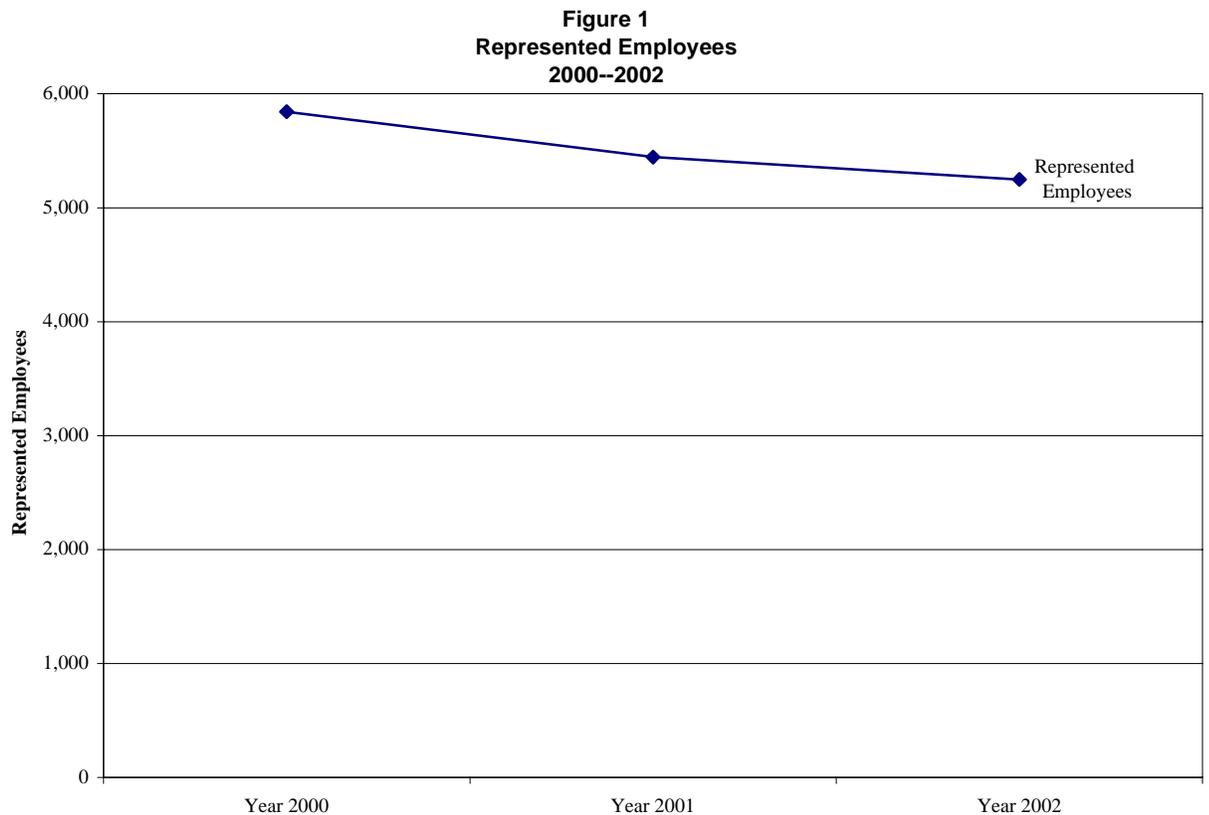
We identified problems with the accuracy and integrity of the information maintained by Labor Relations.

Our initial audit procedures included gathering available data from Labor Relations and some of the County's major departments related to grievance filings. We quickly recognized that such data is not readily accessible in a form that facilitates ongoing monitoring or analysis. Data maintained by Labor Relations primarily consist of a log of filings which, until recently, was in a word processing format. Consequently, the data was of little use for identifying trends in the nature of grievances, the volume of grievances by organizational placement or union affiliation, or a host of other analytical purposes. We also identified problems with the accuracy and integrity of the information maintained by Labor Relations, including duplicate listings of grievances and missing information.

Given these limitations, we examined the information and developed a database of grievance filings for the period 2000—2002 from which basic analytical reports could be generated. Following are some examples of the information that can and should be gleaned by Milwaukee County managers responsible for administering employment contracts.

Volume of Grievances

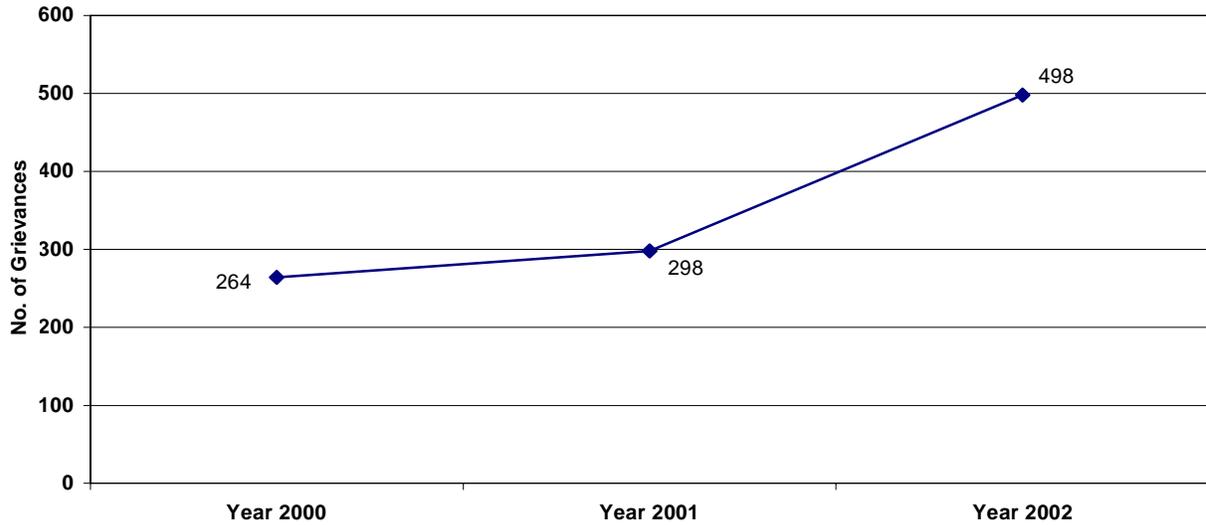
Figure 1 shows the volume of written grievance actions and the number of unionized employees by year, for the period 2000 through 2002.



Source: Dept. of Audit from payroll records.

As illustrated in **Figure 1**, the number of union represented employees decreased by 592 (10.1%), from 5,842 in 2000 to 5,250 in 2002. During this same period, as shown in **Figure 2**, the number of written grievances filed has nearly doubled, rising from 264 to 498, an increase of 234 grievances (88.6%).

**Figure 2
Trendline Grievances
2000--2002**



Source: Dept. of Audit analysis from Labor Relations data.

Note: Sixty-three additional grievances were filed during this period but were not included due to insufficient information.

Nature of Grievances

A portion of the standard contractual provision defining the grievance process in each of the County's eight collective bargaining agreements states: "Only matters involving the interpretation, application or enforcement of the terms of this Agreement shall constitute a grievance." Within this definition, employees can grieve a wide variety of matters. Often the issues involve the proper application of contractual provisions covering compensation issues such as overtime and premium pay. Other grievances may be based on work assignments, duties, transfers, leave time and changes in work rules.

In some instances, the nature of issues grieved appears to support concerns expressed by some managers that there is no mechanism to deter frivolous grievances.

In some instances, the nature of issues grieved appears to support concerns expressed by some managers that there is no mechanism to deter frivolous grievances. Following are some actual grievances that could be viewed as examples of frivolous cases.

- An employee grieved the County's refusal to approve a prescription as written for a particular tint of safety glasses. The County's master price agreement for safety glasses, provided to employees at the County's expense, is limited to tints of rose, green or gray only.
- An employee grieved the protocol followed to send him home for being out of uniform (uniform not neat and clean). The grievant claimed that proper procedure was not followed because it was not his immediate supervisor who sent him home.
- An employee grieved a subpar annual evaluation. The evaluation included negative comments, citing three specific incidents. Although the employee acknowledged the incidents occurred, there was no action taken at the time. The union contended that the annual evaluation is a form of discipline and that no negative remarks could be included on the evaluation unless there had been prior discipline.

Union representatives cited examples of repetitive grievances filed due to management's mis-application of contract provisions.

On the other hand, the vice-president of a local within DC 48 cites the following as examples of actual grievances filed in response to mis-application of contract provisions on the part of management. These cases have gone through the three grievance steps without resolution and are currently pending arbitration—the final and most costly step in the process.

- Five separate grievances are pending arbitration over the issue of paying a wage premium for employee time spent at a grievance, Personnel Review Board or arbitration hearing. The union indicates the total amount of money at issue in these five cases is about \$100 (although it could have wider County-wide impact). The cost of any one arbitration hearing can easily exceed \$2,000 (split between DC 48 and the County) for the third party arbitrator's fees alone.
- Five separate grievances, also grieved through three steps and pending arbitration, involve the proper application of contractual overtime provisions at the Highways department.

We reviewed a sample of 70 grievances filed during the three-year period 2000—2002 and categorized them by the nature of the disputes, as shown in **Table 3**.

Table 3
Nature of Grievances Filed
2000—2002

<u>Nature of Dispute</u>	<u>Number</u>
Overtime/Pay Rate Increment	17
Transfer/Assignment	12
Time Off/Compensatory Time	8
Reprimand/Warning	7
Promotion/Temporary Assignment	5
Union Representation/Union Business	3
Work Rules	2
Others	<u>16</u>
Total	70

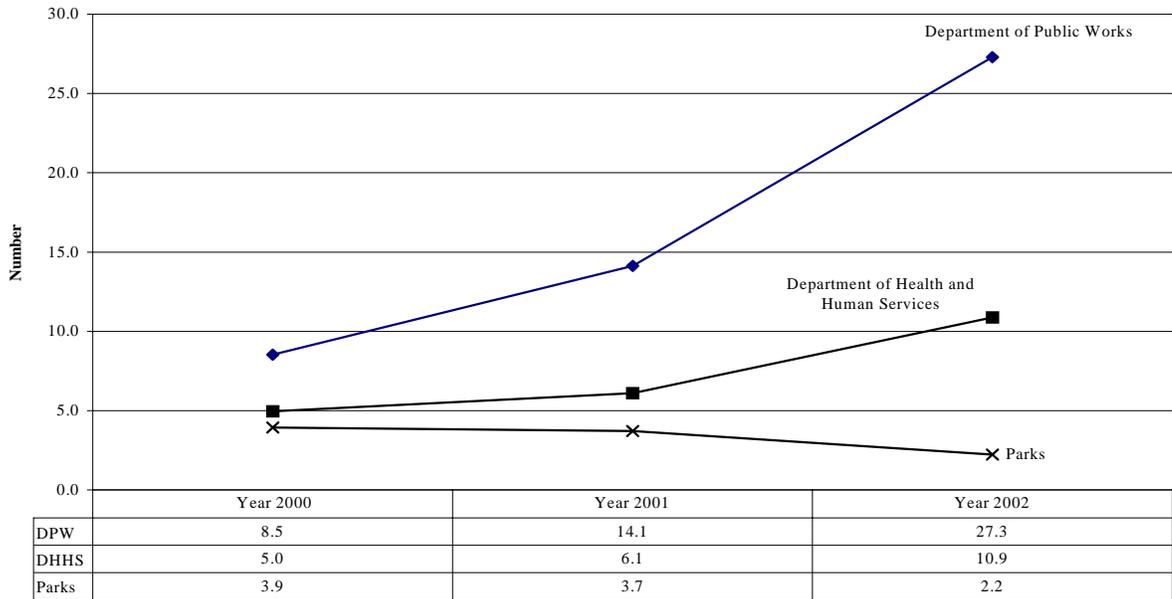
Source: Department of Audit review of a sample of 70 grievance files maintained by Labor Relations.

Source of Grievances

Regular monitoring and investigation of the specific source of grievances is a first step toward identifying particular problem issues and/or 'hot spots' for which corrective measures can be devised. This type of analysis could include tracking both the County department/supervisor, the grievant, as well as the nature of the grievance involved.

Figure 3 shows, for example, the annual average number of grievances per represented employee, by major department, during the period 2000—2002.

Figure 3
2000--2002 Trendline Grievances
Per 100 Represented Employees
Major Departments



Source: Department of Audit analysis of data obtained from Labor Relations.

Similarly, the data presented in **Table 4** shows that 201 of the 1,060 grievances filed during the period 2000—2002 were filed by just 16 individuals. The data also shows that, in total, 594 individual employees filed at least one grievance during the three-year period. Based on current union membership of approximately 5,250 represented employees, this means that about 11.3% of the unionized workforce filed at least one grievance during the three-year period. However, just 0.3% of those employees accounted for 19% of the grievances filed.

**Table 4
Number of Grievances Filed by
Individual Employee
2000—2002**

<u>Frequency of Filings</u>	<u>Number of Employees</u>		<u>Number of Grievances Filed by Each</u>	<u>Total Number of Grievances Filed</u>	
Six or More	16	(0.3%)	6-75	201	(19.0%)
One to Five	578	(11.0%)	1-5	859	(81.0%)
No Grievances	4,656*	(88.7%)	0	0	
Total	5,250	(100%)	0-75	1,060	(100%)

* Number is approximate based on active employees as of January 2003.

Source: Department of Audit analysis of records maintained by Labor Relations section, Division of Human Resources.

Timeframes for Grievance Resolution

To obtain a sense of the timeframes typically involved in resolving Milwaukee County represented employee grievances, we reviewed case files for a sample of grievances filed during our review period.

Table 5 shows the average number of calendar days that lapsed between the initial filing of a grievance and the ultimate resolution of that grievance, including a breakdown at each step of the grievance process. From our sample of grievances, we identified timeframes for each grievance initiated during 2000—2002 and subsequently resolved. We are unable to project these timeframes to the entire population. However, Labor Relations staff indicated the timeframes for grievance resolution vary widely and the results of our review, as shown in **Table 5**, are consistent with their overall experience.

We identified timeframes for each of the grievances initiated during 2000—2002 and subsequently resolved.

Table 5
Average Timeframes (in days)
Sample of Grievances Resolved
2000-2002

<u>Grievance Step</u>	<u>Average</u>	<u>Median</u>	<u>Range</u>
1 st Step Resolution	44	27	7-147
2 nd Step Resolution	158	152	68-301
3 rd Step Resolution	240	270	66-354

Source: Department of Audit review of 42 resolved cases from a sample of 70 grievance files maintained by Labor Relations.

One negative consequence of grievance resolutions stretching out for months at a time is the continued diversion of management and employee resources away from the County's overall mission of providing timely services to the public. Further, the longer labor/management issues are left unresolved, the higher the risk that productivity and morale will suffer, and that long-term relations will deteriorate.

Estimated Cost of Grievances

There is currently no means of identifying the actual cost of staff resources consumed by the employee grievance process. However, internal human resources staff at the Department of Public Works have developed some rough estimates of staff resources devoted to grievance hearings. Building on these estimates and based on the typical number and type of staff present at each step of the grievance process, we calculated a conservative estimate of direct staff costs associated strictly with the hearings conducted in 2002. Using this approach, we estimate the direct staff cost of grievances through the first step are about \$300. The second step adds another \$250 in direct staff costs, while the third step grievance hearing adds about \$2,010 to the total cost.

We calculated a conservative estimate of \$250,000 in direct staff costs associated strictly with the grievance hearings conducted in 2002.

It should also be noted that the DC 48 contract calls for three full time positions, provided at the County's expense, as representatives to conduct union business, including grievance hearings. This was a negotiated provision of the contract.

Preparation time by employees and management personnel in attendance at these hearings, which can fluctuate significantly, was not included in the estimate. Further, we did not include an estimate of preparation or travel time connected with the hearings, or of time spent outside the formal hearing process on dispute settlement. Using this conservative approach, we estimate the cost to Milwaukee County of grievance hearings in 2002 was approximately \$250,000.

Section 2: Reasons for Increased Grievance Filings

The data presented in **Section 1** of this report shows a rising trend in the volume of grievances filed during the three-year period 2000—2002. While actual staff costs associated with the grievance process are not documented, we have conservatively estimated the cost of grievance hearings alone is about **\$250,000** annually. Other costs include staff preparation and travel time, as well as time devoted to dispute settlement outside of the formal hearing process.

Excessive labor grievances are indicative of poor relations between organized labor and management.

Some level of grievances will exist in any workplace staffed with 5,250 represented employees. However, our survey of other jurisdictions showed that Milwaukee County's number of grievances per employee is relatively high. Excessive labor grievances are indicative of poor relations between organized labor and management. Further, employee grievances can be viewed as an avoidable cost of contract administration that must be actively managed to both reduce costs and improve labor/management relations. As such, the reasons for Milwaukee County's recent experience of increasing employee grievances must be identified. Based on our review of a sample of grievances, survey results of other jurisdictions' labor relations data (see **Exhibit 4**) and interviews with key personnel from stakeholders in the process, we have identified several factors contributing to the County's experience of increased grievance filings. These include eliminating the verbal grievance step from the process with the County's largest union, a lack of incentives for minimizing grievance filings, an absence of proactive management directed at avoiding employee grievances.

We have identified several factors contributing to the County's experience of increased grievance filings.

Written vs. Verbal Grievances

There is little doubt that the negotiated change in the District Council 48 labor agreement eliminating an initial verbal

DC 48 employees accounted for 187 of the total increase of 200 grievances filed.

grievance step, effective in May 2001, is largely responsible for much of the County's increased written grievances. According to data obtained from Labor Relations, when comparing the first full year in which the change was effective (2002) with the prior year, DC 48 employees accounted for 187 of the total increase of 200 grievances filed.

By creating a situation where even minor working condition disputes must be relegated to writing, the County and its largest bargaining unit have embarked on a course that would appear to be at odds with the goal of achieving orderly, efficient conflict resolution. Further, this action has added to the total cost of the grievance process. All five of the jurisdictions we surveyed (see **Exhibit 4**) include an initial verbal step in their grievance processes.

Lack of Incentives for Minimizing Grievances

As currently structured, there is no incentive on the part of either labor or management to minimize the number of grievances filed. For instance:

As currently structured, there is no incentive on the part of either labor or management to minimize the number of grievances filed.

- The grievant, his or her union representative, the departmental supervisor and/or manager, as well as the hearing officer, are all paid for any time spent addressing a grievance. This is true regardless of the number of times an individual grieves an issue.
- No time limits are established for grievance hearings. Any time spent addressing grievances is time diverted from normal employment activity for all parties present.
- Union representatives will accompany grievants at the initial step, regardless of the merits of the case. Presidents of locals we interviewed said the union may discourage employees from filing grievances in certain instances, but grieving is viewed as an absolute right at the discretion of the individual employee.
- Grievance resolutions are non-precedent setting. As a result, employees can grieve an issue repeatedly even if the same type of grievance has been denied in the past.

The County's trend of increasing grievance filings is further explained by an absence of an effective effort to proactively manage the incidence of represented employee contract disputes.

Conversely, managers can make the same grievable errors over and over.

Absence of Proactive Management

The County's trend of increasing grievance filings is further explained by an absence of an effective effort to proactively manage the incidence of represented employee contract disputes. This is evident in several respects:

- The County's collection of grievance data has serious flaws and limitations. As previously noted, no centralized information system exists from which accurate, useful analytical reports can readily be generated. Until recently, available data was little more than a Labor Relations logging of paper files in a word processing format.
- There is no meaningful attempt at data analysis and problem identification. The tables and figures presented in **Section 1** of this report are just a few examples of the type of trend analysis that should be the starting point of a coordinated effort to identify potential labor relations/management problems in Milwaukee County operations.
- Lacking the problem identification and analysis noted above, there is consequently little ability to devise corrective action or develop strategies to improve labor relations.
- There is no assurance of consistency over time or among different County supervisors/management in dealing with the same or similar contract disputes. As a result, the County is susceptible to making the same management mistakes over and over again.
- Union officials with whom we spoke gave examples of contradictory actions between front-line supervisors, Labor Relations staff, Corporation Counsel and department management. They posed the question, 'who's in charge?' This situation speaks to the lack of consistency noted above, although it must be acknowledged that management turnover and vacancies in both Corporation Counsel and Labor Relations during 2002 has contributed to this problem.

Section 3: Conclusions and Recommendations

In the first section of this report, we provided examples of potential analytical uses for raw data concerning grievances that is collected, but not analyzed, by the Labor Relations section of the Division of Human Resources. We also estimated the cost associated with Milwaukee County employee grievance hearings.

In the second section of this report, we identified some of the reasons contributing to the trend of increased employee grievance filings.

In this section of the report, we present the overall conclusions reached as a result of our data analysis, survey of other jurisdictions' labor relations data and interviews with key personnel of major stakeholders in the grievance process. We also provide recommendations to improve the effectiveness and efficiency of Milwaukee County's grievance process. Some of the recommendations can be implemented quickly with immediate results, while others will require sustained efforts to reap long-term benefits.

Labor/Management Relations

Throughout our fieldwork, there were several indications that the current state of labor/management relations in Milwaukee County concerning the resolution of employee grievances can best be described as dysfunctional. For instance, we noted the following:

- Attitudes exhibited during several different interviews indicated a level of frustration exists on the part of both management and the County's largest labor union. We were left with an overriding impression that each party suspected the other was more interested in protecting turf or 'winning,' rather than in resolving conflict.

The current state of labor/management relations in Milwaukee County concerning the resolution of employee grievances can best be described as dysfunctional.

A one-day conference involving the State of Wisconsin as a third party facilitator was held by one major department and union representatives in 2002 in the hopes of improving relations, but both parties acknowledged this effort was of little sustained value.

Six individuals filed nine or more grievances during the period 2000—2002, including one employee who filed 75 grievances during that period.

- Data suggesting that certain individual employees file grievances on a frequent basis is indicative of a breakdown in the employer/employee relationship. For example, six individuals filed nine or more grievances during the period 2000—2002, including one employee who filed 75 grievances during that period.
- An employee who was discharged from his position as a County employee was subsequently elected as president of a local bargaining unit. Thus, this individual participates in other members' grievance hearings involving the very managers that approved his discharge.
- Prior to 2002, the labor relations function was staffed with a director, a deputy director, one professional staff person and one clerical support staff. With the top two administrative positions remaining vacant for most of 2002, along with a vacancy in the Director of Human Resources position for most of 2002, the labor relations function lacked managerial leadership. During an interview, union representatives expressed frustration over the inability to establish accountability for 'who is in charge' to make decisions on the County's behalf at grievance hearings.
- There is no sustained effort to provide County managers and front line supervisors with training or guidance on the particulars of the County's collective bargaining agreements. In fact, front-line supervisors do not always have copies of the contracts, which terms and conditions they are expected to interpret and administer. Neither is there any regular guidance provided on the nature and impact of grievance resolutions.

The Division of Human Resources does offer a training course titled 'Responsible Supervision' for County front-line supervisors. The course is broken into five half-day modules covering various topics, including a limited overview of grievance procedures. However, although attendance is mandated by County Ordinance, DHR estimates significant numbers of supervisory personnel have not attended this training course.

- Although difficult to document, union representatives with whom we spoke indicated that one County department in particular exhibited a predisposition to deny all grievances, that any acquiescence would be a diminishment of

managerial rights. This perception, whether based in fact or not, is indicative of a poor state of labor/management relations.

Improving the Grievance Process

We identified several measures that can be undertaken to improve the effectiveness and efficiency of the grievance process and that will facilitate improved Milwaukee County labor/management relations in the future.

Accountability for Proactive, Consistent Labor Contract Management

Specific and immediate steps should be taken to actively manage the issue of employee grievances.

Specific and immediate steps should be taken to actively manage the issue of employee grievances. This begins with the recognition that excessive and rising employee grievances represent an avoidable cost indicative of labor/management problems that must be identified and resolved. This also requires acknowledgement that many changes necessary to improve the current environment will require negotiated changes to the current collective bargaining agreements. Therefore, we recommend that the Department of Administrative Services, Division of Human Resources:

1. *Centrally collect and store relevant grievance information in a manner that facilitates generating analytical reports concerning the volume, nature and source of grievances filed.*
2. *Regularly review grievance trends to identify 'hot spots' and 'hot issues' for further investigation and remedial action. Work with departments to develop strategies for improvement.*
3. *Establish regular training and coordinating sessions with front line supervisors to discuss labor contract provisions, administration and particularly grievance issues/resolutions, with a goal of eliminating repetitive grievances.*
4. *Establish a means for all departments to document and track the costs associated with employee grievances.*

5. *Develop an internal best practices approach, adopting techniques such as the Parks Department's use of monthly meetings between management and union officials to discuss issues and potential disputes to avoid formal grievances.*
6. *Include performance objectives in the Labor Relations section budget to reduce costs associated with labor grievances. Establish an environment in which a key objective of Labor Relations is to facilitate the resolution of grievances at a point in the process that limits, to the greatest extent possible, the expenditure of County resources.*

Efficiency of the Grievance Process

To improve the efficiency of the grievance process, we recommend the Department of Administrative Services, Division of Human Resources:

7. *Negotiate a standardized grievance process in each collective bargaining unit contract, including re-institution of verbal 1st step grievances in the District Council 48 contract.*
8. *Establish and enforce time limits for the duration of grievance hearings.*

Effectiveness of the Grievance Process

To improve the effectiveness of grievance process, we recommend the Department of Administrative Services, Division of Human Resources:

9. *Empower front-line supervisors with the authority to settle disputes at 1st step.*
10. *Work with the unions to include more effective union 'screening' of frivolous grievances.*
11. *Work with Corporation Counsel to develop an incentive against repetitive filings.*
12. *Bring in a third party influence to help change attitudes and behaviors of both management and union representatives. This may require a long-term, sustained commitment toward improving Milwaukee County labor/management relations and procedures.*

Audit Scope

The objective of the Employee Grievance Process audit was to examine the intent of the grievance process, cost implications of current trends in labor relations, and explore ways in which both the effectiveness and efficiency of the process can be enhanced. The audit was conducted in accordance with standards set forth in the United States General Accounting Office *Government Audit Standards*, with the exception of the standard related to periodic peer review. We limited our review to the items specified in this Scope section. During the course of this audit we performed the following:

- Interviewed human resource managers within various County departments, staff of the Corporation Counsel and Labor Relations offices, and District Council 48 officials;
- Reviewed grievance filings as maintained by Labor Relations and developed a database of filings for the period 2000—2002 from which analytical reports were generated. We excluded specific records from the database that appeared to be duplicates, contained incomplete information or were part of general group grievance filings;
- Performed a detailed review of a sample of 70 grievance cases on file in Labor Relations;
- Reviewed labor agreements currently in place as they relate to grievance procedures and prepared a flowchart of the County's grievance process;
- Developed an estimated cost of hearings associated with grievance filings at the various steps of the process;
- Conducted a survey of five other jurisdictions' labor relations data; and
- Reviewed applicable County Ordinances and County budget information regarding the grievance process.