

5-12-2008

# The United States Postal Service: A Case Study of Large Scale Government Transformation

Dale L. Ferguson

*Indiana University of Pennsylvania*

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THE UNITED STATES POSTAL SERVICE:  
A CASE STUDY OF LARGE SCALE GOVERNMENT TRANSFORMATION

A Dissertation

Submitted to the School of Graduate Studies and Research

in Partial Fulfillment of the

Requirements for the Degree

Doctor of Philosophy

Dale L. Ferguson

Indiana University of Pennsylvania

May 2008

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Indiana University of Pennsylvania  
The School of Graduate Studies and Research  
Department of Sociology

We hereby approve the dissertation of

Dale L. Ferguson

Candidate for the degree of Doctor of Education

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Mary J. Kuffner Hirt, Ph.D.  
Professor of Political Science, Advisor

---

---

David D. Chambers, Ph.D.  
Professor of Political Science

---

---

Wade Seibert, Ph.D.  
Resident Faculty Director  
Harrisburg Intern Semester  
Pennsylvania State System of Higher  
Education

ACCEPTED

---

Michele S. Schwietz, Ph.D.  
Assistant Dean for Research  
The School of Graduate Studies and  
Research

---

Title: The United States Postal Service: A Case Study of Large Scale Government Transformation.

Author: Dale L. Ferguson

Dissertation Chair: Dr. Mary J. Kuffner Hirt

Dissertation Committee Members: Dr. David D. Chambers  
Dr. Wade Seibert

The challenge of replacing the baby-boomer generation of employees is beginning in government agencies as they face a “tsunami” of retirements. This generation forms the core of middle managers or supervisors who are essential to providing the continuity in government organizations that serve the needs of citizens on a daily basis, or most critically in times of crisis.

This same generation of government employees worked through decades of change in public administration. The 1980s private sector influences of entrepreneurial organizational culture, influenced a movement that sought to reinvent government. The term “transformation” was often used to describe these radical changes. In the 1990s, under the National Performance Review, various transformation strategies were explored and tested to cut red tape, break bureaucracy, and change government agencies into organizations that simply worked better and cost less.

Today the movement to change government organizations by deploying transformation strategies continues simultaneously as government agencies also seek to recruit the baby-boomer replacements from academia and the private sector. However, the replacements cite bureaucracy as one of the most prevalent factors eschewing them from accepting government employment. This suggests that government transformation

away from bureaucracy is a critical element to the continuity of some government agencies.

This case study investigated transformation in the United States Postal Service. It considered the strategies adopted for their transformation and the reasons for their selection. It considered whether transformation strategies were more aligned with performance systems and technical fixes that could rationalize the organizational systems, or performance management and adaptive change that relied more on unobtrusive controls. It also considered the perceived organizational impacts of transformation on the internal workplace of the Postmasters, managers, and supervisors.

As the second largest civilian employer, the Postal Service reaches every United States household and its operations are often perceived as an indication of the health of the federal government as a whole.

## ACKNOWLEDGMENTS

My earning a doctorate degree reflects decades of experiences, influences, and education that helped to define who I am as a person. Each of these categories are associated with people in my life. I thank Henry Ferguson, my grandfather, and his generation for all their sacrifices that made my life and my generations' lives better. I owe much to Bill Willard and all those in scouting who introduced me to moral leadership and adventure at a young age. I would not have made this journey without Georgia Ferguson and Dr. John Patterson, two people who believed in my academic ability even when I did not as a young man. I thank Kerry Livgren and Ed Kowalczyk for inspiration at the times I needed it. I do not know how to adequately thank Kayla and Joshua Ferguson for being patient, loving, and a standard to which I will constantly judge the rest of my life.

I also thank my unique dissertation committee. Dr. Mary Jane Kuffner Hirt served as the chairperson. Dr. Hirt worked in government and had a personal understanding of this research on a level that only those who have these experiences can understand. Other members of the committee, Dr. David D. Chambers and Dr. Wade Seibert, also provided invaluable feedback and both have the same experiences of being grounded in academic theory as well as the practice of public administration. Their wisdom and insight was deeply appreciated.

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## CHAPTER I

### INTRODUCTION

#### Background of the Case Study

The evolution of the United States Postal Service (Postal Service) is interlaced with the history of our federal government. Today, the Postal Service is the second largest civilian employer in the United States. It has over 700,000 employees, affects an economy that employs 9 million people and represents 8% of the United States gross domestic product in a \$900 billion mailing industry (United States Postal Service [USPS], 2002b). This organization reaches every United States household and its operations are often perceived as an indication of the efficiency of the entire federal government as a whole.

After the historic gridlock of the Chicago Post Office in 1966, Postmaster General Lawrence O'Brien sought the political support of President Johnson for systemic change in the organization. President Johnson formed a "blue ribbon" commission of well known business leaders and academicians to study the Post Office Department. Their mission was to recommend how to change the Post Office Department and to also describe the best governmental organization model for its function. The President's Commission on Postal Organization (Commonly called the Kappel Commission after its Chairman) presented the President with a plan in 1968, which lead to congressional testimony, but legislative action did not soon follow. Various factions, including the strong postal unions representing 740,000 votes, opposed the government corporation model. The unions vowed to fight any legislation supporting the change to a government corporation.

On March 18, 1970 over 36,000 postal workers in New York City went on strike over wage disputes and another 152,000 postal workers from eight large cities across the nation followed within a week. President Nixon had to send in the military to move mail in New York City. This national crisis forced a decision. The unions capitulated to the new government corporation model in exchange for increased pay and benefits and Congress passed the needed legislation (Conkey, 1983).

The Post Office Department was transformed into the United States Postal Service by the Postal Reorganization Act of 1970 (PRA). The PRA, in part, removed the Postal Service from the President's cabinet and the political influence of Congress, provided for the new organization to act in a business like manner, and gradually removed federal tax subsidies (National Academy of Public Administration [NAPA], 1982). It was one of the first transformations of a large federal government agency. It was the remedy that many people would soon advocate as the way to introduce private sector improvements for the public sector, yet little research was conducted to academically examine the organizational effects of this transformation in the Postal Service--even as the decades that followed produced numerous books and efforts to reinvent government.

Peters and Waterman's (1982) *In Search of Excellence: Lessons from America's Best-Run Companies*, influenced, Osborne and Gaebler's (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. This in turn influenced the work of the National Performance Review (1993) which wrote *From Red Tape to Results: Creating a Government that Works Better and Costs Less*. Suggestions for government transformation strategies were furthered by the works of

Kiel (1994) with *Managing Chaos and Complexity in Government: A New Paradigm for Managing Change, Innovation, and Organizational Renewal*, John Kotter's (1996), *Leading Change* and Osborne and Plastrik's (1997) *Banishing Bureaucracy: The Five Strategies for Reinventing Government*. With the exception of Kotter's work, all of these works had used the Postal Service as an example to illustrate negative concepts of government bureaucracy and the need for transformation--even after the transformation in 1971.

By the late 1990s, leaders of the Postal Service were once again calling on legislators and the President for support to change the organizational model adopted by the Postal Reorganization Act of 1970. In 2001, at the request of Congress, the Postal Service prepared a *Transformation Plan* and called for a change to a new governmental model called a commercial government enterprise (USPS, 2002a). However, the Postal Service soon noted that, "The story of the United States Postal Service is a story of transformation" (USPS, 2003d, p. i).

Transformation in the Postal Service continues today, but it is also occurring in other parts of the federal government under the impetus of the President's Management Agenda as well as other initiatives within the Defense Department. Transformation researchers have called for more studies to explore the evolution and results of government transformation (Aberbach & Rockman, 1999; Long & Franklin, 2004). It is the intent of this case study to respond to that call for research and add to the body of knowledge.

## Purpose of the Case Study

This study investigated transformation in the Postal Service. It considered the strategies adopted for transformation and the reasons for their selection. It also considered the perceived organizational impacts of transformation on the internal workplace of Postmasters, managers and supervisors. In this research I present an instrumental case study of Postal Service transformation. As an instrumental case study, it supports “illustrating how the concerns of researchers and theorists are manifest in the case” (Stake, 2000, p. 439).

As suggested by Kaufman (1967), in *The Forest Ranger*, this study not only examined the strategies of transformation from the perspective of what strategies the leaders selected at the macro level of the organization--it also examined the transformation strategies from the perspective of lower level Postmasters, managers, and supervisors in touch with day-to-day operations. It is at this important level of the internal workplace that the strategies play out their final role in the organization. It is the perception of the internal workplace of these federal managers and supervisors that is crucial for the immediate future of our government.

This study provides further information regarding the perceived organizational impacts of transformation as implemented through strategies of performance systems and technical fixes (PSTF), as well as performance management or adaptive change (PMAC) (Behn, 2005; Heifetz & Linsky, 2002) within the Postal Service. These authors and academicians from Harvard University’s John F. Kennedy School of Government, suggest that most transformation strategies are rooted in these two options, or their combination and are supported by various organizational theories. Simply stated, PSTF strategies

align more closely with Taylor's scientific management and rational models, while PMACs align more closely with the human relations school, and natural models (Scott, 1987).

Using the case study and systems theory, the results of this research indicate that historically internal, transformation of the Postal Service moved the organization closer to a closed system split between rational and natural models. However, the most recent transformation suggests that the organization moved closer to an open system in their environment while becoming more deeply rational internally.

### Research Questions

Transformation research is commonly conducted by researchers external to an organization and most public information regarding internal government transformation is provided from higher level administrative employees of government organizations. This case study research explored the story of Postal Service transformation from the internal field level employee perspective of the organization. In specific, this research addressed the following questions, which were intended to draw down through the levels of the organization to understand the perspective of this population:

- What transformation strategies did the Postal Service leaders choose from the many transformation strategies suggested by authors?
- Why did Postal Service leaders choose specific transformation strategies?
- How did these strategies align to definitions of PSTFs and PMACs or a hybrid between the two?
- Which strategies had impacts to the micro level--the field level of line Postmasters, managers and supervisors?



- Was there prevalence toward PSTF or PMAC strategies implemented at the field level?
- Did the implementation of PSTFs support a perceived movement toward a more rational model at the field level of the organization?
- Did the implementation of PMACs support a perceived movement toward a more natural model at the field level of the organization?
- Which of the dominant organizational theories, models or schools, best explained the phenomenon of Postal Service transformation and the resulting internal workplace impacts for Postmasters, managers and supervisors?

Early in the research, during the document review, it became evident that much of the Postal Service's current transformation efforts were a continuation of prior transformations of the Postal Service, which were not openly touted as transformation or submitted to Congress in a transformation plan. This realization encouraged me to expand the study to assess prior organizational initiatives to fully understand the current transformation. The document review also supported that the majority of tactics identified in the current *Transformation Plan* favored PSTFs that would have the most impact at the field level of the organization, but this was not always the case in the prior transformation efforts. Understanding this difference was only possible by further exploring the historical context prior to the current *Transformation Plan* of 2002.

While much has been written about the various strategies for government transformation and their potential to affect a multitude of areas from economics to effective government, this study was limited to the strategies deployed by the Postal

Service transformations and their perceived internal workplace impacts. It is written from the perspective of the Postmasters, managers, and supervisors at the field level in federal service--a perspective unique to any research of the Postal Service. It is this level of the organization that is most in touch with Postal Service employees, daily operations and the citizens of the United States that they serve. It is this internal workplace level of all government organizations that is of great concern for government leaders today.

### Importance of the Case Study

#### *Impending Flight of Mid-Career Federal Managers/Supervisors*

According to the Partnership for Public Service (2002), the federal service may be reaching a crucial problem with maintaining and attracting human resources to management or supervisory positions. The baby-boomer generation has entered retirement age and the Federal Managers Association reports that nearly 60% of managers and supervisors in federal service were eligible to retire (Styles, 2004). The Postal Service reported that in 2006, 55% of their executives and 36% of their managers and supervisors were eligible for retirement (USPS, 2002a). While the economy may impact actual attrition rates, an alarming trend was noted by the Office of Personnel Management (OPM), which underestimated the retirement prediction for managers by nearly 40% in 2003 (Zeller, 2004). While predictions differ, what is for sure is that the baby-boomers are now in a “window” for retirement.

As stated by the Partnership for Public Service (2002):

An impending wave of federal employee retirements in the coming years will have a disproportionately large impact on the mid-career ranks in government.

After a decade of downsizing in the federal workforce, there will likely be an insufficient number of well-qualified internal candidates to replace them. (p. 3)

In January 2001, the General Accounting Office listed the management of the federal workforce, which controls billions of dollars in expenditures and provision of services to United States citizens, on its list of high risk areas (Zeller, 2004).

Listing federal government job recruitment as a high risk may come as a surprise to many citizens who remember federal jobs as coveted positions in the post World War II era. The Office of Personnel Management's USAJOBS website notes that, "There are many . . . benefit programs that make the Federal Government a model employer and top ranking career choice . . . . Pay is only part of the compensation you will earn working for the Federal Government" (Office of Personnel Management [OPM], 2006). This statement is supported by the history of the federal government in taking the lead to establish workforce benefits and programs that have come to be known as some of the most advanced standards for work places in our society. Early on, merit system principles that ensured federal employees are hired, promoted, paid and discharged only on the basis of merit predated many private industry initiatives and eventual regulations to address nepotism, particularism and diversity in their workforces (Government Accountability Office [GAO], 2004). Group health insurance, secure retirement, paid vacation and sick leave are also standards accepted in the federal government work place--even when they are not guaranteed in the private sector today.

These facts imply that federal employment should be a highly coveted management position for talented prospective employees and openly sought--yet the federal government finds itself listing impending recruitments as high risk.

Understanding the perception of federal government service appears to be an important element for future government recruiting strategies as well as government effectiveness. If well qualified internal candidates are not the answer to fill all the needed talent in federal government, the literature suggests two replacement sources--academia and the private sector. The significant challenge of filling these positions soon becomes a question of understanding why new talent is reluctant to work for a model employer.

### *Issues of Recruiting Academic Talent*

The National Academy of Public Administration (1999) exhorts agencies to give priority to competing for the best graduates of the nation's colleges. Agency human capital recruiters "must convince a skeptical public that federal work can be exciting and rewarding" (Signs of Progress in Staffing, 2005, p. 20) and they must "create and market a work environment that will be attractive to today's workers . . . that will effectively recruit them" (NAPA, 2001, p. vi).

Left in a position of having to recruit talent from academia, the federal government has several challenges. First is the reluctance of academic talent to accept positions in functions of federal service. Chetkovich (2001) points out that in 1974, 76% of the graduates of various public policy programs entered public service, but the percentage dropped to 49% in 1993. Harvard University's Kennedy School of Government sent only 34% of its graduates from the Master in Public Policy program to public service in the year 2000.

Financial considerations are undoubtedly a large part of the choice to work in government. Students of the Kennedy School of Government's Masters of Public Policy Class of 2000, who went to private-sector jobs in the United States, received a median

salary of \$95,000-\$100,000. Graduates from the same class, received a median salary of \$40,000 for federal government jobs (Chetkovich, 2001). The National Academy of Public Administration (2001) noted that electrical engineering undergraduate degrees were likely to receive \$9,000 less from federal service than those who chose the private sector.

While the pay argument is a compelling reason for quality students not to choose government service, studies and opinions support that pay is not the only reason (Chetkovich 2001, Partnership for Public Service [PPS], 2004, 2006). These sources suggest it is also a sense of professionalism, significance of mission or social contribution that motivates people to federal government service, but graduate students avoid government service because “they believe they will have no influence, and their time will be spent on circumscribed, routine tasks offering no professional growth” (Chetkovich, 2001, p. 25). This perception is not limited to graduate students of Harvard. In a study of six public and private universities including Ohio State and Louisiana State, students stated that the number one reason they would most likely eschew government service was because of too much bureaucracy. Salary was the second reason given, but salary was less significant with 53% of the respondents citing bureaucracy versus 40% citing low pay (PPS, 2006).

To be fair, the Brookings Institution (2002) questioned these perceptions and noted that 21% of non-defense federal employees called their work boring while 20% of the private sector felt the same way. Both groups were equal when asked whether they had the opportunity to accomplish something worthwhile (38%). This study suggests

perceptions may not match reality and underlines the importance of understanding the perception of the internal workplace of managers and supervisors in government service.

### *Issues of Recruiting Private Sector Talent*

Hopes of recruiting mid-career managers from private sector organizations, to federal service, also has challenges. Recent research shows that 49% of mid-career professionals outside of federal service perceive that there are great jobs for them in federal service, but this age group shows that less than 30% are interested in these positions. The same Partnership for Public Service study showed that mid-career professionals contemplating federal government service rated good benefits such as health insurance, vacation time, and retirement as the primary reason for consideration of federal government jobs, however, this study also showed that good pay and job security was rated last (PPS, 2004). A similar survey, of current federal employees, showed that 59% said it was job security that drew them to federal service and not the chance to do something worthwhile (Brookings Institution, 2002).

Even if a person from outside of federal service does take a federal government position, there is not encouraging evidence to suggest they will stay. By 1998 one-half of the Class of 1974 public policy graduates cited in Chetkovich's (2001) study, had left public service, even though the majority would not have yet reached the combination of minimum retirement age and years service required under the Civil Service Retirement System for retirement. Inductees of the Presidential Management Intern Program have an attrition rate of 50% within five years (Zeller, 2004). Perceptions of boring work, bureaucracy, and a limited ability to implement change may be contributing factors for some talent eschewing government service or leaving after giving it a try--but some

suggest it may be the argument that the closed organizational system of government is not inviting the talent to come to work.

In 2000, of the over 60,000 federal positions in middle management that were advertised, only 13% of the positions were filled from outside (PPS, 2002). Even if the doors to government are opened wide to outside applicants by Internet access, and increased pay, the negative perceptions of the closed system rational model of government could keep outsiders from filling the government management or supervisory positions.

### *Transforming the Federal Workplace to Attract Talent*

Authors such as Tom Peters and David Osborne suggested that the transformation to an entrepreneurial culture, decentralization, and employee empowerment could be the answers to the organizational woes of federal government, but some literature suggests that even after transformation in an agency, recruitment may not be successful. Light's research for the Brookings Institution (2002) notes that transformation efforts of the last decade have not improved federal employees working lives. Kettl (2000a) pointed out that most government management problems are a result of a mismatch of capacity and strategy, which may call for more goal specificity and formalization indicative of rational models and bureaucracy. Aberbach and Rockman (1999) suggest that lower level officials in government have not seen a decrease in cumbersome bureaucracy or an increase in managerial power. This research is consistent with maintaining or increasing the rational model in federal government, rather than moving toward the entrepreneurial actions more aligned with open systems and natural models. It also questions exactly what transformation strategies have done for these organizations.

Some prominent researchers suggest that while PSTF strategies need to be implemented in transformation, it is the PMAC strategies that are really needed to attract academic or public sector talent to be government managers (Behn, 2005; Chetkovich, 2001). While this debate continues, relatively little academic research has been conducted in the last decade to understand the impacts from recent federal government transformations and specifically from the internal organizational workplace of federal managers or supervisors. As pointed out by Long and Franklin (2004), many questions remain concerning transformation policies:

How do bureaucrats implement these policies? Do they adhere to the spirit of the policy . . . . Or, do they internalize the implementation process to meet organizationally specific and self-serving needs? Case studies addressing these questions would prove useful to the vast body of the implementation literature. (p. 310)

### *Transforming the Postal Service*

Today the Postal Service, who also faces impending baby-boomer retirements and recruiting challenges, continues to use transformational strategies to realign operations, management and supervisory functions. This process has been virtually ongoing since 1971 when it took the step of transforming from a federal agency to a more business like model--a step that at least in concept, should have moved it more toward the attributes of an open system organization. This process has accelerated over the last decade with the most recent transformation.

Transformation strategies and tactics such as E-government, privatization, reductions in force, further automation deployments and centralization of middle



management functions continue. Pay-for-Performance systems, which have been in effect since 1996 for the Postal Service and were part of the early suggestions for reinventing government, are part of the Postal Service management culture to the field level--while they are just beginning to be implemented in other government agencies. The Postal Service seeks to “encourage our strongest asset, our employees, to work smarter, better, more creatively and more efficiently” (USPS, 1999 p. 27)--or as the National Performance Review simply suggested--to work better and cost less.

It appears that the Postal Service with its government corporation model mandated to act in a business-like manner, should be closer to an open system organization desired by outside talent, than is much of government, but the reality is that the Postal Service as a government corporation also follows many federal regulations. Their human resources practices follow federal regulations as governed by the Office of Personnel Management and the Merit Systems Protection Board. They have more flexibility than the rest of government with their procurement manual, but they must follow federal procurement regulations such as the Davis Bacon Act, Brooks Act and Randolph-Shepard Act. Employees are forbidden from many political activities by the Hatch Act. Recently, the Supreme Court upheld that the Postal Service retained sovereign immunity to shield it from anti-trust suits. In his opinion Justice Anthony Kennedy stated, “The Postal Service, in both form and function, isn’t a separate antitrust person from the U.S. It is part of the government of the U.S. and so isn’t controlled by the antitrust laws” (USPS, 2004c). The lines between public and private attributes of the Postal Service are still not entirely clear.

Given the Postal Service's lead in government transformation this case study of the Postal Service's experiences is valuable for public policy makers who wish to further understand the potential impacts of transformation strategies on government organizations--specifically at the level of the internal workplace of managers and supervisors in all of federal service. This case study of transformation suggests that the selection of certain transformation strategies can internally drive a government organization deeper into a closed system with a rational model perception--which is eschewed by the outside talent. The same talent federal government policy makers, executives and outside interest groups seek to offset the impending crisis of the baby-boomer retirements.

#### Scope of the Case Study

This is an instrumental case study that provides insight into transformation strategies considered and adopted by the Postal Service. It explores the reasons for their selection, but then moves down in the organization to the perceived impacts of the strategies on the internal workplace of Postmasters, managers, and supervisors primarily located within the Central Pennsylvania Performance Cluster of the Postal Service. This study was further bounded by being limited to the research of the phenomenon of transformation in the Postal Service. Taking the scope further, the research of Postal Service transformation begins with the transformation of the Post Office Department in 1970 and proceeds through the 1980s and 1990s and culminates with research of the Postal Service *Transformation Plan* in April, 2002 and its impacts--which continue today.

Today, as a nation, we demand our government organizations provide answers regarding their effectiveness and ability to serve our nation in a changing world. This research provides some of those answers from the field perspective of the government employees who can speak to the day-to-day reality of the government workplace--and their perspectives regarding the future of government service.

## CHAPTER II

### LITERATURE REVIEW

Today the term transformation is everywhere. Military recruiting commercials on television suggest that young men are transformed into Marines. My son holds a toy and with a dozen confusing turns changes it from a space vehicle to a menacing robot. It is called a Transformer. Homes get bought, transformed, and “flipped” at a profit. While the term transformation seems to have recently reached the level of hyperbole in our society, organizational transformation is a distinct phenomenon with decades of research. For the purpose of this study, the term transformation is limited to the change of organization systems or models.

This chapter is divided into six sections to further the understanding of the phenomenon of transformation, its evolution, and the state of government transformation research. The first section reviews the definition of transformation and its relation to systems theory; the second reviews the evolution of transformation strategies suggested by transformation authors beginning in the 1980s. The third section reviews the evolution of government transformation strategies and describes how approaches to government transformation started to change. Section four discusses the influence of entrepreneurial guru authors on government transformation strategies, with emphasis on entrepreneurial movements and the National Performance Review. The fifth section addresses the continuing debate regarding strategies to accomplish government transformation and the sixth section considers the relatively few studies of transformation in the Postal Service.

## Defining Transformation

In a discussion about the difficulty of defining transformation, Senge, Kleiner, Roberts, Ross, Roth, and Smith (1999) note that in original Latin, the word *transformare* is something that changes shape and the term transformation is used today to describe comprehensive organizational change initiatives. James McGregor Burns (2003) wrote:

. . . to transform something cuts much more profoundly. It is to cause a metamorphosis in form and structure, a change in the very condition or nature of a thing, a change into another substance, a radical change in outward form or inner character . . . . In broad social and political terms, transformation means basic alterations in entire systems--revolutions that replace one structure of power with another . . . . (p. 24)

Rousseau (1995) notes that, “transformations are radical forms of change” (p. 161).

Levy and Merry (1986) call organization transformation, “a drastic reshuffling in every dimension of its existence: its missions, goals, structure, culture” (p. ix), but while citing the research of Lippitt, Watson, and Westley (1958), stated that unlike evolutionary or accidental change, transformation is a planned change that originates from within the organization. First-order change occurs as an organization grows and develops. While the definition of transformation varies and relies partially on an individual perception of change in the organization, transformation may be most easily perceived by considering specific organizational systems and models. For the purpose of this research, the basis of perception was considered against closed and open systems and the rational or natural models that align with them (Scott, 1987).

To illustrate this perspective, one can imagine the simple illustration of a privately owned coffee shop, with an owner who makes a decision to use his or her own capital to create a coffee shop that serves premium, fresh ground coffee, and allows the customers to read and relax in the shop environment. With time and success, the coffee shop owner may decide to expand from one location to 100. With this growth, comes increased regulation and standardization. The owner may still make decisions for the organization as a whole, and meet customers, but unable to be in 100 locations, they will have to rely on procedures or delegate authority to branch supervisors. We have all seen these types of transitions and come to explain them academically as a move from a closed system with a natural model, to a closed system with a more rational model. While we can see a change in numbers of shops, the coffee shops still sell coffee, still allow customers a place to read and relax and are still privately owned. The coffee shop has simply transitioned with its growth.

Transformation “is a multidimensional, multi-level, qualitative, discontinuous, radical organizational change involving a paradigmatic shift” (Levy & Merry, 1986, p. 5). In the case of the coffee shop, a transformation begins when the owner decides to go public and sell the company to a large coffee shop chain. The new publicly traded company establishes different suppliers of coffee, has decisions made by a Board of Directors and stockholders. It has different brewing processes, may add sales of music and merchandise. The individual coffee shops now have different management objectives and a different name and logo. Shops that are not as profitable as the new owners require, are closed. Given these drastic changes to mission, goals, structure, culture and power, even without a formal announcement, the customers and employees

will know that the organization has transformed. It is now far closer to an open system with a rational model, which resulted from a deliberate internal decision to change the organization. Still, this is just one way to explain transformation. Any researcher reviewing the diversity of material on organizational change will find that the scholarly definitions of transformation are not standardized and are often confusing, even though transformation is a term that is deliberately selected and commonly used by organizational decision makers.

Speaking specifically to government transformation during a keynote address, the former Comptroller General of the United States, David Walker, used Webster's definition that transformation is "an act, process or instance of change in structure, appearance or character; a conversion, revolution, makeover, alteration or renovation" (2003). David Osborne in 1994 described government transformation by noting, "it's about replacing large, centralized command-and-control bureaucracies with a very different model: decentralized, entrepreneurial organizations that are driven by competition and accountable to customers for the results they deliver. Industrial-era bureaucracies must be restructured . . ." (Posner & Rothstein, 1994, p. 132).

While transformation may not have a precise definition over the years, as exhibited in the variety of ways authors conceive it, all the definitions above suggest that transformation is not just the normal evolution of an organization, but rather a concerted internally based attempt to alter the organizational system or model. This further suggests that the question of whether transformation was accomplished can be answered by a perceived change in the system or model. Authentic transformation does not rest in

a plan or strategies, but by the actual metamorphosis suggested by Burns and measured after transformation plans and strategies have been implemented.

*Organizational Systems as a Basis to  
Study Postal Service Transformation*

As suggested by Easton (1965), the term system is an artificial construct that can be identified at different levels of inclusiveness and will vary at each of these levels. Easton, who is based more in the cybernetics concept that open systems are constantly responding to their environments to seek equilibrium, supports a simplified analysis that is centered on system inputs and outputs. This is a model which works well with analyzing transformation from the perspective of what strategies were input and what system changes became outputs from this process, but lacks the capacity to provide a description of the new organizational model. Simon (1997), who defines organizations as “the pattern of communications and relations among a group of human beings, including the process for making and implementing decisions” suggests that “we cannot understand either the “inputs’ or the “outputs” of executives without understanding the organizations in which they work” (p. 18-19). While definitions and opinions vary, some simple examples better illustrate the concept of an organizational system model.

A single coffee shop, alone and individually owned in a small rural town that welcomes in repeat customers by name typifies a closed system with a natural model. A McDonald’s, with standardized national advertising, international business challenges, strong competition, and a menu board that encourages customers to order by the numbers is best described as an open system with a rational model that stands in stark contrast to the closed system, natural model of the coffee shop. A Bureau of Motor Vehicles (BMV)



clerk, working at the licensing desk, is best described under the attributes of a closed system rational model. Outsourcing the BMV work to the private sector and allowing people to compete in offering the service and to adapt regulations to meet their own needs, is a transformation easily perceived. Beginning with the scientific management work of Frederick Taylor and progressing through the rational system examples of Max Weber, one can quickly find similarities between the Postal Service and a closed system with rational models.

The Postal Service, as we know it today, is “an independent entity within the executive branch of the Federal government with a unique charter to operate as a self-sustaining commercial enterprise” (President’s Commission on the United States Postal Service, 2003, p. 172). It maintains a monopoly over the collection, processing and delivery of mails as defined in the private express statutes and has had this same basic mission for over 200 years. The governance of the organization was given to an eleven member Board of Governors which removed it from the direct control of the President and Congress and put the organization under the power of a Postmaster General (Conkey, 1983). Limited to the confines of the United States, it is hard to conceive of a better description of a closed system, however, that is only what people see externally.

Benjamin Franklin, father of the modern day Postal Service, and the first Postmaster General, surveyed post roads and established simple accounting methods for Postmasters. He would have used a similar style pigeonhole case that minimized arm motion and maximized letters sorted, as Postmasters Abraham Lincoln and Harry Truman. Standardized methods to increase efficiency for points that collected and sorted mail were evident from the beginning of Postal Service history (USPS, 2003d). This

organizational emphasis to create labor efficient mail sortation systems through engineering, survives to this day. It is seen in the automated mail processing plants and the Postal Service's desire to deploy more technology to sort all mail. Frederick Taylor's scientific management is evident in Postal Service history from its inception. Weber's theories of bureaucracy are also easily applied to the Postal Service mail processing operations given their management based on the Weberian bureaucratic attributes of standard operating procedures and rules, hierarchy of authority, fixed salaries, and separation of private and official lives (Bozeman, 2000). This fits the description of a closed system with a very rational model. However, even within the larger organization of the Postal Service, systems descriptions vary, if you understand the organization and look more deeply.

Barnard's natural model view of informal organizational structure can be supported by observing a Postmaster at a small local post office as they work with rural mail carriers and customers who are often their neighbors at home. Like the coffee shop example, small post offices have no competition, are often meeting places in the community and the Postal Service employees who work there know their customers by name and often provide them individualized service--sometimes even when regulations forbid it. Communities vehemently fight the closing of these small offices, often citing a loss of community identity and not caring about cost efficient government service. They protect the system as it is. The small post office internal workplace may more closely resemble a closed system natural model than the closed system rational model of a mail processing plant. To work in either place would be vastly different for an employee, and the overall macro level analysis of the system may not adequately describe the internal

workplace at specific levels. This analysis of the Postal Service from a systems perspective is not new--nor is the difficulty in affixing a system title or model.

With the introduction of systems theory in the 1960s, based on the biological analogies of Ludwig von Bertalanffy, the Postal Service was easily the topic of theoretical application. Perrow (1986) used the Postal Service as an example of analyzing neo-Weberian models in his book *Complex Organizations*. Perrow considered the Postal Service to be a loosely coupled organization with linear interactions--similar to manufacturing. He suggested that as an organization it had few complex interactions and centralization and decentralization were possible. Less than a decade later Kiel (1994), who worked from the growing field of nonlinear dynamics or chaos theory, noted the Postal Service was a dramatic example of wholesale change in a public organization since the transformation in 1971 and that, "currently the Postal Service is feeling heavy pressure from private sector competitors, the expansion of electronic mail, and well publicized problems with outdated and militaristic management styles, all of which suggest that another major transformation may be in the near future" (p. 41). Both authors were looking at the Postal Service as a whole and neither description works for the small post office located in thousands of small towns across America. Senge, Kleiner, Roberts, Ross, Roth, and Smith (1999), note that at the time of his death in 1972 Bartallanfy was researching the international postal system. Something they described as, "a truly cooperative international system that functions even in wartime" (p. 138). Perhaps from Bartallanfy's view, the United States Postal Service was only one part in a larger, open system.

Organizational examples of large scale transformation in the private and public sector, such as General Electric and the Internal Revenue Service, are different if viewed from the macro level of open and closed systems perspectives, but may be similar when considered at the mezzo or micro structural level of analysis. Attributes of rational models--and specifically Weber's theory of bureaucracy--may appear more readily deeper in organizations, whether they are a large private company or a government agency. These levels of the organization may be least open to frequent and systemic alteration of the organizational model, thus logically creating more opportunity for transformation to accomplish change (Kiel, 1994). Likewise, internally and intentionally generated transformation strategies may not be needed to change the structural field level of organizations fitting the attributes of open systems operating under natural models. These systems may, by their organizational nature, remain in the process of first-order change and reduce the opportunity for the perception of transformation. It may be significantly different when considered against the structural level of an organization that fits the attributes of a closed system with a rational model--a system/model often used to describe federal government agencies.

All these different levels of analysis from the closed system natural model which may be perceived as more prevalent in a small town post office, the rational model, Tayloresque environment of automated mail sortation, or the Weberian attributes of bureaucracy and administration of the Postal Service as a whole, can lead to a complex picture of reality. Obviously, researchers can and have used different perspectives at different times to examine the Postal Service as an organization or system and from a variety of perspectives. The application of systems theory can be confusing to any

researcher, let alone one who is not familiar with the Postal Service history, its levels of organization or its various functions.

For the reasons stated above, I believe that the substantiation of whether transformation has occurred, rests in the perceptions of the organizational participants, at various levels of the organization, as to how, or if, the organizational systems have changed--but not just any participant. Transformation of large scale government organizations require participants who have a thorough understanding of the organization as a whole and the various systems that may be nested within that whole. Transformation inside these unique organizations may be lost in the big external picture of a government organization, but intensely manifested within the internal view of a nested system. It rests in the perceptions and reality of those who are most closely aligned with the organization. Simon (1997) suggests this group is, “the persons at the lowest level of the administrative hierarchy . . . . Insight into the structure and function of an organization can best be gained by analyzing the manner in which the decisions and behavior of such employees are influenced within and by the organization” (p. 2). This is an external analytical perspective--looking in--but if you have been an employee at this level of an organization, then you may have had the most critical view from which to perceive and analyze transformation according to integral theorists.

Integral theorists would describe the lowest level of an organization as a holon and note that for an organization to gain depth, it will have holons that emerge holarchically and include predecessor holons. Holons at the top of the organizational hierarchy, if threatened, only have impact on holons higher than themselves (Wilber, 2000). Transformation at this level will have little effect on the entire organization from

this perspective. However, holons from the lowest level of the organization, which create the base functions of the entire system life, can impact the entire system if they are changed. Transformation of Postal Service headquarters may impact four thousand people and be barely noticeable to the field, but transformation of the holon of mail processing plants, local post offices, or letter carriers in the field could impact 400,000 people in the Postal Service and the entire system that serves the United States. These impacts would be seen by the American public.

### The Evolution of Transformation Strategy

While knowing what transformation seeks to accomplish, how it is most likely to be perceived, by who and why, is discernable, the how of its accomplishment is far more difficult to isolate. “In contemporary organizations, there is little consensus about the nature of the change” (Rousseau, 1995, p. 161). Kotter (1996) echoes this when he states of transformation, “these efforts have gone under many banners: total quality management, reengineering, right sizing, restructuring, cultural change, and turnaround” (p. 59). Bridges (1991), while calling it transition, supports that strategies include everything from “mergers, reorganizations, layoffs, shifts in strategy or product or culture” (p. vii). Numerous authors including Nicoll (1980), Kanter (1984); Bartunek (1988); Bridges (1991); Rousseau (1995); Kotter (1996); Senge, Kleiner, Roberts, Ross, Roth, and Smith (1999), all put forth formulaic strategies and steps for accomplishing organizational transformation; however, each varies in approach and shows an evolution over time. Any researcher choosing to study transformation realizes that those who implement transformation in an organization can choose from many, if not all of the recommended strategies. However, transformation strategies differ from author to author

as they address different aspects of change. Noting a natural grouping of the strategies, Collins (1998) discusses four frameworks in his book *Organizational Change: Sociological Perspectives*. For analysis of transformation, they are hero managers, student oriented texts, research studies and gurus.

“Hero manager” books by authors such as Lee Iacocca are written from the perspective of practitioners in large organizations. Recently, everyone from Jack Welch to Rudolph Giuliani joined this group. Huczynski (1993) notes that, “the management readers of these books appreciate that their authors have ‘been there and seen it’ (p. 53). The books may be more auto-biographical in nature and spend little if any time exploring the theoretical concepts of organizational change.

Student texts, according to Collins, also treat the problems and issues of change in a simplified manner. Dawson (1994) in a discussion of textbooks indicates these books tend to focus on external triggers which become the genesis of organizational change--unlike transformation which is internally generated. They also simplify the problems encountered in organizational change and the process of change.

The problem with wider acceptance of scholarly organizational transformation research is the work of Pettigrew (1985). Collins (1998) noted that “the theoretical, conceptual and methodological elegance of Pettigrew’s work seems to have been purchased at the expense of practical advice and practitioner relevance” (p. 71). Rhodes (1994), in addressing reasons why theoretically grounded academic research does not become a best seller noted that, “all too often academics make maps of complexity, insisting that complex problems require complex solutions, a stance which contrasts

sharply with the snappy lists associated with best sellers” (p. 287). Simply stated, scholarly transformation studies do not make the best seller list or end up in a book store.

“Guru” authored books may also be grounded in scholarly research although many have been written by popular academicians, who tend not to have managed or lead large organizations. While these authors have knowledge of theories which explain organizations and change, they also balance the depth of their discussion with mass market appeal of their writings (Huczynski 1993; Rhodes, 1994). Rhodes suggested that the, “book must be written in an accessible style with practical examples” (p. 288) to appeal to a wide array of readers while Huczynski observes that the best guru ideas consist of only a small number of items and are presented as simple check-lists for implementation (Kanter’s four Fs, Peters and Waterman’s seven Ss, Osborne and Plastrik’s five Cs, Kotter’s eight-stage process). Noting the proliferation of such guru writings and their impact on organizations Secretan (1997) wrote:

Every year, consultants, authors, and business academics offer us answers suggesting that by doing . . . faster and with less resources, we will cure the current ailments of modern organizations . . . . They offer a plethora of ready answers and quick-fix solutions: excellence, Total Quality Management (TQM), teams, downsizing, restructuring, customer service, empowerment, re-engineering and more. (p. 4)

Of the four types of literature available to guide transformation, it is logical that the most influential literature for transformation practitioners is written by guru authors. The auto-biographical bias of hero-manager books and the limited academic setting of the student oriented texts and academic research leaves the communication of transformation



strategies in the hands of the gurus. The best sellers are written by guru authors and appealed to the mainstream booksellers who desire books that can be picked up the busy executive, read in an airport and applied in an organization. Best sellers often contain simplified steps to guide a process.

### *The Proliferation of Strategy Models for Transformation*

Levy and Merry (1986) note in their book *Organizational Transformation: Approaches, Strategies, Theories* that the phenomenon of transformation was a “child of the 1980s” and, “different approaches to transformation have been developed; alternative strategies . . . tried out . . . and a whole new world of theories has begun evolving” (p. ix - x). Kuhn; Elgin; Miller; and Nicoll (as cited in Levy and Merry, 1986) had prepared lists of stages that lead organizations to transformation but Nicoll’s (1980) longitudinal research of change suggested seven stages - some that were adopted by guru authors:

1. Fertilization--A paradigm shift is sensed from outside of the organization. New models such as excellence, new technology or new ideas create a precursor.
2. Crisis--A disruptive event that threatens the organization and becomes the catalyst for adopting a paradigm shift.
3. Incubation--Crisis does not immediately change an organizations paradigm. It takes time to gain support to change the organization and its culture.
4. Diffusion--New ideas must become systemic.
5. The struggle for legitimacy--This stage is characterized by conflict and resistance as old work methodologies are challenged and participants question causality, truth and reality.
6. The politics of acceptance--Participants align to the new organizational structure

and networks.

7. Legitimization--The new paradigm must become habitual and perceived as producing desired results.

Levy and Merry (1986) developed a model based upon the work of consultants to assist in selecting processes or strategies for change. Their model considers eleven different dimensions (e.g., leadership, communication, management, planning) and for each dimension describes how this is accomplished based on the categorization of the organization as reactive, responsive, proactive or high performing (i.e., leadership--enforcing, coaching, purposing or empowering.) Written after guru authors Peters and Waterman's (1982) *In Search of Excellence*, the model coincides with many of their approaches to establishing high performing organizations. The models suggestion that leaders in high performing organizations empower people is a common thread between both authors--a thread carried over to the entrepreneurial government movement.

Unlike Nicoll's list, the Levy and Merry model minimizes the psychological process of change for organizational participants. This differentiation is indicative of the literature of transformation over the last 20 years. Some guru lists emphasize the process of transformation and deployment of systems to accomplish change, while other approaches may emphasize the impacts of transformation on the psychology of participants and changes to organizational culture. The degree to which the emphasis is placed appears different for each author. This difficulty in grouping of transformation strategy models for research was noted by Collins (1998), who suggested that the groupings of classical school, human relations approaches, contingency theory, and finally guru theory were only partially used. Huczynski, who started with these four

groupings for further study, eventually boiled them down to two--psychological transformation strategy models and entrepreneurial transformation strategy models of the guru authors.

### *Psychological Transformation Strategy Models*

Bartunek, a Professor of Organizational Studies in the Carroll School of Management at Boston College, approached transformation as a change to the psychological contract of the employee. Portwood and Miller (1976) define a psychological contract as an implicit agreement between an employee and their organization, with mutual understanding of obligations, rewards, restrictions and demands. Nicholson and Johns (1985) noted it was coined by Argyris (1960) and further developed by Schein (1980). Bartunek's (1988) list has just four steps:

1. Challenging the psychological contract--The person must understand the need for change and regard it as legitimate.
2. Preparing to reframe--The old psychological contract is unfrozen and efforts are taken to mitigate losses.
3. New contract generation--The new psychological contract is created to replace the prior psychological contract.
4. New contract testing and reliance--Acceptance of the new contract must occur to complete the process of transformation.

William Bridges (1991), self described as “a preeminent authority on change and managing change in the workplace” and a former literature professor (p. 131), is obviously concerned with the psychology of transformation and the adaptive change of employees. His list includes the following steps:

1. Identify who's losing what.
2. Accept the reality and importance of the subjective losses.
3. Don't be surprised at overreaction.
4. Acknowledge the losses openly and sympathetically.
5. Expect and accept the signs of grieving.
6. Compensate for the losses.
7. Give people information, and do it again and again.
8. Define what's over and what isn't.
9. Mark the endings.
10. Treat the past with respect.
11. Let people take a piece of the old way with them.
12. Show how endings ensure continuity of what really matters (p. 19-31).

Denise Rousseau, a Professor of Organizational Behavior at Carnegie Mellon University, like Bartunek and Bridges before her, aimed her steps from the perspective of not violating the psychological contract of employees in the transformation process. Rousseau's research based recommendation differs from Bartunek's. She believes that transformation must have well validated reasons for the employees to accept change. This was to mitigate the possibility of a phenomenon termed a violation of the psychological contract, which could result in retaliatory behavior ranging from recalcitrance of the employee to sabotage or leaving the organization (Rousseau, 1995) Rousseau suggested, "the elements of successful contract transformation include:"

1. Well articulated externally validated reasons for the change.
2. Member involvement in gathering information on environmental factors

- contributing to the change.
3. Acknowledgment and even celebration of the old contract.
  4. Scrupulous efforts to assess and then offset the losses involved in the change.
  5. Building strong communication links up and down during transition by using planning task forces and frequent cross level meetings.
  6. Responding to the need for more information and structure during uncertain times (e.g., training, task forces).
  7. Managing the meaning of change by expressing current efforts in terms of long term objectives.
  8. Aligning the many contract makers (people and structures) by integrating the change efforts into training and human resources activities.
  9. Promoting acceptance by evoking new contract-making events such as orientations, internal recruiting, and participation in planning.
  10. Soliciting input on how thoroughly the new contract is implemented and taking corrective action quickly when reality tests fail. (p. 177)

Interestingly, Rousseau (1996) comes back and simplifies her list, perhaps showing how fluid the evolution of transformation strategies or the desire for simplification as suggested earlier by Huczynski. In 1996, her list contains the following steps:

1. Challenge the old contract--Provide a legitimate reason to change.
2. Prepare for change--Create credible signs of change. Reduce losses to employees. Adopt transition structures to bridge from old contract to new.
3. Contract generation--Convey new expectations and commitments.

4. Live the new contract--Do not allow reversion to the old ways.

While considerably shorter than her previous list and very similar to Bartunek, this list is consistent with Rousseau's assertion that transformation is primarily a psychological undertaking that adapts culture.

#### *A Point of Change--Entrepreneurial Transformation Strategy*

In the same year that Rousseau's abbreviated list was created, John Kotter's (1996) book *Leading Change*--based on the *Harvard Business Review* article *Leading Change: Why Transformation Efforts Fail* (1995), appeared. Kotter's list incorporates some elements from Bartunek, Bridges, Rousseau, and Bardwick and suggests the following steps to transformation:

1. Establish a sense of urgency--Examine market realities. Identify and discuss crisis.
2. Create a guiding coalition--Put together a group with enough power to lead the change.
3. Develop a vision and strategy--Create a vision to direct change. Develop strategies to achieve the vision.
4. Communicate the change vision--Use every vehicle possible. Have guiding coalition role model behavior consistent with vision.
5. Empower broad based action--Change systems or structure that undermine change vision. Get rid of obstacles. Encourage risk taking, nontraditional ideas, activities and actions.
6. Generate short-term wins--Plan for visible wins. Create those wins. Visibly recognize and reward those employees who make wins possible.

7. Consolidating gains and producing more change--Use the short term win credibility to change all systems, structures, and policies that don't fit the transformation vision.
8. Anchoring new approaches in the culture--Create better performance through customer/productivity oriented behavior. Better leadership and more effective management. Articulate connections between new behaviors and organizational success. Develop means to ensure leadership development and succession.

Kotter's integration with some aspects of the prior models is obvious, but his departure from the previous models is also notable. As the first strategy, Kotter suggests searching the environment for legitimate reasons to change (Rousseau), unlike seeking to provide the employees an understanding of the transformation (as outlined by Bartunek, Bridges, & Rousseau). Creating a sense of urgency or crisis was not necessarily part of transformation. This is a step that Nicoll identified as a disruptive event that threatens an organization and supports first order change.

Kotter was not the first to suggest this strategy for transformation, but its integration into his best-seller business book is an important historical note. Judith Bardwick (1995) advocated urgency to replace something she coined as "entitlement." Entitled employees were described as having an attitude of expecting compensation because of who they are and not what they do. In her book *Danger in the Comfort Zone*, she wrote, "organizations need a sense of urgency . . . urgency is the natural motivator for change and it needs to come from everyone being in touch with the reality of the market" (p. 193 ). Bardwick was not alone in this belief that entitled employees need urgency or crisis. David Osborne stated in an interview for *Harvard Business Review* in 1994, "if

you don't have an obvious crisis, sometimes you have to try to manufacture one or at least create an overwhelming sense of urgency" (Posner & Rothstein, 1994, p. 139). This transformation strategy remains preeminent to this day. Senge, Kleiner, Roberts, Ross, Roth, and Smith (1999) echo Bardwick and Kotter when they produce a list that first asks why change is urgent. Heifetz and Linsky (2002) state "you may have to create the opportunity by developing a strategy for generating urgency" (p. 149).

The next departure from prior transformation authors, but true to the definition of transformation, is in the process of Kotter's step five. Kotter suggests change of systems or structure that undermine the transformation (change) vision. This premise suggests transformation of rational systems as evidenced in quotes such as:

Highly controlling organizations destroy leadership . . . . In stiff bureaucracies young men and women with potential typically see few good role models . . . management produces a degree of predictability and order . . . leadership produces change . . . successful transformation is 70 to 90 percent leadership and only 10 to 30 percent management . . . . Bureaucratic cultures can smother those who want to respond to shifting conditions. (p. 166. 26, 27)

Again, Kotter's work is a reflection of prior authors. Kanter's 1983 book, *The Change Masters: Innovation for Productivity in the American Corporation*, studied ten major companies (similar to the research of Peters and Waterman's (1982) *In Search of Excellence*). A subsequent edition published in 1984, *The Change Masters: Innovation and Entrepreneurship in the American Corporation*, suggests that "we need to reinfuse more American organizations with the entrepreneurial spirit responsible for America's success in the past" (p. 23). Kanter uses the term segmentation in place of what is



traditionally known as bureaucracy, and advocates the change of this management system “to involve the entire workforce in innovative problem-solving” (p. 35) and, “encouraging and listening to new ideas from inside the organization” (p. 65).

Listening to ideas from within the organization to prompt transformation change is true to the definition of transformation as an internally initiated change process and retain/reflects the psychological models. However, the guru authors by this time have advocated a specific strategy to the evolution of transformation--the breakdown of rational and/or bureaucratic organizational models that they see as stifling entrepreneurship.

As suggested earlier, closed systems and rational models became a target for transformation strategies--and federal government often exemplifies this system and model. When research of transformation is specific to government, this facet of the evolution of transformation needs to be discoursed.

### The Evolution of Government Transformation Strategy

#### *Historical Antecedents of Government Transformation*

Transformation of the United States government began long before the current impetus and even before F. W. Taylor opened the doors for organizational study in 1911. Beginning at the turn of the 20<sup>th</sup> Century with the Keep Commission (1905-1909), the federal government sought changes to government administration, structure, contracting, personnel systems and information management to adapt to economic and political concerns. While the Joint Committee on Reorganization (1921-1924) changed executive functions among departments, it was not until the President’s Committee on Administrative Management (1936-1937) that change was based upon theory (Moe,

1992). It was during this same period of time that Max Weber's essays regarding bureaucracy were translated and read in the United States. With the arrival of the Commission on Organization of Executive Branch (1947-1949), more commonly known as the Hoover Commission, government change took on the Weberian principles of rationality (General Accounting Office [GAO], 2003a).

This first Hoover Commission was comprised of 12 members split evenly between the two predominant political parties; however, the majority of work came from task forces representing the business community and career government administrators--to build public trust. Moe (1982) notes, "The commissions were not designed as 'representative bodies,' rather they were 'blue-ribbon panels' selected for their expertise and experience, not for their potential constituency support" (p. 274). Hoover, himself, was described as a product of the Progressive Era where public administrators believed that the rational principles of scientific management were preferable to the vacillation of policy from political influences. Moe also noted that, "There was a direct relationship between structure and control . . . the general organizational objective was to have clear lines of accountability from the lowest officer up to the president" (p. 272).

This perspective of organizational structure may suggest that the commission itself would be an organization with centralized control, but the first Hoover Commission quickly established 24 task forces to explore as many elements of the executive branch. Each task force was balanced with experts in the area of study and had a "preponderance of personnel selected from the business community" (p. 272). Twenty-six out of the 35 reorganization plans submitted by the commission were adopted. Part of this success was due to the fact that the proposals were described as straightforward and of organizational

character (Moe, 2001). The change initiatives were concerned with the adaptation of traditional government agencies within their existing closed system, rational organization model. They kept the boundaries clear between public and private organizations and the lines of authority and responsibility clear in the executive branch.

By the late 1960s, the new public administration movement was born. Agencies and government enterprises with, considerable autonomy were being created outside of the executive departments. Additionally, laws such as the Freedom of Information Act and regulatory review processes began to erode the managerial discretion and authority supported by progressive era advocates (Moe, 1982). New public administration authors advocated institutionalized systems of governmental change that allowed government bureaucracy to adapt more quickly to social change and to manage boundary relations with citizens, politicians and interest groups (Frederickson, 1996). By 1981, politicians, the National Academy of Public Administration and several prominent private sector companies called for a new Hoover Commission to explore a “blueprint for better government” (Moe, 1982, p. 270). However, in many ways, the new view of government organizations influenced by an unpopular war and the perspectives of the new administration advocates set the stage for the reinventing government movement that would follow decades later (Aberbach & Rockman, 1999; Kamensky, 1996).

### *Privatization of Government in the 1980s*

In the 1980s with stagnation, inflation and unemployment on the rise, and the subsequent effects of decreased budgets, deficits and public outcry over the possibility of increased taxes, Margaret Thatcher lead a privatization effort to change the provision of government services in Great Britain (Butler, 1994). In November, 1979 the government

enterprise known as British Petroleum issued shares in a public offering. By 1984, the privatization movement had grown to encompass the telephone system, which was part of the British post office and described as a highly bureaucratic organization (Yergin & Stanslaw, 1998). Discussing the depth of privatization in Britain, Boyson and Martino (1999) stated, “the need to cut bureaucracy and public spending was tackled from the outset, and between 1979 and 1987 the number of civil servants was reduced by 22.5 percent -732,000 to 567,000” (p. 3). Entire organizations such as British Petroleum and British Airways were moved to the private sector.

“Privatizers seek to “shrink” government through the transference of whole government functions to the private sector” (Moe, 1994) or by encouraging the service to be provided by the voluntary sector (Butler, 1994). Moe (1994) best describes how this strategy differs from the definition of entrepreneurs by stating:

There is an important distinction between the objectives of privatizers and the entrepreneurs that warrants notice. Privatizers seek to “shrink” government through the transference of whole governmental functions to the private sector . . . . Entrepreneurs, at least when not in the populist antigovernment mood, claim they simply want some service to be delivered more efficiently and economically and do not care whether the deliverer is governmental or private. (p. 119)

This distinction is important. Left by itself and driven to the ultimate extreme, privatization does not transform a government organizational system or model--it simply eliminates it. Transformation, as noted in the discussion of its definition and early evolution, is a combination of strategies that change an organization, but assume the changed organization survives after the process.

Complete privatization has not been a strategy in recent United States federal government history, but it survives in a form that follows the definition offered by Moe for entrepreneurs. Today, the federal government's A-76 process allows agencies to competitively bid traditionally government work between outside contractors and existing government employees (Peckenpough, 2004). The suburbs of Washington, D.C. are lined with consulting companies often referred to as "beltway bandits" by government employees, given their prevalence of working for federal agencies. As early as 1976, the Postal Service began partial privatization when it offered discounts for "work sharing." This allowed mailers to do some of the mail sortation themselves before entering the mail in the postal system, and to receive discounts in postage rates (Roel, 1988). Over the last three decades, and especially with postage discounts offered for mail that is automation compatible and pre-sorted, presort houses became their own industry. Initially they worked closely with institutional mailers who were sending first class letters at the most expensive rates, but with the erosion of first class mail due to electronic transfers and other technology, presort houses worked predominantly with advertising mailers to decrease the costs of advertising mail.

In all these cases, the federal organizations remain while some of the work once requiring a federal employee is now accomplished by the private sector. This more closely aligns with the entrepreneurial government movement and, today, a common term for this strategy, "competitive sourcing" is often used in coordination with other strategies to achieve government transformation.

### *Termination of Government Programs*

In the definition of terminating public programs Daniels (1997) states, “termination is the conclusion or ending of a government program, policy, or organization. It is not merely the adjustment of an organization to a smaller budget or the shifting of government services to a private-sector contractor” (p. 5). While this phenomenon occurs during the same period as privatization, this too is a distinctly different phenomenon from government transformation and entrepreneurial government. Terminating government programs, while used infrequently is not a strategy that transforms a government organization, since the organization does not survive after the process.

### *Entrepreneurial Gurus Influence over Government Transformation*

Understanding modern government transformation and its original intentions to transform rational and bureaucratic systems, arguably begins with the effects of Peters and Waterman’s (1982) seminal book, *In Search of Excellence: Lessons from America’s Best-Run Companies*. The number one non-fiction seller in 1983, and the book that for better or worse, set the stage for entrepreneurial management guru books to follow, *In Search of Excellence* promoted the paradigm of government management called “entrepreneurial government” in the 1980s (Butler, 1994).

Tom Peters was a former engineer, who obtained a Ph.D. in Organizational Behavior from Stanford Business School and subsequently worked for McKinsey and Company at the time he wrote the book. However, by his own confession, *In Search of Excellence* was not based upon accepted academic research standards. Peter’s (2001) eschewed quantitative research noting that he “on some vague level had the notion that

numbers and statistics were not enough. We suspected that they didn't tell the whole story about how companies really worked--or maybe even worse, that they obscured the real story" (p. 81). Peters used what would be recognized as qualitative or mixed methods of research, but his sampling and quality procedures were flawed--although not acknowledged at the time. He states that he began the research with no work plan and developed his initial sample by asking people he knew "Who's cool?" With a list of 62 companies, he then switched from the criterion of "who's cool" to quantitative business measures of organizational performance to narrow the list to 43 companies (p. 84-85). General Electric dropped off the list, but Atari stayed on, a fact Peters used to illustrate his flaws. Peters also asserts that his research had an agenda. He was disturbed with Peter Drucker, Robert McNamara at the Pentagon and Xerox and specifically with their, "hierarchy and command-and-control, top-down business operation" (p. 86). In spite of this lack of qualitative credibility and dependability required in academic research, *In Search of Excellence* became required reading in many college business programs in the 1980s and for many managers in organizations.

Chapter two of *In Search of Excellence*, "The Rational Model," equated professional management of the time with "hard headed rationality." The authors of *In Search of Excellence* suggest that the "rational approach to management misses a lot . . . such as good strategies that do not allow for persistent old habits, implementation barriers, and simple human inconsistencies" (pp. 30-31). This chapter names Robert McNamara as the "grand panjandrum" of rationality. Twenty years after publication, author Tom Peters (2001) wrote.

... here's another confession . . . . Who was I pissed off at? At Peter Drucker, for one . . . he's more German than the Germans when it comes to hierarchy and command-and-control, top-down business operation . . . Robert McNamara . . . the Peter Drucker of the Pentagon . . . secretary of defense, the systems had completely taken over. *People were driven out of the equation.* McNamara introduced the tyranny of the bean counters . . . mostly I was pissed off at Xerox . . . Xerox was considered the company of the century, but I knew better. There it was, all in one place: the bureaucracy . . . the slavish attention to numbers rather than to people . . . . (p. 86)

While Peters admits being influenced by the Viet Nam War, he also showed his resentment of rational systems and scientific management:

Here's my fifth confession: *Search* went against all of the Management 101-style conventional thinking that was running American business back in 1981. But that's not the confession. The confession is that I didn't go far enough. The conventional wisdom was what Peter Drucker had sold to General Motors, what Robert McNamara has installed at the Pentagon, and what David Kearns was struck with at Xerox. It all went back to Frederick Winslow Taylor and scientific management. The theory that Taylor devised came to be known as the "one best way" . . . Start with Taylorism, add a layer of Druckerism and a dose of McNamaraism, and by the late 1970s, you had the great American corporation that was being run by bean counters . . . . You could boil all of *Search* down to three words: *People, Customers. Action* . . . as far as you could get from the prevailing wisdom of the time, which you could also boil down to three words:



*Numbers. Bureaucracy. Control . . . .* But *Search* said that everything soft is hard.

People, customers, and relationships-they make up all of the soft stuff that determines what really gets accomplished and how it gets done. (p. 88-89)

Both Taylor's scientific management and Weber's bureaucratic theory are classified as closed system rational models (Scott, 1987), with scientific management being more aligned with study of the work and individual, while bureaucracy is aligned with organizational structure. Peters (2001), article shows how openly he advocated natural models that prefer informally structured behavior and participants who share a common interest in the survival of the organization. This theme was then advocated further by Kanter's book, *The Change Masters: Innovation and Entrepreneurship in the American Corporation*. This advocacy became an important influence on entrepreneurial government. Open disdain of government bureaucracy was read by many leaders or future leaders of the time and the guru author arguments against rational systems were soon evidenced in federal government policy.

### *Entrepreneurially Reinventing Government*

Several authors suggest that *In Search of Excellence* influenced Osborne and Gaebler's (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* or that *Reinventing Government* became the equivalent of *In Search of Excellence* in the public sector (Jordan, 1994; Rhodes, 1994; Weiss & Shrivastava, 1995). Author David Osborne, a journalist, had written articles promoting efficiency in government, while Ted Gaebler, former city manager of Visalia, California, was president of the Gaebler Group--a management consulting firm.

Both authors offer acknowledgements to Peter Drucker and Tom Peters--an odd combination when you consider that Peters openly stated his disdain for Drucker's management philosophies of "command-and-control, top-down business operation" (Peters, 2001, p. 86). Also notable is that the authors quote *In Search of Excellence* dozens of times in the book, while Kanter's empirically researched *Change Masters*, with its discussion of roadblocks created by segmentation (bureaucracy) is only referenced once.

From the onset, *Reinventing Government* was controversial within academia and its legitimate application to large scale government transformation was questioned. Weis and Shrivastava (1995) describe it as a management book that would "offer an inspirational message and good anecdotes, uninterrupted by much theory or systemic data" (p. 236). Jordan (1994) notes the book promotes the opportunity to fail as an entrepreneur, but suggests replacing managers who fail within five pages. Masden (1995) states the book is based on circuitous logic. Fox (1996), Morgan, Banch, Cameron, and Deis (1996), Thompson and Riccucci (1998), and Williams (2000) point out numerous contradictory tactics. One perspective of the book promotes bottom up continuous improvements from managers and increasing their work load to manage contracts, while another perspective advocates limited privatization of their work, less field administration, and shifting displaced workers. One part promotes decentralization to empower managers, while another promotes centralization for economies of scale. Rhodes (1994) noted that the book had no information on its methods of data collection, the criteria for collecting its case studies or why the innovations they promoted worked in the very bureaucracies they wanted banished. However, the degree to which *Reinventing*

*Government* influenced government leaders is evidenced by quotes from elected officials with emphasis on the last quote:

David Osborne and Ted Gaebler are truly original thinkers. *Reinventing Government* will be required reading in the Weld administration. Governor William Weld--Massachusetts

Government should channel our best ideas, rather than hinder our creativity.

David Osborne and Ted Gaebler are the true prophets of a new paradigm . . . fresh, persuasive, and forward thinking. Governor Pete Wilson--California

Should be read by every elected official in America. This book gives us the blueprint. President Bill Clinton. (p. i-iii)

Although similar to the new public management, the *Reinventing Government* entrepreneurial approach to change in government differed in many ways and stands apart (Frederickson, 1996; Kellough, 1998; Thompson & Riccucci, 1998). Citizens who were once perceived as the owners of government were now perceived as customers. Frederickson (1996) suggests that this role limits citizens to a reactive role of either liking or disliking the services of government and hoping it will change. It is a problematic distinction due to the lack of a customer's ability to simply select another service provider as the open market allows. It opens a question of which customers will be more valuable to government (Vittes, 1983). It also is not in line with the original intent of many government organizations to provide services where the open market would not (e.g., delivering a personal letter to a rural location in North Dakota for the same price as delivery next door in a city).

Another problem with the application of entrepreneurial government to transformation of federal government management was the problem of accountability for funds. Open market entrepreneurs use the money of investors, who expect a return commensurate with the risk. That risk can include a complete loss of the investment and dissolution of the organizational assets. Government structures do not tolerate managers risking public funds and require stability, given that the absence of some government organizations would leave society without an organization to cover the services that the open market will not pursue. For this reason, organizations such as the Postal Service have been granted limited monopolies by federal statutes. Inevitably, these issues impact which strategies are adopted in transforming government.

*Reinventing Government*, like its predecessors, provides a checklist of strategies for reinvention. Unlike many of the early checklists, this list was completely devoid of psychological strategy and almost exclusively originated from the strategies promulgated by the entrepreneurial guru authors. The following is the list of strategic ideas from *Reinventing Government*:

1. Steering rather than rowing--Administrators provide policy while separating themselves from delivery functions.
2. Empowering rather than serving--A concept which promotes government employees considering those who receive public service more as customers (private sector) than citizens (public sector).
3. Inject competition into service delivery--Advocates competitive sourcing. (Public vs. private, private vs. private, public vs. public).
4. Transform rule-driven organizations to get mission driven government--

Advocates managing by mission as opposed to rules and holding people accountable rather than creating more rules when goals are not achieved.

5. Results oriented government that funds outcomes and not inputs--Calls for establishment of performance measures and pay for performance tactics.
6. Customer driven government--Suggests that customers are the recipients of government services and not administrators and politicians. Advocates customer satisfaction surveys, customer councils and transparency in reporting results.
7. Enterprising government--Advocates government using innovative methods to make revenue from sources other than tax dollars.
8. Anticipatory government--Advocates government acting proactively rather than reactively to eliminate potential future costs. Suggests changes to budget systems to allow flexibility and strategic planning.
9. Decentralized government--Moving from hierarchy to decentralization, participatory management and bottom-up innovation.
10. Market-oriented government--Market based regulatory policy and less government programs.

Young (1996) suggests that *Reinventing Government* may have only received modest attention had it not been immediately placed into practice, while Saint-Martin (2001) says the book provided the Democrats an alternative approach to the public sector after 12 years of Republican rule and strong anti-government rhetoric. This premise is supported by Barzelay's (1992) *Breaking through Bureaucracy: a New Vision for Managing in Government*. Barzelay, an Associate Professor of Public Policy at

Harvard's John F. Kennedy School of Government, presents in his well researched book examples of government initiatives at various levels that successfully changed the outputs, values and processes of the various government entities. The book devotes a chapter to explaining the need for developing innovative strategies and a chapter to the discussion of inventing strategies--unlike *Reinventing Government* which gives the reader the guru checklist needed for best sellers. The examples of strategies included in *Breaking Through Bureaucracy* do reappear in later work of the National Performance Review, but it is the entrepreneurial influence of *Reinventing Government* that prevails.

Endorsed by the Clinton Administration, *Reinventing Government* lead to The Government Performance and Results Act of 1993 (GPRA). Aggressively promoted by President Clinton and Vice President Gore, GPRA was "an important first step in the efforts to reform the way the Federal Government operates and relates to the American people" (American Reference Library, 2001). GPRA amended numerous elements of the United States Code to require several of the strategies of *Reinventing Government* for government agencies. First, it recommended the compilation of a strategic plan that would cover five years and be revised every three years. This plan would set yearly goals, targets for programs and provisions for measuring and reporting the performance toward the goals publicly. GPRA specifically stated that federal program effectiveness would include measures of customer satisfaction (Government Results and Performance Act of 1993). In his remarks upon signing GPRA, President Clinton clearly conveyed the concepts of *Reinventing Government*.

The conception that the aged bureaucratic boundaries of federal government had now been targeted for change by *Reinventing Government*, *Breaking through*

*Bureaucracy* and the Clinton Administration, was evident in other works of the period.

Kiel (1994) in *Managing Chaos and Complexity in Government: A New Paradigm for Managing Change, Innovation, and Organizational Renewal*, stated there is a:

. . . need for a new paradigm for public management that incorporates the full range of change processes in organizations and the capacity for transformational change . . . . This paradigm of complexity and transformational change in organizations is the new paradigm . . . for contemporary public management.

(p. 14-16)

Kiel's (1994) work may have been too laden with academic theory to be included in the major reforms to come--or simply too late. In March of 1993, the second step to reinventing government, known as the National Performance Review, had already begun its work--under the guidance of David Osborne.

### *The National Performance Review*

Headed by Vice President Al Gore the National Performance Review (NPR) hired David Osborne as a leading figure with a key role in the initiative (Ingraham, 1996) and immediately adopted the principles of *Reinventing Government* (Saint-Martin, 2001; Weiss & Shrivastava, 1995). After a six month study, Vice President Gore wrote, "We sought ideas and advice from all across America: from other federal workers, from state and local government officials, from management experts, from business leaders, and from private citizens eager for change" (NPR, 1993, p. iii). While various conferences and meetings soliciting public input were held under the first months of NPR, *From Red Tape to Results: Creating a Government That Works Better and Costs Less* supports a strong relation to *Reinventing Government* and the work of the entrepreneurial

government gurus. The introduction to this document first indicates this by listing titles such as, “The Root Problem: Industrial-Era Bureaucracies in an Information Age” and “The Solution: Creating Entrepreneurial Organizations.”

The introduction of *From Red Tape to Results* put forth four strategies, with these titles and attributes:

1. Cutting Red Tape--“Shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results.”
2. Putting Customers First--“By “customer,” we do not mean “citizen.”
3. Empowering Employees to Get Results--“Effective, entrepreneurial governments transform their cultures by decentralizing authority.”
4. Cutting Back to Basics: Producing Better Government for Less--“Effective, entrepreneurial governments constantly find ways to make government work better and cost less--reengineering how they do their work . . . .”

In the introduction, the report stated the following, “We seek to transform bureaucracies precisely because they have failed to nurture these values . . . . We will invent a government that puts people first by:”

- Cutting unnecessary spending
- Serving its customers
- Empowering employees
- Helping communities solve their own problems
- Fostering excellence

Here’s how. We will:

- Create a clear sense of mission
- Steer more, row less



- Delegate authority and responsibility
- Replace regulations with incentives
- Develop budgets based on outcomes
- Expose federal operations to competition
- Search for market, not administrative solutions
- Measure our success by customer satisfaction. (p. 7-8)

Of the 13 principles listed above, 11 were adopted from Osborne and Gaebler's original list in *Reinventing Government* and the introduction of the report cited *In Search of Excellence*. Saint-Martin (2001) noted that the report was written by Osborne, and suggested that the ideas sought from others may not have been an influential factor. The remaining pages of the report listed 384 tactics which targeted over 25 agencies. Reinvention laboratories were created in over 200 units of government and with the push of Vice President Gore; the NPR began reinvention (Ingraham, 1996; Thompson & Ingraham, 1996).

By 1994, the NPR had existed long enough to produce results capable of study. Goodsell (1993) noted that the vagueness of strategies allowed any to be pursued that had market appeal. Strategies were disconnected from the federal government and unable to be conceived for implementation. There was little consensus on what constituted a "customer" or how to serve them. Instead downsizing became their dominant theme – and, in his opinion, their biggest mistake. Donald Kettl noted that measuring the impact on culture was impossible and no systemic survey yet existed, but innovations were proceeding (Brookings Institution, 1994). He mused that while they had released a strategy on September 7, 1993, they had none on September 8. Middle managers were critical to the implementation of any innovation. Kettl notes that while reinventing had

its problems and suggested that the “genie is out of the bottle” the effort had created enormous energy and had just begun.

Building on the work of Kettl, Thompson, and Ingraham (1996) randomly selected 35 reinvention labs and interviewed 119 people. From this group, they found only 48 different tactics of change, and from these innovations 45% were limited to just three tactics--reorganization to teams, procurement reforms and information resources. Their study noted that reinvention was “dependent as it is on front-line managers to initiate innovation, places a premium on leadership” and, “issues of power, control, and turf surfaced repeatedly” (p. 297). Heckman, Heinrich, and Smith (1997) addressed another tactical conundrum for managers when their research suggested that managers strove to meet performance standards imposed by reinvention, but employees were not always in sympathy with those objectives. Hennessey (1998), studying the Defense Department and Veterans Administration during this same period noted that the changes that were occurring were only because of the efforts of outstanding leaders. All combined, the research to this point suggested that technical fixes were more easily reached in the early days of reinventing government. Adaptive change of the organization and organizational transformation was not being accomplished.

Osborne and Plastrik (1997) released *Banishing Bureaucracy: The Five Strategies for Reinventing Government*. Perhaps answering the identified loss of strategic direction, their book begins with definitions of what reinventing is and is not. “By “reinvention” we mean *the fundamental transformation of public systems and organizations . . . . This transformation is accomplished by changing their purpose, incentives, accountability, power structure, and culture*” (p. 13-14). They iterated that

reinvention was not, reorganization, cutting waste, fraud, and abuse. It was not downsizing government, privatization or “a stand in for making government more efficient.” They stated, “the term “reinventing government” has been used so often by so many people to describe so many agendas that it has lost all meaning” (p. 10).

While relegating the principles of *Reinventing Government* to an appendix, Osborne and Plastrik now offered the five Cs strategies for *Banishing Bureaucracy*:

1. The Core Strategy: Creating Clarity of Purpose;
2. The Consequences Strategy: Creating Consequences for Performance;
3. The Customer Strategy: Putting the Customer in the Drivers Seat;
4. The Control Strategy: Shifting Control Away from the Top and Center; and,
5. The Culture Strategy: Creating an Entrepreneurial Culture.

With four years of NPR already gone, *Banishing Bureaucracy* was not credited in research literature for having any further impacts beyond those already started by *Reinventing Government*. Kettl noted the troubled history of NPR, by stating that Phase I accomplished reforms to government processes, Phase II scrambled to counter Republican control of Congress and answer the questions of what government should do and Phase III had re-inventors trying to reinvigorate the process with new ideas and attempting to position the Vice President for the upcoming election – an election that ended Vice President Gore’s aspirations, the NPR and began a period of reflection on the phenomenon of government transformation (Brookings Institution,1998).

#### *Evaluating the Reinventing Government Form of Transformation*

Kettl (2000a, 2000b) asked whether government had really been reinvented. A Scripps Howard News Service poll (cited by Kettl 2000b), noted that slightly more than

half of the respondents had heard of reinventing government, 61% did not believe government was more efficient and 59% did not believe it had reduced positions--en in fact it had eliminated 351,000. Using a report card system, Kettl gave NPR grades of "A" for effort and procurement reform; "B" for downsizing, customer service and disaster avoidance; "C" for leadership, performance improvements and increased citizen confidence. The lowest grades, both Ds, were given to relations with Congress and identifying objectives. At one point, he describes the selection of tactics as, "more a grab-bag of options than a careful analysis of which ones fit federal problems" (Kettl, 2000a, p. 9).

In subsequent literature, debate over what strategies and tactics constituted transformation abounded. Sylvester and Umpeirre (2001) and the National Academy of Public Administration (2004) wrote that the greatest improvements from reinventing government came from information technology and specifically its application to procurement processes. This was supported by Light (2002) whose research of 310 senior executive and managers found that 88% agreed that the improvements in information technology were very or somewhat successful.

However, various researchers focusing exclusively on information technology as a transformation strategy are not in agreement with its effects on the organization. Welch and Pandey (2005) wrote, "In general, we find that whereas in some cases excessive rules and regulations inhibit implementation of intranets in public organizations, there is no indication that adoption, use of information quality of an intranet reduces or increases red tape in organizations" (p. 1). Pinsonneault and Kraemer (2002), note "our knowledge of the casual relationship between IT, environmental conditions, managerial actions, and

organizational downsizing is quite limited” (p. 191). While information technology may be a strategy or tactic of transformation, it appears that research cannot support that it alone causes transformation.

John M. Kamensky, the former deputy project director for the NPR and current member of the IBM Center for the Business of Government, supports this view in his most recent research *Six Trends Transforming Government* (Abramson, Breul, & Kamensky, 2006). The authors suggest the following to transform government:

1. Changing the Rules: Changing formal laws, administrative requirements and organizational structures.
2. Using Performance Management: Performance oriented cultures which reward employees based upon meeting goals that matter to citizens.
3. Providing Competition, Choice, and Incentive: Use of outsourcing and public-private partnerships.
4. Performing on Demand: Improving the organizations ability to respond to crisis of an economic, social or technological nature.
5. Engaging Citizens: To seek and allow involvement in decision making and policy
6. Using Networks and Partnerships: Seeking outside input and relationships to solve unique problems

Notably, none of the six trends is based upon technology, but the internal strategies suggest performance systems and outsourcing, while external strategies include engaging stakeholders to share in the adaptation of policy and mission and cooperative partnerships. This is a decidedly different turn from the internally focused transformation strategies of the NPR.

## The Continuing Debate of Government Transformation Strategy

### *Performance Systems and Technical Fixes (PSTFs)*

In the years since Osborne's work, academic transformation scholars have proposed that government transformation essentially comes down to two strategies. The first, for purposes of this research was titled PSTFs. Robert Behn, an author of numerous books regarding the importance of leadership in government, and a lecturer at Harvard University's John F. Kennedy School of Government, offers a view of how performance systems change the organization model. Behn (2005) defines a performance system and its adoption as a transformation strategy by saying:

A system is like an engine. You push the start button, and the system does the work. Thus, to many, the challenge of improving the performance of public agencies (and non-profit and for profit organizations, too) is to find the right system--the perfect system . . . . But it's there. It's got to be. Someone has already discovered it . . . . Then all we need to do is import this system into our organization, set it up, and push the button . . . . One kind of performance system is performance measurement, another is performance budgeting. It is a system just like a procurement system or a personnel system. The Government Performance and Results Act is just one example of such a "system." Like all systems, a performance system is based on rules. Like all systems . . . it requires public agencies and public managers to follow rules and regulations, to publish annual reports, and to leave paper trails that permit others to audit compliance with these rules and regulations. (p. 1-2)

Authors Heifitz and Linsky (2002), who are both on the faculty of the John F. Kennedy School of Government at Harvard University characterize technical problems as routine management of adapting current know how. “Every day, people have problems for which they do, in fact, have the necessary know-how and procedures. We call these technical problems” (p. 13). Using this definition, technical fixes are the adaptations of existing knowledge or technology, by management, to problems. This aligns with Behn’s definition of performance systems and the strategy of information technology used by NPR. Throughout their book, they further define this concept by offering an explanation of what technical problems are not. They suggest a technical problem does not involve people’s hearts and minds; it avoids “the difficult conversations rather than disturbing people in an attempt to change the ways lived” (p. 12).

#### *Performance Management and Adaptive Changes (PMACs)*

Heifitz and Linsky note that adaptive work is the work of leaders as opposed to managers. They state, “you have to engage people in adjusting their unrealistic expectations . . . counteract their exaggerated dependency and promote resourcefulness . . . . Without learning new ways--changing attitudes, values, and behaviors--people cannot make the adaptive leap to thrive in the new environment” (p. 13-15). Obviously, this method of introducing change to a new environment is more grounded in the people as opposed to systems or organizational structure. The authors spend the majority of time in the book, suggesting how leaders, who have to promote adaptive change, can survive the emotional rigors of this interaction with people. This perspective that leading change is a very personal act accomplished by leaders, and that it stands separate from the work of managers, is shared by Robert Behn.

Behn's (2005) definition of performance management is mixed with the term performance leadership. Behn states:

Performance management is not a system. Rather, performance management is the active, conscious efforts of the leadership of a public agency to motivate people--both employees and collaborators--to produce more, or better, or more consequential results that are valued by citizens . . . performance leadership comes with no start button. It comes with no promise that once you get it running, you can move on to other things. In fact, performance leadership comes with precisely the opposite promise. It comes with the promise that, once you have started it, you have to keep doing it. You can't stop. To improve performance, you have to keep working at it. (p. 2)

Heifetz and Linsky and Robert Behn are essentially making the same points. The transformation strategies boil down to the use of PSTFs, which are systems or procedures that can be simply applied to situations by managers--which may result in more specific goals and formalized processes associated with rational models, or PMACs which call for engaging people to have them share a common interest in survival of the organization--which aligns with the definition of natural models.

The phenomenon of government transformation continues, whether in the Department of Homeland Security, the Defense Department or the Postal Service, the evolution of government change is actively continuing under the banner of transformation.



## Transformation of the United States Postal Service

### *Studies since the Postal Reorganization Act*

There was little scholarly literature on the first major transformation of the Postal Service in 1971 even though it has been called “among the most extensive ever for any federal executive agency” (Tierney, 1981, p. 173). Biggart (1977), who used a case study approach, considered the 1971 transformation from the perspective of what was destroyed in the change. Her analysis considered organizational elements which were internally transformed separate from the externally viewed effects of the landmark legislation. Biggart noted that the Postmaster General decentralized operational authority and reliance on manuals and inspections. In its place came field managerial discretion along with the destruction of the service at all costs ideology. Older managers steeped in the inefficient “service” tradition were replaced with younger professional management after an early out bonus shed nearly 2,100 senior managers. The new management instituted communications programs that promoted selling postal products to gain revenue, warned of the perils of external competition and established internal competition of efficiency standards among units. In essence, Biggart’s study suggests the Postal Service was an early advocate of the entrepreneurial government movement.

Tierney’s (1981) study of the 1971 transformation found that the new Postal Service had been very successful in decentralizing decision making, mechanizing mail processing and reducing the workforce. It had even introduced two new and “popular” services--Mailgrams and Express Mail. (Mailgrams were eliminated within ten years and the Postal Service eventually lost the majority of the overnight delivery market to Federal Express, UPS, DHL, Airborne and other competitors – after having invented the service.)

While Tierney viewed the Postal Service transformation as successful in these areas, he suggested that their future required increased technological development to offset the “crippling labor-intensity of postal operations” (p. 177). Also, he suggested an improvement in identifying which costs should be attributed to which customers, so that first-class mailers were not subsidizing other mailers. He advocated changing the standardized wage rates which overly compensated employees in low cost rural areas and under compensated employees in high cost urban environments. He also advocated ending the collective bargaining process which resulted in inflated wages. Finally, he saw the new organizational model created by the transformation as essentially flawed. It was torn between a postal system as a public service with special constituents to be subsidized and an efficient delivery system that charged discriminating rates based on cost. Essentially, it was still torn between a public and private organization and Tierney suggested that Congress needed to make the difficult choice to finalize the transformation--or face a costly economic situation. Tierney made it obvious that more change and transformation was required.

When the National Academy of Public Administration (1982) considered the impacts of the 1970 Postal Reorganization Act (PRA) they, in part, noted that:

1. An outstanding accomplishment of the PRA was the de-politicization of the organization and establishment of professional vs. political management.
2. Measures of delivery performance were internal and not understood by the public.
3. The rate making process was not satisfactory and often contentious between the Postal Rate Commission and USPS leadership.

4. Labor/management relations were poor and an employee involvement process needed to be pursued.
5. An incentive pay program should be adopted for all employees.
6. Strategic planning was urgently needed.
7. USPS needed to increase technology R&D and maximize use of technological innovations.
8. The Postal Service monopoly on delivery of letters should remain.

This research, coming after Tierney and in the same period as *In Search of Excellence*, but prior to *Reinventing Government*, also suggested that the transformation of a government entity to a business like model had many successes but also some problems that called for more change of the organization. NAPA suggested that internally the Postal Service had the ability to provide better customer service, increase technology, to improve labor relations and plan. Externally, Congress needed to fix the contentious rate making process, ensure the Board of Governors had qualified people and address jurisdictional issues with the courts. Like Tierney, NAPA found vast improvements in the Postal Service, but believed that simply staying with the same model and problems would not work in the long run--an issue also noted by Vittes (1983).

Vittes conducted an academic case study that provided a comprehensive history of the Postal Service prior to the 1971 transformation. Speaking directly to the transformation, he concluded that the public corporation model of the Postal Service faced critical weaknesses. The model would naturally pursue marketplace opportunities, but mandated not to make a profit by the PRA, the open market incentives for such pursuit were not present. Vittes suggested this may lead to a “loss of public

purposefulness when compared to activity based on direct government attachment” (p. 207) and preponderance to “cater to the major customers of postal service, the large businesses and corporations . . .” (p. 206).

Conkey (1983) did not share such an optimistic appraisal of Postal Service transformation. Working under a grant from the Carnegie Corporation of New York and for the Center for Study of Responsive Law, her report was titled *The Postal Precipice: Can the U.S. Postal Service be Saved?* In a preface written by Ralph Nader, it was suggested that the Postal Service transformation measured its progress by reducing workforce, reducing service to the common citizen and catering to mass business mailers. It suggested that automation blunders had eroded the morale of employees, postal management had little accountability and increased internal power and Congress had escaped accountability for the troubled system through the transformation to a government corporation. Baxter and Margavio (1996), addressing the automation, labor relations and internal morale problems further supported that the scientific management of the Postal Service produced stress and frustration, and suggested a theoretical link that when work degrades a persons sense of self-control, as it had in the Postal Service, it can trigger violence.

Hudgins (1996, 2000) while working for the Cato Institute, also recognized the challenges of the new business model for the Postal Service in changing times. An advocate of privatization of the organization his work is less about transformation and more aligned with termination of the public program.

While these limited studies suggested the future concerns of government transformation as seen through the changes lead by the Postal Service, none were cited by

any of the guru authors. Tierney noted that “The Postal Service . . . has been studied by a few economists but has received almost no attention from political scientists or students of public administration” (p. viii). Not only has the organization not been studied often, it has almost exclusively been studied by outsiders. This is a rare consideration in a governmental organization of this longevity, size and impact on the nation. Numerous studies by retired public officials who have served in government organizations have been written. The case is likewise with military studies. However, finding in depth research on the Postal Service, written by a person who has spent enough time working within the organization to have *verstehen* or the ability to research from the hermeneutic perspective, is something that does not exist at this time.

#### *The Postal Service Transformation 2002*

In April, 2001, David M. Walker, former Comptroller General of the United States placed the Postal Service on the General Accounting Office’s High-Risk list and called for “a structural transformation of the Service” because the “USPS is at growing risk of not being able to continue its mission” (GAO, 2002, p.2). Shortly after this report, at the request of Congress, the Postal Service began developing their transformation plan (President’s Commission on the United States Postal Service, 2003, p. viii.) In essence, the General Accounting Office’s listing and Congress demanding action was creating the sense of urgency or crisis suggested by the guru authors.

In April, 2002, one year after being placed on the GAO’s High Risk list, the Postal Service delivered the *Transformation Plan* – a document of over five-hundred pages. It included strategies and timelines for the transformation of the nation’s Postal Service. The selected strategies had the luxury of three decades of experience and studies

that advised leaders how to transform the nations' second largest business organization, and only government entity that has direct contact with every home address on a daily basis. However, none of the studies written from the perspective of outsiders looking briefly into the Postal Service, considered the transformation of the organizational model from the internal perspective of field Postmasters, managers or supervisors.

As the evolution of government transformation continues and the impending wave of retirement of baby-boomer managers and supervisors looms, suggestions continue that we make these positions less bureaucratic and more empowered to attract the talent needed to maintain government services. Scholarly research is required to understand the strategies selected for government transformation, the reasons for their selection and their impacts on the work place of managers and supervisors in a government organization. While we have some research that addresses this phenomenon in a macro scale, there is scant research which explicitly asks middle managers or supervisors of our federal government to describe their perceived changes to their organizational system or model they find post transformation. Without that knowledge, attempts in recruiting outside talent may be in vain.

The literature suggests that understanding how to transform organizations is more important today, in the rapidly changing and global economy, than ever before. Given the rapidity of change, the private sector environment has created more opportunity for the study of this phenomenon and a consistent stream of literature. This is not the case for government transformation. Recent history has shown that transformation of our nation's government organizations is a critical issue and demands the same level of

constant research necessary to ensure stability of our American institutions today and in the future.

### Definition of Terms

As is the case with any large organization and especially one aligned with the federal government, there are many acronyms and terms associated exclusively with the organization. The following are definitions of academic, organizational, and unique terms which were used for the purposes of this study:

Area--A management unit of the Postal Service, established in 1992, that oversees and supports Districts and later, Performance Clusters. The senior Area PCES, reports to Postal Service Headquarters.

Central Pennsylvania Performance Cluster--A management unit of the Postal Service that oversees and supports mail processing operations in Harrisburg, Williamsport, Lancaster, Reading, Scranton, Wilkes Barre, Lehigh Valley and the surrounding post offices in these areas of Pennsylvania. The senior Cluster PCES report directly to the Area.

Closed system--An organization that is isolated from change of the external environment. It is more attentive to structure, than process, to achieve its internal goals (Scott, 1987, p. 91, 98).

District--A management unit of the Postal Service, established in 1992, that oversees individual mail processing operations and post offices. Name later changed to Performance Cluster.

Division--A management territory established in 1986 reorganization which included numerous PCES positions. Senior PCES reported to a Region. Both organizational typologies were eliminated in 1992 and replaced with Districts and Areas.

Employees--This term includes unionized bargaining positions or Postmasters, managers and supervisors. It does not include executives.

Executive--In the Postal Service, executives are designated by the term Postal Career Executive Service (PCES). They are similar to the Senior Executive Service in other government service.

Internal workplace--This term was be used to encompass the day-to-day activities of employees in the Postal Service. For the purposes of this study, the internal workplace was classified by either a closed or open system. Under this typology, the internal workplace is further delineated by a rational or natural model (Scott, 1987, p. 100).

Large scale government transformation--This term indicates that the organization exists in all 50 states and is a federal government entity and is undergoing transformation.

Managers--For the purpose of this study this term applied to individuals who manage employees or specific programs in federal government--or both. It includes persons with the title of Postmaster. The term can be for a line, or staff, function in the organization.

Natural model--An organization model comprised of participants who share a common interest in the survival of the organization and who engage in informally structured behavior to meet their goal of mutual survival (Scott, 1987).

Open system--An organization with changing interest groups from the environment both inside and outside of the organization. These groups negotiate goals,



the structure of the organization and its activities to adapt to environmental factors (Scott, 1987).

Postal Service--The United States Postal Service is “an independent entity within the executive branch of the Federal government with a unique charter to operate as a self-sustaining commercial enterprise” (President’s Commission on the United States Postal Service, 2003, p. 172).

Rational model--An organization model oriented to relatively specific goals and having highly formalized social structures and highly formalization procedures that reduces the need to recruit talented employees (Scott, 1987).

Supervisors--This term is used for persons who are predominantly responsible for applying resources to the day-to-day operations of mail acceptance, processing and delivery.

Transformation--For the purpose of this research, transformation is an internally generated change, implemented through a combination of various strategies and intended to change the system, model or internal workplace of federal employees.

Transformation plan--Will refer to the transformation plan issued by the Postal Service in 2002.

## CHAPTER III

### METHODOLOGY

#### Selection of Research Design

This research is a case study of transformation in the United States Postal Service. Eisenhardt (2002) notes that “the case study is a research strategy which focuses on understanding the dynamics present within a single setting” (p. 8). Langenbach, Vaughn, Aagarrd, and Tesch (as cited in Mertens, 1998) add to this view by noting that the case study is often considered a type of ethnographic research involving detailed study of an “entity through observation, self-reports and any other means” (p. 166). Stake (2000), while not considering case study a methodology, so much as the selection of what is to be studied, supports that the case can be researched by mixed methods. Eisenhardt (2002) further emphasizes possible methods of case study inquiry by noting that “case studies typically combine data collection methods such as archives, interviews, questionnaires, and observations” (p. 9).

Given my personal situation of having been employed by the Postal Service for over 28 years, in a variety of managerial functions and locations, I was uniquely positioned to use constructivist research methods. In essence, the decades of service provided the prolonged engagement necessary to “build the trust necessary to uncover constructions, and to facilitate immersing oneself in and understanding the context’s culture” as well as the “sufficient observation . . . to add depth to the scope which prolonged engagement affords” (Guba & Lincoln, 1989, p. 237). I understood the culture of the Postal Service from working at nearly every level in the field of the organization over three decades and as suggested by researchers, had the ability to interpret and apply

findings from a point of view that is central to organizational studies (Heifitz and Linsky, 2002; Kaufman, 1967; Patton, 2002). While this would present challenges to objectivity under a post-positivist approach to research, my personal experience was an advantage under a constructivist approach. For this reason, great emphasis was also given to the criteria associated with process and product quality throughout the research.

As stated before in this text, this case study provides information regarding the organizational impacts of transformation on the workplace of Postmasters, managers, and supervisors in the field. Initially, I sought to understand transformation as implemented through PSTFs or PMACs within the Postal Service. However, progressive subjectivity demands that the researcher be open to emerging constructs that are arrived at jointly between the researcher, the documents and participants in the research (Guba & Lincoln, 1990). In this case study, the emerging constructs and data provided a story of transformation that exceeded the original expectations of the research and furthered understanding of how transformation occurred in the Postal Service.

### Bounding the Case Study

#### *Case Study Method*

This study is an instrumental case study that provides insight into the phenomenon of large scale federal government transformation and the downstream impacts of transformation strategies and tactics on the organizational workplace. The instrumental case study, as opposed to the intrinsic case study, was used given that it was best at “illustrating how the concerns of researchers and theorists are manifest in the case” (Stake, 2000 p. 439). For this case study, the theorists included those who have addressed the issues of transformation in government in the last 20 years, as well as the

more traditional theorists of organizational sociology. The case study proceeded from an inductive approach, so that the information received was not forced into a pre-conceived theory to explain the transformation phenomenon. After accumulation of the data and member checks and peer debriefing, transformation, and organization sociological theories, were used for analysis and to develop the findings of the study.

### Bounding by Agency, Geographic Organizational Unit, Time, and Scope

Stake (2000) notes that an agency may be a case but this study was further bounded by being limited to the research of the phenomenon of transformation in the Postal Service. Specifically, it researched the perceived impacts of transformation strategies and tactics on the organizational workplace of Postmasters, managers, and supervisors predominantly in the Central Pennsylvania Performance Cluster of the Postal Service.

Taking the bounding a step further, the original boundary of this study began with the issuance of the United States Postal Service *Transformation Plan* in April, 2002. However, as the research proceeded under progressive subjectivity, it was necessary to understand change in the Postal Service after the Postal Reorganization Act, during the period of increased mechanization and automation and the administrative changes introduced in the 1990s. The case study boundary ended in coordination with the date of final collection of data in the summer of 2007.

This research did not intend to explore the larger organizational environment of the Postal Service. It started with the *Transformation Plan* strategies and tactics that were to have impacts on the day-to-day workplace of Postmasters, managers, and supervisors--

but the research soon found compelling evidence that both the internal and external stories of the *Transformation Plan* were connected. Beginning with exploration of the strategies and tactics submitted by the Postal Service in the *Transformation Plan*, the research found that they were part of a larger, historic pattern of change within the organization, and did not necessarily align with an academic definition of transformation. By tracing these strategies and tactics throughout the history of the Postal Service, over several decades, the level of analysis spanned both the macro and micro levels of the organization and the research was able to provide understanding of Postal Service transformation from both levels.

### Sampling in the Case Study

This case study could be described as ethnographic. Starting with the review of the *Transformation Plan* of 2002, it was quickly discerned that historic patterns of Postal Service change were present in the strategies and tactics of the *Transformation Plan*, and it was not intended to transform the organization according to academic definitions of the term. The *Transformation Plan* listed strategies and tactics of change I had seen before in my career. Drawing from my participant observations of change in the Postal Service, along with the data provided by other documents in the course of this study, allowed a hermeneutic approach to finalizing the case study and its findings.

### Documents

The research began with review of the Postal Service *Transformation Plan* but soon expanded to other documents generated by the Postal Service as well as other organizations who were stakeholders in the Postal Service's environment over the last three decades of change. Many of the documents reviewed in the course of this case

study contained the reporting bias of the authors--something often noted in research (Yin, 1994). Discussing this problem, Wilson (1989) noted that executives are more concerned with whether the policies seem to succeed or fail than their actual administration.

Research into human resources reform at the Federal Aviation Administration noted, “officials cited positive effects of the reform initiatives . . . . Managers and employees with whom we spoke in our interview effort generally cited less positive views on the effects of reform initiatives” (General Accounting Office, 2003b). The same phenomenon was noted in this case study.

For this reason, it was necessary to consider which strategies and tactics were discussed in Postal Service documents as transformation, but to balance this with other research and data concerning Postal Service transformation over the last three decades. These documents included:

- The National Academy of Public Administration’s *Evaluation of the United States Postal Service* (1982).
- The United States Postal Service *Five-Year Strategic Plan FY 1998-2002* (1998b).
- *The Report of the United States Postal Service Commission on a Safe and Secure Workplace* (2000).
- The United States Postal Service *Outline for Discussion: Concepts for Postal Transformation* (2001c).
- Employee Comments to the *Outline for Discussion: Concepts for Postal Transformation*--Obtained through the Freedom of Information Act.
- The United States Postal Service *Transformation Plan Progress Reports* (2003e,

2004d).

- The United States Postal Service Office of Inspector General reports 2000-2004.
- *President's Commission on the United States Postal Service Report: Embracing the future: Making the tough choices to preserve universal mail service* (2003).
- *Report of the Mailing Industry Task Force: Opportunities Seized: The Results of the Mailing Industry Task Force* (2004).
- GAO reports from 1993-2007.
- United States Postal Service annual reports from 1983-2006.
- The IBM Center for the Business of Government studies of the Postal Service's balanced scorecard and Pay-for-Performance programs (2006).
- United States Postal Service generated internal employee communications 1990 – 2007.
- Postmaster, Manager, Supervisor, and craft employee generated communications 2000-2007.

### Participant Observation

Participant observation became an important part of this research. It was employed to further the exploration of the emerging themes of how the Postal Service changed internally and to convey the experiential elements of how those changes impacted the workplace of Postmasters, managers, and supervisors. "Participant observation often requires months or years of intensive work because the researcher needs to become accepted as a natural part of the culture to ensure that the observations are of the natural phenomenon" (Trochim, 2001, p. 161). With over 28 years of experience in the Postal Service and having worked my way up the organizational ladder

from a night shift clerk sorting mail to increasing levels of management, I had the prolonged exposure needed to understand the organizational culture. I worked in operations, marketing, automation planning, communications, environmental compliance, contracting, and human resources. These assignments were at all levels of the Postal Service including post offices, Performance Clusters, Areas, and Headquarters, but predominantly in the field in the Central Pennsylvania Performance Cluster. I graduated from the Postal Service's Advanced Leadership Program and won numerous awards from the Postal Service. In the summer of 2004, during the period covered by the *Transformation Plan* of 2002, I served as a Manager, Human Resources and subsequently transition manager during six months of administrative downsizing that resulted in the elimination of over 100 management positions in the former Lancaster District of the Postal Service. During this period, I was also conducting industrial action research in coordination with the Indiana University of Pennsylvania's Administration and Leadership studies, and under the guidance of the field experience program. Some of these unique experiences were integrated into this study.

With this experience, combined with academic knowledge, I was able to tell the story of internal transformation in the Postal Service and explain and interpret postal terminology, acronyms, and concepts that would not be readily discernable to outside researchers. To meet the quality criterion of confirmability, all participant observations were member checked by Postal employees in the field units where they occurred.

#### Member Checks/Peer Debriefing

After completion of the document analysis and its integration with personal observations to create the case study narrative, this case study was reviewed by



Postmasters, managers, supervisors, and craft employees from the field level of the Postal Service. While member checks and peer debriefing are most commonly associated with quality considerations in research, further information about the case study experiences that was provided during this process was integrated into the final case study. Postal employees are twice as likely as their private sector counterparts to have worked for 10 years in their current position and Postmasters, managers, and supervisors commonly work their way up from clerk or carrier positions in the organization to their eventual levels of management authority (United States Postal Service Commission on a Safe and Secure Workplace [USPSCSSW], 2000). This case was reviewed by a peer group of 13 current and former Postal Service employees with over 330 years of combined experience in field operations of the Postal Service, however, each experience discoursed in the case study narrative was unique to a place and time. For this reason, the narrative was broken down into sections to allow review by “experts” or people who had been in the same function, during the experience related and at the same time in the field of the Postal Service.

Trochim (2001) stated that to further investigate a construct, it may be necessary to utilize expert sampling and “Expert sampling involves the assembling of a sample of persons with known or demonstrable experience and expertise in some area” (p. 57). As noted in this case study, a staff administrator, although a member of management, will not have the same Postal Service experience as the Postmaster or supervisor in a line function. A Postmaster of a small rural office will not have the same Postal Service experiences as the Postmaster of a large urban office. The member checks were sourced from Postal Service operations and administrative functions throughout Pennsylvania and

predominantly in coordination with the geographic bounding of this case study. (The organizational units of the Postal Service, located in central Pennsylvania, engage in the same operations as eighty other such units throughout the United States.) Each case study narrative section was member checked by a minimum of two people who personally observed the experiences I discourse in the narrative. Additionally, the entire dissertation was peer debriefed by people who had experience in line and staff functions at many levels of the Postal Service. Where the member checks and peer debriefings suggested additions or corrections to the narrative, these were integrated into the case study.

Prior to any member checks or peer debriefing I made application to the Indiana University of Pennsylvania Institutional Review Board. All reviewers were voluntary participants with informed consent and the option of confidentiality. The researcher advocated confidentiality for working Postmasters, managers, and supervisors. Filing and storage of all member checks and peer debriefing is in accordance with procedures outlined by the Indiana University of Pennsylvania Institutional Review Board (IRB) and in accordance with the Code of Federal Regulations, Title 45--Part 46.

### Analysis of the Case Study Data

Stake (2000) notes that case study analysis is an art combining skill, knowledge, creativity and experience. This is echoed by Patton (2002) when he says, “qualitative analysis ultimately depends on the analytical intellect and style of the analyst” (p. 433). This flexibility is not without its faults. “Analyzing case study evidence is especially difficult . . . because the strategies and techniques have not been well developed . . . . If

you are a novice; you should overcompensate for this stage by over preparing . . .”  
(Bickman & Rog, 1998 p. 250).

This case study began with the analysis of the Postal Service *Transformation Plan*. In coordination with the research questions, and the instrumental case study approach, I began by establishing classification and selective coding schemes to conduct content analysis (Patton, 2002). Each *Transformation Plan* tactic was initially listed by strategy and classified as a performance system or technical fix (PSTF) or performance management and adaptive change (PMAC) on a spread sheet. Following steps outlined by Miles and Huberman (1994), I then noted personal comments and sought homogeneity and heterogeneity in the classifications--and found exceptions. Overwhelmingly, the *Transformation Plan* had PSTFs, but many of the tactics were best described as business as usual or Postal Service program initiatives in conception, development, or already deployed. The plan was not written to change the structure of the entire organization as the vast majority of tactics had impact to the field level of the Postal Service. Many were a continuation of automation deployment strategies aimed at eliminating field employees and decreasing workhours. Through this process, and iterative analysis, the data supported that the *Transformation Plan* was a hierarchically generated list of existing headquarters programs. As one Postal Service Headquarters employee suggested, it was simply a budget call process. Progressive subjectivity demands, and allows, the emergence of alternate concepts, patterns and themes to surface during the research and the document analysis was expanded to other documents which were both externally and internally generated and addressed issues of change in the Postal Service.

The Freedom of Information Act (FOIA) was employed to obtain the unpublished, but publicly solicited employee comments to the Postal Service Outline for Discussion. These were provided by the Postal Service for analysis. I also requested the results of the internal employee opinion survey questions of Postmasters and managers that were cited as measures of the *Transformation Plan* tactic to build a highly effective and motivated workforce and employed by the United States Postal Service Commission on a Safe and Secure Workplace for their study (USPS, 2002a, p. O-16, USPSCSSW 2000). This data was denied citing its, “commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed . . .” (M. P. Ghandi, personal communication November 6, 2006).

From the expanded document analysis used in an iterative process and by employing classification and selective coding schemes to conduct content analysis of the expanded document list, other patterns were identified. Externally generated documents and Postal Service employee comments placed more emphasis on adaptive changes needed for the Postal Service, than those documents generated by Postal Service leaders. Strategies and tactics for change in the Postal Service, suggested by the various commissions and studies, exhibited a pattern that balanced PSTFs and PMACs, but the pattern of historic adoption of these strategies by the Postal Service favored PSTFs. External commissions and researchers consistently cited issues of labor management relations, automation impacts for employees and performance systems conflicts in the field workplace in their studies suggesting internal change for the Postal Service. Employee comments overwhelmingly supported these same issues and the need for

adaptive change. They also tended to be sourced more from craft employees than Postmasters, managers and supervisors and more commonly from city letter carriers than rural letter carriers. Many of the individual employee comments cited the employees years of service, suggesting that they had seen more change.

For the analysis of Postal Service internal employee communications, I employed a variation of the long-table approach to identify concepts, patterns or themes related to the Postal Service *Transformation Plan* (Krueger and Casey, 2000.) Using a large room, I sorted Postal Service employee communications into piles organized by *Transformation Plan* strategies and tactics. The piles overwhelmingly supported communication of the growth and value based strategies. They were the strategies to increase low cost alternatives to retail and to generate new revenue. These were essentially new versions of older tactics of vending and customer lead referrals I had seen 20 years before in my career while working in field Marketing units, and further supported the pattern that the *Transformation Plan* tactics were continuations of past business practices with enhanced emphasis. However, other patterns developed in the course of resorting the three feet of material to ensure homogeneity and heterogeneity.

The business need for transformation due to loss of mail volume and revenue from the Internet was emphasized in 2002, but later communications emphasized the increased volume and new revenue the Internet provided--perhaps suggesting the Internet had created as much opportunity as crisis. The term “transformation” was used often but there was not consistency in meaning, suggesting an organizational misunderstanding of the term. The *Transformation Plan* evolved, and strategies along with emphasis on the strategies changed over time. Some transformation PSTF strategies and tactics touted as

successful by Postal Service communications were eventually perceived as causing management problems and tension for field level Postmasters, managers and supervisors.

As the document review progressed, several periods of reflection were necessary, as well as peer debriefing, to ensure that the concepts, patterns, or themes were not forced. Progressive subjectivity had allowed the emergence of alternate concepts, patterns, and themes to surface during the document analysis and they supported that the *Transformation Plan* supported a larger pattern of historic change in the Postal Service over three decades--three decades of change I had personally experienced. Using the hour glass concept, the study had somewhat narrowed at this point but my personal observations of change in the Postal Service took on more relevance.

My participant observations, of the decades of change, were integrated into a narrative to provide a reflection of my experiences. Eventually, I noticed that my narrative matched some emerging patterns and themes of change noted in the employee comments and external studies and research--especially those related to labor relations and internal system conflicts. I endeavored to compose a thick description to provide a compelling report to support the perceived organizational environment (Bickman & Rog, 1998) that was the result of transformation in the organization.

Yin (2003) notes that, "the smart investigator will begin to compose the case study report even before data collection and analysis have been completed" (p. 142). I found this to be true. Finding that the Postal Service *Transformation Plan* was not the guiding transformation document some may have perceived it to be, expanded and allowed the search for other understanding of Postal Service change--and opened the door for a larger theoretical explanation of the phenomenon. At this point in data collection, I

began to compile the findings, and further develop the emerging patterns and themes and consider them against existing theories of open or closed system models and rational/natural models (Foss & Waters, 2003) to determine what best described the phenomenon of the Postal Service transformation.

### Systems Theory

Systems thinking originated in the field of natural science where researchers learned to analyze the natural world as a complex system of relationships, rather than in simple terms of cause and effect. Systems thinkers in government look at patterns but also contend that “understanding the system you’re in is more important than changing it” (Friel, 2003, p. 42). Collins (1998) notes that, “Organizations, the advocates of systems thinking claim, can only be understood in terms of interdependencies and differentiation. Organizations, therefore, are not to be thought of as simple forms” (p. 145). For Brown (1992) this understanding of an organization included understanding how sub-systems of an organization were interdependent. How sub-systems could work together in synergy and with a common binding ideology. He also advocated that boundaries may exist between sub-systems of organizations and boundaries represented areas of complex interactions that could point to system breakdowns.

Once again, my personal experiences in the Postal Service were an advantage in this case study. My extensive understanding of sub-systems throughout the Postal Service allowed the use of systems theory to explain patterns that may not have been identified by external researchers without Postal Service experience, or internal Postal Service employees without experience in the various sub-systems. In this study, the case study built with my personal observations and further supported by internal documents

provided a narrative showing the interdependency, synergy, boundaries, and ideology in different sub-systems of the organization. This enabled the use of systems theory, to explain how the transformation of field sub-systems from natural to rational models and the differentiation of sub-systems as natural or rational models had impacted the workplace of field employees. This also allowed me to provide a deeper understanding of change in the Postal Service and to generate the findings of the study.

### Quality of the Case Study

As stated earlier in the text, given the professional experience of the researcher in the Postal Service and the use of participant observation to build the case study narrative, quality was of paramount importance in this study. For a case study, Lincoln and Guba (1990) distinguish between process and product issues of quality and support that both are equally important.

### Process Quality

Two of the criterion of credibility necessary for this study were already established by my experience in the Postal Service, in a variety of positions. First, I had the kind of prolonged engagement that other researchers would find difficult to match in the study of an organization and how it changed. I understood the culture of the Postal Service, its acronyms and organizational operating procedures and had a better chance of access to individuals who became part of the research through the member check and peer debriefing process. Next, my experience also supported the criterion of persistent observation. While I had not always been engaging in research while in the employ of the Postal Service, it was possible to view back through experiences with the acquired



eye of an academic researcher. These experiences added “depth to the scope” of the study (Guba & Lincoln, 1989).

Peer debriefing was part of this study and was enabled from two different approaches. The first was the utilization of seasoned Postal Service Postmasters and managers. I shared the research with these individuals and actively solicited their opinions as to challenges the research may face in the criteria of quality. In addition, this research was under the guidance of a doctoral advisory committee, chaired by Dr. Mary Jane Kuffner-Hirt. Throughout the process of research, I reported the stages of progression and work in colloquium with the dissertation chair. The draft versions of the case study were reviewed by Dr. David Chambers and Dr. Wade Seibert. Comments received during the peer debriefing were integrated into the case study to further support the quality of the research.

This research proceeded inductively as an instrumental case study, and employed progressive subjectivity. In support of this approach, I maintained a research diary throughout the process. My initial expectations to find the *Transformation Plan* as the unique document capable of providing understanding of how government transforms, were not realized. However, it did provide the impetus to guide the inquiry into the larger patterns of change that emerged. The research diary serves as an aid in establishing a record that can be used for a dependability audit to trace the evolution of this research and to further support the criteria of dependability and confirmability.

Guba and Lincoln (1989) note that member checks are the most important criterion in establishing credibility. This is an element of this case study which makes it a unique piece of research. This research was written by a person with extensive Postal

Service field experience, and member checked by persons of equal experience. Each case study narrative section was member checked by a minimum of two people who personally observed the experiences discoursed in the narrative. The entire narrative was also checked by 13 members who had vast experience in line and staff functions at many levels of the Postal Service. In part, each member was asked to provide answers to the following questions in coordination with product quality:

- Did you experience déjà vu while reading about certain periods and events or could you see parallels to similar situations in your Postal experience?
- Could you draw parallels to similar situations from your experience?
- Did you feel the narrative fairly represented all persons involved in the periods and events?
- Do you feel the narrative raises the consciousness of the Postal Service workplace and organizational changes over the last three decades?
- Is the narrative well organized and coherent?
- Does the narrative avoid jargon and use natural language that will keep a readers interest?

Member checks were overwhelmingly positive, but where member checks questioned facts, they were rechecked prior to final presentation of the research. In some cases, this lead to the citing of articles that placed historic Postal Service events in their proper chronological context and the re-wording of narrative sections that members felt would not be understood by readers of the case study.

This case study also meets the process criterion of transferability. Through the thick description of the organizational culture of the Postal Service, other government

entities may find similarities to their own situations. The finding that supports that the Postal Service transformation of sub-sets of administrative functions from natural to rational models provides a thick description of how this occurs, and allows a reader to consider its application in all government service.

### Product Quality

Lincoln and Guba (1990), speaking specifically about case studies, suggest that this form of qualitative research does not speak for itself as does quantitative methods. They hold the case study researcher to a higher standard in presenting findings and find the case study as the preferred method of reporting on alternative inquiry given the ability for thick description. Beyond the issues of process such as credibility, dependability, or transferability, the case study product must be well organized, creative, insightful, precise, and coherent. They suggest that the researcher must be able to vividly convey the environment of the case study, the problem, the logic of research and the findings in a compelling and convincing manner that will engage a reader. To do this they suggest the criteria of resonance, rhetoric, empowerment and applicability.

Resonance is based, “in the person, character, experience, context, and philosophy of the constructor” (p. 207). The constructor is required to be reflective in the final product and to annotate these reflections as they came to shape the case study. This was done in several points of the narrative. The rhetorical criterion requires unity of the case study. It should be well organized and flow to advance a central idea to the reader. It must have consistency in themes and logic throughout. This case study narrative builds a picture of the pattern of change in the Postal Service sub-units.

A case study must be organized, written with simplicity and clarity and strives to use “natural language.” The empowerment criterion is described at best as the case study having the ability to encourage readers to take action on their circumstances and at least to raise their consciousness of the phenomenon of the study. Applicability criterion for case study research is the degree to which a reader can use the case study as a metaphor for a similar phenomenon which has occurred or to draw inferences for a similar situation about to occur. These criteria of quality are best supported by the comments provided during the member checks and are listed in Appendix A. In part they stated:

In addition to the events I shared with the author, I have experienced exactly the same situations for the past 20 years.

I identified strongly with many of the conclusions drawn from the anecdotal material. I had similar experiences and similar thoughts, but this research revealed the underlying reasons for many of the changes that I observed but didn’t understand at the time. This research was personally enlightening for me.

I felt as if I was taken back to my first years in the Postal Service. All of the situations that you spoke of were not only familiar to me, but some were precious memories . . . . The events happened as told in the narrative. This was the personality of the Postal Service.

I was surprised that you were able to avoid the use of any of the Postal acronyms. We have more acronyms than any other company. Learning the lingo is a crucial part of your training.

Dale, I think the narrative fairly represents all parties involved and that will help readers to better understand the culture and organizational changes the Postal Service has gone through during the last thirty years. It is well written with limited use of terms indigenous to the Postal Service.

The selection of methodology and methods for this research strongly supported the constructivist case study approach and has resulted in a case study that is unique to the Postal Service, but important to all of federal government.

CHAPTER IV  
A PERSONAL UNDERSTANDING OF THREE DECADES OF  
TRANSFORMATION IN THE POSTAL SERVICE

The Workplace of a Postal Service Employee in the 1980s

*Introduction*

In his introduction to a book of edited Civil War documents, Jeff Toalson (2006) notes that General Hood described a retreat from Nashville in 1864 as occurring without interruption and by a series of easy marches. Years later, while writing his memoirs, the retreat is described by General Hood in two paragraphs that do not mention the cold weather, rain, sleet, lack of rations, barefooted, and starving troops. Toalson's book provides another account of the same march, which describes the same event from a completely different perspective. Lieutenant Robinson wrote that during the retreat, the soldiers marched through deep, cold mud without adequate shoes until their feet swelled, cracked, and tracked blood on the ground.

In Herbert Kaufman's (1967) *The Forest Ranger*, a study of administrative behavior in the United States Forest Service written a century after the Civil War, Kaufman noted that understanding any organization, program or event requires this level of analysis when he stated, "it is the man on the ground who actually carries out the program . . . . It is what he does, not what the department secretary, bureau chief, or company president says, that actually makes the program" (p. vi):

When an organization functions through a field network under a wide variety of conditions, so that different decisions and different actions in scattered units may be fully consistent with each other and with a common policy statement,

conclusions about unity are much harder to reach. In the last analysis, they must be based on the circumstantial evidence and impressions. (p. 203)

This chapter, which discourses three decades of the Postal Service, provides the circumstantial evidence and impressions from the field level of the organization. This evidence is built from my direct and personal observations of the organizational events that transpired during this time and from my varied perspectives as an employee, supervisor, and manager in the field. The chapter cites documentary evidence that helps to explain many of the events I observed and targeted interviews are cited to provide insight to the findings that developed in the study. The chapter's evidence and credibility was enhanced by a process of peer review. The peer reviewers also had decades of employment in various facets of the Postal Service field and their observations of events have been represented to ensure quality of the case study.

The chapter begins with my description of entering the Postal Service soon after the Postal Reorganization Act (PRA) and describes the work environment that was a mix of the old Post Office Department and the rapidly changing mechanized/automated workplace of the Postal Service. It moves through time, telling the story of some of the changes in the organization and how they impacted the employees in the field. The chapter is written so that anyone who has not worked in the Postal Service may better understand the field experiences of those who have. It is also written so that the various theoretical concepts and ideas concerning leadership and management in the public sector can be illustrated by real events to further understanding of their impacts on the workplace of public service employees and their organizations as a whole.

## The Workplace of Manual Mail

### Processing in the General Mail Facility

If you could have worked for the first 180 years of the Postal Service, you would have seen less internal change than those of us who worked through the last 30 years. I took the Postal Service entry test in 1979, but was hired by the Postal Service in early 1980. They called for me to report to work on the same night the USA Olympic hockey team beat the Russians at Lake Placid, but like a lot of other people, I was not at home. I was out watching the hockey game with my girlfriend and thought it odd that any employer would call my home at night--*on a Friday night*--to report to work. Two weeks later, after taking the same oath I had taken to join the Marine Corps Reserves, an oath to “defend the Constitution of the United States against all enemies domestic or foreign” I reported to the Harrisburg, Pennsylvania General Mail Facility (GMF)--at night--just like I had reported to Marine Corps boot camp at night. The Marines made me report at night to disorient me and let me know I had entered a new world where I would undergo a personal transformation. While less intense and unintentional, the feeling was the same reporting to the Postal Service.

The GMF was the large mail processing factory that few people ever saw. It never stopped operations but the majority of the work was done at night. Letter carriers picked up mail from collection boxes during the day and returned it to post offices throughout central Pennsylvania. At the close of each day, the local post office would dispatch the mail on a truck that collected all the mail for a circuit of post offices. Dozens of these trucks returned the collected mail to Harrisburg between 4:00 and 9:00



p.m., and this was when the majority of mail processing clerks would be scheduled to begin work.

The GMF required staffing that worked through Olympic hockey games, the Super Bowl, Christmas Eve, and New Years Eve. Everyone knew of the phrase that “neither snow nor rain nor heat nor gloom of night” would stop the Postal Service and I soon learned that I was going to be part of the required staffing that covered those times. Those were the times when the rest of society celebrated, vacationed or met with their families to mark key events. I was a Part Time Flexible Clerk (PTF)--the term for a new employee without enough seniority to bid a regular position. A PTF was a rookie. When I applied for the Postal Service job, I only wanted part-time work, so that I could attend college. I was told that was not a problem and everyone started out as part time, but I soon found out when I reported to the GMF, that my work schedule could and would change with the needs of the Service and the Service needed us for six days a week for 10-12 hours a day. This harsh reality was made clear to us from the beginning. The part-time portion of the job title was not nearly as important as the flexible part. Only time in service would eventually get you enough seniority to change the title.

My first work for the Postal Service was in the same type of pigeonhole case, used by Benjamin Franklin, sorting mail and working next to many older military veterans who had used their veterans’ preference to get secure Postal Service jobs in the 50s. The Postal Service had more veterans than other federal agencies (35% vs. 27%) and had twice as many veterans as the public workforce (35% vs. 16%). Employees were also more likely to be male than the public workforce (63% vs. 54%), more likely to be

Black (22% vs. 10%) and less likely to be college educated (21% vs. 37%) than the private sector (USPSCSSW, 2000).

Sorting mail into the pigeonhole cases on night shift was a cultural link to the Post Office Department of the past. You stood or leaned on a prop--but were not allowed to sit down. Mail was to be held in your left hand at the level of your chest and turned to your eye level. You were required to face the letter case and sort the mail, by ZIP Code, into the holes that matched that ZIP Code. You were told the mandated pace was three two foot long trays of mail an hour. This was not as easy as it sounds.

Each case had a “core” which is a center portion of pigeonholes in the case that were directly in front of your chest and that were the most common holes to which you would sort letters. By keeping the high density holes directly in front of you, it minimized turning your body and the time taken to sort mail. But it also created part of the case that ran in numerical sequence, part that was out of sequence in the core and part that was again in sequence. For a PTF it also meant you would often hold a piece of mail, not knowing where it went because the case did not follow the ZIP Codes in logical numerical patterns. PTFs would stand there “fanning the case” moving the letter up and down the rows of bins in a pattern trying to find its correct place. If you switched letter cases, to sort mail in a different level of sortation, the layout and core of the case would change.

Fanning the case was the sure sign of a PTF and we all did it a lot in the first months. You physically sorted mail the same way they did in 1950 when your supervisor learned how to sort mail. The same way they sorted mail into pigeonhole cases since Ben Franklin. Talking was forbidden for case clerks unless you were one of the senior clerks.

Asking a senior clerk a question about how to case mail--and you were assigned a senior clerk to take you under his wing--was allowed of a PTF. If you talked other than to ask a question, the supervisor would walk up behind you to say “stop talking” or “face the case.” You were always surrounded by rows of people in cases, but the job was not social for a PTF--talking wasted time when you should be sorting mail--and you were watched closely. If you took more than 10 minutes to go to the bathroom in two hours you would be marked. We were on a 90 day probationary period where any mistake would allow management to terminate our employment without question and without recourse. For 90 days, they would watch and we would walk the line.

PTF clerks were watched by supervisors, but we were all watched by the Postal Inspectors, who were hidden from view in overhead enclosed walkways with two way mirrors. The Postal Inspectors would watch to ensure no employee stole mail or money and also to see who was using drugs while working in the USPS. On occasion, the special “break out” doors would open from the “lookout galleries” and Postal Inspectors would dash on to the workfloor and handcuff a clerk or supervisor. Once caught, the employee never came back to the Postal Service and anybody who spent more than a few years on the workfloor knew or saw somebody get cuffed by the Postal Inspectors. They were the first federal law enforcement service in the United States and you respected and feared the gold badge of a Postal Inspector even if you were a senior clerk.

Some PTF clerks still learned schemes, but all the senior clerks had learned schemes when they entered the Service. Schemes were lists of addresses that had to be memorized by the clerk. Some schemes listed small towns in a state, which had their mail sorted by larger GMFs. Other schemes were local and told which streets in a town

were delivered by which letter carriers. Different schemes would tell clerks which addresses belonged to which bins in the letter case, which in turn represented a town or letter carrier--depending on the level of sortation you were assigned. Some schemes contained over 1,000 items to memorize and many of the “scheme clerks” were senior clerks who had learned their schemes years ago.

Rachleff (1984) noted that, “mail had been sorted manually by experienced clerks, working in ‘teams’ around a shared table . . . . A great deal of pride and experience went into learning ‘schemes’ and tight-knit informal work groups developed within the post office” (p. 128). Often it was survival of the mentally fittest. In the book *Post Office*, the author who was a scheme clerk for 11 years noted how clerks fought with exhaustion from 12 hour days and working nights while trying to commit to memory the pages of scheme data. “Of the 150 or 200 that had come in, there was only two of us left” (Bukowski, 1971, p. 126).

The senior clerks would tell us about the old days before ZIP Codes were implemented in 1963, when a clerk would have to “put up a scheme” (learn the scheme) for a state and “throw it” (be able to sort a test deck of cards with addresses into a letter case with accuracy) to remain a clerk. You only got three attempts to successfully pass the scheme test or you were removed from the service. Even after successfully throwing the scheme deck, several times a year a supervisor would stop their work and randomly audit the letters in their cases’ pigeonholes for accuracy, to ensure they knew their scheme and were not routing mail to the wrong destination. Schemes often changed and each time they did, the clerk would have to memorize the new destinations. To gain employment as a clerk in the Postal Service in the 1980s, you still had to pass a test

which included a small portion of a scheme and tested your ability to memorize the towns or street addresses. You were hired based upon your test scores, which reflected your mental ability for this memorization process, but schemes were beginning to go away by the 1980s. The ZIP Code, introduced in the 1960s, meant that all a clerk had to do to case mail was be able to read the ZIP Code (e.g., 15201 for Pittsburgh) and match it to the pigeonhole labeled 152. There were few who could not learn this process.

When I started working in the letter cases, senior clerks from the bygone era of state schemes usually sorted mail in the few remaining uncoded mail cases. It did not matter if the letter did not have a ZIP Code for a town in Pennsylvania or New York, he could tell you whether they sorted the mail for that town in Pittsburgh, Erie, or Syracuse. Sometimes a PTF clerk would come across a letter without a ZIP Code and it had the name of a small rural village that did not have a post office. You would ask a senior clerk if he knew where the letter should be sent and they would tell you it was in the “Gazinta” scheme and to ask another senior clerk who knew that scheme. Befuddled, you would ask the other clerk, who would look at you with a condescending smile and say, “That’s easy, it ‘gazinta’ the hole for Pittsburgh.” You walked back to your case--a rookie.

For me, standing in one place 10 hours each night sorting mail into the letter case was the most boring job a young man could imagine. However, and fortunately, with my Marine Corps Reserve haircut readily apparent at a time when longer hair was still in vogue, I was drafted by older supervisors who were also vets.

One supervisor, a veteran of World War II, recruited me to work in his pouch ring operations. The pouch ring was a job where you stood all night long throwing bundles of

mail into large canvass pouches that hung from racks. Each pouch rack position had the name tag of a town in Pennsylvania, under which a mail pouch hung on hooks. Each rack often had 70 or more pouches and had a core of the most frequently used pouches--just like a letter case. The physical act of throwing bundles of mail into pouches from wheeled carts was akin to a late night game of basketball and experienced clerks could make the shots from afar. PTF clerks, would often miss shots and have to go “pouch diving” to retrieve bundles of letters that could not go to the wrong town. Often, if your shot was not good and you hit the rack instead of the open pouch, the bundle of letters would break open and shower letters down into all the wrong pouches. Then you really went pouch diving as bundles of mail flew past your head. Unlike the letter case, you could move around and talk while throwing mail into the pouches and for some of us it was a great job. I was recruited along with other young men--and we were predominantly young men.

Pouches normally weighed seventy pounds when full of mail and removing them (pulling the pouch) from the racks was physically demanding work. Unhooking, lifting, removing, tamping, pulling in the leather cinch strap and placing a metal first class mail lock on the pouch hasp took hand, arm and back strength, and few women or older men had the ability to do it for hours each night without getting hurt. For this reason, the supervisor did not want women staffing his pouch operation and the young women, now being employed by the Postal Service in droves, usually did not want to be there either. The old school supervisors usually sent the young women to the letter cases and the young men to the pouch rings or truck terminal to wrestle pouches of first class mail and sacks of lesser value, on to and off trucks. There were the exceptions to this unwritten

and sexist norm, and several women who requested this work and outworked men in these operations, but left to the decision of an old school supervisor--who was a male at the time--that's the way the work was assigned to the PTF clerks. Right or wrong, it is just how it was.

If you worked hard for hours in a pouch ring, you could get a break when other operations that fed you the bundles of sorted mail did not keep up to your pace. Our old school supervisor knew how we worked for that break and he supported our work methods, but he supported it at his own cost. They had nicknamed him "Iron Man" because he had worked every hour of overtime he could get and farmed during the day. After infantry duty in Europe during World War II he had been a mail clerk on the railway post office. He told us about the days when he would board a train with a loaded .38 caliber pistol in his pocket. His team of clerks would pick up the mail from a town and begin sorting according to the schemes. Working as a team, the clerks who would finish their mail sorting, would help the other men to finish their sorting duties--just so they could all sit by the small stove in the mail car and have a coffee break before the next town. Then they would drop the mail they sorted for the town, and pick up the new sack of mail to be sorted to towns all over the United States--and the cycle would start again. Iron Man spoke fondly of the trains and less fondly of the low pay and long hours away from home. The young men in the pouch ring respected him and his stories from the old Post Office Department. He had seen a lot in his 40 years and we loved hearing his stories. Today, they would call him a mentor and he built a personal bond with us that we would not have breached by slacking in our work, but boys were boys and our workplace reflected our age and values.

Younger managers would see us talking loud and playing our radio, or sitting on a break drinking coffee and become irate with Iron Man who preferred to leave us alone as long as we kept his operations clean. He would point out to managers that since our group was working in the pouch ring, they rarely paid overtime because we kept the operation cleared. In fact, we often cleaned up our work and the work of others just to be able to get a fellow employee a chance to go out on a date on a Friday or Saturday night. More than once, we cleaned up operations for senior clerks in other pouch rings who knew we would bail them out, if they just waited long enough.

Iron Man knew the flow of mail and they couldn't argue that we were not doing a good job, but he was derided for refusing to wear a tie with his clothing and allowing us to be too loud as we talked and threw mail into the pouches. He was told he did not present a professional management appearance and style and neither did we--so Iron Man started wearing an old tie but he would not tighten it up and he told us just to be watchful when managers walked the floor. The managers were still not happy, but in spite of their criticism they could see the numbers from the mail we processed on the precious reports.

Every time mail was physically moved in containers from one method of sortation to another in the GMF, it was weighed on a scale and reported to a data site. We would place the mail on a large scale and speak into an intercom to a data clerk located in an office located away from the workflow. We would tell them the type of mail in the container, the sorting operation it was coming from and the sorting operation it was going to next. Identifying the standardized type of mail container was important, so that they could subtract the tare weight of the container from the total weight on the scale to find only the weight of the mail. To ensure this transaction was accurate, and you didn't have



a toe on the scale for some fun, the data clerk would watch you on a monitor in their office and there was a camera pointed at you from above the scale. Once the weighing was complete, you filled out a “ticket” from the blank tickets by the scale and electronically stamped it with the time. You then taped the ticket on the container if it was first class mail to be sorted that night, or on a colored placard that indicated the date required for sorting of third class mail that day or the next. Mail was tracked by tickets and colors on the workflow and by reports from the data clerk in the office.

People were tracked by time clocks and like the mail, every time you moved to a new form of mail sortation, you punched a clock. You punched a clock when you came to work, punched when you moved from sorting first class to third class mail on the floor, punched when you changed from sorting letters in a case to throwing bundles of letters in the pouch ring, punched when you took lunch, punched when you worked overtime and punched when you went home. Every second of time spent sorting every type of mail was counted and the Postal Service did not even count time like the rest of the world. Clocks in the Postal Service divided hours into 100 units rather than 60 minutes. The reason we needed to be that exact on time, when we estimated other numbers, never made sense to most of us who worked on the GMF floor.

Each ticket from each container of mail sorted, was collected and counted by the mail processing supervisors at the end of a shift. Eventually, the tickets did not work to measure productivity in pouch racks, because some of the people in other pouch racks had become devious enough to get some blank tickets, fill in some numbers and just create the appearance of having sorted many more containers of mail than they had in reality. Suddenly, compared to the cheaters numbers, our pouch rack operations did not

look so efficient--so we got some blank tickets as well. Soon the weight of mail in operations could not begin to match the counts and tickets were placed under tighter controls--but there was always a way to game the numbers and as clerks the numbers meant nothing to us.

The managers continued to pressure “Iron Man” about wearing his tie correctly, and his loose old style of management enough that he one day told them to “go to hell.” With all his years of service and his age, he could retire at any time and he was a member of what federal employees call the KMA (kiss my ass) club. If things ever got so bad, he could retire on the spot. He had long since crossed the line from needing to have a job to wanting to have a job and eventually the increased pressure eliminated that want.

As a business management major in college, who had just read Peters and Waterman’s (1982) *In Search of Excellence*, as part of the curriculum, I felt the younger managers in the Postal Service had missed “Iron Man’s” understanding of our workplace environment. We had created an autonomous, productive and enjoyable team environment. We were empowered in our work environment to make decisions that allowed discretionary effort, self management and creativity to make our goals. We saw it, we knew it, but it was clear that Iron Man’s railway post office forms of control were not desired on the workfloor of the modern GMF. The higher level managers who wore ties correctly maintained control in the workplace. They counted mail and managed by the numbers on the reports. Unlike the supervisors from Iron Man’s era, who were required to know the flow of mail through the entire system for every class of mail, many of the new supervisors were only specialists in certain aspects of the new mail processing operations and had limited systemic knowledge. The management emphasis of a General

Mail Facility seemed far more concerned with ensuring the individual employees were working, than if the mail flow systems were coordinated and working.

### The Workplace of Mechanized Mail Processing in the GMF

During this period in the early 1980s, I was also “recruited” by another supervisor who was a Marine that served in Korea. I was to be a “coder” on the letter sorting machine (LSM) that was replacing all the clerks who were manually sorting mail in the letter cases. Rachleff (1984) noted the LSM, “according to postal management, was at least 57 percent more productive than the manual sorting system” he also noted, “each clerk sits, fixated before the automatically placed screen, in a separate cubbyhole. Communications with workmates is virtually impossible . . . . Nowhere in management’s productivity claims did it count the human toll” (p. 128).

LSMs were large machines the size of a tractor trailer. In the front, they had 12 consoles for coders, in the back they had 270 bins, each programmed for a different mail destination--just like a pigeonhole in a letter case. Letter mail was loaded from trays to mechanical belts, which fed the letters to mechanical arms that picked up individual letters and dropped them in a slot with a chain that moved the letter in front of the coder. The letter would stop for less than a second, enough time to read the address or Zip Code and then the letter would begin to move. The coder would have to enter the key combinations for the ZIP Code of the letter before the next letter entered the console. Once the letter left the coder, it inducted into a series of carts inside the machine, driven by gears and chains, and then fell into one of the bins in the back of the machine.

LSM crews were predominantly staffed with young people who were able to master the keyboard training, which required skills similar to typing. To pass the LSM

test, you had to ensure you were coding mail accurately 95% of the time on a training console. I barely passed the test during my probationary period. The LSM training would only last for two hours a day, but if you did not pass it by the end of your 90 day probationary period, you lost the job. The LSM test lasted three minutes, but once I passed, I found myself on an LSM coding mail at the rate of one letter per second for 10 hours a day six days a week. In the beginning, it seemed as though the letters were jumping like salmon spawning in front of me, and I missent mail everywhere in the 270 sortation bins of the machine--and therefore across the nation. (Eventually, after coding millions of letters, I was so proficient I could code mail with one finger.)

Most LSM coders, after a few months, were very accurate, but random “edits” of your coding were conducted by the supervisors and too many edits below the coding rate lead to retraining and letters of warning. Few of the older clerks sorting mail in the letter cases chose to even try to learn how to code mail on a LSM, even though it gave a higher level of pay. Each coder would code for 45 minutes straight and then take 15 minutes to do other duties to service the machine. These included clearing out the 270 sortation bins where the mail flowed or loading the LSM belts with more mail to be coded. Every two hours you got a 15 minute break (three total in a night and you had to eat lunch and use the bathroom during those periods), but when the supervisor rang the bell on your machine you had to be sitting in place, at your console and coding mail. Some of the younger LSM supervisors ran contests to get the highest throughput from their crews and you had to be sitting at your coding console, ready to code mail, before the bell rang at the end of a break. They could increase the sorting rate by only a few hundred letters in a

night because you worked to the pace of the machine. There was no discretionary effort required or that could be given.

Every evening, underneath the eerie yellow glow of the new energy efficient work room lights put in as part of a program to save energy, but that changed all colors to one, LSM clerks would take their place on the machines that ran for 16 hours a day as most of America left work, went to family functions and slept. We put dark cardboard on our windows to drown out light when we slept during the day and ran electric fans to provide background noise to drown out the daytime sounds of the rest of the world. On days off, we would switch from night dwellers and when we returned to work, we would find ourselves out of rhythm again.

In the days prior to the term “going postal” we were amused to note that the Son of Sam (David Berkowitz) was a LSM clerk in New York. Conkey (1983) noted that:

It is no secret that many postal workers do not like their jobs. The reason is not difficult to find . . . . Inside those giant mail factories, postal workers often feel faceless and that much of their work is pointless. It is no beginning, no ending work. With all the mechanization has come a general dehumanization of postal workers . . . . LSMs illustrate how the Postal Service often institutes new programs and machinery in order to raise productivity without adequately considering effects on workers . . . talking to postal workers who grimace at the thought of going “in there” (post offices to work) it is plain to see many postal workers lack pride or satisfaction in their work. (p. 156-161)

While we had no Berkowitz’s, I had a friend who lost her husband to cancer and even though she needed the income, she couldn’t bear the hours of sitting alone on the

LSM with her thoughts. She would break down in tears and one night, she finally left for good. I had friends who had problems with their marriages. Some resigned from the Service. Some of the young people joined after hours clubs and many of them dated each other given the lack of access to other people their age. Marriages ended in divorce and postal marriages in our age group were common.

The LSM was incredibly boring for me as well, but thankfully the LSM had radio headphone jacks and you could listen to music or Larry King on late night talk radio as you coded mail (This was before the Sony Walkman). Every 45 minutes you could move to clearing out the bins of mail in the back of the machine, and you could talk a little to another LSM clerk during that time. The smokers would run to the wall and light up, making the non-smokers mad because we had to cover their part of clearing the machine.

For me, clearing the bins on the back of the LSM was preferable to sitting at a console coding mail and fighting sleep. As a PTF working nights, going to college during the day and serving in the Marine Corps Reserve I worked at least two weeks each month without a break. Normally, the Postal Service gave you two scheduled days off in a week--called layoff days, but during peak mailing seasons PTFs worked six days a week. Working without a layoff day and many months with only 3 days off and 10 hour days, it was hard to stay awake at night. For most of us any job where you could move around was a relief. When we were forced to work overtime, the boredom of 10 hours of sitting coding mail was often enough to make us irate--even though we were going to receive overtime pay. PTFs had no choice on overtime; it was mandatory and continuous and we often worked more than 60 hours a week. In 1971 the Postal Service had 42 million hours of overtime, but by 1981 we had 75 million hours (Conkey, 1983). We all

had enough money, but being young, working nights and only having one night a week off, we lacked the exciting schedule of young people in the rest of world.

Getting a day off, other than your layoff day was not simple. Each crew, or work area had contractual limits to the amount of people they would allow to have vacation leave in a day. The leave schedule was kept in “the book.” Senior clerks in each area had preference for leave, under the provisions of union contracts. Often, senior clerks on an LSM would submit for all the Friday or Saturday nights off during a summer month. This just made it more difficult for younger clerks--but seniority and the union contract ruled the leave process. If you knew in advance that you needed a Saturday night off in a few weeks, you would deceptively have a friend request to “check the book” with the supervisor to see if the limit of people for leave had been reached. If it had not, you waited a while to keep the ruse, and then submitted a leave request. If your friend found that the book was already full, you only had one choice--you called off on sick leave.

We called it “banging off” on sick leave, and supervisors called it “scratching” and there was an art to banging off. If you banged off too often, you were placed on the “restricted sick leave” list and were required to bring in a doctor’s excuse every time you took a day of sick leave. Usually this was after using seven days in a year, but if you set a pattern, like always banging off on the day next to your layoff day or before a holiday, the pattern would be detected by a supervisor who kept track of every clerk on a calendar. Even if you only used three days of sick leave, but all three were next to your lay off day or a holiday, you could find yourself on the restricted sick leave list--and the young LSM clerks, eager to have time off, pushed the issue constantly.

The LSMs complicated sick leave for supervisors because unlike simple manual sortation of mail in cases by ZIP Codes, LSMs required the specialized labor of coders with intensive keyboard training. Every machine had to have seventeen people to run at full capacity and when crews were short, throughput dropped and created the chance of more overtime for those who remained to sort the mail. A supervisor could always deny a person a leave request due to needs of the service, so LSM clerks, who could also sort mail manually, could find themselves denied leave on a night because even though the LSM mail was done, they were needed to clean up manual mail operations. More overtime and less layoff days meant more clerks tired out and were more likely to bang off to get a break. High sick leave resulted in overtime. The cycle perpetuated itself.

After over a year, I made “regular” status, which allowed me to be assigned the worst job nobody wanted. Like the author of *Post Office*, I was assigned a scheme. The scheme I was assigned, with only 681 memory items was difficult to memorize. I had to be able to tell which of the 681 addresses went to any one of over forty carriers. I was still attending college full-time, working nights and a member of the Marine Corps Reserves. I managed to memorize the scheme and throw it manually, but unlike the scheme clerks of the past, I also had to be able to code mail on the LSM using my memorized scheme--at 50 letters a minute. Before long I had a letter of removal warning me that if I was not successful in coding the scheme on the LSM by my last attempt, I was to be removed from the service. On my last night, as I walked into the LSM training room prepared to end my brief career, a senior clerk who had seen me working on the floor was the relief scheme trainer. She knew how hard I worked and said,



“Congratulations, you just passed the test.” I asked her what she meant, but she just said, “Run the deck.” My career was saved and I never forgot her role.

After nearly four years on the floor, I had gained enough seniority to bid an LSM crew where I worked 2:30 pm until 11:00 pm, with Saturday and Sunday off and I had stability in my schedule for the first time in years. I did not work all night and I could finally attend college without sleeping in my car before class. It was something highly valued and for a short time, life was great.

### The Workplace of Automated Mail Processing in the GMF

In 1971 when the new Postal Service began under the first transformation, it had 282 LSMs. By 1981, it had 1,240 LSMs (Conkey, 1983, p. 156). The LSMs had eliminated most of the letter sorting cases but the new machine that was to replace all the LSM clerks was already on the horizon (USPS, 2003). The single line optical character reader (SLOCR), soon replaced by the multiline optical character reader (MLOCR or OCR), was able to electronically read ZIP Codes, the typewritten address data for the street address and sort it as fast as an LSM, but with only two people instead of seventeen. Schemes, that once committed clerks to hours of memorization and almost took my job, could now be programmed into the computers and OCRs sorted by the new “sort plans.” The two people who operated the OCR were called mail processors and paid a lower level. They did not have to learn a scheme and did not have to master a keyboard. They only had to learn how to feed mail into the OCR, clear the occasional jam that tore mail to pieces and ensure the machine did not stop. OCR supervisors also had a simple job. They made sure they had mail to run on the machine, ensured the sort plan was loaded and made sure they had mail processors to run the mail.

The pressure from above to keep the machines running and have record “throughput” was high, so high that the OCR supervisors would order the mail processors to take the mail that rejected from the OCR and re-run it just to keep the machine going and the counters ticking. Record throughputs were prized and promotion could be based upon your ability to hit record numbers. Most of the re-run mail just rejected again, some got destroyed in jams, some dropped in the wrong bins. Mail processors, who knew that the mail would just reject again, angrily stood at the OCR reject stacker waiting to clear mail as it was fed into the machine and came right back out the rejects, but competition for the highest numbers and how long the automated machines could keep running was intense. The reason for the intensity was costs. Even if 30% of the rejected mail read on the second attempt and 15% on the third, you kept the mail away from the increased labor costs of the LSMs or a manual case.

While the OCR automated mail sortation, it did not increase the speed of delivery or simplify it. An LSM could sort as much mail in an hour, or more than an OCR. It could sort it more finely in its 270 stackers compared to the early OCRs which had less than 100 stackers. Most of the mail that was entered on an OCR to electronically read the address and receive a barcode on the envelope, then had to be run on another piece of automation called a barcode sorter (BCS) which read the barcode and sorted the mail to more stackers. Like the OCR, this machine also had rejects and missorts. Soon we began to find mail returning to the GMF that had been run on the machines for weeks. It was called “loop mail” because it was caught in the automated system and kept looping without stop. New procedures had to be put in place in local post offices so that employees who found the mail could isolate it from the automated mail stream, place it in

special loop mail pouches and return it to the GMF for manual sortation. Understanding the flow of mail now was much more difficult than in the past. To know where the mail went, meant you had to understand the computer programming and capability of the machines and how to fix them quickly when they stopped. Specialists positions were created and the training would sometimes take months. Supervisors who once had to understand the flow of mail, now relied on specialists to design mail flows and workflow procedures because each piece of automation brought new mail flows and challenges based on the ability of the machines. Supervisors soon became limited in their overall knowledge of mail flows and the larger picture of how mail was sorted in a GMF was limited to very few people who had been able to bridge the changes from the manual, mechanized and automated sortation in our workplace. Each new machine or procedure had multiple effects in a system that was becoming increasingly complex.

The OCR took the easily read, typewritten standardized mail from the LSMs. Left with less volumes for the mechanization, managers began to take the non-standardized mail from manual operations and move it to the machines. This was called “moving mail up the productivity ladder.” The LSM clerks were now left with the handwritten, bent, off size mail that was hard to read and jammed the LSM regularly. Jams destroyed mail and resulted in mail going to the wrong bins of the LSMs. As jams increased, LSM clerks were told to not just read and code the mail in less than one second, but also to pull out the mail, before they coded it, if they thought it would jam the machine. They would try to remove it quickly before they coded it for induction, but the machine kept its pace. It was like watching Lucille Ball trying to keep up with the chocolate line as the speed increased. Frustrated after weeks and months of handling

mail that was not compatible with the LSM, many clerks gave up and just let the machines jam and mail fall where it would. Productivity of sorting mail increased, but damaged mail and missent mail did as well.

The American Postal Workers Union (APWU) stewards, who represented the clerks, became more vocal in telling managers that mail was being destroyed and missent, but the automation and mechanization were here to stay. The workhour savings were large and operations based upon automation were quantifiable. Additionally, mechanized and automated operations, while they created different problems, eliminated the problems people create. As one mail processing manager in our plant stated, “OCRs don’t bang off on sick leave.” Eventually, LSM throughputs decreased as LSM clerks gave up trying to remove mail that they knew would jam the machines. Some LSMs were retrofitted with “plugger mods” and slowed to process 55 letters a minute, which allowed the induction of the larger, predominantly third class letters into the LSM. The fix was still problematic but it did allow more mail to move up the ladder and out of manual sortation. Early in the deployment of automation, some of the young LSM clerks debated taking downgrades to go to daylight shifts and become mail processors on the OCR, but few, including myself, wanted to give up the precious little seniority they had. Seniority increased your ability to bid better working hours, but seniority also trapped you into staying in certain jobs.

My LSM crew was the first eliminated by the new OCR. I was considered unassigned until I could bid a job with my limited seniority and I immediately went back to night shift. Eventually I bid back to a remaining LSM crew working 7:30 p.m. until 4:00 a.m. with Tuesday/Wednesday layoff days. In the summer, I would report to work

in daylight, work under the eerie glow of the lights, often have two hours of overtime and come back out to the daylight. Like everyone else from my prior LSM crew, I was extremely upset with my schedule change. It threw off my college routine and dating my girl friend from high school, who eventually became my wife. I was once again placed into the odd hours of an LSM clerk working in a mail processing plant--out of touch with the rest of the world and a component of a machine. However, few of us seriously considered leaving the Postal Service, because the pay and benefits were just too good for someone with a limited education like myself or even someone with a college degree that was not marketable on the outside. We resolved ourselves to staying and earning more seniority and bidding on new machines that continued to appear as mail volume grew.

Conkey (1983), working for the Center for Study of Responsive Law, noted of LSM clerks, "If monotony were the only problem with working on such automated equipment, it might be difficult to sympathize with postal employees who earn more than \$20,000 a year . . . but the rapidity of the changeover to mechanization has caused more tangible problems" (p. 156). Besides, the OCR and BCS, there was a new mechanized sorting machine called a Flat Sorting Machine (FSM) appearing in operations. It had a keyboard and allowed young clerks to sort magazines in a manner similar to the LSM. It was eliminating the jobs of the older clerks sorting mail manually into the "flat" cases. (Flats are magazines or envelopes larger than letters.) Like the LSM mechanization it involved coders and people who cleared the bins and fed the mail in stacks to the coders.

Technology was not just something we heard about in mail processing operations, we saw it being assembled on the workfloor before our eyes and the cases were eliminated when the machines were turned on. We could see how quickly mail was

sorted, torn, and missent but we were not concerned with how much money the Postal Service saved and how this kept postage rates stable. That was a statistic in a report we did not read and impacts to employees lives were real and common. A change from daylight to nightshift was often intolerable for a young mother who could not arrange night daycare. Afternoon and evening shifts with kids in school limited your time to see them or attend their events. Your only hope was to gain enough seniority to “bid daylight” and we all served our time to get there. Unable to see myself as part of a machine system for the rest of my career, I started to “act” as a relief supervisor in mail processing and resolved to finish my degree in management. (Acting is a postal term for a person filling a position on a part time basis.)

#### The Workplace of a Postal Service Supervisor in the Late 1980s

##### *Supervising Mail Processing in the*

##### *Mechanized/Automated General Mail Facility*

By 1986, I had completed a bachelor’s degree in business management, and had been an acting supervisor on the workfloor for over one year--although I was still a clerk. Supervising on the workfloor provided me with an entirely different perspective of management--one they did not teach in college. Supervising the mechanized operations of the LSM was simple. The LSM operation was machine driven. Each LSM crew knew their jobs and the operations of the machine. All the supervisor had to do was show up early to see if he needed to cover a position from someone who scratched, ensure there was mail staged for the LSM and ring the bell to start the machine. The coders on the crew simply plugged their stereo headphones into the radio jacks and silently began to code the mail. The typical shift entailed counting the mail to be processed on the

machine, stopping the machine for the scheduled breaks and occasionally conducting edits of the coders accuracy. It was even simpler for an OCR supervisor.

With only a few employees to check, the OCR or BCS process remained the same with even less chance that somebody would disrupt operations by banging off. This was in direct contrast to what I was experiencing as a relief supervisor in the manual operations down the ladder from automation and mechanization.

The OCRs and LSMs sorted the majority of the letter mail, but on any given night the mail volumes could fluctuate according to mailers patterns. On a rainy day, people may not put mail in their collection boxes. State government offices located in Harrisburg, may produce mailings that would take hours to process without our knowing it in advance. In the late 1970s, LSM crews would occasionally be placed on “stand by.” Without mail to code on the LSM, they would go to a “swing room” (a room with a ping pong table and some chairs), or the cafeteria and wait until there was enough mail for the LSM to start. As postal management strove to become more cost efficient and ensure that employees were constantly working within the system, this unproductive time was not acceptable. By the late 1980s, as mail volumes and overtime grew, stand by was seldom needed. Since LSM clerks could sort mail mechanically *and* manually, unlike the limited manual sorting clerk, management used this flexibility of human resources. They chose not to post and fill age old manual sorting jobs in line functions that still remained. They would instead fill these positions with PTFs or LSM clerks depending on the mail volume on any given night.

Without all the key positions covered on any night, the relief supervisor of the manual operation would come to work not knowing if he had the human resources

needed to sort the mail in his operations. With only a few of the positions needed for your area of responsibility staffed, you would measure the mail you had in operations, roughly calculate the people needed to sort it and begin begging for help. You could ask another supervisor for a clerk from their operations, but supervisors now under pressure for their own numbers, did not want to let any of their staffing go--especially to a new "acting" supervisor. They had to cover themselves and competition for resources soon appeared. If the LSMs finished early or ran out of mail temporarily, they would send the LSM clerks to work in manual operations and senior supervisors of manual operations would request more people than they needed. When you did get help, suddenly there would be a flood of people for your manual operations, but you had no idea how long they would be staying. Free of the machine and without head phones, the young LSM clerks wanted to talk--but you only had them for a short period of time and you needed them to work. While the LSM dictated the activity and pace of an LSM clerk in their regular job, their discretionary employee efforts in manual operations were dictated by how fast they wanted to work and how hard a supervisor wanted to push the issue--as an acting supervisor of manual operations that meant confrontation with my old LSM peers.

As an acting supervisor, if you had been a less than productive employee on the floor, you were sure to hear from your peers if you exhorted them to work faster. If you were a productive employee, you stood a chance. As only an acting supervisor, you had little legitimate power and the next night, you could find yourself working next to the clerk you had pushed to perform faster the night before. More than once while an acting supervisor I was told when returning to the floor to work, that I had crossed the line and needed to make a choice on where I stood.



As higher management posted fewer and fewer permanent positions in manual operations, human resources became more difficult to manage. Mail volume was growing (USPS, 1986) and you never had operations cleared. If an OCR broke down, there was immediately a crisis as the mail that would have been processed with two mail processors, now required an entire LSM crew of seventeen and there may be no help for manual operations that night. There was rarely an occasion when there was not mail somewhere to work. You never had operations clean, no matter how fast you worked and you soon learned to just do your time at a marked pace. Often, all the mail simply could not get sorted in time for dispatches to post offices. In those cases it was the third class mail that was to be delayed for delivery. But on occasion, first class mail did not make it either--and delaying first class mail in the Postal Service could lead to discipline or meeting a Postal Inspector.

Third class mail, unlike first class mail which had to be processed within time standards, was delayed regularly. The colored mail placards from the scales, showing the dates required for delivery of third class mail, were changed by supervisors to keep it from showing up on reports or appearing late when the “suits” who worked in the offices would come in on daylight shift. It would build up until the weekends when first class volume was low, and then they would overload the manual third class mail operations with PTF employees who worked the weekends to clear out the jam. Downstream, on Monday mornings, the local post offices would find enough mail on their docks for their mail carriers for two days. Sometimes they would not even have room to store it. Given that they had to deliver the first class mail in a timely manner, they too delayed this mail until they had time to deliver it--and advertising mail supporting a sale for a store would

show up three days after the sale was over. Every Christmas, I would have an uncle who was fond of telling me how the Postal Service had done something else wrong with his mail.

When internal mail delivery reports began to show delayed mail, higher level managers were concerned--but were rarely removed from their positions. Pressure came down to the workflow supervisors to improve the service numbers but the new mail sortation technology and computer systems with software written in the German language were impossible for a supervisor to understand, let alone fix. Soon internal audit schedules, that were supposed to be random and unknown, were posted and supervisors were told to ensure no late mail was found. As a specialist who ran mail origin and destination tests, I was aware that my boss was brought in on many occasions and belittled for a test score that was failing and having not taken the time to forewarn supervisors that the test was coming. My boss argued that we were only the people reporting the problems, not causing the problems, but in those days we were happy to shoot the messenger because there was no way we could change the message--having lost control of an automated system that was still creating errors we could not isolate and eliminate.

With each new piece of mechanization or automation introduced on the floor, the system became more closely coupled and human resources, although reduced became more important. Coupled with the technology deployment problem early in the change, was the new "casual employee." Used for years during the Christmas rush, temporary employees had been part of the history of the Postal Service and many college kids on break obtained part time positions at the Post Office over Christmas. They worked in

simple manual operations or delivering mail to relieve overburdened routes. Now, casuals were being used on a regular basis in the GMF as managers did not fill jobs that could be eliminated in the future and also to take advantage of the cheaper labor rate to reduce work hour costs. Limited to 90 days work and paid less than PTF clerks, casuals had limited incentive to work and workforce employees would not invest the time to mentor a casual who would be gone in 90 days. Casual employees were used in jobs that were extremely simple, repetitious and well defined.

Senior clerks still operated the majority of machines and key workforce positions that were permanent jobs they could bid with their seniority. As full-time positions in manual and mechanized operations were gradually reduced, the hope of weekend layoff days or working daylight shift was not only slowly going out of reach for young people, it was no longer guaranteed for senior clerks who might find their function eliminated by a new system. Stable home schedules, babysitting, and lifestyle decisions were changed and clerks were left with fewer good alternatives to bid as jobs. As the processes transformed on the workforce, confrontation with employees was inevitable. As conditions became more intense, union stewards began to file more grievances for employees who had never filed grievances before.

Labor and management relations changed and the position of a mail processing supervisor was on the front line of the change as it became more and more confrontational with employees.

In fiscal year 1987 and 1988 a total of 151,730 worker grievances reached regional arbitration level. In the 42-month period ending in mid-1989 the Postal

Service recorded 355 instances in which employees assaulted supervisors and 183 in which supervisors assaulted employees. (Swiercz, 1992, p. 131)

By the late 1980s, on four separate occasions, postal employees had taken firearms and killed fellow workers in the workplace and the term “going postal” had entered the lexicon. The phenomenon continued through the 1990s resulting in 34 postal victims (USPSCSSW, 2000). The Government Accounting Office (1994) issued a report noting that adversarial labor-management relations were an impediment to cultural change. Baxter and Margavio (1996) supported that the scientific management of the Postal Service produced stress and frustration, and suggested a theoretical link that when work degrades a persons sense of self-control, as it had in the Postal Service, it can trigger violence. Supporting this, Baxter cited the work of a psychologist, hired by the Postal Service after a shooting in San Diego, who noted that the victimized office’s city carriers felt harassed, but the rural carriers enjoyed their jobs and enjoyed autonomy (Baxter, 1994). In 1997, author Donald Lasseter sought to write a book exploring the reasons for “going postal,” but was rebuked by senior management when seeking information from USPS spokespersons in Washington. However, the unions were willing to cooperate and provide their perspectives (Lasseter, 1997).

After several more shootings an independent commission lead by Joseph A. Califano, Jr. found that “going postal” was a “myth . . . Postal workers are no more likely to physically assault, sexually harass, or verbally abuse their coworkers than employees in the national workforce” (USPSCSSW, 2000, cover letter). However, the report cited “the enormous backlog of grievances and other disputes” as one of the two major sources

of friction in the workplace. The other was a new system which rewarded managers pay for performance (USPSCSSW, 2000).

I had been a successful Marine Corps sergeant of infantry and held a bachelor's degree in business management, but neither had prepared me for this work environment. Acting supervisors received no formal training in management or the confusing clauses of the union contracts for the clerks and mail handlers unions. Union stewards often had copies of the new contracts or local agreements months before floor supervisors. Managers pushed responsibility on supervisors, who had very limited resources and authority. Bitter employees, who could not leave due to the pay and benefits, instead harbored resentment and the union stewards leveraged the resentment to build union ranks and file grievances. The grievances would occasionally go to independent arbitrators who would award back pay to the employees and create an incentive to file grievances after a supervisor's mistake rather than correct it when it occurred. As the frustration grew, people I knew with human relations skills, who would have been exceptional supervisors, saw the limited difference in pay and the constant confrontation and chose not to move any further up the ranks at the line level. Although offered a higher level supervising position in line mail processing, I deliberately took a lower level staff supervisory position in 1986. I had broken away from the workflow--a break many postal supervisors hoped to achieve.

### The Workplace of Post Offices in the Field

While, that was our world in mail processing during the 1980s, it was a different and relatively unchanged world in the small post office located in a town where the mail arrived as it had for decades. It did not matter whether the mail they received had been

sorted by a scheme clerk or an OCR computer at the upstream GMF. Mail arrived by truck at the smaller offices and was given to letter carriers in no particular order for their route. They manually sorted it, again, into their individual cases which had bins in the order of their deliveries on the route. They sorted mail like their predecessors had done for 100 years. They sorted mail for a few hours to get it in the order of delivery, “pulled down” the case in the same order and then went outside and delivered/collected mail for a few hours--meeting their customers, who they knew better than anyone else in the community.

The uniformed letter carrier in a Postal Service vehicle with official emblems was and is the face of the Postal Service on the city street and in suburbia. The plainly clothed rural carrier, in their personal vehicles with removable Postal Service logos and driving on the wrong side of the vehicle, was/is the face of the Postal Service in rural America. For both groups of Americans, the Postal Service employees who delivered mail were often their *only* contacts with the federal government in their daily lives.

Several of the PTF clerks employed along with me in 1980, changed to become letter carriers early in their employment before they had acquired much seniority. While they decreased pay by dropping a level, and lost the night shift and Sunday premium pays of clerks in the GMF, they gained daylight hours and a Saturday night off. They also gained freedom from the Draconian controls of the mail processing work environment. One of my group of PTFs, who made the decision to transfer to become a letter carrier, spoke of how difficult it was as a PTF relief carrier who could be placed on a different route every day to cover the regulars who banged off--sometimes on days they knew would be heavy with mail or extremely hot. It took hours to learn the order of a route,

and like a clerk who fanned a case, relief carriers could find themselves lost on city streets and coming back to the office late. Once the routes were learned, the PTF stood a better chance of being efficient, but when they moved from being a PTF carrier to a regular carrier, it was almost guaranteed they would be bidding a difficult route that others did not want. Once again, only seniority would change the future. Even with a difficult route, my associate learned to deliver his route quickly on light mail days in the summer, so that he could lunch by the river for an hour each day. Senior carriers knew their routes better than anyone, and could predict how long it took to deliver it with accuracy unmatched by management.

Carriers commonly had only one supervisor for 20 routes, and once a carrier went out in the community, there was no way a supervisor could observe the actions of their carriers who could be spread over 50 square miles. After hours in the office to cover personnel and administrative issues, counting and accounting for mail and taking their own lunch, carrier supervisors rarely had time to conduct street observation of their carriers. Years later in my career, I was mandated to conduct random carrier observations when higher level managers realized observations were not being conducted by local supervisors. On several occasions I found carriers meeting for lunch. I watched one carrier catch a nap in a pizza parlor for nearly an hour, while listening to the owner's complaints about the carrier's pay. Obviously, not all carriers operated in that manner and every day was not going to be light mail day, but the unsupervised world of the letter carrier on the street was in stark contrast to the world of a clerk in the GMF mail processing factories at night. In the 1980s, carriers still had some freedom to decide how

fast and in what manner they completed their routes--and this continued into the late 1990s.

Vittes (1983) noted the beginning of the change for letter carriers when he wrote: Many people remember with fondness the mail carriers on their routes who, at a leisurely pace, could pay more attention to delivery needs and also provide social relationships in terms of neighborliness and familiarity . . . . This is . . . assumed to be part of a bygone era . . . but in fact may be the result of . . . choices made about our public service. (p. 156)

One of the first impacts for the letter carriers came in the area of mechanized forwarding of mail, which removed work from the carriers and moved it back to the mail processing plants. Conkey (1983) wrote:

Before the centralized computer system, carriers each day marked up the forwarded mail for their routes. They were the best people for the job because they recognized names and addresses and noticed changes. If a piece of mail was mistakenly placed in the wrong carrier's load, that carrier could pass it on to the correct carrier. Now, carriers cannot correct addresses even if they know where a piece should go. Instead, they must send it to a computer center which for some post offices is miles away, so the letter can be processed with a computerized address sticker. (p. 306)

For the letter carrier, this first step was analogous to what had happened to the scheme clerks who found that machines now held the knowledge and skill for sorting mail. Building a Postal Service that worked better boiled down to two simple things linked together--deploying mechanized/automated mail sorting systems that in turn



reduced employee work hours. That boiled down further to reducing costs and the need for skilled labor. Seventy percent of the Postal Services costs were in labor (USPS,1983), but replacing human intensive labor with mechanization and automation, like the deployment of any other technology even in the private sector created new problems in organizations.

### Transformation of the Postal Service in the 1980s

#### *The National Academy of*

#### *Public Administrations' Evaluation*

Just as I began my employment in the Postal Service, the National Academy of Public Administration (NAPA) undertook a study to evaluate the transformation of the Postal Service under the first 10 years of the PRA. For this task, NAPA was hired by Postmaster General Bolger. Bolger was a veteran with decades of Postal Service experience. Unlike his politically appointed predecessors, Bolger was a 37-year veteran postal employee who worked his way up to the rank of Postmaster General (Conkey, 1983).

In spite of his internal experience in the organization, Bolger chose NAPA because of their “record of unbiased and informed studies in the field of public administration” and their ability to bring outside, but distinguished experts (NAPA, 1982, p. iii). The reviewing panel was comprised of people who had held high level positions including a legislative representative for the AFL/CIO, a former superintendent of West Point, Secretary of the Air Force, Supreme Allied Commander in Europe, Comptroller General of the United States and Vice President of Operations for Sears and Roebuck.

While esteemed and vastly experienced in government and large organizations with a national focus--similar to the Hoover Commission in the 50s - the panel recognized the complexity of the unique organization they were to study when it stated:

The Postal Service is immense in size and complexity and long history and tradition. Just to comprehend this background and the current problem is, in itself, a formidable task. In order to assess the Postal Reorganization Act and the USPS's implementation over the past decade, it was necessary to acquire an understanding of the organizational history and of the milieu in which the USPS currently functions. Most of the Panel and staff members have had extensive experience in government and, in many cases, the management of large organizations. Nevertheless, the Panel members and the staff would be the first to acknowledge that, in less than one year of study, we have not become expert in all aspects of postal affairs. (p. xiii)

While the individual members of the Panel may not have been experts, the Panel qualitatively sampled a wide array of experts and stakeholders with varying perspectives related to their study. The list of experts and stakeholders included Congressmen, senior executives in the Office of Management and Budget, General Accounting Office, Federal Communications Commission; Postal Service; Chair of the Postal Rate Commission, acting and retired Governors and Postmaster Generals, field level executives and managers, Postmaster of Chicago and one clerk from a small office in Maryland--the only non-management postal employee listed. To complete the internal sampling, they met with the Postal unions representing the clerks, carriers and mail handlers. They also met with the management associations representing Postmasters, managers and supervisors.

Externally, the breadth of sampling included competitors such as United Parcel Service, DHL, Purolator and the Association of Private Postal Systems, Inc., academicians from the Wharton School, Harvard University, Michigan State University and Duke University, business officials from Manufactures Hanover Trust Company and Metropolitan Life Insurance Company and nearly a dozen representatives from the major trade associations who relied on the Postal Service. This group included names such as the Association of American Publishers, Readers Digest, International Association of Greeting Card Publishers, American Newspaper Publishers Association, Third Class Mail Association and Mail Advertising Service Association (NAPA, 1982).

Operating from all levels of organizational input, with a complete breadth of external stakeholder input and without the constraints of a politicized or institutional view, the panel provided the Postmaster General with several strategies they considered essential to the further transformation of the Postal Service under the new model of a government organization. While I did not read the study until nearly two decades later, I was immediately struck by how the study resonated with my personal experiences and explained my personal observations of the changing organization in a larger context – even today.

National Academy of Public Administration Strategies for Transformation in the 1980s

NAPA suggested over forty improvements in six chapters. The suggestions were spread throughout the chapters and built to several strategies. Taken in total, the strategies supported that the Postal Service needed to alter its reactive, myopic, closed system perspective of their environment. While this perspective may have been a legacy of their prior affiliation with government, NAPA suggested that to further transform, the

Postal Service had to look beyond their own organizational boundaries. They had to adapt and evolve with the changing environment--rather than fall victim to the changes that had begun to occur. While they openly supported the proactive use of technology, they also strongly recognized the tensions it created and important work condition changes needed for employees. The Panel strategies fell into the following categories: legislative reform, technology, customer relations, labor relations, management, and planning. The majority of improvements were focused on adaptive changes in customer service, advancing technology, and dealing with worsening labor/management relations.

### *Legislative Reform*

As a tenured higher level field employee reading the NAPA study during this research, I was surprised by the candor of the NAPA panel. At one point, the panel stated that the Postal Service Board of Governors positions must be filled “with individuals whose qualifications reflect the high importance of this largest of civil government organizations” (p. 41). Politically appointed, and given the authority to dismiss the Postmaster General at will, this risqué statement came at a time when the Board of Governors (BOG) was comprised of some politically appointed individuals whose experience was limited to managing much smaller organizations in the private sector. (USPS, 1983). NAPA noted that the inexperienced BOG, which was comprised of ten members, of which only two were active Postal Service executives and one a retired executive, agreed 90% of the time with postal management. The report noted that if this were not the case, a new Postmaster General would have been found (NAPA 1982, p. 40.) However, Conkey (1983) suggested that the Postmaster General who is part of the BOG “is the real power in the Postal Service” (p. 64) given the removal of Congressional

oversight on a daily basis. For the Postmaster General, as a Board member, to hire a Panel that criticized the Board, and allow it to be published in a public report, showed exceptional candor. Criticism of the BOG, their representative make up, and their interest in the day-to-day operations of the Postal Service remains to this day, but it is not at the hands of an outside panel hired by the Postmaster General (President's Commission on the United States Postal Service [PCUSPS] 2003).

Although NAPA softened their appraisal of the BOG with praise they also suggested the BOG needed to shift their focus from internal operations to interaction with the economy, the public and the Postal Rate Commission. While the relationship of the BOG to postal management was perhaps portrayed as too close, this was not the way the relationship between the Postal Service and the Postal Rate Commission (PRC) was portrayed. NAPA stated of their authority:

The Postal Rate Commission exercises review over postal rates and mail classification and, since 1976, hears appeals from citizens who wish to contest proposed closings or consolidation of post offices. The Commission itself, with presidential appointed members and strict rules for open hearings, is part of the public accountability chain which controls postal operations (p. 28) . . . the 1976 amendments to the PRA imposed a complex notice and citizen complaint procedure for closures, and allowed the Postal Rate Commission to review USPS's compliance with the procedure. (p. 24)

Spurred by the 1975 General Accounting Office report suggesting that \$100 million could be saved by closing small post offices, the Postal Service had accelerated the process to consolidate post offices and urban delivery to "cluster boxes." The

efficiency initiative ran into strong employee, customer and political reactions, which in turn lead to the 1976 PRA amendments, which stopped the innovations and gave the PRC more oversight power over the Postal Service than just during rate changes (NAPA, 1982). While Postal Service leaders had unique power for a government entity to change their organization internally, they soon found that initiating external change would open boundaries to outside political interests that limited their control. At no time was this more obvious than during the rate change process.

Unlike price changes in private industry, the regulatory process of a rate case for the Postal Service was a long and contentious 18 month process. Tasked with complying with nine statutory pricing criteria, the Postal Service had to ensure that rates were fair and reasonable--but also honor their requirement to not make a profit. The Postal Service stated that, “Deciding which product gets what markup has been one of the most contentious issues in rate cases and has been heavily influenced by dominant outside interests, including mailers and competitors” (USPS 2002a, p. L-5). Twenty years earlier, in the study, they noted of the rate setting process:

USPS officials argue that continuing these arrangements would perpetuate conditions which many people find to be at best barely tolerable. USPS also believes the process is cumbersome, lengthy, and expensive. They say the Postal Rate Commission exercises substantial authority over postal rates but lacks responsibility for postal services, wages, and budgets . . . its procedures focus not on the interests of the public but on those of special interests. (NAPA, 1982, p. 136)

Just who had the special interest power was suggested when the Panel stated, “Mailers, unions, and postal managers present technical testimony on postal rates and classifications in lengthy Postal Rate Commission hearings. However, the average citizen is represented only by an Officer of the Commission” (NAPA, 1982, p. xxviii.) Mailers were basically comprised of two groups--competitors of the Postal Service such as UPS, DHL or newspaper organizations who wanted the postal rates to increase and associates such as the Greeting Card Publishers and Third Class Mail Association who naturally wanted rates to remain low. Noting the tensions caused in the rate process, NAPA wrote:

Competitors for bulk advertising and parcel post services charge the USPS with predatory pricing. The truth of the charge cannot be determined without fuller documentation of postal costs than is now available . . . . In general, the Postal Rate Commission has recommended rates between the levels sought by USPS and those requested by United Parcel. (p. 161-162)

The problem of setting rates in a government entity that was to operate in a business like manner without making a profit or sustaining a loss, at a uniform rate for all locations in the United States, was known from the beginning. Even the distinguished NAPA panel could not arrive at a solution. They noted that the current method was not working, and that of the six alternatives, two were unacceptable and one that increased the power of the PRC was only likely to increase the conflict. Instead they opted to offer two suggestions. First, for both parties to jointly sponsor a study by independent accounting authority to develop and set cost principles with which both parties could agree. Secondly, for Congress to take the action to change the rate making system and

resolve any further increase in conflicts between the Postal Service BOG, Postal officials and the PRC (NAPA, 1982). (In 2006, under the Postal Accountability and Enhancement Act, the newly established Postal Regulatory Commission, which replaced the PRC, will establish the rate setting process.) Control of the Postal Service was also limited by other federal legislation.

While the PRA depoliticized the Postal Service, NAPA noted that a substantial amount of government regulations remained. Federal regulations regarding prohibition of employees rights to strike, Hatch Act prohibitions of employees from engaging in political activity, Veterans Preference Act requirements for hiring, Office of Personnel Management and Merit Systems Protection Board provisions for personnel matters, Federal Retirement Act provisions for retirement and even Davis-Bacon Act provisions for wage rates in construction--were only some of the Federal regulations that remained (NAPA, 1982). While the Postal Service public service model was a closed system internally, the boundaries for its interactions in the larger environment were closer to those of a government organization than those in the private sector. Each venture into the environment, whether to change rates or service patterns opened those boundaries for control by another external stakeholder.

### *Technology*

With private sector experience in computer technology, the Panel had strong comments for the Postal Service to look far beyond the LSMs and computer driven OCRs on the horizon for mail processing. They warned:

The information revolution, based on rapidly evolving computer and telecommunications technologies, will alter human society and its patterns of



work and communication during the coming decades. Because of the central role that postal services have traditionally played in the communication systems of this country, these changes will have particular significance for USPS. They will affect both the external environment in which the Postal Service operates and the internal operation of the USPS. (NAPA, 1982, p. xxxi)

NAPA chastised the Postal Service's reactive stance noting that, "the Panel is concerned that so little attention has been devoted to developing new alternatives for the future. As discussed in Chapter IV, the programs mentioned above have been under development for a number of years" (p. 183). The Panel encouraged the Postal Service to expand their research and development efforts and noted that change in delivery operations "should be vigorously sought" (p.xxiv.) and to act to quickly adapt technology for OCRs, bar codes and alternative ways that computers could enhance operations.

NAPA noted that as early as 1976, two major studies, prepared for the Commission on Postal Services, had warned of the future external impacts of electronic mail, "On the basis of these studies, the Commission concluded that mail diversion due to electronic communications would constitute an increasingly major threat to the basic business of the USPS" (p. 176). NAPA noted of the 1976 Commission findings, "It recommended that USPS make a strong commitment to cooperate with government and private industry in developing and initiating development projects, warning the Service against waiting to begin such projects until mail volume fell" (p. 176). While first class mail volume growth began to slow and third class mail began to grow, volume never fell until nearly three decades later (USPS, 2002b). The Postal Service was able to handle the

growing volumes without massive hiring by accelerating the deployment of mechanization and automation on the workfloors of the GMFs during the 1980s.

### *Customer Relations*

NAPA's recommendations regarding customer service started with a simple observation, universal service should remain and the Postal Service monopoly and Federal laws defining its limits, responsibilities and oversight were required to maintain it and limit the monopoly power. The Panel felt that the Postal Service still provided an essential government service to people of rural America, where the open market could not support a level of service equal to the remainder of the citizens in the nation. This commitment to universal service retained the government monopoly, but with it the Panel suggested several obligations. First was the requirement to communicate delivery standards to the public and develop reporting mechanisms for the timely delivery of mail. Next was establishing a public complaints department recognizing the growing public complaints from mail that was slowed in the system, missent and damaged.

They also advocated improving window service at offices and fixing vending machines. All of this was part of a larger effort to improve the public perception of quality service--something that was ailing. NAPA noted that Postal executives devoted, "much of their effort toward meeting the needs of their larger business customers . . . ." (p. 21) and had, "done a good job of working cooperatively with big mailers" but, "should now develop simplified and standardized methods of handling citizens mail" (p. xvii.)

As a government monopoly, the Postal Service had a long history of making the customer come to them, and meet their demands. The Panel suggested that the Postal

Service work with customers to anticipate their needs and provide them new or innovative services--*but only where they built upon the strength and context of the universal delivery system.* The obligations of universal service were balanced with the protections of a legal monopoly and any new service had to be limited to the boundaries set by the legal mandates and not create unfair competition with the private sector.

### *Labor Relations*

The Panel noted that the history of unions in the Postal Service began in the 1860s, and the Postal Service was ranked second only to the Tennessee Valley Authority with a unionized workforce of 87% (p. 71). By the time of the NAPA study, the Postal Service had four unions and three management associations. Two of the management associations represented the Postmasters (NAPUS--The National Association of Postmasters of the United States and the League of Postmasters which is commonly called The League.) Supervisors were represented by the National Association of Postal Supervisors (NAPS). Executives of the Postal Service, under Section 208 of the PRA were only required to consult with these three management organizations regarding pay and working conditions and the term “consult” was only vaguely defined (Swiercz, 1992). Employee labor unions held more power internally in the Postal Service.

The four unions, American Postal Workers Union (APWU), National Association of Letter Carriers (NALC), National Rural Letter Carriers Association (NRLCA) and the National Postal Mail Handlers Union (NPMHU) all had rights to collectively bargain for their respective Postal Service employees. NAPA noted the history of jurisdictional disputes of work between the unions. In a single postal facility one group of unionized employees would unload a truck, another would sort the mail and two other unions were

responsible for delivering it. Something as simple as pushing a container of mail, depending on the type and location in the facility could be viewed as crossing crafts and result in a grievance. The unions bargained separately and each could have different local agreements. This created a workplace with a myriad of administrative and contractual rules. In 1981, Postmaster General Bolger petitioned the National Labor Relations Board (NLRB) for an election establishing a single national bargaining unit. The APWU President labeled the action deceitful and devious and the NLRB turned down the petition (NAPA, 1982). The USPS was destined to have four national labor contracts and possibly four local agreements for each facility. (Employees were locked into their four labor categories and changing to another labor category, within the same Post Office would result in a loss of seniority. Staying in the same labor category, but changing to a different Post Office also resulted in a loss of seniority.) Not only did the rules constrict managers, they constricted employees who had limited mobility within the Postal Service--and the two groups were locked together in a system where leaving the security and benefits of employment were difficult.

NAPA noted that while postal unions made huge wage gains in the 1970s, wages were commensurate with other union industries in the private sector. However, wages of supervisors were often very close to wages of senior clerks and carriers (p. 83), and the incentive for a senior clerk or carrier to move to a supervisory position was minimal. This further stifled upward movement of experienced employees in an organization where the labor/management climate was degrading quickly.

NAPA noted, "Following reorganization, direct confrontation in collective bargaining and the more aggressive attitude of public employee unions have

institutionalized an ‘adversary relation’ between postal management and labor” (p. 84).

They went on to note that the buildings constructed under the Post Office Department were often dirty, crowded and with poor heating and lighting, but that improved buildings did not change employee morale. The transformation to a mechanized and automated workflow offset all building improvements.

Time and motion experts paid more attention to the workplace than to the people in it . . . . Mechanization . . . proceeded with too little consideration of the men and women who had to operate the machines. The Defense Department employs and contracts for many industrial psychologists to help to design and test instruments and equipment so that they can be operated easily and safely . . . .

Bell Telephone Laboratories also employ many; but in 1980, USPS’s research and development arm employed precisely one . . . unions and associations of supervisors have been notified before the introduction of new machines or procedures, but they have seldom been consulted and made part of a common effort to improve productivity. (p. 86)

The report noted another symptom of the mechanized workplace, “High sick-leave rates have reflected the discontent of postal workers. Employees “used to have pride in the Postal Service. They couldn’t care less today,” one management spokesman told us. In the big cities, “employees stay home when they please” and managers spend much time trying to maintain attendance” (p. 87). Sick leave rates in the Postal Service overall were 4.2% of total work hours, but this number was offset by the fact that non-mechanized small post offices often had sick leave rates as low as 1% (p. 87). Small

offices still worked as autonomous teams and an employee banging off on sick leave could put more of a burden on their fellow employees.

Along with the sick leave increase in the mechanized workplace, came an increase in injuries:

One operations manager believes that 35 to 40 percent of “injuries” are ‘questionable,’ as when an employee goes home and later phones to say that his back hurts; a paper-cut can be an ‘on-the-job injury’ for which some people will see a nurse. (p. 87)

NAPA listed quotes from the Postmaster General Bolger, NALC President Sombrotto, and APWU Vice President Burrus that called for an end to the adversarial relationship--they placed the optimistic quotes under a heading that read--*A New Harmony?* (Bolger remained Postmaster General for only three more years. Sombrotto remained President of the NALC for over twenty more years, and Burrus continues as President of the APWU today.)

In spite of the optimistic quotes, NAPA suggested that USPS pay closer attention to the adverse responses to mechanization and establish employee involvement and labor management committees/teams to improve workplace conditions. A new management philosophy was to be communicated to supervisors and stewards and the Postal Service was to establish incentive pay *for all employees*, but allow outside entry to Postal Service management ranks in a hope to change the culture.

### *Management*

While NAPA saw supervisory confrontation at the line levels of the organization with mechanization and automation at the GMFs, they were encouraged by some

management line changes in the field. They noted that the political appointees of the past had created numerous problems and described them as an “aggregation of semi-autonomous post offices” (p. 39) who were held together only by a common budget. Politically appointed managers had little formal management training or accountability to the fifteen Regional Directors for efficiency and cost effectiveness and only had the controls of a nine-pound postal manual (NAPA, 1982). The PRA gave the Postmaster General control over the autonomous Postmasters by creating accountability through a hierarchy of successive line managers who were delegated authority “so that management decisions could be better related to operational realities.” The change was completed by encouraging, “initiative in the use of that authority, as the best route toward efficiency and lower costs” (p. 44). However, at the lowest line level of the Postal Service initiative was confined by the regulations and hierarchy and adherence to the system was maintained by surprise inspections from Postal Inspectors or Postal Service Examiners (Biggart, 1977).

The authority for initiatives remained under the purview of Postal Career Executive Service (PCES) leaders, established in 1979, and responsible for postal operations in the field divisions of the Postal Service (Conkey, 1983). In the field in the 1980s, the PCES I knew were mostly senior managers who had spent their entire careers in the Postal Service and had worked their way up from line operations. From my perspective, they were not likely to promote change and valued stability in operations.

## *Planning*

NAPA noted:

In the Post Office Department, little systemic planning had been done. After an unsteady start, USPS operations planning is now moving . . . however . . . strategic planning--to identify future developments affecting the postal mission and to choose overall objectives responding to those projections--is urgently needed. (NAPA, 1982, p. xxiv)

USPS should support a program of strategic research which examines the basic mission and objectives of the Postal Service in light of new developments in the field of information technology . . . to ensure the continuing health of USPS, it is now time to emphasize the development of an increased capacity to meet the challenges posed by the information revolution. (NAPA, 1982, p. 184)

In essence, NAPA was suggesting the Postal Service leaders consider transforming the organization.

While the internal organizational strategies outlined by the esteemed Panel played out at all levels of the organization, the legal reforms suggested by the Panel, were not realized. Some strategies, like management changes, came quickly, while others such as customer relations evolved over several years. Some strategies like labor relations and aspects of the needed change between the PRC and BOG changed--but not for the better. From my field perspective, the NAPA study had remarkable credibility, but not all their strategies were equally pursued by field Postal Service managers and not all the issues cited in the report were corrected; however, it was definitely a time of transformation.



## The Workplace of a Postal Service

### Manager in a Division in the Late 1980s

#### *Transforming to an Entrepreneurial Culture*

The NAPA study became the transformation plan for the remainder of the 1980s. I first saw it sitting on the book shelf of my new PCES manager in 1986. In that year, the Postal Service underwent a structural “realignment.” They abolished 42 districts, realigned “regions” and established 74 “divisions.” Postal Service Headquarters reduced staffing 12%, regions were reduced by 82% and management positions were moved to the field. The intent of the restructuring was to ensure “people and expertise were moved from the regions and the district offices to bring them closer to mail operations” (USPS, 1986, p. 13). In Harrisburg, we jokingly renamed the restructuring the Pittsburgh invasion. Our new Division General Manager was from Pittsburgh and he filled many of the new Division PCES positions that would report to him, with senior people he knew and who were willing to follow him from Pittsburgh. They came with the offer of a lucrative promotion to PCES, relocation pay and a chance to enhance their careers. They also came in over top of some senior managers from Harrisburg, but with the numerous higher level jobs being created in the field divisions by the restructuring, the new opportunities outweighed the losses. Not only were new, and higher level jobs created, entirely new units were created as well.

Under the structure of a Division and guided by the NAPA report and the entrepreneurial government writings of the time, the Postal Service created a field unit called Marketing and Communications. With only a bachelor’s degree in Business Administration and six years of Postal Service experience, I landed my first front office

position in this unit. Jokingly, I would say in retrospect that the organization with a 200 year history of never having marketing, would find its best qualified new marketing people in an organization with a 200 year history of never having marketing. Like many others at the time, I capitalized on the USPS values of hiring from within the Postal Service combined with the growing trend to hire managers with college degrees. I remember the job interview, where I quoted *In Search of Excellence* and the need to be entrepreneurial and innovative in marketing. I was soon the youngest management employee in the newest unit in the Division.

In the new unit, we were given general guidelines that we were to promote stamp collecting, stamps by mail, Express Mail and presorted mail. We were also given free reign to pursue other money making ventures. In general, we were to find ways to make more money--but how was up to us. Regardless of our professionalism and age, we were entrepreneurial.

I placed the stamp collection on the wall of David Addison's office in the set of the hit ABC television series *Moonlighting* starring Bruce Willis and Cybil Shepherd (Welch, 1987). We supported education programs in stamp collecting, because every stamp sold that was not affixed to a letter or package was revenue which required no service.

We arranged "stamp events" that included presenting stamp posters and memorabilia to local celebrities and officials. Twice we were part of the First Day of Issue for a new postage stamp in Pennsylvania. The issuance of the Pennsylvania Statehood Stamp drew hundreds of people in a ceremony that included the Governor and

other dignitaries. In Conestoga, Pennsylvania, we issued the only stamp ever released on February 29.<sup>th</sup> The “leap year” stamp drew stamp collectors from across the country.

We created “baby grams,” a pink or blue greeting card that could be postmarked with a special stork cancellation and which announced the day of arrival for a newborn. Area hospitals supported our efforts to promote them to new parents and the unique Postal Service birth announcements caught the eye of media. The story of the innovative form of Postal Service delivery was reported in television and newspapers (WGAL, 1989; Wallace, 1989)--but the baby gram never went any further. While allowing us to produce them locally, Postal Service headquarters would not adopt them nationwide--because we had unknowingly overstepped our boundaries and entered the greeting card business.

We printed t-shirts with popular stamp images, and mugs and bags and sold them in post offices. We sold Ertel collectable metal replicas of classic Postal Service vehicles. Some post offices set up elaborate displays of this merchandise at their counters and we ran contests for Postmasters who could increase their revenue in small towns by selling the postal related merchandise.

We promoted postal products and services and read about the new phenomenon of guerilla marketing and created a carrier referral campaign. Letter carriers would give us sales leads from businesses they visited every day, that used Federal Express, and we would try to convert them to using Express Mail through the valued relationships the carriers had with their customers. Federal Express and United Parcel Service were the competition and we told letter carriers that we had to get people to use our products because we were losing ground. We gave carriers a brochure that listed our competitors

inflated prices for overnight delivery and was titled “Dare to Compare.” Salesmen could not normally get past a secretary in an office, but we knew the letter carrier could--and we also knew the secretary often made the decision on how something was mailed in the office. We didn’t need to speak to Presidents and CEOs; we already had a foot in the door with the decision makers.

We ran carrier referral campaigns in town after town, signing up new customers who promised to mail an Express Mail package a day with their letter carrier. We produced reports showing new revenue estimates based upon these predicted sales and won awards for our efforts. However, months later, we would find that the revenue estimates were often inaccurate. The customers would find that Express Mail service was very limited. Only major cities could be reached overnight and more often than we liked to admit, we failed to meet our delivery commitment. More than one letter carrier became frustrated in trying to explain to a secretary how we had failed to deliver the Express Mail on time and it put the carriers in an awkward situation when we had made the sale based upon the carrier reputation. We offered refunds for Express Mail that did not make delivery commitments but most customers cared more about making a deadline than the returned money. Some customers learned what commitments we could not make and mailed them constantly to obtain free two day service. After years of work, we learned that no matter how hard we promoted Express Mail, the failing service would eventually erode our sales efforts. We were promoting a product that would eventually fail a customer, because the organization did not dedicate resources to ensuring a dedicated system for processing and delivery similar to Federal Express.

We also devised integrated direct marketing campaigns that promoted making mailing automation compatible and presented seminars to Postal Customer Councils (PCC). The campaigns won national recognition and the Postmaster General's Meritorious Service Award (Harrisburg Wins, 1990). We showed the business customers how to prepare mailing databases that could generate addresses easily read by automation. The PCCs were attended by mail room managers, who met each other and shared ideas for reducing mailing costs. PCC members met entrepreneurial managers who were creating "mail houses" that could sort their mail at lower costs than their institution and consolidate several institutions mailings to get volume discounts from the Postal Service. While these promotions reduced revenue, they decreased our costs by making mail compatible with the new automation.

In each of the 74 Divisions, innovative people were creating new marketing programs and strategies from the ground up--with minimal guidance, coordination or support from Postal Service Headquarters. Some of us won awards, some of us bent rules and some who broke the rules were removed by the Postal Inspectors. For a young and innovative Postal Service employee, the Marketing and Communications unit was a uniquely entrepreneurial workplace in an otherwise bureaucratic organization.

Like many who had been successful and creative in field marketing, I went to Postal Service Headquarters in 1990, to help with the new Postal Service Olympic sponsorship for the Albertville and Barcelona games. Challenged with showing how the sponsorship could make money, I helped headquarters program managers estimate how much revenue could be gained by issuing Olympic theme postage stamps that would be collected by philatelists and never placed on letters. However, I soon found myself at

odds with their perspective of the program value. Revenue predictions were inflated because we were told not to consider the additional costs of transporting the stamps to 38,000 post offices, the time to count them like money and issue them to clerks with the proper procedures of accounting and auditing. Then there were the costs of recalling them from the field and destroying them under supervision when they went off sale. The costs of these internal procedures were significant for any new stamp, but they were unknown at this level and went ignored.

The headquarters managers in charge of Olympic Marketing had come from other government agencies or the private sector and never worked in the field and seen the process of stamp accountability. Stamps are like money to a Postal Inspector and Postmasters. Clerks are audited and sign financial accountability documents that can result in them personally paying for any stamp losses. Stealing a postage stamp leads to instant removal and legal action against any employee. Something as simple as issuing a stamp had major costs associated with the auditing procedures, but they were not included in the financial calculations for profit or loss of Olympic Sponsorship. Given my status as only part time help on the program, I argued the field financial issues, but acquiesced to their decisions knowing that their numbers were inflated and would be presented to higher level postal management to justify their programs budgets and staffing.

After a few months, I turned down a position working in Postal Service headquarters in Washington, due to the costs and challenges of raising a family in a high cost area. In the field, we called those who did go to Postal Service Headquarters mercenaries. They were often young people without children or spouses who were career

oriented. Sometimes they were older employees seeking to just get their “high three” years of wages to increase their pensions. More often now, as was the situation with some of the Olympic Marketing managers, they were people from outside the Postal Service who had not worked in a field operation. For the mercenaries who went to Headquarters Marketing and stayed, there was immense opportunity for travel and promotion. Back in the field, opportunity was limited, even if you were entrepreneurial.

While my individual unit within Marketing and Communications won national awards, and we used enormous energy to create the innovative new approaches, other units within Marketing and Communications conducted business as usual. They were staffed by more senior managers, in positions that had existed before the restructuring. While I noticed the difference in their workload and that they never seemed to work extra hours or to offer any support from their staff to unique situations, I wrote off their recalcitrance to change as a generational issue. The disparity in work was not a problem until work hour cuts were announced. To the Division, the Marketing and Communications unit was perceived as not being important – at least not nearly as important as line operations. To the Marketing and Communications unit, my small unit of Merchandising and Promotions was considered the most vulnerable. As the newest and least senior group in the Marketing and Communications unit – we were told we had to make the work hour cuts for the entire unit to make budget.

We argued our effectiveness and awards, but to no avail. Sales representatives who worked with major customers could not be cut as mailings grew. Bulk mail units that accepted automated mail were not to be cut--even though we knew they were over staffed. In the larger picture of the organization, our innovative and hard working unit

was expendable and we were required to give up one position. As a consolation, we were offered part time help as it became available, but the help changed so often that training anyone to work with us only reduced our effectiveness and took more time. Part-time helpers were also an unreliable source of labor to support our ongoing programs. The part time helpers were usually PTFs from the workforce who had limited duty status because of health issues. One presented a situation that I would never forget.

One of the best part-time helpers was a single mother in the third trimester of pregnancy. Unable to stand for long periods on the workforce, the work we gave her at a desk was perfect for her ability and she was quick to learn and be productive. Being limited in seniority, she had little sick leave and the ability to save it for after the arrival of the child meant that she would continue to have income when she could not work. It was a win-win situation for her and us until I received a call from the GMF workforce manager demanding she return to the floor. I explained that in her condition, she could not fulfill workforce duties and she would be forced to go to her doctor to get a doctor's excuse allowing her to leave on sick leave. There was no way she was going back to her regular workforce position, even if we wanted. The tirade I heard next was one of the harshest I was to receive in my career and from a person who was known for being people oriented. He shouted over the telephone, "That's what's wrong with this place, there is no discipline and nobody follows the rules! She is MY employee and YOU will send her back to me now!" By the next day, she had the doctor's excuse and left on sick leave. I lost her help, she lost valuable leave and the workforce did not gain her either. It was a lose/lose scenario for all.



However, on one level I understood the actions of the workflow manger. The stressed manager who launched the tirade had been pushed beyond his limits by the restrictive rules and challenges of the automated workflow. Employees were using sick leave and on the job injuries to keep from reporting to work and the fluctuating staffing was increasing over time costs. Years later, the manager became a senior executive at Postal Service Headquarters and with the pressure of the workflow gone, he once again became known for being people oriented--but the workflow had changed him in the time he was part of line management.

The workhour issues continued as I became Manager of my unit, and the new budget called for me to cut one position. Rather than tell a person I had hired, and who had moved his residence to take the position in our unit (an extremely entrepreneurial and talented person who became a close friend) that he had to find another job after being rated an outstanding employee for several years, I volunteered to leave the unit myself to allow him to take my place. As I had learned from the workflow during the time when OCRs were being deployed and positions cut, individual accomplishments and work ethic were not going to save your job. Even in management, organizational realignments were uncontrollable forces that could create or destroy your career path without any concern for you as an individual. To survive in the field, you had to find a position you felt would survive in the organization. At the time, that appeared to be in automated mail processing operations--but I had no desire to return to the oppressive conditions of the workflow.

## Transforming to an Automated Workplace

With my knowledge of mail flow, my knowledge of a new computer application called *Windows*, my business degree and all that I had learned about automation while promoting it with direct mailers, I accepted a position as the Division Corporate Automation Planner. Although a lower level manager in the District, I reported directly to the PCES Division General Manager to ensure accountability of the program.

The Postal Service had heeded NAPA's suggestion to adopt technology and planning and with the deployment of more OCRs, FSMs and automation now capable of putting barcodes on up to 90% of the letter mail. Systemic field planning was needed to integrate the new mail flows with operations and find all the unknown problems that were being created. It was my job to track the hundreds of steps that each unit had to accomplish to make the field transformation to an automated workplace and the results of each incremental change. In essence, it was my job to tell the boss when people underneath him were not doing their jobs to plan for the transformation to an automated workplace and when the transformation was not working as planned.

On a regular basis, I would go into senior manager's offices and request their documentation of having completed the planning tasks and reports from automated work streams so that it could be tracked on the computer and reported to the Division General Manager. To say I was not always welcomed in a manager's office is an understatement, but the planning was effective. Some of the effectiveness came from the requirement that I constantly attended each individual unit's staff meetings and promoted the coordination of functions. Administrative staff functions that were separate from the workflow and focused on their own duties were isolated from automated line operations of mail sorting

and often lacked understanding of its multiple impacts on all parts of the organization. As part of my position, I would attend the meetings of each individual unit and give them the “big picture” of how all the pieces fit together. In the beginning, using a deck of cards, flashlight, camera lens and some other props, I would explain how the OCR worked for people in the front office. We not only tried to communicate the change automation would bring, we sought to give people understanding of the implications.

From the macro organizational perspective, I was a tiny but critical part of a much larger and major transformation that was missed by many who did not understand the organization. Initially, lead by Postmaster General Anthony Frank, the Postal Service completely retooled the Postal Service mail processing operations. In 1989, the Postal Service mail processing structure averaged the deployment of three automation systems put into operation per day. The organization was guided by a Corporate Automation Plan (CAP) which set as a goal to barcode virtually all mail by 1995 and plans were in place to invest \$13 billion to accomplish the mission. Dubbed the “Drive to 95” we had coffee mugs, pins and posters promoting the transformation to automated mail processing and explained its purpose.

The Postal Service stated, “the return from investment in automation has the potential to allow the Postal Service to avoid adding about 100,000 work years by the end of 1995” (USPS, 1989, p. 14-15). Under the leadership of Postmaster General Frank in the years after the NAPA evaluation, the Postal Service had coordinated planning and automation to adapt to the environment, however, by this time, the mailing environment had transformed as well.

## The Proliferation of Direct Mail in the 1980s

With the advancements of personal computers that allowed electronic sortation of mail and eventually electronic communication, came the advancement of the direct mail industry. In the 1980s, direct mail was one facet of direct marketing which was a combined approach to advertising. Marketing departments segmented their markets and potential customers, then used a mix of television, radio, newspaper, magazine, and mail advertising to reach them. Soon computers made the generation of mailing lists more feasible, but one early problem with direct mail was that a person who bought five similar mailing lists from list brokers, may have the same person on all five lists. The potential customer would then receive the same advertisement five times--and often at different times. In 1966, Alan Drey, a list broker, introduced the first form of duplicate elimination and direct mail became efficient and economical (Stone, 1988)

Personal computers owned by smaller businesses, were now able to maintain mailing lists and print mailing labels. Specialty magazines, which were growing as well, could keep the list of their subscribers up to date, and sell it to a person wishing to reach people only interested in these markets. Combined with the Postal Service's ZIP Codes, direct marketers found a way to avoid the costs of less effective blanket advertising. A person selling cat collars, could buy the list from *Cat Fancy* magazine and directly target cat lovers across the nation.

Vittes (1983) saw this evolution of the Postal Service's focus and noted that moving to a business model would naturally move the organization to cater to the major customers and large businesses which provided the majority of revenue; however neither NAPA or Vittes could predict the immense impact on the Postal Service as technology

allowed these organizations to grow into a major industry that used the power of the Postal Rate Commission--which only had one officer devoted to the common citizen customer--to lobby for their special interests with every rate change.

Advertising mail, at the time, was third class mail. First class mail, like any brand labeled first class, was the flagship service. It was the most costly, fastest and was the required mailing method for bills, checks and the personal correspondence of the average citizen. It accounted for nearly 54% of the total mail volume and 63% of the mail revenue. In 1983, as the introduction of smaller and faster computers made them available to more businesses, advertising mail accounted for 34% of the total mail volume, but only 18% of revenue. It had significant volume, but low contribution of revenue. In 1983, first class mail grew only 3% to 64 billion pieces, but advertising mail had grown 11% to 41 billion pieces (USPS, 1983).

The phenomenal advertising mail growth continued through the 1980s, with 18% in 1984, 8% in 1985, 6% in 1986 and 9% in 1987--outdistancing first class mail each of those years. In 1980 advertising mail contributed \$2.4 billion dollars in revenue to the Postal Service and was 30 billion pieces of mail, by 2000 it contributed \$15 billion and had increased to 90 billion pieces of mail a year (USPS, 1983; USPS, 2000). The general public coined the advertising mail as "junk mail." Internally, postal employees were told it was a term they were never to utter because advertising mail provided one third of their salary.

While the growth of advertising mail was not necessarily a problem, the combination of conflicting Postal Service strategies and the changing environment soon uncovered unpredicted problems. As the Postal Service deployed automated technology

quickly to barcode mail for sortation, we encouraged mailers to barcode their own mail with their own automated technology by offering postage discounts. The barcoding advertising campaigns I had helped create in Marketing, encouraged major mailers who met at Postal Customer Council meetings to pre-barcode their mail for discounts. This, in turn, created an outside industry of mail presorting and consolidation houses that used the same technology as the USPS to sort their mail. Universities, hospitals and other large institutional mailers combined their mailings, as we suggested, and provided them to consolidators to achieve the highest rates of discounts and eventually bypass pieces of automation sitting in USPS mail processing facilities. The programs were called “worksharing” and combined with direct marketing it created a direct mail industry that employed one in every 15 Americans and represented 8.5% of the economy in a \$900 billion industry (USPS, 2002a). The environmental change of a Postal Service that collected sorted and delivered first class mail with personnel correspondence and financial/business data, to an organization that was delivering advertising mail, had begun and we in the field units had helped to create the environmental change without fully knowing its future impacts on the Postal Service.

As email and electronic funds transfers became more technologically viable, that mail also bypassed the Postal Service automation completely. In 1991, the Postal Service faced volume declines--just as it had spent billions of dollars on automation in the “Drive to 95” to be able to sort mail through automation. In less than a decade, the problems with the automation strategies were apparent. “Declines in mail volume have led to excess equipment capacity because less mail is being processed on the same amount of equipment . . . worksharing contributes to all types of excess capacity because more mail

volume is bypassing Service operations . . .” (GAO, 2005, p. 34). It was a comment hauntingly familiar to:

Since 1971, the Postal Service has made major capital investments without anyone looking over its shoulder. Its attempts at mechanization have been without guidance . . . . The result has too often been economically disastrous programs without compensating merits . . . . A continuation of this trend . . . will be dangerous. (Conkey, 1983, p. 392-393)

Our inability to understand the multidimensional and multi-level long term impacts of technology and programs often created the next generation of challenges.

#### The Transformation of the Late 1980s in Review

While history may suggest that we still failed to understand our organizations mission and role in the larger changing environment--we had transformed internally. Automation soon eliminated the last of the LSM clerks in mail processing--leaving mail processing clerks who silently fed mail to the automation while listening to music on portable cassette players. Flats and parcel machines still held coding jobs for the clerks, but they were limited in availability and also diminishing. As clerks retired, their positions were reverted--a contractual term for eliminated. As each new automation system was deployed work hours were cut and operational adjustments occurred from more complex mail flows and unforeseen operational impacts. More specialist positions were needed to service the highly technical systems in the field. Often they did not come until the problems intensified and were found to be systemic. Automated systems were meant to cut work hours and often justified by reduction of costs. Adding specialist positions in the field increased costs for management. Increased problems and costs

showed up in other parts of the organization with the automated systems continued deployment.

Externally the diversion of machine readable mail to electronic communications lead to an eventual excess of automation. With the mail volume reduction and less mail to run on the machines, operating shifts in the mail processing facilities were cut back to predominantly night work that was difficult for traditional family schedules.

Banging off on sick leave became such a huge problem that new absence control offices were established where specialists questioned employees who called in to report off, monitored their sick leave and issued discipline to violators who set patterns or exceeded limits. Even this system could not counteract the impacts of a larger system. When new hires were placed under the Federal Employee Retirement System (FERS), unlike the former Civil Service Retirement System that gave an employee service credit for unused sick leave, a FERS employee that built up their sick leave would forfeit it for no value when they retired. Every year the FERS employee receives a notice counting sick leave as a benefit, but it is only of benefit as an insurance policy and as the FERS employee approaches retirement age, it is worthless if not used.

In the larger post offices surrounding the mail processing facilities, the transformation to an automated workplace was also having system impacts. Letter carriers who had spent nearly half of their day sorting mail into letter cases and half their day delivering the mail on their routes as they had done for decades, now received the letter mail each morning in the sequence of how they delivered the route. In the beginning, it gave the carrier more leisure time by eliminating some of their in office



work, but soon the route inspections began to “capture the savings” of automated mail streams that could reduce work hours in carrier operations.

Teams of specialists would arrive at a Post Office to inspect the routes and would watch a carrier case their mail using time and motion studies. Then the team member would drive or walk the carrier’s route with them. When the route inspection determined that some of the time spent casing was no longer justified because the mail was already in order, the route would be given more delivery points to make up the time equaling to eight hours of work. In an office with a dozen routes, by adding more deliveries to each route, you could cut the number of routes in the office, or compensate for the growing number of deliveries as more homes were built in a community. The Postal Service began to adjust thousands of routes nationally and soon carriers had to spend more time in the elements and more time driving. Reducing slips, falls and vehicle accidents soon became a major organizational goal for field supervisors.

After a route inspection team left, the Postmasters and supervisors remained to face the confrontations. It came in complaints from customers that their mail was arriving late--when it was just a matter of their order on the new route set a new time of delivery. They faced the complaints of carriers because they had to spend more time outdoors in the weather and they faced the scrutiny of their superiors who demanded the work hour reductions needed to make budgets. They faced the National Association of Letter Carriers union who naturally opposed the route inspections because it reduced potential carrier positions and who used their labor agreements to counter the attempts at deeper control. Speaking to the issue of the delivery operations information system (DOIS) which was being used to predict delivery times , one NALC officer wrote:

The system is used to try to intimidate letter carriers, as well as supervisors, into thinking that the generated reports relate in some way to reality . . . the decision on whether or not you should be intimidated by the supervisor each day is really yours . . . . We simply need to put forth a satisfactory effort, engage in acceptable conduct, apply the principle of a fair day's work for a fair day's pay . . . . The supervisor would like you to think that none of this matters, that you should be driven each day by the DOIS numbers alone. You decide. (Rolando, 2006, p. 30)

Some carriers were told to follow every possible rule and procedure and to move only as fast as required to deliver their routes during inspections--in hopes of protecting jobs. Carriers, who would normally cut through lawns to deliver in communities, would use the sidewalks during a route inspection. Once, during an interview for a position vacancy in my unit, I asked a supervisor what other jobs he would be willing to do if we needed to cut work hours and place people out on teams. He immediately answered, "Anything but route inspections. I WILL NOT do them. I can't stand walking that slow and fighting with carriers." Automated mail processing had reached down deeper in the organization and the angst that was once limited to the clerks in unseen mail processing facilities now reached across America to the letter carriers in post offices in larger communities. Workplace tensions continued to grow and spread.

One day, while I was taking a picture of a flat sorting machine operation for an employee publication, an angry employee threw a handful of mail in my face. He did not know me personally, he just saw the tie and knew I was a manager from the Division office and I had taken his picture without his permission. In his mind, the act was justified. The battleground mentality in the workplace had risen to a level unseen in

Postal history by the public or management. The rise of tensions associated with automation, job changes in a culture that valued stability, and further controls in the workplace had been noted by the NAPA evaluation and other authors (Baxter & Margavio, 1996; Conkey, 1983; Lasseter, 1997; Rachleff, 1984). Going postal continued and became a point of humor for the general public when disgruntled postal employees shot their peers. Quite often I was subjected to laughing criticism when I told people I worked for the Postal Service. Eventually the headline gaining phenomenon moved to disgruntled school children, disgruntled private sector employees and college students who found “going postal” as a way to gain front page news. The public tolerance and humor stopped; however, the tensions in the Postal Service remained.

#### Transformation of the Postal Service in the 1990s

##### *Runyon Steering Rather than Rowing*

In 1994, L. Douglass Kiel wrote, “Currently the Postal Service is feeling heavy pressure from private sector competitors, the expansion of electronic mail, and well-publicized problems with outdated and militaristic management styles, all of which suggest that another major transformation may be in the near future” (p. 41). Kiel was two years late in his “prediction.”

On July 6, 1992 Marvin Runyon took the oath of office to become the 70<sup>th</sup> Postmaster General. Eight days later on July 14, he presented his 120 day plan for the Postal Service to 42 officers. In part he stated:

Find ways for us to raise service quality and customers satisfaction: to eliminate the projected \$2 billion deficit we face, which threatens rate stability; and, to

restructure and reduce postal overhead, starting at the top . . . . It's time to make some changes. (Runyon, 1992)

The term overhead was soon defined as anybody who did not touch mail. A National Association of Postal Supervisors (NAPS) Area Vice president described the time by saying:

The panic, fear and pain the membership felt was unsurpassed in the history of NAPS and the Postal Service . . . . Who can forget Runyon's, "Who touches mail?" diatribe? I remember some of my coworkers actually wearing mail around their necks with their ID cards. (Roma, 2007, p. 7)

We instantly knew Runyon was not a typical Postmaster General. Unlike his predecessor Postmaster General Anthony Frank, who I had met on several occasions, Runyon was escorted by Postal Inspection Service bodyguards. While picking up Runyon's staff at the airport in Pittsburgh, I noticed that other officers of the Postal Service arrived on separate flights from Runyon. When I asked why, one replied that he refused to travel with him. Runyon's conception of the Postal Service was different. He preferred the title of Chief Executive Officer, and like the private sector phenomenon of rightsizing which was popular--it was management's turn to face the brunt of the change.

Runyon came to the Postal Service with more experience in industrial organizations than any recent Postmaster General. He had worked for Ford at assembly plants in the 1950s and 1960s and moved into executive positions by the 1970s. He retired from Ford in 1980, but quickly accepted a position as Chief Executive of Nissan North America and oversaw the construction of the new automated assembly plants in his home state of Tennessee. In 1988, Runyon was appointed to the Tennessee Valley

Authority by Ronald Reagan. There he earned the nickname Carvin' Marvin for his work to cut costs by 30% and his downsizing of the organization (Arlington National Cemetery, 2007). His perception of the Postal Service business model was described in his own words in 1996 when he stated,

We have got to get out there and compete for every postal dollar we get. The only way to do that is to become more like a private company-in effect, to “corporatize” ourselves. And that is exactly what we are doing. When it comes to running a business, I learned a lot in my years at Ford and Nissan. I came to government, first, at the Tennessee Valley Authority (TVA) and then to the Postal Service, because I wanted to prove that these same practices could work in the public sector. They do. (Hudgins, 1996, p. 4)

Runyon took the helm of the Postal Service at the same time *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* was hitting the book stores. He was clearly steering and not rowing, and many of his actions embodied the work of Osborne and Gaebler, however, the advice of Kanter (1984) who advocated involving the entire workforce in problem solving or even Peters (2001) who specifically advocated against “hierarchy and command-and-control, top-down business operation” (p. 86), and *Reinventing Government's* strategy of decentralization, participatory management and bottom-up innovation had not been successfully realized in the field. Postmasters and managers had been encouraged to be part of monthly Management-By-Participation meetings, but they were short-lived. A Quality of Worklife/Employee Involvement program was developed, but the clerks' union refused

to participate. Letter carriers and mailhandlers initially participated, but these programs were also short-lived. The rural carriers, kept the program alive.

Runyon's initial organization transformation strategies looked very similar to what senior field employees had seen occur twenty years earlier in the Postal Service under the Postal Reorganization Act transformation. Like the Postmaster General did in 1971, Runyon offered a pay incentive for senior employees to retire early. In 1971, Blount used this strategy rather than re-educate the senior managers to the new workplace environment (Biggart, 1977). Like the first transformation, Runyon also changed the organizational structure and then the Postal Service emblem. But instead of decentralizing the organization as had happened in 1971, and as was suggested in *Reinventing Government*, Runyon immediately centralized and downsized.

Runyon cut field PCES positions by the hundreds effectively eliminating the decentralized innovation and authority supported by the NAPA research. Where PCES had once headed human resources, marketing and communications, field operations and finance in the field Divisions, he cut back to one PCES in charge of larger mail processing plants and one PCES in charge of customer services at each District. These PCES reported to one of ten Area Vice Presidents. Many PCES found themselves moved from executive positions back to EAS manager positions in the field. While the span of control was not thinned at the field level, the field career path to a PCES position in the field was nearly eliminated.

Runyon cut headquarters staff by 28% from a high of 2,434 positions to 1,701 (USPS, 1998a). Displaced Headquarters employees were told to leave their offices and report to offsite locations that were dubbed "leper colonies." At the leper colonies they

prepared their resumes and applied for positions back in Postal Service Headquarters. If they were not selected for the position, they were left with the choice of having to accept a vacant job in the field or leave the Postal Service. Headquarters employees who had spent their entire careers in administrative offices in Washington, could find themselves being placed in the field as Postmasters or supervisors--even though they had never touched mail, supervised employees and had no idea of the mail flow. In the field, this created a ripple effect among employees. Supervisors or employees who had dutifully waited their time, saved their sick leave and worked loyally in hopes of moving up to be the Postmaster one day, suddenly found the position filled by an outsider who had to rely on *their knowledge and ability* to be successful in the job. In some cases, the new field manager may not have been the best the service had to offer and this was their last option position. Field offices receiving the newly displaced managers were often skeptical of their ability--but were pressured to provide positions for the displaced employees. The Postal Service touted that nobody was laid off in the reorganization and this was a benefit unlike the private sector--but many field employees saw it differently. For some who were "impacted" and lost their positions their career goals came to a halt. For many of those who were not impacted, but saw the position they aspired to achieve filled by somebody who really did not want it, their career goals came to a halt as well. For all, the option of leaving the great benefits and security of the Postal Service was not a viable option--so they stayed in the system--but they adapted their goals and work ethic to the new reality that career planning in the Postal Service was as much a gamble as it was a plan.

The restructuring eliminated field Management Sectional Centers, Divisions and Regions. They were replaced with Districts and Areas--which were often located in different places than their predecessors and conveniently required new staffing. Like thousands of other managers, my job was eliminated in the new structure. In the Marketing unit, my old position, along with the former employee I had protected, was also eliminated and all entrepreneurial Merchandising and Promotions functions were centralized back to Postal Service Headquarters.

At the new field Districts and Areas, PCES were being told to recruit the best staff they could get because managers would be held accountable for results and the new offices needed to be operational with talented people in a short time frame. Every day, displaced managers heard the stories of other managers who “got the call” from someone in another city, recruiting them to an Area or District position. It was like being on the playground in elementary school, waiting to see if you would be selected for a game of dodge ball. At the same time that the massive reorganization and recruiting was occurring, the early out offer left many senior managers shopping to see if they could find a job better than the option of retirement--and employees watching them and hoping they would retire to open up a job. Job shopping was extremely stressful as eligible retirees were given a deadline for their retirement “buy out” decision. Some would feel they were being coerced into a decision they were not prepared to make. Soon the game was like playing musical chairs with your career and managers were wondering if there would be a chair left for you when the music stopped.

In many of the new organizational structures, friends hired friends or prior employees as loyalty sometimes replaced seniority and qualifications in the promotion



system. Survival in a staff position was just as easily based on who you knew as what you knew, but the one thing everyone knew was that if you were talented and willing to move, you could get a promotion--a large promotion. In many cases, it was not the most talented or qualified person who obtained a job. Talented managers often opted to take a lower level job and not have to move their families. Often a selecting official had a recruiting list of their top picks, but settled for somebody far down the list who was just a good employee and willing to move.

Facing my first position loss as a management employee, I had gone to my PCES manager to ask advice on where I should go or what to do. My manager told me nobody knew what to do. To him this reorganization looked different with the elimination of many field management jobs. Reduction In Force procedures not seen before in the Postal Service were not being followed and nobody was sure of what the future was to bring. No formal plan had been issued and he said Runyon was clearly calling the shots. He suggested that a Postmaster position was safe, given their place in the community and their link to touching mail. At my level of management I needed to seek a commensurate level as a Postmaster. It was a level that would normally take a field employee a decade of experience to achieve. My manager advised me to pick an office that had established a management level closer to mine because of revenue from postage meters, but not stamp sales. It was much easier to sell \$3,000 of postage once on a postage meter than to have to sell hundreds of books of stamps to customers. He also advised me that it was much easier to have rural carriers who managed themselves than city carriers who were highly unionized and required constant supervision. I soon found a chair, in case the music stopped.

I arrived at the Millersburg Post Office without any experience in local post office operations and with one day of training for a Postmaster level that would normally take years to obtain in the field. I was sent to be an Officer In Charge (OIC) where the Postmaster had taken an “early out” retirement and was just waiting for someone to show up so she could transfer the office. She was giddy with glee and left the office as fast as she could clean out her desk. There was no transition period, on the job training or mentoring. As an “impacted” management employee, I knew the office could be my fallback position, but I had to prove myself if I wanted the job--even though I had never considered this route in my career or prepared for its challenges.

From the first day, I noticed that the field workplace of the Postmaster was entirely different from the mail processing plant. Each morning, the employees arrived and without hitting a time clock, they began sorting mail. With the radio playing, the clerks worked in a manner I had not seen in a long time. The clerks were flying, trying to put the mail in post office boxes in time for the lobby to open for customers and also to get mail to the carriers before they went out on their routes. Clerks in this small office still had schemes and they all understood the mail flows and system. When they were done with one task, they moved to the next to keep caught up. None of this mail was part of an automated process. I was now the manager in charge of the same type of operation Iron Man had created in the pouch rings before we were replaced by the machines. The difference in the workplace was refreshing.

Even though I had no experience with rural carriers, they did indeed manage themselves as my former manager had suggested. If one was sick, they called their own replacement and the route was covered. As their manager, I didn't have to worry about

them banging off and begging for help to cover the route. If the mail was light and the rural carriers were finished early, they went home early knowing they were caught up and received a standard day's pay for their evaluated route. If the mail was heavy, they would sort mail like the multi armed alien postal worker portrayed in the movie Men In Black II. They would be finished later, but still received the standard day's pay for a route evaluated to average eight hours work. The few city carriers I had were younger, but with a PTF relief carrier, even if they banged off sick, I had a person to cover the route. The PTF carrier was always eager to do more work to get more hours, and the former Postmaster had tried to find ways to keep the PTF employed. Unlike the mail processing center supervisors in Harrisburg, the former Postmaster had not sought ways to eliminate work for the PTF--she had found ways to keep them employed and justify the hours. The PTFs who needed the money, appreciated the Postmasters efforts and went beyond their normal duties. Even the custodian, who was only a contract employee, would do whatever was needed and nobody seemed to mind. I was the one who was out of step in this workplace.

I was appalled to find that one clerk who worked serving customers at the counter, did not even take a lunch, but instead worked straight through her day and left in eight hours instead of eight and one/half. This was a violation of the Fair Labor Standards Act and would have had an employee in serious trouble in a mail processing plant--but here, where there were no time clocks and those rules had little meaning to the small group who had worked out their daily routines, they couldn't understand my shock and insistence that lunch had to be part of her schedule. I had to sit down and take the time to show them the rules and explain why I could not ignore them. The rules were the

one thing I knew from having supervised in the mail processing plant, but in this new workplace I was competent at very little.

As an OIC, I would start the day by reconciling the cash book and recording stamp sales and ensure the sales information had been uploaded by computer modem to the District. Then I moved over to work the service counters, to allow the clerk time for lunch. I could barely do more than sell stamps and when the first postage meter was brought to me by a customer, I had to tell her that I would have to wait until the clerk came back from lunch to add postage to her meter. I told her that I would gladly drive the postage meter back to her business after the clerk had set the postage. For the customer, who was on an extended lunch from her business--it seemed odd that a Postmaster did not even know how to set a meter. For me, it was a reminder of just how much I needed to learn and how unprepared I was for this new position.

Over the next few months, I gradually fell into the very different life of a small town Postmaster. I started early every morning, and often worked late, but I ate lunch in a local café and got the daily call from the aged lady every afternoon, who just wanted to talk to someone. I was accountable for every stamp, security of the office and ensuring that even when I was off on Saturday and Sunday, the office was covered. If it was not, I had to work. But that was rare because the PTF clerks, who lived in town gladly covered me when I did not cut their hours. As I continued to wait for “the call” I gradually decided that if I was to become a Postmaster, I could adapt to the new position.

Townsfolk began to ask if I was the new Postmaster and I began to consider moving my family at my own expense and adjusting my career goals. I knew positions were being filled back at the District and the music was about to stop.

I got “the call” in late fall. I was being recruited by a person in Pittsburgh who had seen my work at the Harrisburg District as an automation planner. Her first question was, “Have you every thought of moving in your career.” My reply was, “not until today.” My wife was a postal employee in the Postal Inspection Service and rumors were beginning to circulate that her job was endangered as well. I had heard nothing from the former District where I had worked, and I knew jobs were being filled by the new PCES. Former units were often re-hiring their employees from the old structure, but having reported directly to the District Manager, who had retired, and not having been part of any larger unit--nobody owed me a thing. The offer from Pittsburgh promised me a promotion and an opportunity for promotion for my wife who was deemed a “trailing spouse.” With our six month old first child, my wife and I made the commitment to accept positions in Pittsburgh. In a few days, I was no longer OIC of a small town post office, I was moving my family and both my wife and I were changing career paths based upon a telephone call and a promise.

We were told we had to report to Pittsburgh immediately. I was to be an automation specialist and my wife was told she had an opportunity to be promoted to an executive secretary position. They wanted my wife to report to her position as soon as possible, so we arrived in Pittsburgh with our house for sale back home and only part of our belongings. We set up temporary housing at a Residence Inn and I scheduled vacation leave to stay with my daughter so my wife could report to work and until we could find daycare for our infant daughter.

The first day my wife was to report to her new assignment, it was snowing and she lost her way in the new city. She called from a pay phone in tears to tell me she was

lost, but I did not know how to find the new office. She flagged down a police officer who kindly helped her make her nerve wracked way to the new office location. She pulled herself together in the parking lot and prepared to report late for her first day of work. Upon entering the office, nobody cared that she had reported late, because they had no work for her. They were not even sure where she would be working. They told her to use her vacation leave and go back to the Residence Inn until they were ready for her to report to work. She came back to the Residence Inn in tears. When she went back to work the next day, they told her she was not getting a promotion because she was not allowed to work in the customer services branch of the Postal Service where I worked. They instead placed her into an operations position at the same level position as she had left in Harrisburg.

After finding daycare and reporting to work myself, I also faced a change of the employment deal. Instead of being an automation specialist, I was offered and accepted the higher level job of an environmental specialist--for which I had no professional credentials. While my wife was not promoted, I had moved up five levels to a position that would have taken 20 years or more of experience to reach under the old structure--all because I now had a Master's degree, a good work record and was willing to take a risk to move my family and adapt to the change. However, the personal price was high. The stress of an infant first child, finding good daycare, new jobs for both of us, buying a new home, moving and being in an unfamiliar city was nearly unbearable. My wife lost clumps of her hair from the stress and I wondered deeply as a husband and father what I had done to my family in the name of a career in the Postal Service.

The only support in this new assignment was my new boss. She was old post office and was working on her high three years of pay for retirement. She did all she could for everyone on her staff to help them adjust to Runyon's transformation and to find our way through the confusing nightmare of relocation forms and procedures. Having relocated several times, she understood the relocation procedures and the loop holes in the policies that the finance people wouldn't tell you. She helped make the change bearable, but the old school Postal Service managers who saw their employees as family and felt responsible for them were becoming more scarce.

Coming to the Postal Service, Runyon conceived the organization as being similar to the auto industry and he split it into two operations. He saw the large mail processing plants as automated factories that had to be dedicated to process management and quality--even though the rapid acceleration of automated systems had created mail flow problems that were still not entirely identified by troubleshooters. To Runyon, the post offices were like local dealerships and had to be dedicated to customer service and sales. Both systems were separated and structured to have centralized control and accountability under their respective PCES in the field. Runyon advocated the accountability *Reinventing Government* promoted, and the Pay-for-Performance system and the pressure to perform was obvious. PCES were removed from positions if their service "numbers" did not look good and placed in charge of programs with less operational responsibility or reassigned somewhere in the organization. Marginalization usually came with the announcement of a PCES taking on a new assignment. In the field, we called them "recycled PCES" and soon managers knew when someone was being recycled. PCES performance bonuses, while kept secret, became legendary and the

PCES met yearly at the National Executive Conferences to celebrate success in a resort similar to private sector corporations.

Accountability to the numbers and desire to make the bonuses brought intense competition. No PCES wanted to be in last place and become the next recycled PCES. While designed to promote teamwork, the new accountability system often undermined it from our field perspective. Each PCES became focused on their individual goals – even to the detriment of the goals of the other parts of the organization. In the mail processing plants where automation continued to present challenges of missent mail and machine reliability in tightly coupled systems, a major goal was to clear all operations of all mail by the clearance time on the processing plan each morning. Trucks scheduled to move mail from plants to post offices were some times held at the docks so mail could be cleared from the plant floor in time. Mail that arrived late in a post office held up carriers from going out on their delivery routes. Arrival times for mail became erratic--a constant complaint from senior citizens and businesses who expected their mail at the same consistent time each day. Carriers who had been delayed receiving mail in the morning, came back late and on overtime in the evenings. This resulted in added delivery costs and collection mail arriving back at the plants later in the evening hours. This in turn compressed the amount of time allowed to sort mail at the plant and make clearance times the next morning. The failure cycle could be self perpetuating.

In some cases PCES plant managers accused PCES customer service managers of not getting them mail on time, and vice versa when numbers endangered their positions. As the accountability stakes grew higher, stories of heroic efforts to prop up the failing system began to circulate.



A Postmaster could find an entire missent tray of mail with up to 500 letters for another town, in their office in the morning. Rather than send the mail back to the processing plant on the afternoon transportation, to be dispatched a day later to the correct office and with a bad service score, Postmasters were often told to drive the mail to the correct post office. If they had the flexibility of having a subordinate supervisor, they could send them to do the job, but if not, they would have to drop everything and race to the other post office before the carriers in that office went out on the routes for delivery. This way the service scores would be protected. Express Mail would arrive on a truck in the afternoon after carriers were on the route, but it had to be delivered by 3 pm or it would show up on a report as a “failure” and lead to the reduction of a PCES performance evaluation (it would also undermine future sales of Express Mail service - something we had learned in the 1980s). Express mail would often end up being delivered by Postmasters or carrier supervisors in the afternoon. Some field PCES were legendary for intense morning teleconferences with Postmasters to cover service scores. As Postmasters were pressured to make heroic efforts for service, they were told to deliver “every piece, every day.” Where the system failed, the heroic efforts of field Postmasters and supervisors kept the scores high. Further up in the organization, things looked improved.

In November, 1993 Postal Inspectors found a pile of unsorted mail 800 feet long in the Chicago mail processing operation. New York City and Washington D.C. operations had the same problems (Mathys & Thompson, 2006). In the field, most EAS employees saw Runyon’s split of the system as a major mistake and misunderstanding of Postal Service operations. Coupled with the staff restructuring, which further

destabilized the systems and removed seasoned talent, the change was threatening the organization externally. Runyon established a Vice President of Quality and launched a program to win the Baldrige Quality Award, but in 1994, Runyon faced hundreds of angry mailers for hours in a town hall meeting in Chicago. In an uncharacteristic action for the Postal Service, Runyon reached down into the organization and promoted an innovative, motor-cycle riding, bow-tie wearing District Manager to be his Chief Operating Officer and Executive Vice President. The entrepreneurial William Henderson, jumped over several executives who may have had their career goals set on the number two position and immediately went about the work of ensuring the mail processing operations and customer services operations were coordinated--even though the division between the two remained on the organization chart. Seasoned EAS managers with line and staff experience knew the “split” of the integrated system had failed and that Henderson was there to fix the internal problems and manage operations. Runyon, with the unchecked power Conkey (1983) suggested of the Postmaster General, and the entrepreneurial ethos of *Reinventing Government*, was promoting the public management philosophy of the day, but history suggests it did not mix well in a rational government organization--even if it was envisioned to work in a business like manner.

### Runyon and Enterprising Government

*Reinventing Government* (1992) advocated government using innovative methods to make revenue and in 1993 the Postal Service released the Elvis commemorative stamp. It immediately became the most popular stamp in Postal Service history. The Postal Service estimated that 124 million of them were collected--and that meant huge profit when it came without an envelope that needed to be sorted or delivered. Elvis's 32 cent

image, grossed the Postal Service over \$36 million in revenue (USPS, 1995). Stamps became more than just a payment method for postage, they became pop culture images printed on paper that could be licensed and sold to customers for a huge profit.

In 1994, Runyon hired Loren E. Smith, an entrepreneurial marketing specialist, from the private sector (Santa Fe Group, 2007). Smith aggressively promoted the Postal Service's Priority Mail with the "What's your Priority" television advertisements. Similar to the Dare to Compare ads my Division marketing unit had used with letter carriers to promote Express Mail in the field in the 80s, Smith's television spots pointed out that for \$2 dollars, Postal Service Priority Mail weighing up to two pounds would be delivered in two days. One Postmaster joke of the time added the words "too bad" to describe their responses to complaining customers when Priority Mail failed to arrive in two days. The advertisement was in direct competition with the two-day service of Federal Express and United Parcel Service. As the ads began to have their effects, Smith did what any private sector executive would have done to corner the market--he increased his advertising budget. Exceeding his 1995 advertising budget of \$140 million by \$87 million, he gained more market share (Fundinguniverse, 2007). However, his shrewd private sector action also gained a lawsuit from Federal Express as they won injunctive relief claiming the ads were false advertising because the Postal Service delivered only 60% of Priority Mail in two days--too bad (Hudgins, 2000). The Postal Service was being accused of false advertising. Like we had learned in the field during the 1980s with Express Mail carrier promotions, we could not promote a product until the service was in place. In addition, Smith had been unaware of the Postal Service rate setting process where individual class rates were proposed and defended to the Postal Rate

Commission, based upon their individual costs. Smith had unilaterally raised the cost of Priority Mail \$87 million and the rate was no longer justified without consideration of this new cost. The rate was now in violation of the federal regulations for the rate setting process. Smith was learning that enterprising in government and accountability was far different than in the private sector.

In 1993, a General Accounting Office report indicated that the Postal Service could not verify the accuracy of costs or revenues from the Postal Service sponsorship of the 1992 Olympics (GAO, 1993). I had experienced first hand the questionable cost estimating while working on the Olympic sponsorship in its first days. Smith came into the Postal Service one year after the report and soon established the U.S. Postal Service Pro-Cycling Team in 1996. While the success of Lance Armstrong became a story that captured the world, the Postal Service Office of Inspector General found that Postal Service marketing was unable to “track or verify revenue associated with sponsorships” and “lacked goals and objectives for some sponsorships” (United States Postal Service Office of Inspector General [USPSOIG], 2003). Advertising money spent in the private sector was rarely a concern to the public and would not have to face the scrutiny of the GAO or an OIG.

Even Runyon personally found himself at odds with the rationality of a government monopoly when he promoted the entrepreneurial idea of placing Coke machines in the lobbies of post offices across the country. Runyon had bought Coca-Cola stock in the late 1970s and early 1980s, but had not realized the governmental ethics considerations of this financial conflict of interest. By September, 1996, Runyon sold all his Coca-Cola stock, but the action was too late. *United States v. Marvin Runyon* was

settled in October, 1997 after Runyon paid \$27,550 of his own money to the United States to have the case dismissed (United States Office of Government Ethics, 2007).

### Performance Management,

#### Clarity of Purpose, and Consequences for Performance

In 1994, the GAO noted of Runyon's plans, "The change he is seeking is a transformation from an operation driven, cost driven, authoritarian, and risk averse culture to one that is success-oriented, people oriented, and customer driven" (GAO, 1994, p. 26). Runyon's vision echoed the themes of *Reinventing Government*, but his strategies were only made public in the Postal Service's Five-Year Strategic Plan (USPS, 1998b), which was required by the Government Performance and Results Act.

The *Five-Year Plan* noted the Postal Service had developed corporate and performance goals that supported the mission of the organization and integrated these into a performance management system that was called CustomerPerfect! (USPS, 1998b). Under the umbrella of the CustomerPerfect! management system, were three broad goal categories called voices. These were the Voice of the Customer, Voice of the Employee and the Voice of the Business. Under each individual Voice were performance goals which were described as broad statements of direction. Under the performance goals came subgoals which were to narrow the focus of the goals. Indicators became measures of performance for the subgoal. Targets were specific levels of performance to be achieved for indicators. The CustomerPerfect! management system was Runyon's answer to *Reinventing Government's* strategies of creating clarity of purpose and consequences for performance and he first used it for evaluating the PCES managers, but it was soon implemented for Postmasters, managers and supervisors in the field. The

choice in its application was described, “We have no choice on what method the USPS uses in determining pay. On the other hand, quite frankly, we see it as a way to improve the Postal Service, while obtaining increases to basic pay . . .” (Palladino, 2003, p. 3). Integrated performance management goals would come to other parts of the government in the years that followed.

This was not the first incentive pay program for Postal Service, Postmasters, managers and supervisors. The Postal Service was “a forerunner of “Pay-for-Performance” approaches” (Mathys and Thompson, 2006 p. 34). Postmasters, managers and supervisors had already been through a program called Economic Value Added Variable Pay Program (EVA). This program was based on Total Factor Productivity (TFP), a financial measure that the average field Postmaster, manager or supervisor could not calculate. While TFP appeared as a simplistic calculation of workload achieved minus resources allocated--it was not. The measure of something like workload included multiple classes of mail that were sorted and delivered in multiple ways. Machine productivity measures for all different types of mail and increases in deliveries made TFP calculation very complex. Cost of capital evaluations for every capital expenditure were required for simple field projects, but often ignored. Very few people in the organization had access to all the data, and few of those who did have access could explain the complex system and how it all synthesized into the final measure of TFP. Most Postmasters, managers and supervisors simply didn’t try to understand how the calculation of TFP led to your pay increase under EVA.

The new CustomerPerfect! management system was an evolution of the incentive pay programs of the Postal Service past and was touted as being more aligned to the

individual employee and organization goals and more understandable. The term incentive pay was also removed, as it had connoted a negative opinion of management. For years, the unions had suggested that Postmasters, managers and supervisors were getting incentives to eliminate unionized positions and cut work hours. Unions would legally obtain and disseminate the incentive pay bonuses of their supervisors from the workforce each year. The new program adopted the title of Pay-for-Performance Program (PFP) in lieu of incentive pay and the confusing EVA.

Under PFP, a system that remains for the Postal Service today, every supervisor and manager receives their goals on a scorecard from a higher point in the organization. While the intent of the scorecards is to ensure coordination of effort by aligning the goals of the organization along with the goals of the employee at every level, the field implementation suggests another result. While the primary mission of the Postal Service may be to collect, sort and deliver mail, these duties fall primarily on line personnel in the organization. Staff personnel often have entirely different goals, but find themselves responsible for selecting goals over which they have no control or authority (Aceves, 2004).

As a contracting officer for facilities repairs and alterations, my goals were in conflict with the larger goals of my field unit. Spending money to upgrade a dated post office lobby in a small town would result in the District increasing expenses but not increasing revenue. Aesthetic projects such as painting and new lighting would have no impact on timely delivery of mail, or increased postage sales--but my PFP goals sent down from above with no consideration of my unit's individual mission, included reduction of costs and timely delivery. Instead of PFP goals being a negotiation of an

individual's goals by position and how that positions work efforts related to the larger mission of the organization, the PFP scorecards were required to receive goals that aligned with the PFP goals of higher management. The process was described as a one way street with goals that were simply handed down without feedback (Grove, January 6, 2006 letter to National Association of Postal Supervisors-Branch 50; Keating, 2005; Palladino, 2004). Often goals that I could control, would have less weight than goals I could not control.

The workplace impacts of the scorecard were multiple in the field. Managers of programs sought to have their programs included on the scorecards of field Postmasters, managers and supervisors to force field efforts of support. Field Postmasters, managers and supervisors soon found dozens of goals that were weighted in small percentages on their individual score cards. They would selectively choose the scores which they could most readily affect and concentrate their efforts on those items. Some Postmasters, managers and supervisors concentrated on the goals on their scorecards, even though their positions may have included other important duties for the organization which were not reflected on their scorecard. Many Postmasters, managers and supervisors who had done exceptional work at their own positions, found their PFP payout reduced when higher level units did not make their goals and reduced their individual scores. They were told to start documenting every time the local hierarchy failed (Ewing, 2006). Some scorecard evaluations were reduced arbitrarily even when a supervisor or manager met all their goals and were entitled to a higher payout under the system (Wagner, 2007).

Within a decade, Runyon's *Reinventing Government* vision of clarity of purpose and consequences for performance had evolved into a complex performance system that



redefined the workplace goals for Postmasters, managers and supervisors--but it stopped there. Runyon's original intent was for the incentive system to reach all employees, but this would not occur. The PFP management system, which was to support the mission of the Postal Service, was in conflict with the perceptions of mission of the unions. Instead of becoming a system to bind labor and management in an integrated Postal Service mission, bonus pay became a point of contention (USPSCSSW, 2000).

### Accountability, Enterprise, and Window Clerks

Runyon's Five-Year plan stated the Postal Service's regulatory mission as established by the Postal Reorganization Act was "to provide services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable and efficient services to patrons in all areas and shall render postal services to all communities" (USPS, 1998b, p. V). However, it then suggests a different interpretation of the mission when it states, "Binding the nation with prompt, reliable and efficient service *while remaining a viable self-financing entity* continues to be the mission . . ." perhaps emphasizing the desire to increase revenue with new products and services, rather than cut costs (p. V-2).

In 1998, the General Accounting Office reported that the Postal Service had developed 19 new products, but had either discontinued or lost money on 15 of them. They had spent \$234 million in three years time, to develop new business, but had only received \$149 million in new revenues (GAO, 1998). Perhaps we were not going to be selling Coca-Cola with stamps, but we were soon selling mugs, t-shirts, bobble head dolls and phone cards on a national basis. FirstClass phone cards made \$12 million in nine months in 1998, but were only at half of the sales target. Window clerks were balking at

selling phone cards and other items--or at “selling up” the traditional mail services by convincing a customer to buy delivery confirmation and increase the revenue of the transaction. The *Reinventing Government* perception change from public service employees, who served citizens, became apparent as we established Sales and Service Associates who tried to sell additional products to customers. It ran against the culture of the Postal Service past. It even conflicted with another major Postal Service retail campaign that placed a premium on service in five minutes or less. Window clerks would ask Postmasters and supervisors why they had to try to sell a phone card to the senior lady who bought a money order once a month to pay her phone bill, when they knew there was no chance she would want the product and all they were doing was increasing the other customer’s time in line. They were also being instructed to keep the lobby line waiting times down. The two goals ran contradictory to each other.

As their titles were changed from window clerks to Sales and Service Associates (SSAs), many clerks joked about how long it would be until they were forced to ask “would you like fries with that.” It happened quickly. SSAs at the public service counters were soon instructed that they had to offer FirstClass phone cards to every customer to meet the failing revenue goals--no matter the length of lines. Many refused and the unions backed them.

In July, 2001, the Postal Service’s Advanced Leadership Program Class Thirty-Five was given an assignment to research the question of why the Postal Service was not getting the increased revenue, customer satisfaction and employee commitment to the new sales approach. The class, comprised of a mixture of headquarters specialists and field managers, conducted surveys and found that there were neither financial nor

individual work incentives for SSAs to sell the phone cards. SSAs were more inclined to want to keep transactions short to reduce hearing customer complaints for waiting in line--especially without a personal financial incentive. When similar results were presented by each group who had studied the issue, to the headquarters retail manager who had requested the study, the manager told the participants their studies were incorrect. She suggested that SSAs would sell, if someone were holding *supervisors* accountable for their actions through the PFP system.

As a partial answer to the adaptive change of SSAs who would not sell the phone cards or sell up mail services, a system called the Mystery Shopper was employed. Plain clothed postal supervisors or outside contractors were sent to local post offices to stand in lines and observe the window clerks while they waited on customers. The programs stated purpose was to “provide a tool that helps identify the level of service that our customers receive at a particular unit at a specific time” (Discipline, 2004, p. 10). In the field, the program served as an inspection system to seek out and identify non-compliance with the standardized programs. Some Postmasters were given disciplinary letters of warning for poor Mystery Shopper scores if SSAs did not ask the required sales questions including if the senior lady wanted a phone card. Contract Mystery Shoppers who had never worked a Post Office service counter were known to show up during lunch hours or on the morning after a holiday, when lobby lines were at their peak, and catch SSAs not asking the sales questions as they tried to move transactions quickly to eliminate the lines in five minutes or less. As the pressure increased on Postmasters, they in turn were forced to confront the culture change with the employees.

Soon the Postal Service had to issue guidance that Postmasters could not discipline SSAs as a result of a Mystery Shopper score--but the Postmaster accountability remained as did the organizational tension from the adaptation to a sales orientation from a service orientation, by Postal Service employees. With each new product, service or program that came out of the centralized headquarters units, goals and accountability increased and the tension increased at the field level where the change required confronting old perceptions of the changing Postal Service mission with employees. On October 31, 2006, the Postal Service discontinued the sale of FirstClass Phone cards. The cards went away, but the tensions created over this issue were remembered and the Mystery Shopper and its PFP accountability remained with new programs and goals to measure SSAs and Postmasters.

## The Workplace of a Postal Service

### Specialist in an Area Office

As an Area Environmental Compliance Specialist, removed from the field during the time of the Runyon transformation, I would jokingly say, "I am as far from mail as you can get and still be in the Postal Service." In 1992, our role as Area specialists was made clear early in our assignments by the PCES Area Vice President. The line mission was to deliver mail on time and improve customer satisfaction. We were to support them by keeping them focused on that mission. Our job was to be on the road and in the field handling the issues we specialized in knowing. For me, for that time, that specialty was environmental compliance.

The Postal Service, like the rest of government, was losing sovereign immunity to environmental regulations and suddenly USPS officers could be held personally

responsible for environmental infractions if they had knowledge of the infraction, responsibility and failure to act. The Postal Service had large vehicle maintenance facilities and maintenance operations that had grown to support the mechanization and automation. We had underground storage tanks with gasoline for the fleet, hazardous waste and asbestos and lead based paint in our facilities. I studied each regulation and conducted numerous classes and inspections to establish programs for our operations to be compliant with the regulations. Given that each manager knew of the potential for being held personally liable for breaking environmental regulations, they often listened as we deployed the environmental programs, but not always.

While working to institute employee trip reduction programs in Philadelphia, as part of the Clean Air Act regulations, I was explaining to the PCES manager the importance of the regulations and how we could be fined by regulators. Agitated with my assertion that he had to support the employee trip reduction program, he turned to me and said, “Listen, I have employees who are putting pieces of pipe in the letter sorting machines to jam them because I have changed their work schedules--in my world of problems you are not even on my radar screen.” In the new world of increased pressure to meet PFP goals, if you were a staff specialist for a program that did not have immediate personal consequences for line Postmasters, managers and supervisors, the chances were less that the line would pay your program any attention.

With the combination of reduced field staffing and increased focus on key internal organizational goals, the line manager’s priorities became very narrow. For many of us who had come from the workforce in the past, we understood the problems Postmasters, managers and supervisors faced. If you let them vent and let them know you had been

there once too, and that you would work with them, sometimes you could convince them to pay some attention to your program priorities. However, not every specialist was able to empathize with the line situation and many of us had to rely on personal power to promote our programs. Many new specialists had never worked in postal operations and line Postmasters, managers and supervisors, who sensed their inexperience, were not willing to give their time and resources to programs they saw as “fluff” and not contributing to their individual performance goals. Many had little time for someone who did not understand their workplace and would delegate meetings to subordinates. Unable to influence field Postmasters, managers and supervisors personally, some programs turned to other methods to attempt to force compliance.

“Sign off” sheets began to appear as staff employees realized their programs were not being promoted by line Postmasters, managers and supervisors. Information or tasks would be sent from the staff offices to the line offices and with each, would come a document the manager would have to sign, stating that the manager/supervisor had done what the staff unit had demanded. The sign off sheet had to be signed by the manager/supervisor, often employees and returned to the staff unit as proof they had implemented the desired element of the program. We soon had sign off sheets for training, safety talks, mail clearance, carrier observations and key communications. Staff and line offices retained the sign off sheets, tracked them and hunted down anyone who did not return a sign off by a deadline. Sign off sheets were offered as proof that the staff employees had promoted their programs but people working at the field manager or supervisor level knew they did not ensure field compliance.

Auditing sign off sheets and written programs soon became more common than auditing processes to ensure the programs worked as planned in field application. In the environmental area, we had permits that required spill control plans for many of our vehicle maintenance sites. The laws required a plan, inspection of various spill control supplies and training that included a 30 minute video tape. To pass an audit you could simply ensure that there were initials or signatures in the right places. However, on occasion, I would show up on site with a five gallon bucket of water, dump it outdoors and sound the alarm. More often than not, the first drill was like watching the Keystone Cops as a child on television. The drills gave me an opportunity to interact individually with the mechanics and learn/demonstrate physically how to stop and control a dangerous spill. It gave me a chance to answer their questions and explain the reasons for the plans and regulations. It also showed me where our supplies or procedures were lacking. I established a feedback loop that allowed me to evaluate the spill response of a person in the field rather than the plan on paper. It allowed me to adapt the plans and supplies to field conditions as I learned how to clean up and respond to spills myself as I responded with the employees. However, I found my approach to confronting employees in this manner was increasingly rare.

I had not thought about whether this technique was better at the time, I was simply following a lesson I had learned as a young Marine from my superiors--you did not ask someone to do something you could not or would not do yourself and on occasion, you needed to test it personally to stay in touch with the field reality.

I combined my field knowledge, contacts and support with my independent study of environmental regulations and soon had a master level certification as a Certified

Hazardous Materials Manager. Numerous awards followed, culminating with Vice President Gore's National Performance Review Silver Hammer award for innovation in recycling. I may not have been initially qualified for the position, but my work ethic, desire to constantly seek education on my own and combine it with field knowledge to support the organization had once again made me successful in the Postal Service. However, I would soon once again question my personal value to the organization.

### The Workplace of a Postal Service Manager

in a District Office in the Late 1990s

#### *Hiring Talent vs. Employment Regulations*

Having won several awards, and received exceptional performance evaluations for consecutive years, I had proven myself successful in a higher level staff function, but I was always aware of the danger of being a specialist who did not touch mail. In the next reorganization my career could once again be derailed. Additionally, I knew that specialists who stayed too long in one place became pigeon holed in their careers at higher levels. While I could move up one position in the environmental unit, the person who held it was not eligible to retire for over a decade. My immediate career path in the environmental unit could be to wait and stay vulnerable to a reorganization for a decade until I could move up one level, or to hopefully move up to a headquarters position at Environmental Management Policy.

A headquarters position meant moving to Washington, D.C. and a promotion. But many who had made this career move spoke of losing discretionary income due to cost of living increases for housing or moving so far away from work for affordable housing that the commute to work by car and train was hours. It meant forcing my wife to find



another job as a trailing spouse and putting my child in a new daycare. As I had learned in the 1980s, headquarters was not a place where field people with a family could go without great sacrifice. Additionally, if I did not get back to managing people instead of programs my career track would not support movement to a higher level management position in the future. I was in a career trap whose jaws tightened with each passing year.

In early 1995, a job opened back in Harrisburg. It was in the Marketing unit I had helped to found and where I had won numerous awards prior to moving to automation planning. It was the same occupational level and would allow my wife and I to move back to our childhood home. I applied for the position and during the interview took the time to enumerate my record of accomplishments and awards while in marketing and also in the years past, but it was obvious that the PCES manager was not interested in my marketing skills. As the interview closed, she stated, “I don’t want you in this job. I want you in another job.” The position she wanted me to take was as Manager, Administrative Services Office (ASO), which oversaw facilities planning, construction, procurement and material management. The job posting had closed over a month before and I had no experience or knowledge in the unit. It was also two levels lower on the pay scale. I pointed this out to the PCES manager, but she said, “You need to consider this position if you want to come back to Harrisburg.” I decided the pay cut and move to this position was not an option.

Soon, I was notified that I had not received the marketing position, but in a conversation with a member of the Harrisburg staff I was told that if I was willing to accept the ASO position offered, the PCES would set my pay at my current level, rather

than have it cut. I agreed to the condition. I was instructed to write a letter requesting the position and using the verbiage they provided. I received a return letter confirming my new job position, starting date and pay level in writing and signed by the PCES manager. Unlike the prior relocation in 1992 when position offers were all oral, this time I had obtained the new assignment and pay scale in writing from a PCES manager.

I began the process once again of selling my home, finding daycare, a new home and a job for my wife, just like we had three years earlier. We had the going away party at my Pittsburgh office. Meanwhile, a senior manager in Harrisburg who received my dictated letter requesting the lower level position, and who had not been privy to any of the conversations I had with the PCES manager and her staff, deemed my letter an *employee initiated* change to lower level. Unknown to me, Postal Service policy required him to cut my pay. I received a telephone call from a manager who was not part of the human resources unit telling me there was a “problem with my pay.” I immediately went to the local human resources in Pittsburgh and explained that I was *recruited* to the Harrisburg position *with the offer of saved pay* and it was *not* employee initiated. Amazingly, they refused to accept the explanation of conversations and directions that were documented. I went back to the PCES manager from Harrisburg and was surprised when she told me that it was up to me to “work it out with human resources.” I considered that possible, given my experience with the reorganization three years before and having experienced how the Postal Service did not seem to be coordinated on relocation and personnel issues.

Some peers told me to go back to the Area Vice President who had respected my work and seek his personal intervention to have the problem addressed, but I refused. I

felt that I needed to work within the system and follow the chain of command as I had learned in the military. Further, I did not want to burn any bridges with my new PCES manager. I felt that it was just a matter of misunderstanding of the intent of the PCES manager. I brought the PCES manager's signed letter to the human resources manager upon my arrival in Harrisburg, but again to my amazement he steadfastly said the pay cut remained and nobody would hear my complaints.

What I had not known was that in the aftermath of the Runyon reorganization, postal employees had filed cases before the Merit Systems Protection Board citing the failure to follow the personnel regulations and misrepresentation of employee initiated actions (*Gingrich v. United States Postal Service*, 1995). I had followed the instructions I was given by the PCES manager and her staff in good faith not knowing that the employee selection procedures had changed and it called for a pay reduction on my part. The PCES manager had not followed the current Postal Service policy, but would not acknowledge her actions. The senior personnel manager refused to intervene on my behalf even though he knew the situation--he was going to follow the book. Caught between doing the right thing and doing things right, he did things right and I was the one who had to lose. My pay was cut.

Amazingly, I was soon caught again between conflicting organizational systems. Within weeks of my move back to Harrisburg, my annual personal evaluation was due. For the year 1995, I had won the Vice President's Silver Hammer Award, an exceptional individual performance award and won the Postal Service the Pennsylvania State Governor's Waste Minimization award. It had been my most successful year. However, because exceptional performance ratings were limited to 10 percent of the management

staff at the Harrisburg District, and I had just come from Pittsburgh, the PCES manager did not want to give me one of the coveted ratings. I received my lowest personal rating in years and once again found my salary impacted. In one of my most successful years, I had my grade lowered, my salary reduced and my lowest personal evaluation of my career. While displeased with the situation, leaving the security and stability of the Postal Service was not a viable option. I resolved to move forward in my new career path, but I also resolved not move again within the Postal Service.

### Managing for Accountability of Budget

The new unit I entered had been downsized by the Runyon reorganization in 1992, but was doing essentially the same work--the most crucial of which was Post Office repairs. Our responsibility included over seven hundred post offices that were typically over thirty years old. Like any commercial building this age, every office needed repairs, but the facility repair budget was just one small part of the total budget for the District. When unforeseen circumstances like a harsh winter increased field costs and threatened the District with not making the budget, our facilities repair budget would be cut. There was never enough money for all the repairs that were needed and I soon learned that we had to prioritize funding.

Safety issues that could lead to harm of customers or employees came first. Uneven sidewalks that could cause an elderly person to fall were high on the list. Heat was next. In the winter, a post office could only remain operational for a few hours without heat and we learned to test boilers in August to catch the problems before the hard winter. Air conditioning was next. In the summer, you could keep operations going for a few days when an air conditioner went down if you sent the office floor fans to

move some air until a repair could be done by a local contractor--but you tested air conditioners every April for refrigerant leaks. Leaking roofs were next. The leaking roof did not normally cause an immediate problem, but we soon learned that if mold followed it could cause a huge problem. We stocked space heaters, fans, tarps for leaking roofs and even spring water for drought and wells. Our unit mission was to “keep them safe, keep them warm, keep them cool, keep them dry” and facility repair projects followed that logic. Everyone on the staff knew the mantra and understood the logic.

On a regular basis, I would get the “shake down.” A senior Postmaster or Post Office Operations Manager (POOM) would come into my office or call demanding to know why their facility upgrade request had not been approved. They vented their frustration on me, not my boss and not my employees. Even when they tried a backdoor approach to get my manager to force me to give them a low priority upgrade, they were stopped at my manager’s door by his secretary and referred to my office. Some tried vinegar, and some tried sugar. The occasional cookies and pies would show up in the hands of my project managers as Postmasters tried to shame us into action. Even though I did not have complete control of my budget, I had total accountability and authority for how it was to be used. This deflected much of the criticism, or frustration, for failure to upgrade offices to me as the manager. Although individuals tried hard and unsuccessfully to influence our funding decisions, they could see that we remained true to the mission and priorities and they could understand the logic. They also respected that we did not deviate from our mission for our “favorite” Postmasters and in that sense, we were fair to all.

Without knowing it at the time, my unit had accomplished several of the principles cited in *Reinventing Government* and *From Red Tape to Results*. We had been delegated authority and responsibility for our budget. Internally, we had been empowered to create a clear sense of mission, which allowed us to cut unnecessary spending and develop our budget based on needed outcomes. However, you could not measure our success by customer satisfaction. With so many post offices in need of upgrades, and a very limited budget, my role was constantly one of denying customers (Postmasters) their wants. To do my job well, I often had to be personally unpopular for the organization and often had to handle the personal confrontations that role required.

Managing People--Accountability, Firing, Hiring,  
and Workhour Cutting in the Postal Service

Any manager of people in the Postal Service will tell you that dealing with staff is one of their greatest challenges. I managed unionized employees, non-unionized administrative staff and also outside contractors. My staff had been in their positions for years and the former manager had a country club style of management that supported low turnover. People came to work, but until we set the mission of the unit, each went about their duties based upon their own personal work habits and goals. Like every unit I had seen in the Postal Service, some worked hard, some did not. Some worked but were not effective or worked only on things they enjoyed doing while critical tasks languished.

The second most senior person in the unit was a likeable person, but unfortunately ineffective in his position. From my first month as manager, I was told this by the staff, but the employee's personnel record had no listing of any deficiency. Every year for a decade he had the same satisfactory rating, but the technical projects he was to be

completing were being completed by another employee on the staff, who was a lower level. I assigned those projects back to the employee and soon noticed the inability. Project after project languished or came in at elevated costs. As the Contracting Officer (CO) I was responsible for timely completion and costs, but I had enough work of my own learning my new position without doing the work of his position.

Within a year, my knowledge was enough to challenge the employee. Each challenge lead to a confrontation as I required the employee to be responsible for the projects as described in his job description. The entire office could see the confrontation growing, but I kept all conversations behind closed doors--I did not want open confrontation to destroy the morale of the unit.

The Postal Service rules for holding a non-unionized, professional employee responsible for their job are onerous. The long and confrontational process started with him and I writing a performance improvement plan (PIP). We had to agree to him doing his normal duties, but because he could not accomplish those, we started with less challenging duties. Once every three months, I had to review his progress against the PIP. In the beginning, he simply had to read the PIP and complete the tasks. If he had done them, I would wait three months and note that he was on plan and improving. Then the slate was wiped clean. After a few months he would revert back to old habits and the process would have to be started again. Nearly three years later and after having to assign him numerous projects, knowing full well they were not within his personal capability, but were required by his position, we arrived at the point where the human resources unit would consider moving him to another position--but not removal. He hated me. The years of confrontations and stress had lead to stomach problems for me

and there were often days I dreaded going to work. I often thought to myself how much easier it would have been in the private sector where he would have simply been let go in far less time and with far less confrontation.

The employee hired attorneys and I found myself answering legal request after request with him sitting less than ten feet from my desk. The labor relations specialists did not answer the requests--it was left to me, his manager. Labor relations would only intervene if the case finally went before a legal authority. As his legal options failed, the labor relations specialist told me they would give him a downgrade of levels, reduce his pay and move him to another position in the organization. I laughed at the irony. It was the same deal I had received three years before, in my best year and upon taking the manager's position in this unit. Two weeks later, the employee did not show up for work on Monday morning and I was forced to call his home. When he answered, I asked why he had not shown up to work. He replied, "I resigned. Didn't you know?" I immediately called the human resources unit and found out from the same manager who had enforced the ruling to cut my pay, that he had signed the papers to resign from the Postal Service weeks before. Nothing in "the book" required anyone to tell me.

I immediately sought to have his position filled, but it required that the applicant have an advanced degree. The posting was made externally to potential applicants from outside the Postal Service and internally to existing Postal Service employees. On the day I was able to finally review the applicants, the highest rated external applicant was a veteran. He was a former high ranking military officer who had retired from active duty years before, only had a bachelor's degree and had changed jobs and locations almost every six months for several years since his retirement. The next highest rated applicant



had a master's degree and had been doing the same job as I had posted for another local government agency for years. His credentials were impeccable. I asked the human resources department if I could hire the better qualified candidate and was told "no." I had to hire the veteran because of the Veteran's Preference Act. I argued the logic, but the personnel rules were law. Their only advice was to hire the veteran and put the work load of the position on him. He would probably leave and then I could post the job again, but there was no guarantee the number two applicant would reapply. I could end up in the same situation. However, they explained there was an alternative. There was one person working in Postal Service maintenance with a related degree. He had not been working in the field for years and had limited experience, but he would probably stay in the Postal Service. I sufficed and hired him. After my own experiences and three years of conflict with my backup position, I did not have the energy to fight the personnel system any more.

I was one of the very few managers in the District who had held a management employee truly accountable for doing his job. I was not proud or even personally satisfied with how it had transpired, but surprisingly it gave me a good reputation when balanced with my support of staff to seek higher level positions. It wasn't long before I had another management position to fill.

Once again, I went to human resources and they started the process to fill my job. As the posting was being disseminated, I read in a Postal Service publication that the Major Facilities Office in Philadelphia was being eliminated and dozens of Postal Service managers were without jobs. They did the same work as my unit, but at a higher level. On a whim and remembering what I had experienced in 1992 waiting for "the call," I

went back to the human resources unit and asked if by chance there was a similar employee in that office who was losing their job. Within an hour they told me there were two--both had over twenty years of experience, were overly qualified for my job, both were exceptional employees and both were going to be removed from the Postal Service very shortly if they had not found positions on their own.

One employee agreed immediately to the downgrade just to save her job and obtained my open position non-competitively. She split her family and rented a weekly apartment in Harrisburg for her and her young daughter. She left her husband and remaining children back in Philadelphia and went home every weekend. Employed with the Postal Service for 24 years she had been just a few months short of being able to get at least a small retirement. There had been no provisions made to find jobs for the staff employees in Philadelphia and she and I both had been lucky I acted on a whim.

A few years later she obtained a certification that would allow her to take a job back in Philadelphia. We were all happy for her, but sorry to see her go. She had been an outstanding employee and everyone in the unit loved her. But once again, hiring lead to a difficult situation.

A lower level employee on my staff had been the back up person to the employee who was leaving. When I posted the vacant position, she applied, but so did an employee who I had encouraged to obtain a degree and supported for promotion outside of my unit. When the time for a decision came, I selected the lower level back up employee. Putting aside all personal issues, I selected the employee who was best qualified for the position. I made my decision based upon what I felt was best for the Postal Service.

Knowing what I faced, I called my friend into the office personally and told him of my selection. He immediately said, “I thought you were my friend!” I replied, “I am your friend, but my job here is to hire the person best qualified for this position and she is the best qualified.” He stormed out of my office. I then called in the new employee. She looked gloomy expecting the common reply that lower level employees got when an existing manager applied for a management position. When I told her she was the successful applicant--she sat looking stunned. It was more common than I thought that managers simply promoted the next person in line or who had the right connections rather than finding the people who had skills.

The unit was not the same in five years. The removal of the non-performing employee and my support of staff to seek higher education, professional certifications and promotions in other units slowly made changes. By supporting good work before personal relationships, both had improved, but I was not popular with everyone. Employees who had preferred the country club style of management decided to go to other units. The unit gradually gained a reputation for being a productive work environment that completed innovative projects. I found innovative ways to involve the staff in understanding how their paperwork contributed to the mission. I would hold off site staff meetings at facilities to show how seemingly mindless paperwork had lead to an improved post office. It provided the feedback office employees needed to understand the value of the paperwork part of the process. We had a trip to an archeological dig site, so employees could understood why we completed environmental impact statements before building new facilities. Soon people requested temporary assignments to the unit.

They were more than willing to leave their workplaces where the labor and management tension continued to increase.

One day, with no warning, I had a union steward in my office with a grievance. The union steward pointed out that I had changed an employees reporting schedule several weeks before without adhering to the timelines in the union contract. I had filled out the form to change the employees schedule, but never thought of looking at the contract. The employee had come to me because his carpool had disbanded and he needed to join another car pool, but would need to alter his starting time. I asked the union steward if my employee had generated the grievance and she said not. I asked her if she had talked to my employee before filing the grievance on his behalf. She said she had not. Then I asked her why she was filing the grievance. She said that the commonality of supervisors breaking the contract on the workfloor had increased and the union decided to file against every contract infraction and this was another infraction by management.

Cognizant of my appearance, I left my chair behind my desk and moved to another chair closer to her in my office. In part, I said,

I broke the contract without even knowing. The employee needed to change his schedule for the next day or he would have been late for work and ended up using vacation time. I fixed the problem by simply filling out a form. Do you mean to tell me we have come so far out there that we don't even try to help the people when we can? Are you saying I have to let him get hurt in this process to do things right? I think we both have the same goal of helping good employees, but you are here on behalf of the union to punish me for doing what I believe you

personally would have wanted me to do. I have to believe that you became a union steward because you feel strongly about helping employees and creating better managers.

Faced with answering these questions, the union steward tore up the grievance in front of me and we left shaking hands. We had both broken the rules, but similar to the famous Bennis quote, we both had chose to do the right thing rather than to do things right. It was the only time a union steward came into my administrative unit in my nine years, but my reality was far different than the mechanized and automated workflow of mail processing. Like the union steward noted, they were locked in a battle of doing things right where each side used the administrative rules or the union contract to control the other.

I soon had an employee who was going to retire and many employees were interested in the position in my unit--but the District once again had to cut work hours. My share of the cut was small. I could easily accomplish the cut by letting some people take assignments on short term projects in other units. However, I evaluated the position of the retiring employee and found that with some modifications and a little more work by the remaining staff, we could eliminate the position and make the work hour cuts needed by several units. I had the ability to help the other managers who were not having success in cutting hours. I made the cut and eliminated the position permanently.

A few months later, I received a note from the Finance unit that asked me to prepare my next fiscal years work hour budget. The instructions noted that the overall District administrative staff work hour budget had to be cut by 10%. I sent in my budget based on my existing staff and noting that I had exceeded my work hour cut the prior

year to help the other units and these cuts would carry into the next year. The return reply was simply--last year does not matter, you still have to cut this year. Rather than go unit by unit and review their individual work and administrative staffing, the Finance unit and my manager had chosen to avoid personal conflict by simply issuing a numerical edict for all. Cutting your staff by anything more than you were absolutely required, for the good of the organization, punished an individual manager in the long run. While the National Performance Review's *From Red Tape to Results* suggested that effective government constantly sought ways to work better and cost less, my reality was that managers were rewarded if they found ways to avoid reducing staff more than they absolutely needed to reduce. As one manager friend in the Postal Service used to tell me, "No good deed goes unpunished."

Programs, Teams, and HAMFAT--Empowerment,  
Authority, and Responsibility

While work hour cuts were increasing, so were the numerous programs coming down from Postal Service Headquarters or the Area, however, like unfunded mandates, the programs that required work for implementation in the field did not often increase field work hours. Every year, every unit had new technology, computer applications or programs that were increasing and changing their workload. Managers who cut work hours to what they really needed and tried to predict them by month, were over budget when the next unfunded and unpredicted program came down. Existing job descriptions and pay levels for some positions were years outdated as some parts of programs were permanently assigned to staff. While many programs fell to individual units, some did not fit neatly into the hierarchy. As managers, we would attend staff meetings and the

PCES would bring up the new cross functional program initiative. Often he would seek somebody to “champion” the issue and tell them to form a team to address it. We soon coined the term HAMFAT (have a meeting, form a team) to describe the situation.

Seasoned managers tried to avoid leading teams. It was just more responsibility that did not align to your formal goals that were measured on PFP. Senior managers would often offer a member of their staff, who may be interested in promotion, to the team--instead of working on the team themselves. Given that most cross functional team members did not have formal goals associated with their team assignments, and they had been placed on the team by a manager who was avoiding the dreaded task, they were notorious for never achieving anything. Further, while a team leader may be given responsibility for a program, they often had limited authority over the team members who reported to another manager. As a senior manager, if you had to be assigned to a team to show support for being a team player, the best team to be on was one that would end after a program or issue was addressed. Preferably the team was something where you only had to conduct some research and provide a report--the worst teams lasted and required ongoing interaction. Based upon my military experience, leadership skills in my unit and my background responding to environmental emergencies, I was selected to lead one of the worst teams--it was the Crisis Management Team.

#### *Crisis Management Team*

With 15 separate incidents of workplace homicides by current and former postal employees, resulting in over 34 deaths by 1999 the Postal Service had already taken the advice of the “Califano Report” and established, “local teams . . . to assess threats of violence and respond to violent crisis” (USPSCSSW, 2000, p. 42). The teams that

assessed threats of violence were known as Threat Assessment Teams (TATs) and consisted of Postal Inspectors, human resource managers, PCES managers, labor relations specialist, a nurse, and workplace intervention analysts (WIAs). WIAs were permanent employees who were mostly hired from outside the Postal Service, but had academic and outside training and graduate degrees in counseling or psychology. Upon notice of a threat by any employee the Inspection Service would check to see if they owned registered handguns and the WIA would arrange to meet with the employee to determine if the threat was credible and to offer counseling.

Combined with a zero tolerance policy for threats or violence a clear line was drawn to halt hostility in the workplace from leading to employees “going postal.” However, in the event the worst happened, the Postal Service team that was to address the challenges and aftermath of a shooting was called the Crisis Management Team (CMT).

When I was assigned to take over the CMT, I was one of the lowest level managers in the hierarchy who reported to the PCES District Manager. The team was filled out with people assigned from units such as safety, medical, information technology, operations, human resources, communications, the WIA, my staff in administrative services and the Inspection Service. The first requirement was to produce a formal document listing everyone on the team, their phone numbers, cell phone numbers, home addresses, and home phone numbers. We prepared call chain cards for notification to activate the team. We filled out forms citing our meeting and alternate meeting rooms. We filled the Crisis Plan with documents that were to be completed in detail each time we activated the team during an emergency. We listed contractors who



could respond to repair a building or clean up blood. We prepared an emergency kit, signed the plan, and submitted all the copies to the Area by the deadline.

The CMT needed to be trained to respond in an emergency and we scheduled two hours each month to meet and train the team. Some districts shared their training experiences with other districts through videos, but for the most part, the districts were left to train themselves. Fortunately, the WIA was a reserve military officer and we both had similar thoughts about training and managing crisis.

We understood the importance of command presence in the first minutes of stress, and the importance of moving quickly toward a stated mission, by having a flexible but standard plan of attack. As we thought out the mission of the team, we arrived at a simple priority--people, operations, and facilities. In any crisis the first things the team would do would be to remove people from harms way and secondly to get them help if needed (People). Safety, communications, and human resources team members were paramount in these moments. Operations was to take a back seat during the initial stages of the crisis, but the operations people on the team would quietly start working their plans of how to divert transportation, or prepare to reinstate service (Operations). Since most crisis involved a building as well, facilities would also take a back seat but be ready to send in contractors or temporary trailers (Facilities). If the crisis did not require their support, they would move over to help operations. To deliver mail you only need people, mail, vehicles, and post offices and we addressed all four issues in sequence. Like the WIA and I had learned in the military, everyone on the team needed a backup and we trained them as well.

At one of our first training meetings the WIA and I came prepared with a crisis scenario. Behind the scenes, the WIA and I agreed his role was to be intense and stressful as he presented the scenario and demanded the team answers. His job was to build the stress. At first team members reacted to the stress as expected. Some became fighters, some went silent, and some sat back and crossed their arms. The room conversations were noisy and confusing and decisions were not coordinated. Higher level managers shut down lower level managers' conversations. The WIA kept yelling, "We need your answers" and occasionally pounded the table. When the scenario ended, most of the team sat shocked and discouraged.

The WIA and I then patiently told the team what we had done. For those who had never been in the military or a position handling crisis, they had not been exposed to a table top exercise. As we described how stress had caused fight, flight, and freeze responses you could see team members respond, recognizing which category they had been. We discussed how members had been marginalized by outside cultural hierarchy, but how each expert voice needed to be heard on the team. Then we sought their feedback. They told us that they could not track the leaders' decisions. They did not hear all the scenario events we gave because of the confusion and noise. The WIA and I realized we had failed them in that aspect of the scenario and admitted we had to fix that problem. We also agreed behind the scenes that I had to establish command presence in the first minutes to get the team on track and acting as a team.

In the months that followed, the team really became a team. When a table top exercise started I would establish command presence and make the initial assignments. Boards were placed in the room to track my assignments, decisions, and changes to the

scenario. Anyone could read the board and see the progression of the crisis compared to the mission of People, Operations, Facilities (POF). Team members with people responsibility were louder in the beginning, while facilities and operations tracked activity and worked their parts of the plan. Once moving, my job was to watch like Bennis' "orchestra conductor" and make sure the team kept functioning as they had been trained and stayed on track. After nearly a year of work, the Area office sent a team of experts to evaluate our team.

On the test day, the CMT assembled before the simulation. We were told to expect to be in the crisis management room for hours. Before the start of the simulation, I reiterated our mission of People, Operations, Facilities, how egos were left at the door and we acted as a team. In the first moments of the simulation, the evaluators brought problem after problem into the crisis management room. Some of the problems had misleading information. Some were designed to create larger problems later in the simulation if not handled quickly or correctly. Each problem they presented in the first half hour was handled so quickly and expertly by the team that the simulators had to regroup and re-evaluate the problems they were giving us. We were responding too quickly to the crisis. Then the evaluators decided to remove me as the leader. The WIA, who was my second in command, simply took my role. As I left the room, a friend of mine who was on the evaluation team told me we had thrown them a curve. They could not go through the problems and react quickly enough to the team's decisions to select the next round of challenges. Removing me from the room had no impact. Soon they removed other members of the team, but the trained backup people simply took their place. The simulation ended in a little over an hour.

In the exit briefing, the evaluators conveyed their astonishment of the teams abilities. The team all knew they had performed well, and we were actually harder on ourselves in the post simulation evaluation. We felt we were more than ready to handle any crisis and in the months that followed, we handled chemical plant releases and bomb threats expertly. However, what we were not trained to respond to was a wide scale disaster--like an anthrax attack on the entire Postal Service.

### *Anthrax in the Mail*

On the first day, there was a question as to whether we should activate the local CMT. My PCES manager called me and said that there were reports from our post offices on the New Jersey border that employees did not want to report to work. Then we learned that two managers from the Lehigh Valley had responded to a white powder spill on a truck in their facility and ended up being stripped and decontaminated on site by local first responders. In the post 9/11 environment and as a precaution, we called CMT members to report to the crisis room. We notified field offices that the team was in place and anybody with a suspicious incident should call the crisis management hotline in the crisis room. We had no information on anthrax. We had trained for “going postal” and the Unabomber.

In the first hours, we had dozens of calls. White powder, now synonymous with anthrax, had been found on mail in Grantville, Pennsylvania. Letters threatening anthrax exposure had been received at a family planning clinic in Carlisle and the letter carrier was on his way to medical help. A Postmaster had closed one post office on the New Jersey border and just gone home. A call from an inconsolable and sobbing Postmaster was patched through to me. She had held her grandchild after work and not washed her

hands and wanted to know if she could have contaminated her grandchild. Large mailers were calling post offices refusing mail. Some people were bringing their mail back to the post offices in plastic bags and handing it back and Postmasters called in wanting to know what do to with the mail. Police departments were bringing mail back to post offices, when people in the community gave it to them. Nobody wanted any mail from someone they did not know and every foreign package was instantly considered suspect.

CMT members were combing the Internet trying to learn anything about anthrax from every new source, but we were not receiving any information from any Postal entities outside our room. The first call we received was from the Area office--hours later. They told us that operations were to continue and they called to require the CMT report the District situation to them on an hourly basis including a synopsis of all phone calls. We were to immediately establish logs to track and record every phone call from the field manually. Soon they sent us a standardized spreadsheet and reporting system. While trying to understand whether this was a wide scale terrorist attack and answering call after call from the Postmasters in the field, we now had to fill out reports and respond hourly to the Area managers. Our mantra of People, Operations, and Facilities was failing without guidance on how to respond. All we could do was to tell Postmasters to call first responders or environmental contractors to respond. We could not remove people from the risk because we did not know what or where the risk was located--and operations had not stopped.

The next day was as bad as the first. As the rumors and hysteria grew, more mail was returned. Employees in Grantville were upset that we had no reports back from the laboratory to tell them if the white powder they touched had been anthrax. We learned

from a Postal Inspector that a mailer had sent trial packets of Oxyclean through the mail and they had leaked resulting in white powder throughout trucks and containers in the postal system. We learned that magazine mailers often use corn starch to keep magazines from sticking together in operations and people were mistaking it for anthrax. Inspectors told us that the family planning clinic in Carlisle had been pranked by an anti-abortion protester with unbelievable timing and copy cats were now sending letters. They had information about the now famous Tom Daschle letter and a profile of a suspect letter. The Inspection Service staff in Harrisburg was sharing information from their national reporting systems with the CMT and becoming our greatest asset. Soon, the Postal Service placed Postal Inspectors on the workfloor and in the field, with their badges in full sight to respond to any reports we received of suspicious powder. Their presence was a great calming factor.

The days that followed were intense and stressful. There was white powder and suspect letters everywhere and we had no way of identifying if it was anthrax. In each case we looked for any suspicious sign such as a handwritten letter to an important person, with no return address on the envelope. The calls continued and requests for reports to the Area continued and now had to be submitted every morning before the Area staff reported to work. We had the crisis room staffed 24 hours a day, but somebody on the team had to come in early every morning to make sure the Area report was submitted. However, little guidance was being given to the CMT from anyone in the Postal Service hierarchy. We relied on what we learned from the news, Internet or the invaluable Postal Inspectors.

On October 18, 2001, at the urging of his vice president for public affairs, Postmaster General Potter held a news conference at the Brentwood mail processing plant. He walked the floor shaking employees hands. At the press conference he reiterated that the mail was safe. Three days later, Brentwood employee, Thomas Morris, Jr., died from anthrax exposure. Joseph Curseen Jr., another employee from the mail processing plant called 911 the same day, barely able to breathe. The Postal Service closed the Brentwood facility on October 21, 2001. The next day, Joseph Curseen, Jr. died from anthrax exposure and soon the Postmaster General and people who had gone to Brentwood for the October 18<sup>th</sup> press conference were taking the antibiotic Cipro (Cole, 2003; Thompson, 2003). They had unknowingly walked through ground zero for the anthrax exposure.

We eventually received information from Headquarters. They issued a letter on October 26, stopping the use of compressed air for blowing out the letter mail sorting machines during maintenance (Stapleton & Del Prete, 2001). Locally, the CMT had made the decision to stop using compressed air in the first days of the crisis when many of the CMT members who had worked on automation realized the significance of stirring up dust or spores. When we learned that latex gloves and dust masks could protect employees from exposure, we quickly sought to purchase thousands for all the employees in the District--but thousands of dust masks were impossible to obtain. Everyone who touched mail was buying them. We did have an option; we could purchase a dust filtering respirator.

The primary differences between the dust mask and the respirator was that the respirator had two elastic straps instead of one. However, the respirator was regulated by

the Occupational Safety and Health Act (OSHA). To legally wear a respirator an employee had to be given options on the type of respirator they wanted, they had to have an individual fit test where they were required to exercise and recite a written passage from the regulations (29 CFR 1910.134). There was no way we could do all that for thousands of employees and the safety specialist on the team told us if we bought those masks and gave them to employees, we would be breaking OSHA regulations. The team listened to her arguments and knew she was right, but we decided it was better to break the regulation and protect employees. We made the decision to buy the masks and back up the safety specialist after it was all over as a group. It was our responsibility and we had been delegated authority to make decisions.

Days later, a CMT member brought a newspaper story into the crisis room noting that the Postal Service and OSHA were not stopping employees from using the respirators with two straps. We already had the masks when the news appeared in the newspaper and the team felt good knowing that just like the simulation, we were starting to solve the problems quickly and get ahead of the problem faster than the formal systems were responding.

We soon noticed something else that was not expected. The local unions in Harrisburg were not being as combative as we expected. We were briefing them regularly as part of our communications outreach from the CMT, but in our search for more help for the team, the workflow had loaned us a clerk to work the telephones in the crisis room. She was a union steward from the workflow. Something we did not know. All our initial actions and concerns for removing people from the risk and getting help had been quietly observed and passed back to the unions. There was no question for the



unions as to the CMTs mission and objectives; they had somebody who saw it first hand and the employee stayed in the crisis room for the month it was in operation. She spent more time around the crisis than many of the senior managers.

After the first day of the crisis, the PCES district manager and many of the higher level managers went back to their regular positions and offices. The CMT had responsibility to handle the crisis. Marketing and communications managers were part of the crisis, but for the majority of other managers of the District who worked in accounting, training or operations--it was business as usual and their units kept running like it was another day in the Postal Service. The CMT was the system fix for the problem and even in crisis, the hierarchical assignments were not broken to add support. Soon, many of the lower level members of the CMT would have to leave the crisis room during the day to run back to their regular jobs for their managers. They would then come back to the room to help the team where they could.

After days of controversy and confusion continued, the PCES mail processing plant managers were sent to address the employees personally. Given that the CMT had handled most of the anthrax issues, I was called to come in as support during the “town hall” meetings. A handful of higher level managers were standing in front of several hundred employees packed into the facility cafeteria. I was standing in front of night shift employees who had started in the Postal Service with me nearly two decades before and who I had not seen in years. They looked so much older and I mused that I probably did too. The PCES plant manager who was preparing to give the presentation was visibly nervous looking over the group. As she began her explanation of what we knew, she made some mistakes on technical issues. Many of the employees had followed the

situation in the news and knew the information was wrong or dated. Soon hands were in the air and an employee was challenging what he had heard. The PCES plant manager, a person who I had worked with for years, quickly turned to me and asked if I could address the question.

All I could do was tell the employees what we knew. Someone had used the mail to deliver anthrax to notable people. Two employees were dead from Brentwood from where that mail had run through automation and more had been exposed in New Jersey and New York as the mail continued through the tightly coupled, fast moving automation network. We knew the CDC, and senior Postal Service officials, had been wrong about how safe Brentwood had been. We knew many more employees had to have been exposed to the anthrax spores, but the levels had not been concentrated enough to develop a problem. None of our local tests had come back positive, but our tests were also tied up in the labs that were now controlled by the FBI. We were not stopping operations because it was the fall mailing season when all the catalogs were sent for Christmas. If the mail did not go through, the economy would suffer and perhaps that was what the terrorist(s) had wanted. We were now the front lines of the war on terror.

For some, it was enough, but not for all. A few employees who were known for pushing any issue with management, started to try to belittle the managers. Amazingly, the union stepped in and helped support us by telling the employees that they were working with us on this issue. I offered to meet with one irate employee personally, after the meeting to diffuse her temper and hear her out. We survived the meeting and the PCES manager thanked everyone for their support.

After nearly a month of 12 to 16 hour days, the national crisis slowly faded as no anthrax was found in any of our District offices, but my CMT cell phone constantly rang. Something as simple as the white powder from a donut was stopping operations and passed on to the CMT. The Chief Operating Officer of the Postal Service, in a letter addressed to all employees, warned against the work stoppages noting that:

False reports to any biohazard, or any other threat, jeopardize the physical and psychological well-being of our employees and the public . . . any employee, supervisor, or manager who creates or promotes any hoax, or any other report they know to be false, will be subject to appropriate corrective action up to and including termination from employment, and to all sanctions permitted by law, including criminal prosecution. (P. R. Donahoe, message to all employees, November 16, 2001)

In the next three years over 20,000 suspicious powder incidents disrupted postal operations (USPS, 2004b). I was exhausted and the team agreed we did not need to hold a simulation for a couple of months, but we did hold a meeting to discuss lessons learned and to receive a jacket with a Postal Service emblem in appreciation for our work. While not cognizant of the reinventing government efforts of authors and politicians, we had empowered team members, given them responsibility and authority, cut through red tape, put employees first and shifted control from top and center to respond to the crisis locally. However, nobody from anywhere else in the Postal Service ever contacted the team to discuss our lessons learned, national lessons learned or to ask how we had handled the crisis locally--either good or bad. While we had fortunately not been in the

targeted area, no systemic review of the local field CMTs was conducted to prepare them for the next potential crisis.

Goldsmith and Eggers (2004) cited the Postal Service's handling of the anthrax crisis while discussing how communications breakdowns cause failed networks. Their work noted that information was not flowing well from the Postal Service and other federal or state agencies to the command center in Postal Service headquarters, or from the command center to the outside world. The Postal Service manager who ran the command center stated, "The very first thing I did is ask: What is the problem we're trying to solve here? . . . . And I [realized] it's an information flow problem; it's a communications problem. It's not an anthrax problem" ( Goldsmith & Eggers, 2004, p. 94). The communications problem was soon addressed by a new control system, which created another problem.

Not long after the anthrax crisis, the Postal Service was required to conform to the rest of government's crisis planning. The new program called for Continuity of Operations Plans (COOP) and adopting the Incident Command System that mandated team member roles by titles the Postal Service did not have in their hierarchy. We were told we could not change the titles, roles or any part of the documents. The new COOPs were to ensure every government entity acted under the same Incident Command System guidelines. Given that my position title in the Postal Service was not listed in the newly mandated system, I was removed from the Crisis Management Team Leader role. The operations manager was to be the new team leader under the COOP--even though he had not been on our District CMT during its years of formation, training or the recent crisis.

Other members of the team who had spent years in their roles and trained how to fulfill them were also removed. The new COOP team once again started the time consuming process of filling out the call response sheets and compiling notebooks full of plans that were to address every crisis from floods, to anthrax to earthquakes. “People, Operations and Facilities” was no longer the team mantra as the new team threw out many of the lessons of the past and started over again. Personally, I was glad to be released from the responsibility of the team and the cellular telephone that kept me on call, but also discouraged to see the enormous amount of extra effort required to build and train the team simply eliminated for a standardized process.

## Transformation of the Postal Service in the New Millennium

### *Opening Organizational Boundaries*

In 2001, while attending the Postal Service’s Advanced Leadership Program, the Postal Services’ Senior Vice President of Government Relations and Public Policy told the group of aspiring Postal leaders that the Postal Service officers were intent on legislative reform of the organization. She continued her story, telling of how she prompted them to explain to her exactly what they wanted from the legislators before she approached them for change. She said their immediate reply was “change the ratemaking process.”

Hearing this concern on the part of Postal Service leadership was nothing new to the ALP participants. NAPAs’ *Evaluation of the United States Postal Service* (1982) had called for changes to the contentious and lengthy ratemaking process and other minor legislative reforms to the Postal Reorganization Act. The USPS Annual Report (1995) included a statement to Congress and the American people that, “We need additional

freedom to deliver the mail and to compete in the communications marketplace” (p. 1). The same report the next year included a quote from President Clinton supporting that, “We should look for ways to make the Postal Service more flexible and competitive while preserving its ability to maintain universal service” (USPS, 1996, p. 76). The annual report of 1998 noted the beginning of the road to legislative reform by stating, “Congress seeks to clarify our role, and as a result, the potential exists for a redefinition or perhaps re-regulation of our services. As the process continues, the Postal Service plans to play a leadership role in shaping our future” (USPS, 1998a, p. 3). However, several sentences before the statement concerning legislative reform, the annual report noted, “We continued the *transformation* Postmaster General Marvin Runyon began in 1992 . . .” (p. 3). This suggested that transformation of the Postal Service was already in motion--a full decade before anyone had requested a formal transformation plan. True to Levy and Merry’s (1986) definition of transformation, these changes had been internally driven and confined within the organizational boundaries of the Postal Service.

The first internal administrative adjustments, suggesting another major change was coming for the Postal Service, even before the *Transformation Plan*, included freezing capital expenditures (USPS, 2001c, p. 3). In the fall of 2000, we placed a hold on contract awards for capital expenditures. Within months we would cut new facilities, equipment and vehicle budgets to save \$2 billion in one year. The most controversial and visible of the cuts to the public were from the facilities budget. In May 2001, at the beginning of the construction season, we stopped the construction of nearly 800 new post offices throughout the country. Deemed a “bold action” by Postal Service leaders, this caught the attention of customers and Members of Congress nationwide. As a Postal

Service Contracting Officer for construction, I was the local Postal Service representative at the community contact meetings for new post offices in Central Pennsylvania, and along with the communications and operations managers, I told numerous local officials that the Postal Service was required by law to break even, but maintain universal service while we added 1.7 million delivery addresses a year, and that we were losing mail to electronic media. In essence, I was telling the local officials and customers that their Postal Service was in a crisis and that bold action was necessary to change the ill fated course.

During this time, the Postal Service was seeing its first volume declines since 1991. Profitable first class letter mail volumes were slowing due to electronic diversion and less profitable advertising mail which was growing throughout the 1990s also slowed in 2002 (USPS, 2002b). While the scenario looked alarming, the macroeconomic trend was explicable. Mail volume growth slows during economic recession and had mirrored the growth of gross domestic product since the early 1980s (USPS, 2002a, p. A-2). Whether a cyclical financial pattern, a real crisis or a created crisis as suggested by guru authors, the effects of the message had the same public perception--the Postal Service was in trouble and had to act.

In January, 2001 the GAO (2001a) released a report noting the challenges the Postal Service faced. They included generating new revenue, controlling costs and providing performance information that was reliable. They also contained “human capital” challenges--reducing employees while “ameliorating persistent problems in the workplace that have been exacerbated by decades of adversarial labor-management relations” and recruiting, motivating and retaining technical, professional and managerial

employees (p. 6-12) In the same month, Postmaster General Henderson announced his retirement effective May, 2001.

Within several weeks, the Postal Service Board of Governors wrote a series of letters to solicit political change, even while facing the replacement of the Postmaster General. In March, 2001, the Postal Service Board of Governors wrote the President, the Chairmen of the Committee on Governmental Affairs and the Committee on Government Reform. All three letters were identical in verbiage and noted that the Postal Reorganization Act, “transformed the former Post Office Department into a modern and efficient postal system.” Each letter asked for a change to the Postal Service regulatory framework and “your leadership for change” (USPS, 2001c, Appendix A). These letters, reaching outside of the organization for the Congressional leadership to change the organization, opened the boundaries of a system that had been closed to politics since the Postal Reorganization Act in 1970. Within a month, the GAO (2001b) issued a report entitled *U.S. Postal Service: Transformation Challenges Present Significant Risks*. GAO stated, “Overall, the Service faces major challenges that collectively call for a structural transformation if it is to remain viable in the 21<sup>st</sup> century.” It noted these challenges as declining income, increased debt, increasing competition, difficulty in cutting costs, conflicts with the Postal Rate Commission and “longstanding labor-management relations problems that have hindered improvement efforts” (p. 1). While the GAO had cited management problems of the Postal Service in prior documents (GAO, 1994; GAO 2001a), the call for structural transformation of the organization was combined with the GAO placing the Postal Service on its High Risk List. The GAO also issued Postmaster General Henderson a letter requesting that:



The Service develop a comprehensive plan, in conjunction with Congress and other stakeholders, such as the postal unions and management associations, customers, and the Postal Rate Commission, that would identify the actions needed to address the Service's financial, operational, and human capital challenges and establish a timeframe and specify key milestones for achieving positive results. (USPS, 2001c, Appendix A)

GAO's perspective of organizational change for the Postal Service included input from more than just Postal Service leaders and politicians. It also required planning and accountability to the plan.

On May 15, 2001, the chairman of the Postal Board of Governors wrote once again to the Chairmen, Committee on Governmental Affairs and House Committee on Government Reform. The letter did not once mention a transformation plan. It did mention regulatory reform nine separate times and asked for the monopoly to remain for universal service. It also asked for marketplace reforms for pricing, labor relations, and employment processes. The content of the letter suggests that the Postal Service was seeking Congressional action without the open discourse and a transformation plan as suggested by GAO (USPS, 2001c, Appendix A).

The Postal Service's ability to plan was of concern as early as 1982. The National Academy of Public Administration noted that:

In the Post Office Department, little systemic planning had been done . . . USPS operations planning is now moving . . . however . . . strategic planning--to identify future developments affecting the postal mission and to choose overall objectives responding to those projections--is urgently needed. (NAPA, 1982, p. xxiv)

Closed systems with monopoly protections do not need to plan like open systems competing in a turbulent environment--and the Postal Service lacked the incentive and environmental influences an open system had to develop these critical organizational skills of strategic planning. In this, they were not alone. Much of rest of government had been placed under the Government Results and Performance Act for this same reason.

On June 4, 2001, John Potter took the oath of office as the new Postmaster General (USPS, 2001d). Like his predecessor, William J. Henderson, and unlike Postmaster General Runyon, Potter was promoted from within the organization. The 23 year veteran had most recently been the Chief Operating Officer of the Postal Service and had worked his way up through the ranks with a strong background in labor relations. He was fond of pointing out that he was from a Postal Service family, being the son of a father who had served in the Postal Service for 40 years (Weinstock, 2002). From the organizational perspective, Potter's credentials were the opposite of Runyon's. Where Runyon had extensive private sector experience and immediately found himself at odds with the closed system rules of the government sector, Potter had grown as a manager from within the system, but had no career experience in the private sector or with open system environments.

On June 14, 2001, the Postal Service's reply to the May 15<sup>th</sup> letter came in a bipartisan letter signed by Senators Joseph I. Lieberman, Fred Thompson, Daniel K. Akaka, and Thad Cochran. The Senators directed the new Postmaster General to "provide us with this comprehensive transformation plan by the end of the year . . . ." They agreed that fundamental change was needed in the organization and that it, "must be made in a comprehensive manner that includes input from postal management, employee unions

and associations, and other stakeholders and addresses the weaknesses in the current system” (USPS 2001c, Appendix A). Not only did the Senators support that the Postal Service leaders had to prepare a comprehensive transformation plan, they agreed with GAO that it had to be developed in coordination with other stakeholders in the environment.

Developing the Postal Service *Transformation Plan* would take nearly one year. The public planning process started with a document entitled the *Outline for Discussion: Concepts for Postal Transformation* (USPS, 2001c). The stated purpose of the document was to open dialogue among the Postal Service stakeholders who had a part in the transformation of the organization. The *Outline for Discussion* suggested to these stakeholders that there were to be three key phases to transforming the Postal Service. Transformation was to include incremental and internal administrative and operational improvements that were already possible under the current organizational model, moderate legislative reform and finally fundamental structural reform. As had been suggested by the Postal Service Vice President of Government Relations, the leaders of the Postal Service’s definition of transformation may have been externally generated legislative reform of the rate setting process. It was an element over which they did not have organizational control and which they had actively sought for decades--but transformation, true to the definition of internally generated and planned change, was moving out of their control.

The legislative reforms, suggested by the Postal Service’s *Outline for Discussion*, required external action from various political entities and most notably Congress to create the commercial government enterprise. With the political boundaries of the

organization once again open to legislative changes, a different transformation was being envisioned for the Postal Service by powerful external stakeholders. This transformation conceived the organizational system as being open and comprised of the Postal Service, mailing industry stakeholders and the authority of the Congress. The view of a larger network entity was supported by Michael J. Critelli, Chairman and Chief Executive Officer of Pitney Bowes, who co-chaired the powerful Mailing Industry Task Force (MITF). Critelli stated, “The transformation process we are facilitating is to build the health of an entire industry, not that of a specific institution” (MITF, 2004, p. 3). The MITF noted it had the support of over 65 mailing industry organizations that represented an industry employing nine million people and supplying an annual commerce of \$900 billion, which was 8% of the Gross National Product (MITF, 2004). Major mailers wanted a Postal Service that was efficient and economical, to keep mailing costs as an affordable alternative for advertising and shipment of goods. Of the three participants in this open system (Postal Service, MITF, Congress), it was obvious who had the power to implement change and who did not.

Many perceptions of transformation were suggested, but not all would find their way into the Postal Service’s *Transformation Plan*. The incremental and internal administrative and operational improvements had already begun before any part of the *Outline for Discussion* or the *Transformation Plan* was written. Postal Service Postmasters, managers and supervisors did not need a transformation plan to know they were in a changing workplace. Major changes had already begun.

Watching from the field perspective, the timing of a new Postmaster General during a crisis was nothing new. Tenured Postmasters, managers and supervisors who

came into the Postal Service shortly after the changes instituted by the crisis that promulgated the Postal Reorganization Act, had been there when Postmaster General Runyon came from outside the Postal Service to face another “crisis” of economic volume declines in 1991 (USPS, 1994) and undelivered mail in the Chicago Post Office (Mathys & Thompson, 2006). The repetition of this 1991 history, in 2001, looked all too familiar and the signs and leadership actions suggested to us that another change was coming.

With construction budgets already frozen, one of the first internal adjustments implemented by the new Postmaster General, was to “reduce the number of managerial employees” (USPS, 2001c, p. 3). Postmaster General Runyon cut Headquarters staff by 28 % upon his arrival in 1993 from a high of 2,434 positions down to 1,701 (USPS, 1998a). By 1999, under Postmaster Generals Runyon and Henderson, the Postal Service Headquarters staffing had risen back to 2,372 positions. In 2001, upon his taking over as Postmaster General, Potter announced a Headquarters staffing cut and cut headquarters positions 19% to 1,836 positions (USPS, 2001a). The significance of this act was something Postal Service managers recognized from the past organizational adjustment under Runyon--before you cut field positions; you cut Headquarters positions to set an example. In the field, the rumors once again ran rampant about consolidations of Areas or Districts.

Four months later, on October 1, 2001, Postmaster General Potter provided the Congress and stakeholders with the *Outline for Discussion*. The Postal Service sought public comments on the scripted change proposals within the document, but for some, the *Outline for Discussion* did not provide enough substance for comment. The powerful

Direct Marketing Association, whose members account for 70 % of the revenue of the Postal Service (Brady, 2006) stated, “While we recognize the importance of considering the views of stakeholders, we are concerned that the Service, whether or not to avoid controversy, chose not to provide its own specific views on transforming itself” (Cerasale, 2002).

Congress had originally intended for a transformation plan by the end of 2001, but the year ended with only the *Outline for Discussion* for public comment. Three days after the *Outline for Discussion* was issued, the index case of anthrax in the mail appeared in Palm Beach, Florida. By October 22, 2001, Postal Service employees Thomas L. Morris Jr. and Joseph P. Curseen Jr. were both casualties of the anthrax attacks and the entire Postal Service focus had changed from a long term crisis to another very real immediate crisis as we all dealt with the anthrax attack (Thompson, 2003).

While the anthrax crisis delayed the issuance of the *Transformation Plan* in late 2001, the GAO issued another report to Congress entitled *U.S. Postal Service: Deteriorating Financial Outlook Increases Need for Transformation* (GAO, 2002). The external stakeholder issues of Postal Service transformation had not been forgotten, but few people outside of the Postal Service knew that the internal transformation had already started, and for seasoned managers in the Postal Service the recurrent signs of cost cutting and downsizing were similar to Runyon’s era.

#### The Transformation Plan of 2002

The *Transformation Plan*, issued in April of 2002, had four sections that discoursed the history and challenges of the Postal Service in the mailing industry. All were written to build a case for reform of the Postal Service. The document reiterated

that change was necessary to meet the growing universal service demands of the country, while addressing the challenge of electronic diversion of profitable mail services and increased costs. The narrative supported the GAO assessment that the Postal Service was at high-risk and a crisis was looming if the organization did not transform (GAO, 2002).

The *Transformation Plan* included a call for legislative reform to change the business model from the current independent establishment of the executive branch created by the Postal Reorganization Act, to a commercial government enterprise. A model that was, “owned by the government but structured and operated in a much more businesslike manner, with the attributes appropriate to the unique role this institution plays in the nation” (USPS, 2002a, p. iii).

In the overview, the *Transformation Plan* was a call, on the part of the Postal Service leadership (e.g., executive, unions and associations), for an organizational transformation provided by the numerous external stakeholders in the mailing industry environment (e.g., major mailers, politicians) working together to support legislative reform. The transformation to a newly described commercial government enterprise through legislative action—alone--would have been a significant impact on the Postal Service however; the *Transformation Plan* also devoted a significant portion of its text to internally generated strategies to transform the Postal Service. These were to build upon the incremental and internal administrative and operational improvements discussed in the *Outline for Discussion*. This time, unlike the *Outline for Discussion* or even the *Five-Year Strategic Plan*, they wrote the detailed individual strategies and tactics into the document.

These internally generated transformation strategies were within the control of the Postal Service to enact and promote, but their impacts would mostly be in the workplace of employees who were in the field. They would not be seen by the external stakeholders. Like most internally generated transformation strategies, they would be left to the field Postmasters, managers, and supervisors of the Postal Service for implementation--but the question of who selected these transformation strategies and what types of strategies were selected, would tell much about the organization.

### The Hierarchical Origin of Transformation Strategies

The incremental and internal administrative and operational improvements referenced in the *Outline for Discussion*, evolved into the transformation strategies listed in the *Transformation Plan*. These transformation strategies were grouped into four categories. They were:

- Growth and value based strategies;
- Efficiency based strategies;
- Performance based strategies; and,
- Enabling strategies.

To an employee of the Postal Service, like myself, the internal transformation strategy titles listed in the appendices to the *Transformation Plan* appeared to be logical in organization, but upon further review, a pattern and understanding of the *Transformation Plans'* development begins to appear. Reading the growth and value based strategies I began to recognize programs that had been in existence for years. The retail strategy to expand access to postal services, listed options of stamps by mail, contract postal units, and vending equipment. These programs had been in existence



within the Postal Service for decades and I had helped to promote them in the 1980s while working in the new marketing department of a Postal Service Division.

The same section discussed simplifying the rate structure (k-8), a strategy suggested by the NAPA (1982) study. It addressed improving ease of use (k-15), a term used to describe simplification of postal regulations for mailing, which was a strategy suggested by both the NAPA (1982) study and the *Five-Year Strategic Plan* (1998b) years before. Looking at the entire grouping of strategies in the growth and value based section; it also became clear that they were predominantly sourced from the Postal Service Headquarters marketing unit that had long been responsible for the individual programs represented by these strategies in the *Transformation Plan*.

Moving to efficiency based strategies; I saw a continuation of the pattern. Strategies neatly aligned to existing Headquarters units, hierarchy and their individual programs. The efficiency based strategies aligned to the individual hierarchical units underneath the Senior Vice President of Operations. The automation strategies of enhancing letter, flats, and package processing were programs from the engineering and network operations departments. Improvements to delivery efficiency, retail and customer service productivity were programs that originated from the Delivery and Retail, Vice President's unit. The same pattern held true for performance based strategies. Strategies of recruitment, workforce planning, labor/management relations and Pay-for-Performance were all part of the responsibility of the units aligned underneath the Chief Human Resources Officer.

Enabling strategies also continued the pattern. This section of the *Transformation Plan* listed strategies of debt management, procurement and information technology all

aligned under the Chief Financial Officer. As the last strategy of the *Transformation Plan*, I noted that the enabling strategies were also the “catch all” category.

The enabling strategies to ensure the safety and security of the mail were responsibilities of the Postal Inspection Service--who reported to the Postmaster General in the organization chart and did not neatly fall into the category of sales, operations, human resources, or the finance units. However, looking closer at the strategies listed by the Inspection Service, suggested they had followed the pattern of other Postal Service Headquarters units. They did not support changing their function or their processes.

Some of the transformation strategies listed by the Inspection Service included:

- Reduce theft of mail;
- Reduce and deter criminal attack of postal products, services and assets;  
and,
- Ensure sanctity and security of U.S. mail. (p. Q - 29-30)

Any Postal Service employee immediately recognizes that the Postal Inspection Service had very simply listed what they do in their workplace--and have done for over two-hundred years. Upon further evaluation of all the *Transformation Plan* strategies, the pattern of selecting strategies that would not negatively impact the Headquarters workplace was not isolated to the Inspection Service. Many Headquarters units had simply listed the programs that they had done for years and ensured their survival.

The pattern of following hierarchical organization charts and listing strategies aligned to programs within their workplace responsibility supported that the strategies had been developed by Postal Service Headquarters managers as opposed to Postal Service leaders. This further supported that the authors of the strategies were more

inclined to protect their current programs, goals and assignments, than produce strategies of how to change the organization--especially at their level. This pattern was further supported in another document.

Eighteen months after listing the *Transformation Plan* strategies, the Postal Service produced a *Transformation Plan Progress Report* (USPS, 2003e) for Congress and the public. The report listed the internally generated *Transformation Plan* strategies sourced from the various Headquarters units. Out of all the strategies, slightly over 25% were listed as ongoing activities--signifying their completion and integration into the organization. Only 13% were listed as not started or under development and over 60% were already in progress. The Postal Inspection Services' 24 original transformation strategies listed in the *Transformation Plan* were all ongoing activities within 18 months and by the time of the 2004, *Transformation Plan Progress Report*, they were 100 percent complete (USPS, 2004d). Other strategies sourced from other units followed the same pattern and made sense in our organizational context. The strategies to implement programs to create managerial accountability and create a performance based pay system, had started years before under Runyon and simply moved from "in progress" in 2003 to "complete" by the 2004 scorecard.

The documents supporting a pattern that many Headquarters units had simply listed programs or projects they already had in motion made theoretical sense. With Potter's immediate downsizing in 2001, Headquarters employees felt threatened. As Downs (1967) suggests of bureaucrats, they would have been motivated to protect their self interests. This was also evidenced in the *Transformation Plan*.

## Bureaucratic Protection of Self Interests

One *Transformation Plan* strategy stated simply, “DOIS is a Board of Governors approved project” (p. M-10) while at another point a *Transformation Plan* strategy narrative states, “TCSS is a DAR justified project categorized as a sustaining capital investment” (p. M-17). These statements are “postalese” and probably meaningless to the intended Congressional audience who requested the *Transformation Plan*. However, to a postal manager, the statements have a deeper organizational meaning.

The statements support that the delivery operations information system (DOIS) and transportation contract support system (TCSS) programs had a decision analysis report (DAR) that was approved by officers of the Postal Service and/or the Board of Governors. DARs are formal organizational financial documents that list the purpose, cost and resources aligned with a program. They are required by internal procedures listed in Postal Service financial guidance manuals. If approved, a DAR gives life to a program or project and all the staff in the unit that support its implementation. Capital investments in the Postal Service, similar to private industry are prioritized when capital budgets are scarce and have thresholds based upon return on investment (ROI). A sustaining capital investment will have a high ROI that meets the threshold of capital investment that the Postal Service desires in tight capital periods.

Simply put, the Headquarters employees who wrote these strategies were stating that their programs were developed, approved and secure--unlike some newer and not developed transformation strategies such as the testing of Segway transporters to deliver mail. The verbiage supports that the strategy author was cognizant of the risks of

transformation to their unit and position and actively protecting their workplace by ensuring that the authorization of their program was known..

### Shifting Control Back to Top and Center

Further data in the *Transformation Plan* supports that it was selectively sourced from the hierarchical Headquarters management staff--and perhaps hastily assembled. In Appendix K of the document, one strategy under, "make rules and regulations more market responsive" was missed in the opening page of Appendix K which listed all strategies--and the strategies are listed out of order with the text. Formatting errors for strategies are evident throughout the text of Appendix K. A strategy to explore alternative purchasing strategies for automation equipment and information technology, which is listed under operational efficiency strategies in the executive summary is missing under Appendix M listing the efficiency based strategies.

At one point, the *Transformation Plan* lists a strategy *to create a strategy* for the one key element Postal leaders wanted from external transformation stakeholders--flexibility in rate setting. The *Transformation Plan* strategy to develop a corporate pricing plan suggests to, "Develop a plan and set of strategies designed to develop market-based pricing in the Postal Service" (p. K-14). After a short narrative suggesting the need for legislative reform, the strategy states that, "The Corporate Pricing Plan will include *high level* timelines and action plans against which progress will be measured" (p. k-15). The verbiage citing *high level* action plans and time lines to come was most likely not sourced from Postal Service leaders, but managers further down in the Headquarters organizational structure. Further information supported the limited hierarchical perspective to developing strategies to transform the organization.

A lack of cross organizational coordination of the strategies was evident at various points. In one part of the *Transformation Plan*, the narrative states that, “The Postal Service will also review the design of its post offices. As new vending alternatives are developed and deployed, the Postal Service will determine the best way to provide access to postal services for up to 24 hours a day, seven days a week” (p. 32). In the context of Postal Service policy and the *Transformation Plan*, the statement is confusing. The Postal Service already built post offices to security standards allowing 24 hour access in many locations but under the growth and value based transformation strategies; the first strategy was to expand access to postal services *by moving simple transactions out of post offices* (p. K-2)--not by building offices that encouraged them.

Other information supported a centralized top down selection of *Transformation Plan* strategies. The *Transformation Plan* was required to have, “input from postal management, employee unions and associations, and other stakeholders” (USPS, 2001c, Appendix A, Letter, June 14, 2001). However, meaningful input from field employees in the development of the *Transformation Plan* is not supported in documents.

The *Transformation Plan* cited that, “a survey of Postal Service executives was conducted on the topic of the strategic transformation of the Postal Service” (p. J-11). The field leadership survey requesting feedback on the future transformation of the Postal Service was conducted in the days immediately following the anthrax attacks. With only 272 responses, the survey response rate of PCES, on such a key organizational issue as transforming their organization, was lower than 32 %. As a comparison, a survey of field executives regarding a retail accounting system, done one year later by the Office of the Inspector General had a response rate of 59.2 % (USPS, 2002a, p. J-7;USPSOIG, 2002).

The outreach process for the remaining Postal Service employees in the preparation of the *Transformation Plan* was far more limited. It included a notice in the *Federal Register* and internal communications, which directed interested parties to the Postal Service web site for comment. However comments were limited to questions in the *Outline for Discussion* – which lacked details of the specific internal strategies and would provide comments limited toward these eight predetermined questions:

- To best serve the needs of the American people and the American economy in the 21<sup>st</sup> century, what should America’s postal system be like (or transformed to) in the next decade?
- Should America’s postal system provide universal service, and what should that entail?
- What should the core service of the future Postal Service be?
- How should the nation structure a future postal system to be as productive and efficient as possible and to ensure that consumers pay only what they wish to pay, for as much service as they can afford?
- Can the Postal Service continue to provide universal service under the current financial arrangements if volume slows or declines significantly? Are there other financing mechanisms needed?
- What steps should be taken today to anticipate the human capital requirements of the future postal system in a manner that embodies core values of respect, dignity and diversity while providing incentives to encourage continuous improvement?

- Is it possible to design a government postal system in the United States that operates more commercially and still serves important social obligations, including universal coverage?
- How should a privately-owned postal entity or entities perform against public expectations for postal services? Are there other models that may do a better job for the American people? (USPS, 2002a, p. J-5-6)

In an organization with over 770,000 employees at the time, whose future was at stake, the outreach efforts netted 55 employee responses (USPS, 2002a, p. J-23). The cited response rate of 0.007 % from field employees was so low that actively seeking field employee comments could not have been considered an important element in the development of the *Transformation Plan* by organization authors.

Alternatives for field employee comment beyond a Federal Register notice, guiding an employee to a website and limiting them in their response, could have, and historically have been used by the Postal Service. Every three months, the Postal Service conducts a Voice of the Employee Survey which is personally delivered to 25% of the employee base and has a response rate of 54% (more than 94,000 employees). The survey methodology had been in existence for years--but it was not used for field employee stakeholder input to the *Transformation Plan*. In 2005, while seeking employee comment for the new *Strategic Transformation Plan 2006-2010* through internal employee newsletters, the Postal Service quickly received over seven-hundred responses (USPS, 2005a).

Further analysis of the *Transformation Plan* documents also supported that even the very few comments that were submitted by employees were marginalized. Instead of



listing the comments verbatim for the public as had been done in the *Report of the President's Commission on the United States Postal Service (2003)*, which garnered over 180 Postal Service employee comments, the *Transformation Plan* provided limited "Excerpts from selected stakeholder comments" (p. J-17).

The Postal Service submitted the 55 field employee comments to an outside contractor who sorted the comments for recurring issues/themes (J-25). The chart supports that field employee's most commonly cited issue/themes related to human resources, postal operations, and new products and services. However, the *Transformation Plan* narrative suggested a varied interpretation of the data when it stated:

Employees-executives, as well as managers and craft--generally agreed that universal service must be preserved; that change should be made quickly and boldly; that strategic initiatives should be introduced to promote growth; and that flexibility should be created to allow the organization to become more competitive. (J-11)

In an effort to further understand stakeholder comments regarding transformation of the Postal Service, I requested the original employee comments and the Postal Service Executive Survey through the Freedom of Information Act. The Postal Service denied access to the Postal Service Executive Survey, but provided copies of the field employee comments. Although universal service was mentioned three times in the scripted questions, it was only cited once in an employee comment. There was only one employee quote regarding flexibility, which stated, "I strongly believe the USPS needs to go under the United States government branch due to the following . . . accountability . . .

flexibility . . . costs . . . EVA performance needs to be terminated” (USPS, 2001b). Sorting the limited comments by common themes showed they did not address the prescribed questions and supported that the employees were more concerned with internal issues of human resources policies, labor management relations and communications than external issues of universal service and legislative reform. The *Transformation Plan* statement that there was general agreement at all levels simply was not supported.

From the pre-scripted questions, limited responses and even different interpretations of the responses, the *Transformation Plan* provides evidence that the field employee’s input regarding needed organizational change had been marginalized. Looking deeper into the *Transformation Plan* provides some insight into why.

From the time of the Postal Reorganization Act and in the decades leading to the *Transformation Plan* a recurring theme in the Postal Service has been internally cutting costs to keep postage rates lower. The largest cost in the Postal Service is employee compensation and benefits, something external stakeholders and critics of the Postal Service often note to the detriment of internal employees. However, unlike private industry where a stockholder dividend is important, the Postal Service pays no dividends and employee wages as a percentage of total costs appears higher than in private industry. Postal Service expenses are limited to employee compensation and benefits, transportation and other overhead costs of business. However, by far, the largest Postal Service expense remains employee compensation and benefits which comprise 78 % of expenditures (USPS, 2001a; USPS, 2002a, p. B-3).

Since the 1970s, the most effective strategy to reducing employees in the Postal Service had been through the deployment of mechanization and automation to sort mail in major mail processing plants (Conkey, 1983; NAPA, 1982; Rachleff, 1984; Tierney, 1981). The *Transformation Plan* simply suggested some new emphasis of these same time tested transition strategies for eliminating field employee positions.

The efficiency based strategy section of the *Transformation Plan* lists 36 strategies. Of these, 16 include the deployment of a machine or system. An automated flats sorting machine (AFSM) is listed as being capable of cutting nearly 16 million workhours. In Postal Service budgeting terms, which recognize each employee as 2,000 workhours a year, the AFSM strategy represented the reduction of 8,000 employee positions in mail processing plants. The postal automated redirection system (PARS) which would more quickly recognize change of address mail in the automated mail stream, was predicted to cut 2.4 million workhours. Automatic tray handling systems were anticipated to cut 1 million workhours. In total, over 61 million workhours were specifically listed, which would result in the reduction of 31,000 field jobs. This equated to over \$1 billion potentially saved annually in payroll costs--a significant number in any organization. Many more strategies did not list workhour reductions, instead making ambiguous statements such as “will result in a reduction in allied workhours . . . . Net workhours reduced in Field Operations . . . . Workhour avoidance as measured by percent change from the prior year . . . an overall reduction in the use of rural delivery workhours” (USPS, 2002a, pp. M7 – M12).

Downsizing with mechanization and automation was a decades old strategy for the Postal Service. Between 1990 and 2002, there was an 11.6 % reduction of clerks,

even as mail volumes grew. In the same period, letter carriers were reduced by 1% even as the number of delivery points grew by 1.2 million annually (USPS 1994, 2002b).

These reductions were predominantly due to the deployment of automated mail sorting equipment in mail processing plants that eliminated mail processing clerk positions and reduced the time it took city letter carriers to deliver their routes.

The *Transformation Plan* efficiency strategies selected by Headquarters units were the same strategies to mechanize, automate and centralize mail processing to cut work hours that had been in the field workplace since the Postal Reorganization Act. These were the same transition strategies had been identified as creating the human relations challenges for the organization in the past, the challenges employees were openly identifying as their greatest concern for change--yet they were once again embraced.

In August, 2001 the commission, headed by Joseph Califano identified two major sources of friction in the field workplace--the enormous backlog of grievances/disputes and Pay-for-Performance systems for supervisors/managers (USPSCSSW, 2000). Just two months after the Commission's report, the *Outline for Discussion* noted, "Adversarial labor/management relations could result from required aggressive cost-cutting policies" (USPS, 2001c, p. 48.). Six months after identification of the correlation between cost cutting and adversarial relationships in the field, the *Transformation Plan* strategies supported increasing both the automation and the Pay-for-Performance system. The increased adversarial relationships that would occur at the field level from advancing these specific *Transformation Plan* strategies were known to Postal Service employees, however they remained a key element of the *Transformation Plan* upon its publication.

### A Limited Clarity of Purpose, Vision, and Strategy

Within two months of issuing the *Transformation Plan*, the president of the American Postal Workers Union stated of the plan:

Few specifics have been provided, even though management is requesting public and employee support. I have been given several briefings and a bound book outlining the plan, but after reviewing hundreds of pages of public relations rhetoric, I am aware of very few specifics regarding the *Transformation Plan*. (Burrus, 2002)

This internal opinion of the *Transformation Plan* was noted externally as well. A month after the *Transformation Plan* was issued, David Walker, former Comptroller of the United States, testified before Congress that the plan did not address key issues. Strategies to deal with human resources issues such as postal pay, performance management and management bonuses had not been adequately addressed along with agency governance structure, transparency and accountability. Universal service, a key element of the *Outline for Discussion and Transformation Plan* had not been adequately defined (Campanelli, 2002). The Citizens Against Government Waste called the plan “business as usual . . . . It’s we’ve-been there-we’ve done-that and it’s failing” (Vlahos, 2002). The growing opinion of the *Transformation Plan* as a document without a coordinated vision and strategy for organizational change was also mirrored by the Lexington Institute and Heritage Foundation (Gattuso, 2002; Guy, 2002). Both organizations called for the President to appoint a blue-ribbon commission to recommend Postal Service changes and the concerns with the validity and viability of the *Transformation Plan* were heard by the Administrative branch of government.

In December 2002, The President's Commission on the United States Postal Service was established by Executive Order and mandated to consider:

The state of the United States Postal Service, and to prepare and submit to the President a report articulating a proposed vision for the future of the United States Postal Service and recommending the legislative and administrative reforms needed to ensure viability of postal services. (Executive Order, 2002)

Within months, the Presidential Commission established another public comment process. Once again major mailers, unions and over 180 Postal Service employees responded to the process while everyday citizen/customers responses were extremely limited. However, this time, the Postal Service employee comments were listed verbatim in the report and a sorting of issues/themes once again supported that Postal Service employees were most concerned about internal transformation issues--as opposed to external legislative reform (PCUSPS, 2003, Volumes I-III). The internal issues they cited were the same issues that had been cited in numerous studies since 1982--poor labor management relations and employee reactions to workplace automation (Baxter & Margavio, 1996; Conkley, 1983; NAPA 1982; PCUSPS, 2003; Tieney 1981).

Unlike the internally generated *Transformation Plan* which suggested a bias toward preservation of organizational functions at the top of the organization, the *Presidential Commission Report* suggested changes to the Postal Service that reflected their external perspective of the organization. In part, the final report supported that the Postal Service maintain its current mail monopoly and remain an independent establishment within the executive branch with a unique mandate to operate as a commercial enterprise, but it also suggested that the monopoly needed to be reviewed on

a periodic basis and Postal Service activities needed to be limited to accepting, collecting, sorting, transporting and delivering letters, newspapers, magazines, advertising mail, and parcels. The verbiage was a reaction to the entrepreneurial sales activities of the past.

The Commission supported strategies to realign the entire Postal Service network, close or consolidate mail processing plants and move the sale of postal products and services to grocery stores, Wal-Marts and banks (Moyer, 2003). It was a more aggressive approach to outsourcing and downsizing field employee positions.

The Presidential Commission also suggested a change to the rate making process, but it came with a change to the role of the Postal Rate Commission. The Postal Service was to be given flexibility to raise rates, but the converted Postal Regulatory Board was given greater oversight power over the Postal Service leaders and Board of Governors--especially after rate changes. The Postal Regulatory Board was to ensure Postal Service accountability and was able to conduct after-the-fact reviews of rate increases, which could overturn the rates (PCUSPS, 2003). While the Postal Service leadership agreed with many of the Presidential Commission recommendations, it soon conveyed its reservations with the changing oversight role of the Postal Regulatory Board (Davidson, 2005b; USPS, 2003b).

With a Mailing Industry Task Force Report predominantly written by major mailers and Postal Service leadership, a *Transformation Plan* written by Postal Service Headquarters managers/leadership, various reports written by the GAO and a *Presidential Commission Report* written by a politically appointed panel, the future path of the Postal Service transformation appeared to have as many different views as there were authors. The various plans were sourced both internally and externally to the

organization, but it was obvious to all postal employees that not all the stakeholders agreed on one vision and any attempt to create externally generated legislative change was going to be limited to those who had the political control to influence, create and pass legislation. Mailer organizations, Postmaster and Postal Supervisor organizations, and Postal unions were able to provide their perspectives to elected officials while Postal Service leadership was limited in their political lobbying role by the provisions of the Hatch Act. The *Transformation Plan*, while still cited in official Postal Service communications, would soon become an irrelevant document to the many external and internal stakeholders, but internal transformation of the Postal Service continued.

#### Internal Transformation by Another Plan

Within a few months of publication of the *Transformation Plan*, the Postal Service issued its preliminary Fiscal Year 2003 goals, indicators and targets. In Chapter IV, under the title of Preliminary FY 2003 Goals, Indicators, and Targets, it stated:

The Postal Service has developed a “balanced scorecard” approach to performance planning that includes customer requirements . . . employee needs . . . and financial requirements. *These are based on the strategic plan, and usually do not change on an annual basis.* The goals and objectives reflect corporate priorities and are supported by additional functional, departmental, operating unit and program goals. (USPS, 2003c)

The verbiage noting goals, indicators, targets, scorecards and programs that support them suggested that, internally, the Postal Service was still implementing the process that had begun during the Runyon transformation and which had been outlined in the Postal Service Five-Year Strategic Plan 1998-2002. This plan placed emphasis on the



Pay-for-Performance scorecard and its associated performance management system.

Postal Service executives explained the scorecard process in detail to the IBM Center for The Business of Government researchers writing for the Managing for Performance and Results Series, in the months following the *Transformation Plan* (Mathys and Thompson, 2006). Abramson, Breul, and Kamensky (2006), also from the IBM Center, cited the same Postal Service process as an example of performance management in their article entitled *Six Trends for Transforming Government*. Both studies supported that Runyon's transformation of the Postal Service was still being deployed at the time of the issuance of the *Transformation Plan* in 2002.

Internally, Postal Service communication of the transformation vision soon changed from the voluminous *Transformation Plan* into a simplified pictograph called "The Postmaster General's Star." The five pointed star which was entitled "Delivering Results" included five points:

- Develop People;
- Manage Costs;
- Improve Service;
- Grow Revenue; and,
- Pursuing (legislative) Reform.

The star showed that the *Transformation Plan* strategies of Growth and Value Based Strategies, Efficiency Based Strategies, Performance Based Strategies, and Enabling Strategies had been reworded and a strategy to Develop People had been added, balancing out the star to five points. Under the five points were listed thirty two goals or programs that had been "delivered as results." These were far more condensed than the

original 142 individual tactics in the *Transformation Plan*. However, many of the 32 items listed in the Delivering Results star, such as care package kits, reducing debt and pending legislation were not results that showed an organizational transformation had occurred. Only one bullet under the five point star used the word transformation--it was Transformed administrative, network, purchasing processes (Mathys & Thompson, 2006). It was the area of transformation that would once again have a personal impact on my future, as well as many other Postmasters, managers and supervisors in the field.

The Workplace of a Postal Service Manager in a  
District Office During Transformation

*Administrative Transformation by*

*Consolidation of Districts*

*Winners and Losers*

With the *Transformation Plan* and *Presidential Commission Report* both suggesting consolidations, the rumors of downsizing were soon rampant among managers nationwide. In July, 2003, the Lancaster Pennsylvania District, received notice that their District was to be eliminated and their functions absorbed by the Harrisburg and Philadelphia Districts. Created by Runyon's 1992 reorganization, many of the Lancaster District staff had received promotions and found new opportunities for their careers when their District was created. Now many managers faced a step backwards, relocation or a move into functions where they had no experience.

More positions were created in Harrisburg and Philadelphia Districts for the increased workloads they inherited, but most were lower level positions. There were already managers in Harrisburg in the marketing, finance, information technology,

operations, and administrative services units and retirement was not an option for most of them for several more years. As a Lancaster manager of personnel services, for example, you faced moving from an EAS-20 manager position to a technician position in Harrisburg which may only be an EAS-18 or 16 grade. The placement procedures dictated that the employee who took the lower level position was to receive the same salary for two years, but after that time, they would be locked into the lower salary and their pay adjusted accordingly. They had to find a job within four months or face a directed reassignment to a position not of their choice and location. If they refused the directed reassignment, which was commonly a Postmaster position for which they had little to no experience, removal from the Postal Service with no unemployment benefits or severance pay was the alternative. Many Lancaster employees were left to consider adding several hours of commuting time each week as the distance to Harrisburg or Philadelphia was close enough that they did not want to uproot their families from their communities and schools. With the knowledge that within two years they could be facing a large reduction in pay if they did not find a way to be promoted in the world of ever shrinking District jobs, the game of musical chairs with their careers was not going to be over soon.

From the perspective of the field, everyone lost in the consolidation. Harrisburg managers, who had developed dedicated members of their staff over the years to promote to higher positions, would find these positions filled with former Lancaster employees. The employee from Harrisburg who had been developed with added assignments or training, saw their career goals halted for the foreseeable future and their years of dedication in hopes of moving up the ladder in their unit, as perhaps wasted extra effort.

Technical experts from the various Lancaster District offices of administrative services, labor relations, delivery operations, and others found themselves in Postmaster positions--a career path they had not selected and for which they had no desire other than to keep a job. In turn, supervisors in these post offices and other Postmasters who had bided their time for an office closer to home; saw their career paths blocked as well. For the up and coming field Postmasters, managers, and supervisors with more than a decade left for retirement, and who were unwilling to relocate, career paths were erased and replaced with the realization that their careers were a gamble of whether your District, unit or peers would remain. Not long after the consolidation, Postal policy was changed and the two year pay limit was rescinded to indefinite saved pay as the potential long term field impacts were realized. However, many employees from Lancaster had already accepted positions based upon the deal at the time of consolidation.

#### Steering, Rowing, and Stability During Transformation

Simon (1997) suggests that administration is “the art of getting things done” and by July, 2003, with over twenty years of service and management experience in various functions, levels, and assignments in the Postal Service, I was an accomplished artist. In the weeks prior to the Lancaster District consolidation, the Harrisburg District Human Resources manager, a close personal friend, suddenly died from a heart attack. The District Manager asked me to fill his position temporarily--to which I agreed--without knowledge that the consolidation would occur within a few weeks. With no experience in human resources, I was going to face one of the most difficult challenges any human resources manager could face.

Most of the seasoned Lancaster District managers had been through the Runyon reorganization of 1992 and remembered how positions were often filled by recruiting and hiring processes were circumvented. As I met with various managers from the Lancaster District, one theme was constantly emphasized on their part. They wanted to know that the new positions in Harrisburg were to be awarded fairly by a process that recognized the individuals' competence and experience, rather than by personal relationships. They wanted the process to follow the regulations and policies of the Postal Service and avoid the recruiting reminiscent of the Runyon era. With their knowledge and experience of the Postal procedures and their rights for legal recourse, they were surely not employees who would stand for mistreatment. I promised transparency and fairness for every position filled by human resources and promised that I would oversee the other managers to ensure that the employment rules and process were followed.

I also sensed the tension and resentment that many of the Lancaster District staff felt toward the Harrisburg staff--we were perceived as the winners and they the losers in the competition of which District remained. Right or wrong, they felt their District was as deserving to survive as Harrisburg District and the reasons for the Lancasters District elimination, with Harrisburg located just 30 miles away, was not known at our level. In several briefings to Harrisburg District staff, I emphasized that while the Districts may have competed for scores in the past, we now had to understand that the elimination of a career path could have just as easily been our fate. We had to let the Lancaster employees know we respected and valued their talents and understood their anxiety and perhaps anger with the career decisions they were forced to face. Filling the positions had to be by the policies and needs of the service. The manager's communications had to

be filled with empathy for the individuals who were facing personal challenges. It was an idea I had learned while continuing my education and reading the research about violation of the psychological contract during organizational changes.

In one week I personally sat through 40 job interviews to ensure that each interview was conducted appropriately, fairly, and consistently. I walked the floor of the Lancaster District offices between the interviews to talk with the Lancaster employees and sought any indication that the employment process had not been conducted with the proper procedures and with empathy and respect for the individuals. Not everyone obtained the position they would have wished for, and some of the veterans were upset that their veteran's preference rights were not applicable to the consolidations reduction in force avoidance procedures. However, the consolidation of over 100 administrative positions was accomplished without any legal recourse on the part of the employees who had been impacted.

After filling the positions, the next step was to have the Lancaster employees report to their new offices in Philadelphia and Harrisburg. During the preparations for the consolidation months before, planning for moving office furniture, computers, and vacating the rented office building had not been considered. Representing my District at a meeting, with PCES from Philadelphia, Harrisburg, and Pittsburgh, I listened as the discussions centered on moving desks and files to the new offices at a later date, but having the new employees report as soon as possible. The PCES were concerned about having the impacted employees sitting unproductive in their old offices in Lancaster. They were also concerned about holding people accountable to monitor collections and operations during the transition so that delivery scores and service were not impacted.

There was a strong emphasis to get employees to their new units, stabilize operational responsibilities, and move forward as soon as possible.

Remembering my family's experience in 1992, I told the PCES that moving employees immediately may not be a good idea. I told them the story of my wife's first day of work at the new Area and how we had both sat for three weeks before we could do anything productive. I pointed out that most of the people in technical positions required their computers to do their jobs. Information technology was not yet able to move their computers and there were no desks for their use. Even if we could move the employees, computers and desks, each District had its own unique databases with security access procedures. The Lancaster data bases had not yet been merged with the Harrisburg data bases. All the computer access authorizations for the combined computer systems would also have to be reestablished. If employees from Lancaster reported to Harrisburg before any of this was done, they would be left sitting at a desk with nothing to do for weeks, perhaps wondering just how important it was that they reported immediately. After my description of the work that needed to be done, there was a short uncomfortable silence where I felt I had spoken out of turn.

The highest ranking PCES, who had been silent throughout most of the tense meeting spoke. He stated that the 1992 reorganization had been a fiasco and people had to be a focus of this consolidation. He wanted us to take the extra time to do the consolidation right and leave a different impression of how we treated people during downsizing in the Postal Service. He emphasized there would be no "abuse" of people. With that, the meeting suddenly ended, and I left wondering if what I had said had been

helpful, or perhaps perceived as minor details. I felt my perspective during the meeting had been different.

During the trip home from the meeting, I considered that the PCES and higher level managers were not wed to their computer systems like the specialists from the various functions. They were not aware, from their level, how much computers dominated the day-to-day work process at the lower levels. PCES had secretaries/staff who used the various computer systems to procure items, report time, file travel vouchers, compile operations data, and prepare reports. Perhaps they simply did not know the depth of computer systems needed for different employees to be effective in their positions. However, the next meeting suggested a different perspective.

In this meeting, a PCES made a presentation to her peers. It started with a glass bowl, which she filled with fist sized rocks. When the rocks had reached the top of the bowl, she asked the audience if the bowl was full. Many agreed it was. Then she took a bag of gravel and began to pour it over the rocks and shake the bowl. The gravel filtered down through the voids and settled. Again, she asked if the bowl was now full. This was followed by a pitcher of water, which she poured into the bowl and all finally agreed that the bowl was full. She ended the presentation by stating that it was their job to place the rocks and not worry about the gravel or water--those things would fill in themselves. I then realized that my perspective had been from the gravel and water, while the perspective of the consolidation for the PCES had been from the rocks. It was a clever way to suggest “steering rather than rowing” but from my perspective, it was all rowing.

In the weeks that followed the meetings, I was given the unpleasant assignment of consolidation manager and I remembered the old adage of a peer that “no good deed goes



unpunished” in the Postal Service. Similar to the PCES, managers in other District units wanted to quickly fill their vacant positions and get back to their stabilized daily routines. I was often perceived as the roadblock to their desired stability. The movement of office furniture, employees, new office space, and cleaning out the Lancaster District office and termination of the lease were all problems. Of all the tasks I had to accomplish, by far, the worst was moving the new people into existing office space in Harrisburg.

### Protection of Self Interests in the Field

While the various Harrisburg units had lots of office space, most managers vehemently fought my taking their suite space--especially space in their personal offices. They would openly confront me to ensure their new employees received nice cubicles and complain about their size, but would become angry when I suggested that their spacious offices could hold several people, allowing them a window and speed up the completion of the consolidation. Only one manager besides myself was willing to give up their office space and go to a smaller office to allow several employees more space and save costs on cubicles. “Turf battles” were a constant problem as managers of units tried to get better furniture, improve their individual situation, and pressure me to get the consolidation move completed in their units. While I may not have agreed with their lack of altruistic motives, I understood them.

Cost cutting over the years had left many units in cramped and decrepit offices with aged, broken, and mis-matched furniture. The chance to obtain decent, but mis-matched furniture for your unit was a rare one. The ability to move up to a spacious office with decent furniture was one of the rare perks senior managers could obtain in their careers. The managers in the Harrisburg District had experienced cramped offices

and poor furniture in years past, until they occupied their new offices in 1992. They were not willing to voluntarily go back to their prior conditions..

It took several months to complete all the elements in the process of consolidation--something nobody foresaw. Beyond the employee placement issues, there was the process of identifying office space, laying out modular furniture plans by computer aided design, obtaining vendor contracts, moving equipment, and moving people. At the old office, we had to collect years of office supplies and forms. Shred files with personal data. Cancel service agreements for custodians, garbage, water, and electricity. Find contractors to dismantle oxygen scavenging fire suppression systems in the computer room, security cameras and alarms, telephone systems and panels. We held sales of excess equipment according to Postal policy and arranged for professional cleaning before final lease inspection. None of these items had not been considered in the consolidation planning as the “rocks” were put in place, but I had experience in “the art of getting things done” as a seasoned manager and I provided the gravel and sand. In 2003, I won the District’s Leadership Award for my administrative work during the consolidation.

Several weeks after the consolidation of the Districts was complete, and the Harrisburg District was renamed the Central Pennsylvania Performance Cluster to signify the new entity, a town hall meeting was held with the new staff. The same PCES that had spoken at an earlier meeting about the abuse of people in the consolidation process, spoke to the group. The presentation began similar to what they had already heard and read many times during the period of transformation. Profitable mail volumes were decreasing and the system needed to transform to survive and ensure we all had a future

in the organization. Everyone had to make sacrifices. It was something we all understood, but then the group was told how the private sector would have just given them pink slips. The speaker shared that in the Runyon era he had moved multiple times. You could feel the tension in the room as the tone appeared to suggest that their sacrifice was being marginalized. He also spoke of the great opportunities for advancement in the Postal Service in the next few years as baby boomer employees retired. Sitting in the back of the room with two people who had taken position downgrades and added nearly two hours a day to their commute, I watched one turn to the other and say, “He doesn’t get it, does he?” The career perspective of the PCES was different than most of the people in the audience he was addressing.

Anyone who becomes a PCES is expected to move in their career and is given more relocation benefits than an EAS employee. PCES are also given a last paid relocation upon retirement to relocate wherever they desire in the country. The moves the PCES had spoken of were related to promotions and the PCES had a salary that was double that of most of the people in the room. Some believed they were facing a pay reduction or pay freeze in two years if they were unable to get back to their prior position levels. Everyone also knew that career planning was in shambles in the field. Over the years, each unit had become more specialized and technical. Like private industry, senior District managers were encouraged to have degrees, professional certifications, and years of experience in their respective fields. With unit accountability increased, work hour reductions and the need for immediate results, hiring from outside of the unit or investing in someone that could be developed in a few years, was becoming rare. To become a

senior finance, human resources or operations employee took years, and the knowledge and experience was not transferable to many units.

Former Lancaster employees were sitting beside Harrisburg employees in the meeting, who were equally qualified for same positions. Both employees had been placed in the succession planning queue and mentored for the same senior jobs. Where there were two musical chairs in the game before for two players, now there was one. A career path was not guaranteed and most seasoned employees, who had seen at least two reorganizations, knew they could easily face another. (Something that became a reality within three units in three years.) For those unwilling to move, which many in the field were, years of career planning, education and/or experience could be erased by the next field reorganization and leave you accepting a Postal Service position in a career path you didn't like or want. Career planning had become a gamble, just like private industry. However, in private industry, you may get a pink slip, but you may receive severance pay, unemployment compensation, or job retraining. You may also get a chance to find a job in your career field in a similar organization. Because the Postal Service was separate from the rest of government and had its own procurement manuals and internal policies, the Postal employees were between both worlds of government and private industry. The future of many Postmasters, managers, and supervisors in the field was changing and so had career paths.

#### Administrative Transformation by Consolidation of Units

The *Transformation Plan* strategy to expand the use of shared services defined shared services as “sharing technology, people, and any other resources within and across administrative functions in order to reduce costs and improve the quality of

administrative services.” It then identified two field units who were targeted--accounting services and human resources (USPS, 2002a, p. O-20). Both of these units, with their multiple systems, regulations and manuals, were staffed with managers who commonly had years of experience and knowledge. However, nationwide, the expertise and effectiveness of 85 different units varied greatly. Some had excellent staff and some did not. The shared services concept promised to standardize the processes. For those areas who did not have particularly effective human resources staffing, establishing shared services would result in improved service. But for those offices who had excellent service from their human resources staff, they could not expect an improvement. In the field, both the exceptional employee and the ineffective employee would lose their positions and be given the same benefits and challenges as any other employee facing a consolidation.

While acting as the Human Resources Manager, I was required to oversee the preparation of a report listing all the duties in the purview of our local human resources personnel staff. The purpose of the report was no secret. The *Transformation Plan* had already confirmed that the purpose of the report was to provide a list of what the shared services planners needed to address to help the process of eliminating the positions of those who were required to complete the report. Headquarters planners had put the rocks in place, but they did not yet know about all the gravel and water at the field level.

When the report was returned, in the gravel it was noted that nationwide there was an enormous backlog of work reviewing individual personnel files to determine retirement benefits and correctly enter them into computer systems. The reduction of personnel services staff, without the completion of this work, would have been a

problem. To address the backlog, employees of the personnel services unit were assigned to update these records as part of their Pay-for-Performance goal. Employees whose day-to-day activities were hiring employees and did not include retirement work, were all forced to list the retirement reviews as part of their goals. The action prompted one employee to state, “They made us get the rope and tell them how to build the gallows, now they want us to pull the lever?” While humorous, the organizational turn of perception was something significant. The real threat to field employees of the Postal Service was no longer Federal Express, UPS or the internet--it was the Headquarters unit in Washington that may be developing a program to eliminate your field position. Instead of musical chairs, the game had become similar to the reality television show Survivor. People were on the same island, but in different tribes who were trying to eliminate other people on the island to survive. I too, would soon face being voted off the island.

In the Postal Service in 1995, facilities responsibilities were divided. Major construction projects of large plants and post offices were completed by specialized units of Headquarters employees called the Major Facilities Office (MFO) and Facilities Service Offices (FSO). Their staffing included architects, engineers and real estate specialists and a significant portion of their work was dedicated to new facilities.

In the field, the day-to-day repairs of facilities such as fixing leaking toilets or servicing air conditioners were accomplished by local Postmasters, who called local vendors. Larger repairs or alterations of existing facilities, such as new roofs, boilers, or parking lots were delegated to the field Administrative Services Offices. In 1995, when I assumed the position of Administrative Services Office (ASO) Manager, and Contracting

Officer for facilities repairs and alterations, facilities Headquarters and FSOs supported that repairs and alterations were best accomplished at the lowest possible level in the organization. They were promoting their decentralized Postmaster Repair program and advocating increasing ASO Managers contracting authority from \$100,000 to \$250,000. By accomplishing this, the Headquarters facilities units were able to eliminate the majority of construction projects from their responsibility. In the field, the ASO offices took on more work, even after having staffing reductions during the Runyon reorganization in 1992.

In 2001, a nationwide freeze of facility construction and major repairs was implemented. The *Transformation Plan* and *Presidential Commission Report* both called for the possible consolidation of post offices and alternative forms of offering postal retail services. Construction projects dwindled and facilities staffing needs greatly reduced, soon MFOs and FSOs were being consolidated. The future was clear. The Postal Service was out of the new construction business, but would have to maintain its existing inventory of aging offices. The future was in the facility repairs and alterations work being done by the ASO offices and not in the new construction projects.

In 2003, Headquarters facilities responded to their organizational threat with a program called the Facilities Sole Source Provider (FSSP). The program cited the changing business environment, reduction in facilities projects and change to a facilities maintenance mode as justification for program. It also cited disadvantages to a decentralized organizational approach to facility projects with redundant planning and contracting staff and inconsistency in service. While it promised improved focus and prioritization of projects, it mostly provided for the reduction of the redundant planning

and contracting staff--the positions in field ASOs. A decade before we had been encouraged to take additional classes for higher level (Level II) construction warrants that allowed us authority to take on larger responsibilities. Many of the ASO managers had accepted the work. Under the FSSP model, some of the former staff of the ASO field offices were converted to Headquarters employees. As part of the process, they would stay geographically scattered in their same office locations. Headquarters functions would gain employees and positions and the field. The ASO managers were eliminated.

Several ASO managers tried unsuccessfully to question the consolidation and a few PCES in the field did step forward to suggest the idea did not have merit. But in 2003, few PCES in the field were willing to launch an internal organizational struggle against Headquarters PCES over something that had been promoted as a transformation program that cut jobs. Transformation was regularly promoted in internal communications, along with initiatives that could cut workhour costs or increase revenue.

I was soon required to prepare a report of all the responsibilities of my office and present it to the staff of the unit located several states away that would eliminate my position, my unit and take over my employees. With all the local positions filled during the consolidation of the Lancaster and Harrisburg Districts, the local jobs that remained at my level were gone. I was once again limited to a high level Postmaster position, for which I had only three months experience in a small office nearly two decades before. I knew it would be years until I could learn enough about the position to be successful. Given my 25 years of service, I was entitled to a voluntary early retirement, but it equated to a 75% reduction in income.



My District manager did not want to lose me from his staff, nor did I want to leave the District, but there were simply no positions available at my level. My wife and family did not want to move and change schools, so for the first time I began to look at my options of leaving the Postal Service. Fortunately, a position opened before the date when I was mandated to have a decision on my career. A person who was an Environmental Specialist, had accepted a position in the Midwest. It was the same position I had while working in Area office from 1992-1995. Given my experience in the position, my professional certification as a Master Level Certified Hazardous Materials Manager, and my advanced college degrees, I was able to obtain the job and be domiciled close to home. Once again I had found a chair when the music stopped, or perhaps I had avoided being voted off the island, but I knew it was just as much by luck as by my personal qualifications. Once again, I mused that in an outstanding year of service where I had won the Central Pennsylvania Performance Cluster Leadership Award and received the highest possible personal evaluation the career results didn't suggest a promising career path. I had lost my managerial position and been moved to a specialist position with no leadership, managerial or supervisory responsibility. In many organizations, it was a result one may expect for having failed in their duties.

#### Pay-for-Performance

For some in the Postal Service field structure, transformation had a very personal impact as we faced the elimination of our positions and changes in our careers, but for the vast majority of the field Postal Service Postmasters, managers, and supervisors transformation lead to one incremental change after another. Every new transformation program or system was promoted by their positive aspects and communicated their

positive results, but often problems associated with the system or program in the field were marginalized. The performance based pay system which was credited as being a major part of creating the performance driven culture under the *Transformation Plan* and cited by researchers as a trend to transform government and manage for performance and results, was one visible example of this phenomenon (Abramson, Breul, & Kamensky, 2006; Mathys & Thompson, 2006).

In 2004, after consultations with the management organizations representing Postal Service Postmasters, managers, and supervisors Pay-for-Performance was implemented in the field. The program was designed to provide objective and verifiable goals and measures of individual and organizational performance that resulted in a rating of the individual into tiered categories of non-contributor, contributor, high contributor or exceptional contributor. However, from the outset the goals were heavily weighed toward the organization and not the individual performance.

Dozens of “corporate” and “unit” goals were established by Headquarters for the organization and were delegated to the Clusters for individual accountability (Mathys & Thompson, 2006). These goals represented 70% of any one EAS employee’s pay evaluation. The remaining 30% of the evaluation was based on core requirements, which were predetermined for individual units by the Area or Cluster and selected from a list. One goal set nationally for every EAS employee, rewarding personal communications capability, was set at 6%. Goals for an individual, based upon their day-to-day workplace and things which they were to be able to control, counted for only 24% of the entire evaluation. For an EAS employee with three individual goals, any one of them may only count toward 8% of their final evaluation (Palladino, 2003). Quite often, the

goals from Headquarters that flowed down to the individuals were perceived as out of the individual's control, unrealistic and sometimes conflicting with other organizational goals for the field.

As a Postal Service human resources specialist, my wife was responsible for hiring in the Postal Service but was impacted by Pay-for-Performance goals related to the transportation and delivery of mail. Postal Service sales employees, who had goals tied to revenue in their assigned territory, would find their individual ratings in shambles if a major mailer moved its operations (Killackey III, 2007). The American Postal Workers Union discouraged their members from filling out employee opinion surveys, but the survey results were a corporate goal (Regarding, 2005). One Postmaster speaking to *Federal Times* on the issue of merit pay in government service said that too much of the work in her post office was out of her control due to a union controlled work environment (Ziegler, 2004). Another Postmaster noted that although her work hours were under budget in her mid-year review, she was only rated as a contributor by the Pay-for-Performance measures. To reach the level of an exceptional contributor, she would have had to close the post office to the public for three weeks (Baer, 2007).

While a Manager, ASO, I had core goals to spend money for facility repairs and alterations projects, but the national facilities repair freeze nullified the goal and my local District quelled expenditures to reduce costs and meet their goal. Field supervisors noted the conflict of Pay-for-Performance goals to reduce employees but meet reductions of overtime, "One part of the USPS is doing all it can to prevent hiring, while another is sending out messages that craft overtime and penalty OT are out of control and must be tracked daily and reduced" (Wagner, 2007b, p. 6) Within a year of implementing Pay-

for-Performance in the field, field supervisors were being instructed to review their goals carefully and if the goals were not within their individual influence, the reasons should be documented and forwarded higher in the organization for a written response (NAPS, 2005; Palladino, 2004).

In 2004, with the success of the Postal Service nationally on budget and service during the rebounding economy, EAS employees achieved an average 5.3% pay increase (Barr, 2005). It was nearly double the 3.75% payout that we once achieved for an outstanding evaluation and even though the system was flawed, the 5% annual payout made it easy to ignore the problems and the system was regarded as better than the prior systems used for pay evaluation (Aceves, 2005; Davidson, 2006). In their 2006 study of the Postal Service, Mathys and Thompson (2006) supported that the balanced scorecard was the management tool that had helped Postal Service executives successfully implement their change strategies during transformation. However, the scorecard was balanced in favor of cost reductions and Postmasters, managers and supervisors learned to “game” the numbers. You simply placed most of your emphasis on the high value goals over which you had control on a daily basis and addressed the low value or difficult goals only if you had time or they could be easily accomplished.

In April, 2007 during Congressional hearings into why Chicago had the worst delivery record in the country, the NAPS President suggested that part of the problem was the disincentives imposed by Pay-for-Performance. Weeks later, a senior maintenance manager from the Chicago mail processing plant testified in a field hearing that, “The current Pay-for-Performance system financially rewards managers and supervisors for reducing costs, cutting work hours and keeping vacant positions unfilled,

despite the impact such actions will have on service quality” (Moyer, 2007, p. 15).

Asked in the same hearing if this assertion was accurate, the Postmaster General agreed.

The local managers had gamed the system in favor of budget saving goals and to the neglect of service. The Postmaster General promised to look more closely at retooling the Pay-for-Performance system and its priorities and management associations took the position of trying to help identify the problems in the field with the system and to become the voice for the individual EAS employees with concerns.

### The Proliferation of IT Systems in the Workplace During Transformation

While Pay-for-Performance transformed what Postal Service leaders felt the field employee should do in their workplace, the numerous computer systems and applications used to measure and report accountability transformed how work was to be done. During the period of the *Transformation Plan*, the Postal Service deployed IT systems down to the lower level post offices. Many of the offices were limited to telephone access to the Internet with only one telephone line. The line was used for the computer, credit card payments, and delivery scanners. If the Postmaster was working on the computer, and a customer wanted to pay for postage by credit card or a carrier had to scan a piece of mail, the Postmaster would have to log off the system, allow the interruption and then log back in to complete their work. In the beginning, many Postmasters were not computer literate and some who had stayed beyond their retirement age because they loved their jobs, simply chose to retire when faced with the growing computer systems.

By 2005 the Postal Service had Web-enabled more than 200 various computer applications and the Chief Technology Officer was touting a transformation of the entire

information technology infrastructure (USPS 2005i; USPS 2005j). By 2007, the Postal Service managed the world's largest intranet and delivered more than 9 million email messages daily (USPS 2007b; USPS 2007a). The computers used by nearly every EAS employee went far beyond the proliferation of email. There were computer systems for time and attendance control. Systems to manage operations staffing, and daily workloads. Systems to track whether street mail boxes were collected on time and then to track that mail to delivery. Systems to report and monitor whether employees were meeting their goals on a biannual and sometimes daily basis. Computer systems to order supplies, facility repairs, submit ideas, request reassignment, plan your retirement and to train employees. However, like any systems deployment in the history of the Postal Service, each came with unforeseen impacts at the field level.

“eIdeas” was a system for submitting employee ideas to improve the Postal Service--a process that had once required a form with multiple copies and typewritten responses. eIdeas was promoted as being always available and easy to use (USPS, 2005e). In November, 2004, I gave eIdeas a try. After logging on to my computer system, finding the application and filling out the prerequisite information, I began to type my idea into the screen blank provided. I composed my idea online but after nearly an hour of work the computer froze and I lost all I had input. I called the IT department hotline and after several minutes, I was told that many web based applications would “time out” a user if you didn’t progress through application screens. Ideally, you should write the narrative of your idea in one program, enter eIdeas and then cut and paste the verbiage. Without time left in the day to start over, I resolved to compose my idea later. It was nearly a week later until I found the time to accomplish my submission in eIdeas.

Fortunately my typing and computer skills were sufficient enough that it took far less time and I had time in my day to submit an idea through the system, but I considered that in many EAS field supervisory positions this was not reality.

Given that my idea impacted the Headquarters facilities unit which had taken over my prior duties during consolidation; it required their review based on their knowledge of the subject area and authority to implement the proposed change. However, my new position was assigned to the operations unit at the Area and the eIdeas system required that the idea be routed to my direct line of managers--who had never worked in the facilities department and had no authority over their work. I eventually received a telephone call from my manager informing me that they believed the idea looked good, but they had no way of electronically routing it to another department outside of their own for evaluation. The eIdeas system was also automatically sending email messages to my manager's, manager telling him that he had failed to complete the eIdea evaluation. Eventually my eIdea was routed to the human resources department and two years after submission of the eIdea, it was evaluated. A human resources employee had worked around the eIdeas system and submitted the idea by email to the facilities department (eIdeas, notification, January 4, 2007).

IT transformation also provided training on line. It was an initiative that eliminated travel and instructor costs. One day I found a notice in my email that everyone in my unit was required to complete online Reasonable Accommodation Awareness Training for Postal Managers. I was no longer a manager of a unit and I had no impact on reasonable accommodation of employees as an Environmental Specialist, but the training edict was mandatory and could be counted toward the Pay-for-

Performance goal requiring that every employee received a yearly mandated amount of training. I made time in my schedule to log on to the system and then sat and read through 54 screens on the subject of reasonable accommodation. At the end, my name was automatically submitted as having completed the training and the goal was met, but the time had realistically been of no value to the organization. Like many of my peers, I soon learned to simply skip through the screens of mandated online training to get it done and counted, however, the training systems soon required employees to complete on line tests at the end of each section. When Conflict Resolution training went to an online training system, requiring no personal interaction with another person, it was a strong statement of just how strongly we valued computer systems to cut workhour costs. In an organization with a history of workplace violence and research suggesting Postmasters, managers, and supervisors needed training to develop interpersonal skills, there was reliance on an IT system to provide this needed organizational change (USPSCSSW, 2000).

The credo of the Chief Technology Officer was to standardize, centralize and simplify everything the department could do with computers (Kersten, 2005). However, the numerous systems required support positions in the field at the same time administrative positions were being consolidated and workhours cut. This, in turn, pushed more systems support duties down to line functions. One NAPS officer, who spent his entire career in operations and who had not balked at administrative downsizing in the past, admitted that he could now see the complexity of regulations and systems that support people navigated on a regular basis. He also noted the impact of their



elimination, “One fewer person in Support means one more job those of us in Operations are going to have to do” (Killackey III, 2007b, p. 21).

The reaction to the proliferation of systems in the workplace was not a solitary opinion. Postal Service employees voiced their concerns with supervisors who were constantly sitting in front of computers and using computer programs to determine their work load (PCUSPS, 2003; Rolando, 2006; Postal Missteps, 2007). But the same concerns also came from Postmasters, managers and supervisors. One Postmaster from Colorado wrote, “USPS has embraced automated technology at such a fast pace that it would make most companies go into a tailspin momentarily just because of the ever changing environment” (Reeve, 2007) The national Vice President of NAPUS wrote:

The Postal Service now possesses countless systems, processes, computer generated analysis, graphs, charts and data that bombard us on a daily basis. They have the ability to scrutinize and analyze individual routes from Headquarters, the area, district and other post offices. Truly, Big Brother has arrived! Honestly, I always liked the fact that my superiors didn’t micromanage me and allowed me to do the walking and talking in my office. But those days are long gone . . . .

Employees, unions and management associations are “fed up” with the continual barrage of requirements, reports and service talks . . . . (Pehel III, 2007, p. 6)

When I read this statement, I thought once again about Iron Man. Decades before, he had found the transformation from the Post Office Department railway post office to a mail processing facility, with its constant mail counts, reports and automation personally intolerable. He too became “fed up.” Perhaps, as suggested by the Postmaster General, “The story of the Postal Service is a story of transformation” (USPS, 2003, p.

i.). However, I suggest that the understanding of what transformation changes depends on when and where you are within the organization.

### *Epilogue to the Transformation Plan of 2002*

Recent history suggests that the “crisis” that promulgated the Postal Service’s call for legislative reform and lead to their unwilling publication of a *Transformation Plan*, was not realized and perhaps did not result favorably for the Postal Service leadership.

By 2003, internal transformation communications in the Postal Service began to have a different tone than the communications suggesting a looming crisis just three years prior. In a *Newslink* article, Postmaster General Potter noted that “USPS has a 225-year history of transformation . . .” and that “The Postal Service is running well . . . and reduced through attrition our career complement by 60,000 since 1999 . . . . But the Postal Service doesn’t have the same pricing flexibility as our competitors . . .” (USPS, 2003f).

In October the inception of the telemarketing do-not-call list dealt one blow to alternatives for direct marketing. By December, the President signed the Can Spam Act of 2003, which restricted another advertising option. In the same month, the Postal Service reported that catalog sales had “grown from \$77 billion in 1997 to a projected \$133 billion this year . . . . Internet sales have grown from \$2.2 billion in 1997 to a projected \$41 billion this year” (USPS, 2003a). The Postal Service ended the year with a \$3.9 billion surplus, its first since 1999, and used the money to pay down debt. The major contributor to the surplus was a statutory change that allowed the Postal Service to make smaller payments to retirement accounts, but \$900 million of the savings were attributed to cost cutting and increased productivity (Postal Service Closes, 2003).

In 2004, the Postal Service posted another \$3.1 billion net income, paid down their debt to the lowest level in 20 years and for the first time since 1971 ended a fiscal year with positive retained earnings. The 2004 Annual Report stated, “Our success is tied to the strategies of our *Transformation Plan*” (USPS, 2004b, p. 5). However, as noted by the *Transformation Plan*, mail volume growth slows during economic recession and had mirrored the growth of gross domestic product (GDP) since the early 1980s (USPS, 2002a). GDP growth had dropped from 4.5% in 1999 to .8% in 2001--and so had mail volumes. GDP rebounded sharply to 1.9% in 2002, 3% in 2003 and 4.4% by 2004 and so did mail volume (Chart, 2004). In 2004, mail volume grew by nearly four billion pieces, but the growth was in advertising mail and packages. The traditional First Class, Priority and Express Mail volumes all fell along with periodicals (magazines).

Inside the Postal Service, some other 2004 statistics suggested alternate impacts of the *Transformation Plan* strategies. Headquarters increased employee staff by 58% from 1,712 positions in 2002 to 2,708--a number even higher than when Runyon had arrived in 1992. During the same period, field employees were reduced by 6% from 742,792 to 696,951 positions (USPS, 2004b, p. 54). They also increased the number of contractors who were supporting programs. In May, 2005, Postmaster General Potter issued a letter to Headquarters personnel instituting a Headquarters hiring freeze and supporting the reduction of programs (Davidson, 2005a). His letter stated:

The Postal Service has launched many new program initiatives over the past few years. I am sure that not all have been successful. Those that have not met your expectations should be eliminated as soon as possible . . . . Today there are over 1,000 contractors reporting to work at Headquarters. (PMG Announces, 2005)

The statistics supported that Headquarters grew while field managers, supervisors, clerks, and carriers were being reduced at a time when deliveries increased and mail volume was rebounding.

Outside the Postal Service, concern grew over the direction of transformation and its progress. In January, 2004, the GAO presented a report that, in part, suggested that Postal reform needed to address the following:

- A redefinition of the Postal Service mission to limit the Postal Service from engaging in unprofitable and costly endeavors and ensure continuity of the mission when management changed.
- Improve the qualifications of the Board of Governors members to those needed to oversee a large business--like operation and ensure that better governance, transparency and accountability mechanisms are established.
- Provide rate setting flexibility, but balance it with independent oversight (Postal Regulatory Commission) that encourages the Postal Service to provide better cost data.
- Reform removing the Postal Service's obligation to pay for a veteran's entire retirement, including the military retirement portion, when a retired veteran is employed by the Postal Service and then retires from the Postal Service (GAO, 2004a).

Limiting the mission and entrepreneurial endeavors was a response to the entrepreneurial efforts of Runyon. Improving the Board of Governors was a repeated finding from the NAPA report, but accountability was now an added element. Changing the rate process was also a NAPA suggestion as was the improvement of cost data to

support the rationale for rate cases, however, the increased power of the Postal Regulatory Commission over the Postal Service was a legacy of the *Presidential Commission Report*. Of all the suggestions for reform, only the veteran's retirement portion would have been perceived as advantageous to Postal Service leaders.

Months later, the GAO (2004b) followed the reform report with another report that was critical of the *Transformation Plan* strategies for retail. It was entitled *U.S. Postal Service: USPS Needs to Clearly Communicate How Postal Services May be Affected by its Retail Optimization Plans*. Citing the verbiage of the retail strategies in the *Transformation Plan*, the report noted that the Postal Service had set an objective to “tailor retail services to the individual needs of communities.” Part of this consideration was the consolidation of post offices located close to each other. Noting that customers were generally satisfied with their postal services, the report also notes customers had raised concerns when any of the services were to be eliminated. Also, customers, postal employees and Congress had concerns over the limited communications regarding the specifics of retail plans. The report suggested a need for “improved communication and collaboration with affected stakeholders” (GAO, 2004b, p. 4).

Fiscal year 2005 would also be a banner year for the Postal Service and *Federal Times* reported that talk of the “death spiral” at the Postal Service had been replaced with refrains of “Happy Days are Here Again” (2005: Financially, p. 3). Volume continued to increase and the Postal Service completely eliminated all its debt while still posting a \$1.4 billion net income. Advertising mail and packages continued to grow, while first class mail and periodicals continued to decline. Priority and Express Mail showed their first growth in years.

Headquarters reduced 54 positions in Washington, but increased over 900 positions in Headquarters field support units like the FSOs. The field reduced another 3,500 positions with most coming from field clerks and administrative staffing (USPS, 2005b). Postal Service communications reported that transformation had worked and “The future of USPS remains strong” (USPS, 2005g; USPS, 2005k). The same communications cited numerous reports that direct mail was growing, being read more, and just as likely to be read by the Internet savvy Generations X and Y (USPS, 2005c; USPS, 2005f; USPS, 2005d, USPS, 2005h). The Internet, which had previously been perceived as a threat, had created eBay, who delivered the Postal Service more than \$1 billion in new revenue (USPS, 2006a). The legislation limiting direct marketing venues, the improved economic business cycle and the Internet opportunities combined to increase Postal Service revenues, however, it was the consolidation of mail processing centers, driven by the *Transformation Plan* strategies and supported by the *Presidential Commission Report* that had yet to occur. These strategies had listed major cost reductions in the form of employee work hours. They were by far the most challenging strategies suggested in the *Transformation Plan* for implementation. They promised internal system disruptions and challenges for Postal leaders as automated systems and mail flows were destabilized.

In April 2005, the GAO (2005) wrote the critical report entitled *U.S. Postal Service: The Service’s Strategy for Realigning Its Mail Processing Infrastructure Lacks Clarity, Criteria, and Accountability*. The report noted that the Postal Service had promised in its *Transformation Plan* to become more efficient by standardizing operations and reducing excess capacity. It noted that the Postal Service had issued

various plans and strategies, which were unclear and limited in their communication throughout the years following the *Transformation Plan* and had failed to respond to external criticisms.

In the Postal Service's response to the GAO, it stated in part:

The reason underlying the changes to the system, both historic and present-day, has remained the same: to ensure that the Postal Service continues to deliver on the universal service . . . . This process is a continuation of our strategic efforts over the past several years to improve service while controlling costs in our core functional areas--retail and delivery, processing and distribution, transportation, and administrative operations. (p. 82)

The "business as usual" response was in line with other communications now suggesting that the Postal Service was always transforming. However, the verbiage more closely supports a position that the Postal Service had not desired true organizational transformation--but rather to transition. Supporting this idea of continual transition as opposed to transformation, the Postmaster General stated on several occasions, "USPS has a 225-year history of transformation . . ." and "The story of the United States Postal Service is a story of transformation" (USPS, 2003x; USPS, 2003).

In the closing paragraph of the Postal Service's 2005 response to GAO, it further supported the definition of an organization simply transitioning to changes in the environment when it stated, "No one can accurately and reliably predict how the hard copy communications and package delivery industry will change in the next five to ten years. While some broad trends are certainly discernable, it is not possible, with the degree of specificity we would need, to say now what the optimal mail processing and

delivery infrastructure should look like a decade from now. Our only recourse is to continuously examine the network for inefficiencies and redundancies, standardizing the best operational practices, and where cost-effective and operationally sensible consolidating functions” (GAO, 2005, p. 83). The initiative for legislative changes to the rate making process had become entangled with the plant consolidations and proposed legislation had taken a political turn in 2005 that was not supported by Postal leaders.

By late 2005, Postal Service leaders were openly and aggressively opposing the legislative reform. Postal Service leaders supported the elimination of the funding obligation for military veterans under new legislation, but several sources suggested that the larger issue was the redefined mission, accountability, and authority role of the new Postal Regulatory Commission that was also being considered. Richard Strasser, the Postal Service’s Chief Financial Officer, complained publicly that the current reform bills would be disastrous to the Postal Service and “transfer the authority and responsibility of running the agency to an outside regulatory body . . .” (Davidson, 2005b, p. 15). The Postal Service Vice President of Public Affairs and Communication wrote, “From the beginning of this process years ago, all parties agreed that the goal of reform was to fix the cumbersome and time-consuming postage rate-setting. However, the pending bills don’t necessarily fix it and they add a new layer of bureaucracy, creating a superregulator with authority over every aspect of USPS operation. We are asking for clarity between the responsibility of management and the responsibility of the regulator. It is plain on its face that an entity must have authority over issues for which it is held accountable” (Jaffer, 2005, p. 28). It appeared that reopening the organizational boundaries to the



political process, which had been closed by the Postal Reorganization Act, had brought much more than expected.

On Tuesday, January 24, 2006, Senators Susan Collins and Thomas Carper circulated their amendments to S. 662 to the postal community. After more than a decade of work, it appeared that Postal Service legislative reform was ready to become a bill. However, on Wednesday, January 25<sup>th</sup> Postal Service leaders and staff spread out among three Senate Office Buildings to distribute literature opposing the legislation and the Postal Service Board of Governors delivered a letter to Senator Collins noting their opposition of the legislation (Postal Smack Down, 2006). In part the letter stated, “there are critical elements missing from this bill, as well as numerous burdensome provisions that would make it extremely difficult for the Postal Service to function in a modern competitive environment” (Davidson, 2006a, p. 13). A *Federal Times* article noted that the Postal leaders specifically objected to provisions of the legislation that would deprive them of the pricing flexibility they desired and also subject them to the power of the Postal Regulatory Commission and open the door to a complaint process (p. 13).

January 26<sup>th</sup> found postal officials facing allegations from the press that their actions had violated the Hatch Act and were perceived as political lobbying--a point strongly denied. In a joint release, Senators Collins and Carper noted of the intense efforts to halt the legislation that, “the Postal Service appears to have sunk to a new low” (Collins & Carper, 2006). Internally, a Postal Service *Newslink Extra*, quoted the Postal Service Chief Financial Officer. He was suggesting a stall of the legislation and that the Postal Service transformation had been partially achieved by cutting costs. “Although there are significant problems with our current business model, there is no immediate

emergency . . . . The Postal Service has done a great job of shedding costs and we don't want to risk cutting service" (USPS, 2006b). As the political process for the new legislation continued, the Headquarters rhetoric turned when another Postal Service officer stated, "Kill is a strong word but, yes, we have now crossed that line" (Davidson, 2006a, p. 13).

Internally, Postal Service management support of transformation had begun to turn as a result of the cost cutting and proliferation of systems. The president of the National Association of Postmasters of the United States wrote, "The Postal Service cut back \$5 billion in the Transformation Plan, but we have been cut to the bone. We can't transform anymore. Transformation has lead to mutation" (Davidson, 2006b, p. 16). A NAPS officer wrote:

Our business is to deliver to every address in the country. And we must do this with all the additional duties placed on us by the Postal Service . . . . Where am I going with this? . . . We need to hold accountable those who hold us accountable. (Aceves, 2006, p. 3).

GAO echoed this accountability concern. In July, 2006 they noted that while the Postal Service had changed how mail was prepared and delivered, they had not updated their delivery standards. They also did not measure delivery performance for the growing standard mail--of the most concern to the big mailers--and report it publicly (Davidson, 2006d). The GAO report noted, "Without sufficient transparency, it is difficult for USPS and its customers to identify and address delivery problems, and for Congress, the Postal Rate Commission, and others to hold management accountable for results and conduct independent oversight" (GAO, 2006, p. i.) The verbiage was surprisingly similar to:

Too often . . . the Postal Service issues statements of its performance which, though technically correct, are misunderstood. Its statistics do not measure the full period between deposit and delivery of mail . . . . This fact should be clearly communicated to the public . . . . (NAPA, 1982, p. xxvi-xxvii)

On December 20, 2006, the Postal Accountability and Enhancement Act (PAEA) was signed by President George W. Bush. While it provided the pricing flexibility the Postal leaders originally sought, it limited the rate increases to the increases in the Consumer Price Index. It also separated some services such as Priority Mail and Express Mail into a category called “competitive products” which recognized their competition with the private sector. The Postal Service received the ability to set rates more quickly, earn a profit and it eliminated the veterans’ retirement obligation. However, the legislation also brought more internal oversight from the new Postal Regulatory Commission and accountability for Postal Service leaders. Perhaps most importantly and least publicized, the organization lost some of its ability to write its own plan for the future.

PAEA placed a portion of the responsibility for systemic organizational planning for the Postal Service in the outside hands of the critical GAO. Section 710 of the PAEA, requires GAO to prepare a report that builds upon the *Presidential Commission Report* and evaluates the long-term strategies for structural and operational reforms of the Postal Service. The report, due by 2011, must ensure that each strategy identifies effects on universal service, the Postal Service, mailers, postal employees, private companies and the general public. Each strategy must also address the financial effects on the Postal Service, postal employees, the Treasury of the United States, mailing consumers and

other affected parties. Each strategy will have procedural steps and timelines for the implementation of the strategy. As matters to consider, each strategy must also:

- Address the human-capital challenges facing the Postal Service, including how employee-management relations within the Postal Service may be improved;
- Optimize the postal infrastructure, including best methods for providing retail service and convenience to customers;
- Ensure the safety and security of the mail and postal employees;
- Minimize areas of inefficiency or waste and improve operations involved in the collection, processing and delivery of mail;

In essence, the GAO will write the next transformation plan for the Postal Service.

Soon after the PAEA was signed, the GAO removed the Postal Service from its high-risk list, citing two reasons. First were the cost savings, improved productivity, downsized workforce and improved financial reporting achieved from the Postal Service *Transformation Plan*. Second was the law Congress had enacted to reduce the Postal Service's annual pension expenses in 2003 and the PAEA, which, "can be used to address key challenges facing the Service as it moves into a new regulatory and increasingly competitive environment" (GAO, 2007, p. i). Internally, the Postal Service called the removal from the high-risk list a "Transformation Success" but in a matter of weeks, the Postmaster General was urging the nation's 7,000 major mailers to work together with the Postal Service under the new law to shape the Postal Service for the 21<sup>st</sup> Century (USPS, 2007c; USPS, 2007d; USPS, 2007e). The APWU, along with the Consumers

Alliance for Postal Services, filed suit under the Federal Advisory Committee Act challenging that secret policy making by the Mailers Technical Advisory Committee and the Postal Service was being conducted without open public meetings (APWU sues USPS, 2007).

In the same month as the APWU suit, the mail service in Chicago was once again in the public news. Representative Danny Davis of Illinois, chair of the House Postal Oversight subcommittee, conducted field hearings to understand the underlying causes. Seasoned field Postmasters, managers and supervisors from across the country were sent to the major mail processing facility in Chicago to address the huge “fix-it problem,” train employees and address why, once again, their internal systems were failing (Moyer, 2007).

## CHAPTER V

### DISCUSSION OF FINDINGS

#### Introduction

The purpose of this research was to investigate transformation in the Postal Service, the strategies adopted for transformation and the reasons for their selection. It also considered the perceived organizational impacts of transformation on the internal workplace of Postal Service Postmasters, managers and supervisors in the field. Levy and Merry (1986) suggest that transformation is a *planned* multidimensional, *multi-level* radical organizational change that originates from *within* an organization by a decision to improve its function.

While this case study is dedicated to the internal changes in the Postal Service, part of the story is that the Postal Service, while wanting legislative reform to partly change their internal functions, initiated an external process leading to the Postal Accountability and Enhancement Act. Whether this legislation is the beginning of a transformation of the Postal Service based upon Levy and Merry's (1986) definition, somewhat depends on whether the Postal Service today stands alone in its ability to internally plan its change--or whether the organization is now part of a larger government network model with various stakeholders who have the ability to plan and influence the internal changes of the network.

As the evolution of the Postal Accountability and Enhancement Act played out external to the Postal Service during the time of this study, it was the purpose of this research to tell the story of the internal transformation of the Postal Service. Further understanding of the Postal Accountability and Enhancement Act, and how it changes the

Postal Service or the government network created during its legislative process, must be left to future research.

Understanding government transformation is important to public officials who are faced with the problem of replacing the baby boomer generation of middle managers and supervisors who are currently eligible to retire in the Postal Service as well as other government agencies. Understanding how transformation has changed the government workplace is equally important to those who may fill the vacant positions. This chapter is written for this audience who will find the most value from this case study.

Long and Franklin (2004) noted that many questions remain concerning transformation policies.

How do bureaucrats implement these policies? Do they adhere to the spirit of the policy . . . . Or, do they internalize the implementation process to meet organizationally specific and self-serving needs? Case studies addressing these questions would prove useful to the vast body of the implementation literature.

(p. 310)

This research adds to that body of literature and provides the constructed reality of transformation as viewed by Postmasters, managers, and supervisors in field operations of the Postal Service. This reality was constructed from case study research methodology that sought an understanding of transformation from the perspective of people who experienced it, rather than the perspective of those who planned it. It ensured through case study quality criterion that their perspectives on the phenomenon had not been misrepresented (Guba & Lincoln, 1989). It provides a unique perspective that qualitative research and the hermeneutic process can provide to the body of literature.

While the research is unique, some of the findings are not. They suggest the Postal Service followed transformation steps suggested by transformation authors. Many of the transformation strategies selected were noted to be prevalent by research after the National Performance Review (Brookings Institution, 1994; Heckman, Heinrich, & Smith, 1997; Thompson & Ingraham, 1996). Because these similarities exist, this case study has application to other government organizations and researchers who wish to further understand the evolving history of transformation in the public sector. It also has applicability for other government organizations given their adoption of systems thinking based upon the theoretical foundations of systems theory.

Today the Defense Department, NASA, National Cancer Institute and other government agencies have adopted systems thinking (Friel, 2003). “Systems thinkers contend that understanding the system you’re in is more important than changing it. Sometimes awareness itself can get people to act differently. At other times, systems must fail for people to change” (p. 42). Understanding an organizational system and its multi-levels using systems theory seems essential for any government leader today who wishes to transform their organization and understand possible multidimensional impacts of their decisions. This case study suggests a systems theory approach to categorize and analyze multiple organizational levels that can be of benefit to other government entities.

### Findings of the Case Study

The Postal Service became an independent establishment of the executive branch of government under the Postal Reorganization Act. In theory, this was intended to move it closer to the private sector attributes of operating in a business-like manner, but from the beginning the new model was challenged by the legacy of being part of government



(Conkey, 1983; NAPA, 1982; Tierney, 1981). The organization was somewhere between the regulations of the public sector, the culture of a government institution and the operating principles of the private sector. In the late 1990s the Postmaster General once again sought legislative reforms to no avail and in 2001 Postal Service leaders capitalized on the crisis of reduced mail volumes and revenue to once again call for legislative reform. These actions of Postal leaders lead the Government Accountability Office to call for a Postal Service *Transformation Plan* and the eventual signing of the Postal Accountability and Enhancement Act (PAEA) of 2006. Transformational strategies and systems theory helps to provide a method of analysis so that readers may understand this complex organization and how it transformed during the last three decades of its history.

The three principle findings supported by this study are:

1. The events leading up to the Postal Service's 2002 *Transformation Plan*, support that the Postal Service was seeking legislative reform in 2001 and not organizational transformation. By following transformation stages suggested by authors, the Postal Service opened their organizational boundaries and stakeholders in a government network model guided a process that resulted in the PAEA in 2006. The PAEA did not match the Postal Service's vision of change and future transformation of the Postal Service facilitated by the PAEA and the government network model that evolved, remains a possibility.
2. The Postal Service *Transformation Plan* followed patterns noted by the National Performance Review and a broader historic pattern of deploying performance systems and technical fixes (PSTFs). At the

Postal Service field level, PSTFs transformed natural model social units into rational models within a closed system. Prevalence towards PSTFs has had both positive and negative implications for the organization.

3. Understanding how the Postal Service transforms, its history and systems theory provides understanding of their multidimensional internal organizational challenges at multi-levels. Rationalized systems often conflict with natural systems, threatening unity in the organization.

#### *Finding Number One*

This case study reinforces that transformation in government organizations remains a phenomenon to be defined and understood. Speaking to this issue in *Government Executive*, Gregory Foster of the National Defense University wrote:

Another example of hyperbolic overkill is our incessant reference to “transformation,” . . . . To hear the lords of punditry tell it, transformation is all around us; society’s most parochial institutions are said to be undergoing revolutionary upheaval . . . . Change is what’s going on all around us, not transformation. Transformation isn’t just garden variety, incremental change. It’s a leap to an entirely new level of existence. (Foster, 2003, p. 90)

Three years later Clark (2006) noted, “Transformation is a term that’s applied more and more to describe the internal reforms under way across all government” (p. 8). This confusion, misapplication and proliferation of the term transformation also occurred in the Postal Service.

In 1994, GAO noted that “The change he (Runyon) is seeking is a transformation from an “operation driven, cost driven, authoritarian, and risk averse” culture to one that is success oriented, people oriented, and customer driven” (GAO 1994, p. 26). In 1998, Postmaster General Henderson acknowledged continuing this transformation when he stated, “We continued the transformation Postmaster General Marvin Runyon began in 1992 and led through May of this year when he returned to private business” (USPS, 1998a, p. 3). Less than four years later, the Postal Service was once again announcing a transformation under a new plan.

One Postal Service document stated, “Central to our plan is transforming the Postal Service into a more businesslike organization-a Commercial Government Enterprise-while keeping it dedicated to its core mission of universal service” (A. S. Jaffer, Undated letter to all employees), another document stated, “Transformation. It’s the wave of the future. It’s defining how we’ll do business over the next five years--and beyond. It’s about generating revenue, reducing costs and improving service” (Hitch a Ride, 2006, p. 1). Still another document simply stated, “Improving efficiency--that’s transformation!” (Project Eagle, 2003) and one, “The story of the United States Postal Service is a story of transformation” (USPS, 2003d, p.i).

Internal Postal Service documents such as those cited above, support that the definition of the term transformation ranged from changing to a new type of government organization, to operating efficiently and simply doing what the Postal Service had done for years. The term transformation had several meanings for the Postal Service, was used constantly and soon came to describe almost any change. One document stated, “Engaging employees, developing and managing talent and increasing involvement at all

levels of the organization, is more than Transformation Plan rhetoric” (Van Allen, 2006 p. 7), while another noted, “Transformation. It’s a word you’ve heard hundreds of times over the last three years . . . . It’s about change” (You Can’t Have, 2005). Postal Service leaders would eventually state, “The Postal Service has entered a period of *accelerated transition*. This will require flexibility, innovation and focus to continue achieving our *transformation* goals within the context of the *significant changes* required by the new postal law,” (Potter Names, 2007). This case study provides an explanation for why the Postal Service had so many different definitions and views of transformation.

The organizational changes brought about by Postmaster General Runyon during his tenure, met every academic definition of transformation. The Postal Service changed its logo and signage on facilities, vehicles and uniforms. It split mail processing operations from customer service operations. It downsized and restructured management and then established one of the first Pay-for-Performance systems in government. It changed the official title of window clerks to Sales and Service Associates and moved the organization a step away from the government mission of providing citizens service and a step closer to a private sector operation of proactively selling products and services to customers. It was “a radical change in outward form or inner character” (Burns, 2003, p. 24), “a drastic reshuffling in every dimension of its existence: its missions, goals, structure and culture” (Levy & Merry, 1986, p. ix) and it was originated and planned from within the organization (Lippitt, Watson, & Westley, 1958). As evidenced by the documents of the time and statements thereafter--it was a transformation. Its implementation and impacts continued throughout the organization in 2001--even though a written plan was not clearly evident. This fact begs the logical question of why the

Postal Service sought another transformation while still working through the last transformation. This case study supports that they did not seek a transformation in 2001.

The Board of Governors letter to Congress in March, 2001 was a continuation of Postmaster General Runyon's attempts to change the Postal Service's regulatory framework guiding postage rate increases, introduction of new mail services and labor contract arbitrations--an unsuccessful legislative process that had raised Postal Service hopes in 1996 with a bill introduced by Representative John M. McHugh of New York (McAllister, 1996). These were elements the organization had not controlled since the Postal Reorganization Act. The March, 2001 Board of Governors letters to the President, the Chairmen of the Committee of Governmental Affairs and the Committee on Government Reform, noted that actions under the PRA had "transformed" the organization in the past, but the letters, reaching outside the organization to instigate legislative change for the Postal Service, are one key point to understanding this case study. In response to the letters, the GAO used the term transformation and requested the Postal Service present a transformation plan, with stakeholder input and internal accountability (USPS, 2001c, Appendix A). Stakeholders included employees, unions and associations, but also external stakeholders such as major mailers and customers.

The differences in the understanding of the needed change was apparent in the Board of Governors [reply](#) letter of May 15, 2001, which consistently eschewed the GAO term transformation, with its requirement of plans and stakeholder input, in favor of the term "reform." In the end it was the GAO definition of transformation, supported by Congress that required the Postal Service, perhaps reluctantly, to prepare a transformation

plan. While it promised to “forge a new and modern business model for an institution” this research supports that it was a transformation plan only in name (USPS, 2002a, p. i).

Bozeman (2000), discussing bureaucracy and red tape, suggests a balanced approach to “reform” that includes efficiency, accountability, performance, and fairness strategies. The Postal Service *Transformation Plan* initially selected similar strategy titles of efficiency, performance, growth/value, and enabling strategies, and openly discussed the need for legislative reform--absent from the plan were fairness strategies.

Future researchers may come to see the Postal Services’ wrangling with a clear vision of the organizational change they sought as a critical point in their organizational history. By going outside of the organization to seek legislative reform, Postal Service leaders opened the organizational boundaries that had been closed under the PRA. Don Kettl suggested that administrative boundaries for other government agencies sought a power shift from Congress to the bureaucracy under the NPR (Brookings, 1994). But for decades, the Postal Service already had a degree of autonomy as their funding and operations were not scrutinized annually by Congress in the federal budget process. They had a monopoly granted by the private express statutes and freedom in procurement and contracting. As suggested by Conkey (1983) the Postal Service was an afterthought of the executive branch and the Postmaster General had more power to operate internally than most executives in government. Opening the doors to federal legislative reform created an opportunity for Congress and external stakeholders to become part of the organizations change--and to make the boundaries fuzzy. This research supports that the GAO, Congress and the major mailers perceived the Postal Service as part of a government network model where “individual aspirations of the participants must be

carefully aligned both with each other and with the broader goal” (Goldsmith & Eggers, 2004, p. 125).

Seeking change, the Postal Service leaders may have facilitated the transformation of their organization to a government network model which will be further defined under legislative reforms in Section 710 of the PAEA. As evidenced by the passage of the PAEA, and increased power of the Postal Regulatory Commission, the government network model that emerged during the legislative change process, replaced one structure of power with another. Based on Rousseau’s (1995) definition of the term, this was transformation, but it was not a transformation Postal leaders planned or supported. Further research would be required to understand if the transformation from a closed system model created by the PRA to a government network model with boundaries that will become clearer under the PAEA, was what the stakeholders in the broader government network environment had planned. This research supports that it was not what Postal Service leaders had envisioned. They eventually opposed the passage of the PAEA and suggested that the Postal Service would be better served under the existing organizational structure and regulatory model given by the PRA. It was surely not as they planned, or perhaps the planning had failed.

This research supports that the Postal Service, who had a history of difficulty in planning and operating with the politics of the open systems environment, also launched their change effort without a clear vision of the change needed. Bozeman (2000) stated that, “Bureaucratic reform efforts often are too eager, too ambitious, and not well thought out” (p. 2). Several authors have provided literature regarding the various steps for

transformation or reform. These provide a basis for further analysis of the Postal Service case study.

An early step many authors suggest is necessary to transformation either in the private or public sector, is creating a sense of urgency, or “creating the crisis.” Combining the loss of first class mail with the proliferation of the Internet, and the downturn in the macro economic business cycle, a sense of urgency was established for the Postal Service. Promoting these difficulties eventually resulted in the Postal Service’s placement on the high risk list of the GAO--a list that indicates an organization needs “broad-based transformation to address major economy, efficiency, or effectiveness challenges” (GAO, 2005a). However, the urgency of the crisis was soon dissipated. Within two years, there was a dramatic change in the financial stability of the Postal Service. Mailing opportunities were found partnering with new companies based on the Internet, federal legislation reduced the direct marketing competition of telemarketing, advertising mail volumes hit new records as the economic recession abated and the removal of Postal Service funding of military retirees all contributed to providing some of the most profitable years in Postal Service history. The crisis that was touted in 2001, real, misunderstood or misused, served the purpose of gaining an external stakeholder audience and agenda for the Postal Service--even after the crisis seemed less threatening.

When changing public policy, Behn (1978) does not advocate creating a crisis. His first step warns leaders not to float trial balloons. Behn notes that a trial balloon suggesting termination of any public policy does not produce positive results and quickly mobilizes those with a vested interest in the termination. In the case of the Postal



Service, a trial balloon was launched when the Postal Service Board of Governors wrote a letter to the President and Congress, seeking “transformation” of the rate setting process and labor arbitrations. Another balloon was launched with the *Outline for Discussion*, another with *The Report of the 2001 Mailing Industry Task Force* and still another with the *Transformation Plan*. The external stakeholders of the Postal Service, including Congress, the GAO, major mailers and trade associations had vested interest and access to the political process of introducing federal legislation. This was nothing new. But the internal Postal Service stakeholders of labor unions and management associations, who were marginalized under the closed system, gained access to the same politicized federal legislative change process now occurring in an open environment. The externally generated GAO reports and the *Presidential Commission Report* would all eventually shape the PAEA in the political process, but so would the consistent legislative briefings conducted by the unions, Postmasters and Postal Service Supervisor associations.

Several transformation authors suggest that planned change requires the involvement of guiding stakeholders, coalitions, or constituents. Kotter (1996) notes that after having failed to establish a sense of urgency, the next reason transformations efforts fail is from the inability to create a sufficiently powerful guiding coalition. What Kotter also notes is that change efforts that lack a powerful and coordinated guiding coalition, will eventually end up in behind the scenes struggle for self interest. This too was evident in the case study of Postal Service transformation.

As predicted by Conkey (1983) and Vittes (1983) major mailers and organizations comprising the Mailing Industry Task Force were powerful members of the guiding coalition, but were promoting soon the Postal Service transformation as a transformation

of the entire industry--something consistent with the perspective of a government network model. However, the Postal Service *Transformation Plan* was sourced internally from Postal Service bureaucrats who would naturally seek preservation of their self interests (Downs, 1967). The result was a *Transformation Plan* that lacked impartial treatment, or fairness as suggested by Bozeman (2000), as strategies targeted a reduction of field employees to achieve cost savings. As noted by Bridges (1991) and Biggart (1977) these stakeholders were the losers in the proposed transformation and in its destructive process. Bridges (1991), Rousseau (1995), Behn (1978) all supported psychological transformation models that suggested that after identifying those who have the most to lose in change, and validating the urgency of the change, compensation for their losses is important to mitigate negative reactions during the change process. The only compensation that was offered in the field was increased pay through the controversial Pay-for-Performance system for management.

The stakeholders from inside the Postal Service entered the behind the scenes struggles facilitated by entering the political environment. Labor unions fought plant consolidations with picketing, media, and by mobilizing contact of politicians. Postmaster and Postal Supervisor associations, though more limited in their activities, fought small post office closings and consolidations by providing information to politicians within the bounds of the Hatch Act. The Postal Rate Commission supported increasing their oversight ability in various venues.

All stakeholders had different visions of the Postal Service transformation. No one guiding coalition held complete power, and all who had access to the political process would eventually find portions of their viewpoints reflected in the PAEA--but not

all of them. As evident by the eventual Postal Service leadership opposition to the PAEA, they were not able to create a guiding coalition powerful enough to overcome their oppositions and promote their constantly changing vision of transformation, reform or transition. The process had begun without a clear vision of the transformed Postal Service that a powerful guiding coalition of stakeholders could agree upon.

Kotter (1995) writes:

Vision plays a key role in producing useful change by helping to direct, align, and inspire . . . . Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible, and time consuming projects that go in the wrong direction or nowhere at all. (p. 7)

The Postal Service did not enter the change process seeking organizational transformation or with a well developed vision of the future Postal Service Commercial Government Entity that could be communicated clearly too all the stakeholders. The trial balloons, even with marginalized employee input, produced different visions and the *Transformation Plan* strategies included incompatible goals and time consuming projects. However, the most notable strategies were those centered around automation deployments and the evolutionary network re-designs and eventual consolidations of mail processing plants.

These *Transformation Plan* strategies which promised massive labor cost reductions within the Postal Service caught the attention of major mailers who sought reductions in mailing costs. The Presidential Commission and the GAO, pressured the Postal Service to move quickly in their planning and implementation--something the Postal Service just could not do. Some of these strategies were still in research,

development and testing, while others would require massive capital investments for the equipment and expansions to buildings. Some automation strategies would have the destabilizing impacts on service that the initial deployment of automation had historically had on mail flows and processes in plants.

The Postal Service's internal difficulty of planning, coordinating and understanding the multidimensional and multi-level impacts of these strategies, was not understood externally and the plans for their timing and deployment constantly changed. To the GAO who sought the radical change, clarity and timeframes expected of their vision of a transformation plan, this was a sign Postal Service leaders lacked accountability. To the Postal Service, these strategies were a continuation of the decades old strategy of moving mail from manual to automated processing through gradual and incremental transition--not radical transformation.

Eventually, the term transformation, and the *Transformation Plan*, changed for the Postal Service. Internally the Postmaster General's star was developed to represent the transformation strategies that had "delivered results." Successes were celebrated as the organization seemingly marched through the steps transformation authors suggested, but the transformation to a Commercial Government Enterprise did not come. The rate process was altered to expedite increased rates, but the offset was a more difficult process of accounting for the costs of competitive products. The Postal Rate Commission became the Postal Regulatory Commission with the power to subpoena Postal Service officers for accountability and the requirement to evaluate the need for a postal monopoly in the future. Labor relations issues were not addressed in the PAEA and the GAO was left to prepare a report of the Postal Service's future business model, as required by

Section 710 of the PAEA. Unknown to the vast majority of United States citizens, one of the oldest government entities, and the one that impacts their lives daily, is still facing a transformation facilitated by an evolving government network model and its participants.

### *Finding Number Two*

One story of the Postal Service's *Transformation Plan* is how it was created and became part of the path to the PAEA, but another is how it affected the internal workplace of Postmasters, managers, and supervisor. The assertion that the plan *caused* an internal transformation of the Postal Service is not supported by this research. The Postal Service did prepare a *Transformation Plan*, but rather than a newly created plan supporting a vision for multidimensional, multi-level radical organizational change, the document was a quickly assembled and hierarchically generated list of Postal Service initiatives and programs already deployed or in development. As one employee suggested, it was assembled like a Headquarters budget call for programs.

Much of the *Transformation Plan* was based upon the decades old strategies of moving mail related functions of collecting, sorting and delivering mail from manual, to mechanized and automated processes to reduce labor costs. Strategies for identifying new customers, to sell new products or services for increased revenue, had been in existence since the entrepreneurial 1980s when the Postal Service established field marketing units.

As suggested by Clark (2006), the *Transformation Plan* also described several reforms that were already under way across all of government. Expanding customer self service, automating record keeping, automated personnel systems, automated time and attendance control, dissemination of information over the Internet, streamlined/

consolidated purchasing, and performance measures were all innovations explored by the reinvention laboratories under the National Performance Review (NPR). Many of the strategies impacting field operations produced teams, procurement reforms, and information technology just as others had found under the NPR (Thompson & Ingraham, 1996). The similarities to NPR did not stop there. Kettl remarked of NPR that while they had a strategy one day, they had a new strategy the next day (Brookings Institution, 1994). This was evidenced by the evolution from a *Transformation Plan* to the Postmaster General's star to a new vision of transition under the PAEA. Goodsell (1993) suggested that the vagueness of strategies under NPR allowed any to be pursued and downsizing instead became the dominant theme. With the 2002 Postal Service transformation, downsizing management was the first action taken, soon followed by an efficiency strategy where the key measure became the elimination of work hours. Even the balanced scorecard initiatives cited in the *Transformation Plan* and born in the popular rhetoric of reinventing government in the 1990s, were considered by the IBM Center for the Business of Government to be a trend transforming all of government. They had started in the Postal Service during the Runyon transformation and simply been carried forward to the new *Transformation Plan*. As suggested by a Postal Service management association officer, the *Transformation Plan* was simply old wine in a new bottle.

However, even without a legitimate transformation plan or original intent to transform, it does not mean that the research definition of transformation as an internally generated change, implemented through a combination of planned strategies and intended to change the system, model, or internal workplace of federal employees did not occur

during the time of the case study. As suggested by the NAPA study, the Postal Service is such a large and complex organization that transformation of individual units large enough to be entire companies in the private sector can be missed in the larger context of the entire system. To be able to assess internal transformation of the Postal Service, one has to start with an understanding of the multi-levels of the Postal Service, the unique units at each level, and how they relate to categories of systems theory.

As a whole, the Postal Service established after the PRA was a uniquely closed system model within government. Easton (1965) notes that, “political life forms an open system” (p. 18) and Downs (1967) notes of a bureaucracy that a “major portion of its output is not directly or indirectly evaluated in any markets external to the organization” (p. 25). Removed from political patronage, tax subsidies and protected by the monopoly provided in private express statutes, the Postal Service avoided the external political scrutiny that many other government organizations face in the budget process. They also avoided many other evaluations from outside the system.

While 26 other government agencies report to the Office of Management and Budget quarterly on their progress in the President’s management agenda, the Postal Service does not. The Office of Personnel Management surveys over 200,000 government employees from 55 agencies every two years, and produces an employee satisfaction report that rates the best and worst places to work government (Kauffman, 2007; Public Shaming, 2007). The Postal Service is not part of the OPM surveys. The Postal Service conducts their own Employee Opinion Surveys and though cited in the *Transformation Plan*, they are not available to the public, even under the Freedom of Information Act. Until the establishment of the Postal Service Office of Inspector

General in 1996, the Postal Inspection Service reported their audits internally to the Postmaster General. Two of the times that the Postal Service commonly found the closed system model opened to the political environment, were during the rate change process and when external arbitrators settled their internal labor issues. It is hard to conceive of a government organization of such size, public contact, uniforms, procedures and history, other than those based in law enforcement or the military, which is closer to the attributes of a closed system model.

Looking deeper into the Postal Service as a closed system model, presents a different level of analysis to understand organizational change. Again, systems theory of rational and natural models in a closed system provides a basis for this understanding. In the early 1970s, many Postal Service supervisors had previously worked under a natural model on trains or in the manual labor functions of the local post offices. With the PRA and advancement of mechanized mail processing, these processes were transformed into rational models based upon principles of scientific management. The Postal Service work floor became a Tayloresque throwback to time and motion study. The letter sorting machine (LSM), with its robotic employees who responded to bells and buzzers and sat silently coding mail, maintained the highly efficient pace set by a machine. The human relations skills essential to supervise in the natural model workplace were no longer as important under the highly structured LSM workplace. You simply standardized the work, rang a bell, and turned on a machine. If the employees failed to show up for work, or failed to code accurately, you issued discipline by established formal procedures. For some, it was the ultimate performance system and technical fix for the workplace.



This highly structured, machine workplace was not significantly different when automated sorting processes arrived during the 1980s. When organizational theorists had turned almost exclusively to considering rational and natural models within open systems by the 1960s, the mail processing plants in the Postal Service were an industrial throwback and becoming highly rational models within a tightly closed system (Scott, 1987). As noted earlier, the Postal Service was externally unique in government with its political isolation creating a closed system under PRA, but it was also unique internally with its highly mechanized and automated industrial engineering processes allowing a deeply rationalized and closed internal system. From the perspective of those who worked in the mail processing plants, it is clear why the closed system rational models fit the internal workplace environment.

The internal human relations challenges and conflicts at this level of the closed and rationalized system were documented by some research, but for the most part, it was the public perception of the small post office and mail carriers that prevailed and the internal struggles in mail processing plants were rarely seen (Conkey, 1983; USPSCSSW, 2000).

Within the closed system of the Postal Service during this internal transformation, some natural models still existed and some still exist today. At the level of the smaller post offices located away from the processing plants, the city and rural letter carriers, along with the clerks and Postmasters met the definition of natural models as, “collectives whose participants . . . engaged in collective activities, informally structured . . .” (Scott 1987, p. 23).

While nested within the umbrella of the larger closed system of the organization, they met customers and interacted with people outside the organization--closer to the attributes of an open system. They often did work outside their job descriptions and made office policy decisions based upon their local situations--but these interactions were not capable of changing the larger organization with its numerous formalized procedures. They gave discretionary effort when the workload required it, and the human relations skills of Postmasters, managers, and supervisors were in more demand. Postmasters protected their employee's jobs and the employees protected their Postmasters. This level of the system relied on performance management and responded with adaptive change (PMACs). When Perrow (1987) described the post office as a loosely coupled system (not highly structured) with linear interactions (repetitive and routine), it was this segment of the Postal Service he must have seen. It could not have been the tight coupling of automation already within the unseen mail processing plants.

By the late 1980s and through the early 1990s transformation would reach another dimension at another level in the Postal Service. The organization began the transformation of city letter carriers in the local post offices from the natural model to rational model. This was facilitated by the automated mail and technological fixes that enabled time and distance studies, measurement of automated mail, more motorized routes and route inspections. Routes became more tightly coupled as carriers would electronically scan their stops to report the exact times they left the office, collected and delivered mail. Gradually, these performance systems and technological fixes (PSTFs) eroded their natural model workplace as the rational scientific management systems constrained their individual discretion on what and how they did work. Like the mail

processing plants before them, individual effort and human relations skills began to diminish in importance.

Window clerks in post offices would also transform as their roles were now perceived as sales agents selling to customers, instead of serving the public. A \$20,000 point of sale unit (POS Unit) counted and timed their transactions, prompted their responses, and scheduled their staffing--it was the LSM for window clerks. The Sales and Service Associates were required to reduce customers' waiting times to less than five minutes, but also mandated to offer phone cards to customers who they knew would never want them. A performance system called Mystery Shopper attempted to ensure their compliance. At the same time, automated postal vending machines were being deployed--a technical fix intended to replace their human interaction in the mail acceptance process.

With each new PSTF for mail processing, delivery or window clerks, the systems grew more tightly coupled and rational, but they also became more efficient in reducing work hours, increasing sales and improving delivery performance--something that the Postal Service touted externally and the public desired. It was government that worked better and cost less. However, systemic knowledge of internal mail flows and the processes of collecting, sorting and delivering mail were becoming less apparent as knowledge of the specific systems and how they each worked in a unit increased. It was one unforeseen impact of an organizational transformation that relied heavily on PSTFs at the lowest levels.

Besides the line employees, administrative staff units within the hierarchy of the Postal Service shared the characteristics of the natural model. I purposely sought out

these units when I moved from the work floor of the mail processing plant to marketing, communications and other units where discretionary effort, personal judgment and human relations skills were required. It was during this period in the late 1980s that Postal Service field management decentralized and *In Search of Excellence* was being read by Postal Service marketing managers as they made the adaptive change to become entrepreneurial. This level would also eventually be transformed by PSTFs.

One of Postmaster General Runyon's first actions was the downsizing of field PCES executives and centralization of control. This was followed by downsizing field administrative support units. With the introduction of the scorecard and Pay-for-Performance for PCES executives and eventually EAS employees by the late 1990s, transformation to goal specificity and rational systems reached another workplace level within the organization. As suggested by Behn (2005) this performance system allowed the Postal Service to, "push the start button and the system does the work.." It was the LSM for field management and supervision.

The Postal Service Pay-for-Performance system was successful in reducing costs and increasing service scores, but it also had many of the workplace effects Behn predicted from performance systems. Postmasters, managers, and supervisors created more reports to answer the computerized systems requests, and telecons replaced the personal impromptu inspections of operations that were once conducted along with performance management coaching (Biggart, 1977). Postmasters, managers, and supervisors rationally focused their time and energy on tasks on their scorecard that they could impact; sometimes to the detriment of other programs not on scorecards or which they felt they could not impact--resulting in unplanned alternative system loops. Soon,

Postmasters, managers and supervisors would try to avoid teams to concentrate on their individual work or they would “pencil whip” forms. These alternate impacts of the rationalization of the field units through PSTFs went unseen within the larger closed system as external audiences saw success in the numbers supporting budget cuts and delivery performance. However, the impacts went beyond the personal level.

Postmasters, managers, and supervisors, as well as EAS employees in staff administrative functions, found their personal discretion of what they did in their workplace, replaced by the corporate goals on the scorecards and Pay-for-Performance. Even when they knew some of their duties, which were not reflected on the scorecards, were more important, or when scorecard duties were out of their control, the scorecards remained. The scorecards were built upon objective measurements sourced from the systems that reported the scores, so many managers became focused not only on the scores--but on understanding the idiosyncrasies and problems with the technology and systems that reported them. For many senior managers, a pay raise or promotion could hinge on being technically able to understand the performance systems that generated scores and manipulating the key variables that produced the quantitative results. They learned to game the system.

This motivated administrative employees to stay within units, tied to the knowledge they had of each units systems. Outside entry of these units gradually became more difficult at the lower levels and the cross level movement once allowed within the organization in the field workplace began to slow. Specialization in a system within a unit became a method of personal job security and advancement. Over time, the senior managers with systemic knowledge and experience in the Postal Service line and staff

functions, who know how each unit operated and coordinated, were becoming a rarity in the organization at higher levels.

Eventually, the mail processing plants were highly automated and tightly coupled mail factories that were linked closely to highly monitored volume arrival profiles, machine throughputs and air and truck schedules. City carriers and clerks faced more standardization and measurement as more PSTFs were deployed to measure their time and activity in each job. Field Postmasters, managers, and supervisors were required to input more information into more systems, constantly learn new systems and make their daily decisions based on how the numbers were viewed by the higher level managers who reviewed the numbers for the scorecards. The loop eliminating senior managers with multidimensional and multi-level experience was perpetuated as field administrative units became more rational in the work they completed, retained more specialists, and found the coordination of activity more difficult as less people understood the organization. Slowly, PSTFs were diminishing the ability to see within the field level of the organization.

When the GAO and Congress called for a *Transformation Plan*, the options for transformation of units left in the field were limited. The transformation strategies that remained narrowed down to historic PSTFs that were represented in existing programs and that led predominantly to the elimination of field jobs to reduce labor costs or to encourage employees to sell more services to customers. The field Postmasters, managers, and supervisors, who were expected to support the deployment of various PSTFs over time, had to face the personal conflicts they caused with carriers and clerks and the often unfavorable and unseen loops the PSTFs created--one of which was

sometimes the elimination of their positions. The potential guiding coalition of field Postmasters, managers, supervisors, and administrators did not find fairness in the transformation strategies or a higher level understanding of the impacts of the PSTFs in their workplace. Through their respective management associations they found unity and like the labor unions, became stakeholders in the behind the scenes struggle for self interests in the open systems political environment of a government network model. In an odd turn, the deployment of performance systems and technical fixes may also have resulted in an unplanned and perhaps undesired adaptive change in the behavior of Postmasters, managers and supervisors in the external environment.

### *Finding Number Three*

Understanding the internal systems of the Postal Service, their history and *how* they have transformed in the past provides another way to understand the Postal Service and how it continues to transform. Over the years, in each separate field unit that was transformed from a natural to a rational model--conflict arose as the informal groups and their social functions were replaced with highly formalized processes (Baxter, 1994; Baxter & Margavio, 1996; Conkey, 1983). These conflicts were most often between field employees and management, but they have begun to appear between the field Postmasters, managers, and supervisors and higher levels of the organization.

Downs (1967) central hypothesis of bureaucracies is that officials will seek to attain their goals rationally, motivated by their self interests but that social functions strongly influence internal structure. Bozeman (2000) notes that, "Bureaucratic failures result when there is a clash between the self-interests of bureaucrats and the legitimate interests of the organization as a whole" (p. 49).

The transformation initiated clashes that began inside the mail processing plants and large post offices, and eventually moved to smaller post offices, within the closed system, were seldom seen by the public and sometimes characterized as being caused by militaristic forms of management by militaristic managers. Instead, this research supports that they were bureaucratic reactions to the changes in the social structure of their workplaces. Heifetz and Linsky (2002) note that technical fixes avoid the difficult conversations and that adaptive change requires leaders to engage people (p. 13-15). However, it was not the leaders of the Postal Service, or Headquarters employees who engaged the field employees who had the most to lose in the times of transformation. It was the Postmasters, managers and supervisors in the field. By the time of the release of the *Transformation Plan* in 2002, they had already faced years of confrontation and conflict.

Downs (1967) law of counter control suggests that the greater the effort made to control the behavior of subordinates inside bureaucracy, the greater will be their efforts to counteract such control. For craft employees, one way to counteract the rational controls was by imposing their own rational counter controls. Through their respective unions, they negotiated individual national contracts and local contracts that were technical, detailed and filled with postal terms not easily understood. These became their own performance systems that would be used to counter management's performance systems-- and the unions helped to create a workplace that became even more highly formalized and rational from another perspective. For years, grievances in the Postal Service increased as this phenomenon grew. In the conflict filled workplace that was created by transformation of the field units over the years, many who could not tolerate the



confrontations and battleground mentality promoted by counter control tactics left the units or would not accept promotions. This created another destructive loop within the field level of the organization.

Downs (1967) notes that unrestrained conflict shifts power upward. Those supervisors and union officials who could tolerate, or perhaps were inclined to conflict, remained in the rationalized units--those who could not, got out or tried to get out. As the managers and union leaders, who could survive the conflict filled workplace, stayed to battle for years, both were less likely to compromise and reach agreement.

Through transformation, the natural model attributes of collective participants in the field who could informally structure and agree on their activities was slowly erased. Counter controls of contract disputes and grievances increased and higher level Postal Service labor relations units and union officials grew in numbers and power. In both management and the unions, people were dedicated to positions or team assignments mutually benefiting from the conflicts. External research consistently agreed that the labor relations problems of the Postal Service needed to be addressed, but instead it remained (NAPA, 1982; USPSCSSW 2000). The union as well as some Postal Service officials would both become bureaucrats, who were motivated by their self interests, and sought to attain their goals by the rational means they had each come to know. The loop was self perpetuating, and on occasion, the rational model promoting confrontation in the field would manifest itself in a pathology that became known as “going postal.” While both sides agreed at the highest levels that violence in the workplace was unacceptable, neither was successful in addressing the destructive loop that promoted it in the field.

The transformation strategies that deployed PSTFs rationalized the workplace of Postmasters, managers, and supervisors and also carriers and clerks. As craft work hours were cut their respective union counter control responses grew. This loop was acknowledged during the development of the *Transformation Plan*, when the Postal Service stated, “Adversarial labor/management relations could result from the required aggressive cost-cutting policies” (USPS, 2001c, p. 48.)

While several conflicts are seen in past transformation, there exists another clash of the natural and rational model in the Postal Service that is far less dangerous and visible to the general public, but will also cause internal conflicts that will increase over time.

Postal Career Executive Service (PCES), who operate more closely to a natural model, were once expected to move several times during their career, having many different Postal Service assignments to round out their knowledge. It provided multidimensional and multi-level experience. They would use their personal relationships built while working with other PCES in the field to further their career opportunities, or recruit other associates during times of change--like the private sector. In the 1980s, when building a field staff of PCES, the senior PCES could select from their own list of people for the position, based upon their knowledge, experience, working relationships or need to staff a new unit with more of a leader than a manager. With the drastic reduction of PCES in the field, by Postmaster General Runyon, the PCES selection for members of their staff is now limited to senior Postmasters, managers, supervisors and staff--who have a very different perspective of promotion.

Hiring senior Postmasters and managers in the field for the Postal Service is becoming more challenging. As suggested before, with the technicality of field administrative functions increasing, the next generation of would be senior managers are not as mobile in the organization. As accountability to goals gains more emphasis and PSTFs increase, the technical experts of these policies and systems within specialized units become difficult to replace. They are the modern day administrative equivalent of the mail scheme clerks of old, with the same problems of inflexibility of work assignments.

Extra work hours for developmental assignments and mentoring have been reduced and unit managers are not motivated to hire an employee from outside their individual units who can't immediately contribute to meeting scorecard goals--and they are even less likely to hire someone from outside the Postal Service who does not understand the systems, unique terminology and bureaucratic culture. This has created unit career ladders where employees, who want to be promoted in the field ranks, stay in a unit for years, become technical experts in the policies, systems and programs of the unit and then await their progression on the career ladder--which exemplifies Weber's administrative characteristics of bureaucracy. Officially, the ladders are called succession planning lists.

Faced with hiring a senior manager for a key staff position in the field, the PCES will be presented with the next person on the unit career ladder. They may be there because the prior manager needed their expertise in the unit and found the ladder as a way to reward them for their loyalty. They may not have had any experience managing a unit, or experience in other units. But like the union employee on the work floor who is

protected by the Weberian bureaucratic principles of job placement, they are often the best technically qualified applicant with the most seniority in the unit. If the PCES feels the prospective candidate on the career ladder does not match their perspective of the needs of the position, or the PCES is under pressure to meet goals and fill their jobs with talented people who can help in multiple dimensions of the organization, they are motivated to recruit a qualified applicant from outside the internal units' career ladder. This creates a conflict between the natural model of PCES hiring and the rational model of Postmaster, manager and supervisor hiring and promotion.

Every seasoned Postmaster, manager, and supervisor knows how the promotion process can be controlled by manipulating the procedures. By limiting the geographic area of a vacancy advertisement or by calling a person to encourage them to request a non-competitive transfer, you can influence the process. Selecting a review board of associates who will be inclined to emphasize certain skills in an applicant is also a strategy for recruiting. This raises issues of favoritism or discrimination in the field, and many of the senior Postmaster, managers, and supervisors have come to accept the procedure as part of the organizational culture. However, the problem of filling positions with the best qualified and talented person will only continue to grow as the rationalized models continue to create career ladders in units. Issues of fairness between the rational and natural models of promotions will also continue to grow.

Bozeman (2000) says bureaucratic reform includes elements of efficiency, accountability and performance--but also fairness. He states, "fairness means that people are dealt with in a prescribed manner" (p. 165), but he also notes that, "bureaucracy inevitably pits the interests of the organization against those of the individual" (p. 27).

When a field unit is eliminated, bureaucracy is pitted against the individual and fairness takes on new meaning. The rationalized career ladder for upcoming senior managers in the unit disappears. Even if once recruited and rewarded for their technical skills, they are left to find a job on their own with specialized expertise that may no longer be of value in their geographic area of the Postal Service. Unlike open systems in the private sector, where a talented employee could just seek another organization needing their talent, they are trapped by the lack of mobility to other federal agencies and the private sector. Unemployment and retraining opportunities do not exist. Instead, they are moved to another unit, disrupting that unit's career ladder and making those who were on the new unit's career ladder feel that fairness has not been served. As noted by Kaufman (1967) in his study of the field operations of the Forest Service, hiring from outside the organization can cost dearly in unit morale. The effect is the same when moving people inside a specialized organization.

Fairness, in filling higher level management positions, has two very different perspectives in the Postal Service today. Fairness, to the natural model PCES, places value on recruiting talented and well rounded leaders to key positions. Fairness in the rationalized units of Postmasters, managers, and supervisors has created specialized technicians locked into one career ladder and ascending to their turn to be managers in their units. The rational system breeds a manager who has learned to follow their individual unit rules, policies, and procedures. They lack multidimensional and multi-level experience. The natural system values managers and leaders who can exercise personal discretion, entrepreneurship and creativity.

External hiring also creates conflict that threatens unity in the organization. Higher level administrative Postal Service units, operating more closely to a natural system, and less constrained by the formalized daily activities of the field, are more likely to be able to hire from outside their units or outside the Postal Service. However, this practice can place people into relatively high level positions of authority in the organization, with little or no field experience. This lack of multidimensional and multi-level organizational knowledge and experience can exacerbate the challenges to unified policy, performance systems, and program coordination between the field and the higher level administrative functions setting policy and direction. The transformation result is strategies from higher levels lacking the multidimensional and multi-level field knowledge required for successful implementation and reliance on scorecards and field adaptation to force compliance. Kaufman (1967) notes that some symptoms of a field which has ceased to respond to unified policy direction of higher levels are internal warfare, administrative sabotage, favoritism and discrimination and field collusion with special interests. To varying degrees, these symptoms can be seen in the field of the Postal Service today.

### Conclusion

This case study of the Postal Service and its transformation over the last few decades, combined with systems theory, suggests that the Postal Service may be facing continued internal challenges caused by transformation in the years to come. In a study of how to revitalize organizations in decline and crisis, Bibeault (1982) noted that most often there were three reasons causing the crisis and they were all internally generated. They are paraphrased as follows:

- Managers repeat past strategies they know best instead of doing what should be done.
- Managers cannot look at problems from different perspectives horizontally and vertically.
- Managers develop a functional blindness to their own defects.

This case study supports that Postal Service transformations continue to repeat the strategies of implementing PSTFs in the field to rationalize the system--they are the strategies they know best. Many were the same strategies adopted by other government agencies during the NPR. Increasingly, managers in the Postal Service cannot look at problems from different perspectives horizontally, given their limited or stove piped experiences. Even vertical perspective has been challenged with the hiring of senior managers from outside the organization to higher levels, who have not had field management experience. Again, this phenomenon is not unique to the Postal Service and is currently being addressed by the Defense Department. Finally, functional blindness to defects is promoted by rationalization and not actively encouraging systems thinking and the application of systems theories to actively seek out the destructive loops in organizations and eliminate the sometimes vicious circles they create. This case study, in part, serves that purpose for the Postal Service.

This case study also supports some reasons why hiring talent from outside of government has challenges and may not be the answer to replacing the generation of baby boomers who are retiring. While the Postal Service's transformation of mail processing is more akin to an industrial setting, their transformation of administrative functions is similar to what has been experienced in the rest of government. For the young person

considering a career in government service, an understanding of whether the organization is an open or closed system is necessary. They could soon find themselves trapped in a government career ladder--or needing to leave government service to maintain employment options. Equally important, is the question of whether their individual work unit is more aligned with a natural or rational model. Even something as simple as a Postal Service carrier walking down a city street may not be as open and natural as it appears. They must know that the proliferation of performance systems and technical fixes within government, have worked well to increase efficiency, but also to rationalize behavior.

Public administrators, those who seek to transform government organizations and those who wish to hire talented employees must also consider organizational systems theory in their leadership roles. The efficiencies achieved today through reform, may become the hated workplace bureaucracy of tomorrow without consideration of the human relations aspects of the change and the new workplace it can create. The closed system workplace with a rational model will not be an appealing employment option for the creative and talented unit leaders of tomorrow (Chetkovich, 2001; PPS, 2006). Nor will it foster their growth.

While many authors have prepared various transformation strategies, each differs in their approach and emphasis. Selecting a transformation strategy should be combined with a systems understanding of an organization, its multiple dimensions and levels and how the transformation strategies can impact it socially and psychologically as well as structurally. In the words of Peter Drucker (1969), "Young people in the society of organizations (today's society) need systematic information on how to make



organizations serve their own purposes, values, and aspirations. They will have to learn organizations as their forefathers learned farming” (p. 259-260).

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## APPENDICES

## APPENDIX A

### COMMON ACRONYMS AND TERMS

AFSM	Automated Flat Sorting Machine – An automated machine capable of reading the barcodes on flat mail and sorting the mail to bins.
APWU	American Postal Workers Union – Union representing clerks and custodians in the Postal Service.
ASO	Administrative Services Office – A field office mainly responsible for the building repairs and alterations of Post Offices. It was recently absorbed by the FSO.
Banging Off	A term for taking the day off using sick leave.
BCS	Barcode Sorter – An automated letter sorting machine capable of reading barcodes and sorting the mail to bins. Each BCS, staffed with 2 clerks, could replace the work of 17 LSM clerks.
BMC	Bulk Mail Center – Term for the large mail processing plants that handle parcels and large bulk mailings.
BOG	Board of Governors – Body of politically appointed individuals responsible for the oversight of Postal Service operations.
Clerk	An employee who most commonly sorts or accepts mail. They also serve in limited administrative functions.
CMT	Crisis Management Team – A field team originally created to respond to the aftermath of “going postal.” The teams were comprised of members from various units, with different expertise and duties.
COOP	Continuity of Operations Plan – Formal plans addressing how Postal Service operations will be maintained during crisis.
DPS	Delivery Point Sequencing – Mail that has been sorted, by automated equipment, into the order that a carrier delivers their route. This reduces time spent manually ordering mail and allows an increase in the number of deliveries each carrier can make daily.
EAS	Executive Administrative Schedule - The level of Postmasters, managers, supervisors and specialists in staff functions of the Postal Service. It is analogous to GS schedule in other government agencies.
Flat	A flat piece of mail larger than an envelope (e.g. magazine).

FSM	Flat Sorting Machine - A mail sorting machine with coding consoles where clerks enter key codes to mechanically sort mail at a prescribed rate to bins. FSMs replaced clerks sorting flats in manual sorting cases.
FSO	Facilities Service Office – A Headquarters office mainly responsible for building and leasing new Post Offices. It recently absorbed field ASOs and took over repairs and alterations of Post Offices.
GAO	Government Accountability Office, formerly known as Government Accounting Office.
GMF	General Mail Facility – Term for large mail processing facilities used in the 1980s.
HAMFAT	Have-a-meeting-form-a-team – Postal Service term for the common management response to a new program implemented in the field without staffing or guidance.
LSM	Letter Sorting Machine – A mail sorting machine with 12 coding consoles where clerks entered key codes to mechanically sort mail at a prescribed rate to 270 bins. Each LSM, staffed with 17 clerks, could replace the work of 35 clerks in manual cases.
MITF	Mailing Industry Task Force – An organization of over 65 major mailers and organizations with strong links to the mailing industry.
MLOCR	Multi-line Optical Character Reader – Automated letter sorting machine capable of scanning multiple lines of a typewritten address, accessing a computer database of correct addresses and then spraying barcodes that represented the ZIP Code and carrier delivery sequence for the address onto the mail piece for further automated sorting.
NALC	National Association of Letter Carriers – Union representing city carriers in the Postal Service.
NAPA	National Academy of Public Administration.
NAPS	National Association of Postal Supervisors – Management association predominantly consisting of field EAS employees who are not Postmasters.
NAPUS	National Association of Postmasters of the United States – Management association predominantly consisting of Postmasters.
NPR	National Performance Review – Effort lead by former Vice President Al Gore, which sought to reinvent government to a system that works better and costs less.
NRLCA	National Rural Letter Carriers Association – Union representing rural carriers in the Postal Service.
OIC	Officer In Charge – A person who temporarily fulfills the duties of a Postmaster.

PAEA	Postal Accountability and Enhancement Act – Legislation passed in 2006 which, in part, increased the oversight of the PRC over the Postal Service and required GAO to develop a new business model for the future Postal Service.
PCES	Postal Career Executive Service – Highest executive level of the Postal Service . It is analogous to the SES ranks in other government agencies.
PFP	Pay-For-Performance – A financial compensation program for PCES and EAS employees that is linked to a quantitative scorecard of goals.
PIP	Performance Improvement Plan – A formal plan developed by a manager or supervisor for an employee that is not successful in meeting their scorecard goals or work unit performance requirements.
Plant	A mail processing plant or GMF.
PMAC	Performance Management/Adaptive Change – Performance management is the active personal engagement of employees by leaders to guide change. Adaptive change will cause people to change their attitudes, values and behavior. Both strategies are similar and used to promote change in an organization.
POOM	Manager, Post Office Operations – The next higher level manager above Postmasters.
PRA	Postal Reorganization Act – 1970 legislation that created the modern day United States Postal Service as an independent establishment of the Executive Branch of government.
PRC	Postal Rate Commission – Body of politically appointed individuals responsible for the oversight of rate setting and new services for the Postal Service. Recently changed to Postal Regulatory Commission and given expanded authority under the PAEA.
PSTF	Performance System/Technical Fix – A performance system is an existing program, used to measure, monitor and improve organizational problems. Technical fixes are adaptations of existing knowledge or technology to fix organizational problems. Both strategies are similar and used to promote change in an organization.
PTF	Part Time Flexible – Term for a new Postal Service employee who has low seniority and is given a flexible schedule and assignments.
Scheme	A list that matches delivery addresses to destinations and is memorized by “scheme clerks” who sort mail by memory. Some schemes had 1,000 items to memorize.
SLOCR	Single Line Optical Character Reader – An automated letter sorting machine capable of scanning the last line of a typewritten address, accessing a computer database of correct addresses and spraying a barcode that represented the ZIP Code for the address onto the mail piece for further automated sorting.



SSA	Sales and Service Associate – Recently adopted position title for former Postal Service window clerk who sell stamps and accept mail from customers at Post Offices.
TFP	Total Factor Productivity – A financial measure of resources allocated to achieve workload that is commonly used to provide information of Postal Service efficiency.
Window	Term for counter where window clerks sold stamps and accepted mail from customers.
Workfloor	The main floor of a GMF or Post Office where mail is sorted.
ZIP Code	Zone Improvement Plan Code – A numeric system that assigned a five digit, and eventually a nine-digit number to a geographic point in the United States.

## APPENDIX B

### PRODUCT QUALITY – APPLICABILITY

Question - Did you experience déjà vu while reading about certain periods and events or could you see parallels to similar situations in your Postal experience?

1. Yes, definitely. As a witness to many of the events you describe, I can attest to the experience.
2. Yes - very much so. I identified strongly with many of the conclusions drawn from the anecdotal material. I had similar experiences and similar thoughts, but this research revealed the underlying reasons for many of the changes that I observed but didn't understand at the time. This research was personally enlightening for me....
3. Yes, I did re-live the experience.
4. This paper reminded me of things that were going on during the entire series of events. Yes. Definitely a sense of déjà vu.
5. I felt as if I was taken back to my first years in the Postal Service. All of the situations that you spoke of were not only familiar to me but some were precious memories. Iron Man XXXXX had a great work ethic and it was hard not to want to work for him. You just had to make sure you felt like working. But he was fair to his employees, even though he didn't see eye to eye with management.
6. Thanks for bringing back so many memories from my ten years of working at the GMF. It's only because of my respect for you that I'll express my thoughts despite the flashbacks those memories conjure up...What a blessing for me as I was finally free of the GMF and the giant thumb of autocratic oppression...From the perspective of a manager outside of the GMF I feel now very much the same way I felt after eight years on the LSM machine...Every activity is micromanaged and autonomy is being forced out as managers need to comply with the mandates coming down from higher up.
7. Yes and yes. I started with the Postal Service in 1974 as a casual. Everything Dale describes concerning work hours, operations, non scheduled days, banging off, supervision, and restructuring are right on target. He very accurately outlines events as they happened. Furthermore, the thoughts, conclusions, and summaries he shares through out this document are consistent with my own.
8. Yes
9. Yes
10. Yes I did, although my perspective was that of a Postmaster in an associate office during this time period. Many of "transformations" passed me by, at least before 2003 when the ACE computer arrived in my office. When I first became a Postmaster I reported to the XXXXX Sectional Center. That was abolished and I found I was now under something called the XXXXX Division. A brief time later I discovered I was now reporting to XXXXX, some four hours distant, which is farther from me than both the state and national capitals.
11. Yes it brought back many memories of first working at the BMC in XXXXX and moving through the ranks. I started as casual then to a PTF clerk, to an Acting Supervisor and

finally to Supervisor of Mails. They(sp) militaristic hierarchy - the chain of command coupled with the internal politics were accurate. Your explanation of achieving your most productive year and receiving your worst evaluation is very similar to my personal experiences and I am sure of many others who were caught in the internal politics that governed the 10% rule for outstanding ratings!

12. I found this dissertation to be exact and on target in regards to many of the key elements presented. The field perspective was just as described; a slight change here, a subtle change there...
13. Yes, deja vu because I was there but I don't have nearly as clear a recollection of the events as you. It was a pretty thorough refresher for me, thanks.

## PRODUCT QUALITY – APPLICABILITY

Question - Could you draw parallels to similar situations from your experience?

1. In addition to the events I shared with the author, I have experienced exactly the same situations for the past 20 years.
2. Yes, see above. Also similar experiences from different perspectives, letter carrier v. clerk, facilities manager v. operations manager, station supervisor v. Postmaster. But this narrative closely parallels what I was experiencing from a different perspective.
3. Yes, in fact we went through another reorganization this spring and some of the feelings were very similar to what had happened earlier.
4. Yes. The same type of situations are continuing because I am dealing with the same functional units that Mr. Ferguson wrote about.
5. I drifted back to a time when things seemed tougher. Longer REQUIRED hours, no stability to a steady schedule, and lack of social time unless it involved fellow postal workers.
6. No Response
7. Yes I could. I started with the Postal Service working in the Processing Center in XXXXX. I worked in the same type letter cases, throw off racks and learned schemes until I transferred to the XXXXX BMC in 1976. The hours were grueling (nights and weekends) and divorce rates were high...Even working in a Bulk Mail Center I found the same atmosphere...Also, I found it interesting that I also had a supervisor similar to "Iron Man" who met the same fait(sp). I have also endured each and every management job abolishment that Dale has described with exactly the same experiences and feelings. In fact during the 1992 reorganization I found managers changing my past years merit review to a lower rating in order to avoid giving me consideration for positions. I was also detailed to XXXXX during the 2001 anthrax attacks and found myself leaving with the same feelings concerning headquarters. I can also understand what Dale describes about the communications when he talks about his anthrax experience at the field level.
8. Yes
9. Yes

10. Yes. I spent most of 2006 on detail to the XXXXX District as a XXXXX. At the end of year discussion with my district manager he gave me exceptional contributor ratings and then informed me that "we are making some changes." My position was being eliminated and I was returned to my level 16 post office. As you say, no good deed goes unpunished.
11. Yes. I mentioned the 10% merit process above but there were also others that were similar in nature. As a PTF I worked tirelessly and my reward was to be excessed to an area where (sp) a regular didn't do a thing. There are similar parallels working at a GMF and BMC the only difference is the size and class of the mail...I had a different experience in being trained as a Postmaster in that I was trained by the system and allowed to get valuable experience as an OIC from the BMC and then as an acting supervisor at an AO where the hours were eaten by the HR department during the reorganization of 1991.
12. The Pay for Performance scenarios were just several of thousands that could have been utilized to tell the same story. Talk to any member of management since the PFP and several stories will be shared by each and every individual as to the unrealistic attainment or ambiguity of predetermined goals. In combination with the numerical layers of bureaucracy...The specifics of changes due to Technology and its applications also ring true for myself and anyone who sets fingers to keyboard. We do not have time to actually manage individuals within the work place, we have a vast number of reports to complete and send, volumes to compile and input, emails to sift through and prepare a response if required...Yes, Big Brother has arrived and is quite busy.
13. I never recognized what you identified about the teams being sloughed off like they were but I have always been a specialist and never had my own work team at the USPS. I am currently experiencing the teams issue and nobody wants to get involved nor do anything. Of course it is tough to get people to come to meeting, I guess for fear that they will get assigned to do something. It is as bad as it ever was.

## PRODUCT QUALITY - RESONANCE AND RHETORICAL

Question - Did you feel the narrative fairly represented all persons involved in the periods?

1. Yes, very succinctly.
2. Yes, the pressures on senior management driving what, at the time, appeared to be a move in wrong direction, are now better understood. The analysis from the field perspective represents the common understanding of field personnel.
3. Yes, I feel all persons were fairly represented.
4. Yes. The description is an accurate portrayal of the events as I remember them.
5. The events happened as told in the narrative. This was the personality of the Postal Service.
6. Dale, I think the narrative fairly represents all parties involved and that will help readers to better understand the culture and organizational changes the Postal Service has gone through during the last thirty years.
7. Yes. I think Dale is right on target. His career and my career follow very similar paths and I could not agree with him more.

8. Yes
9. Yes
10. I think your broad experience in the Postal Service does cover most of the constituencies involved.
11. I think you gave an excellent cross sectional representation from the view of craft employee, supervisor, Administrative and Postmaster.
12. No Response.
13. Yes, very accurately, couldn't have done as well myself.

#### PRODUCT QUALITY – EMPOWERMENT

Question - Do you feel the narrative raises the consciousness of the Postal Service workplace and organizational changes over the last three decades?

1. Tricky question - it would raise the consciousness of an aware person, the average postal employee in the workplace would have no idea.
2. Mine, certainly. It would do the same for any long-term postal employee, field or HQ
3. Yes, I do.
4. I have less than a decade with the US Postal Service, however this is an accurate mindset of the Postal Service
5. If I were not a Postal Service employee, I still would have understood that the operating technologies changed greatly. We went from manual labor to mechanized labor.
6. No Response
7. Yes, very much so. I wish it could be required reading for those in our internal upward mobility programs.
8. Yes
9. Yes
10. Certainly. You caused me to reflect on my own experiences and to see the long, unfolding pattern that has been the backdrop of my postal career over the last 3 decades. I think anyone who worked in the organization during this period will also experience heightened awareness of the underlying forces that shaped our workplace by reading your work.
11. Yes indeed. I think you have done a commendable job in covering the historical and political parts of the organization and the employees of all levels of the Postal Service. We have many years of history and you were able to weave that into your paper...Reading your dissertation I felt as if I had been a part of it and written parts of it...

12. No Response

13. Yes