

USPS reorganizes...again

A new postmaster general arrives and promptly shakes up the management structure of the Postal Service. It's not a new story. Reshuffling the organizational chart has happened many times in the history of the Post Office. The very structure of NALC is a remnant of that history—our 15 regional offices mirror a long-ago, but eventually discarded, structure of the former Post Office Department.

The restructuring plan of Postmaster General Louis DeJoy, announced in early August, is reminiscent of the major shake-up sponsored by Postmaster General Marvin Runyon in 1992.

Like PMG DeJoy, “Carvin’ Marvin,” as he was known, came from the private sector—he worked for the Ford Motor Co. for years before joining Nissan as head of North American operations, and then moved on to serve as chairman of the Tennessee Valley Authority (TVA). His reorganization plan was far more dramatic.

His plan cut the number of senior executives from 42 to 24 at the Wash-

ington, DC, headquarters of the U.S. Postal Service; bifurcated the management of “distribution” functions (mail processing and transport) from “customer service” functions (retail and delivery); reduced the number of field “divisions” from 73 to 60, and aimed to eliminate 30,000 managerial jobs from the 130,000 administrative jobs then in existence, via an early-out program. In this context, the restructuring plan announced by PMG DeJoy seems far more modest in scope.

The new organizational structure will consist of three operating sectors: Retail and Delivery Operations, Logistics and Processing Operations, and Commerce and Business Solutions. The current field structure for processing and delivering the mail consists of 67 districts within seven areas that report to a headquarters chief operating officer (COO). Under the new structure, the retail and delivery sector will consist of 67 districts (as of the publication of this article) within four areas reporting to one headquarters COO, and the

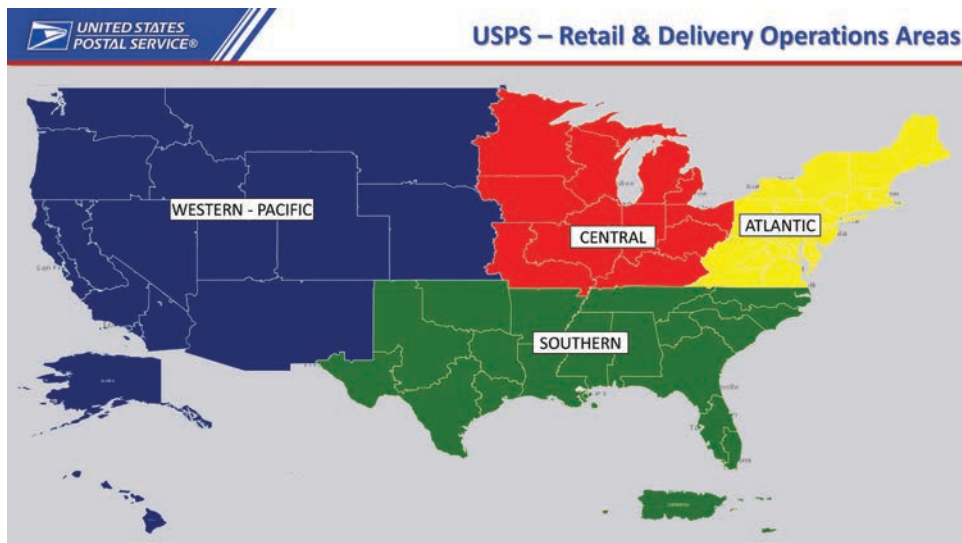
logistics and processing sector will consist of 12 divisions within two regions reporting to another headquarters COO.

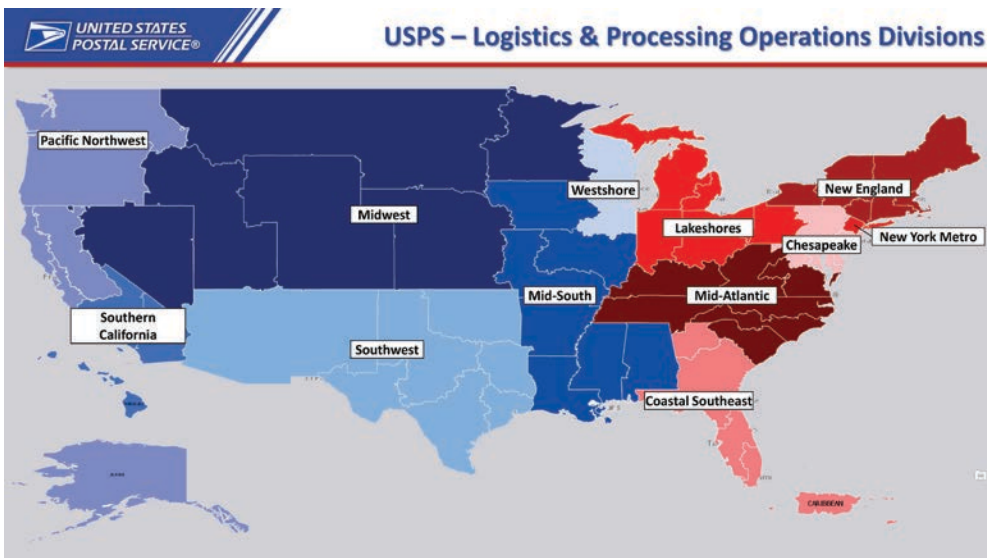
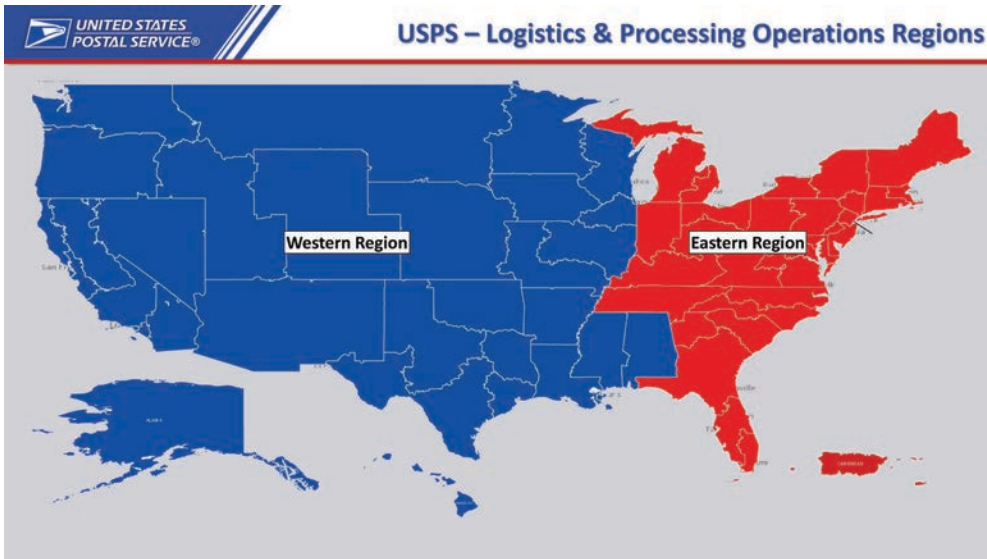
The four new areas for retail and delivery are Western-Pacific, Southern, Central and Atlantic. The two regions for logistics and processing are Western and Eastern. The 12 divisions within those two regions are Pacific Northwest, Southern California, Southwest, Midwest, Mid-South, Westshore, Lakeshore, Mid-Atlantic, Coastal Southeast, Chesapeake, New York Metro and New England.

As part of the modified organizational structure, logistics and mail-processing operations will report into the new Logistics and Processing Operations organization, which will be separate from existing area and district reporting structures. This includes all mail-processing facilities and local transportation network offices. USPS states that the purpose of splitting operations into these two regions is to allow for improved focus and clear communication channels.

USPS also states that future changes will be made as it continues to identify additional operational efficiencies. The next evaluation to be completed involves potential consolidations within the 67 districts.

So far, 23 postal executives have been reassigned or displaced under the new organizational structure. Additionally, according to the reorganization plan, the Postal Service has implemented a management hiring freeze and will be requesting future voluntary early retirement





were managers. Nearly 30,000 senior carriers and clerks also took the early out, which caused the quality of service to plummet and overtime rates to soar. The bifurcation of management also resulted in poor quality control, and Runyon was forced to put in place a new level of mid-management—10 area vice presidents—to better coordinate distribution and customer service. And in the end, the Postal Service had more employees when Runyon left in 1998 than when he arrived. Time will tell whether PMG DeJoy’s more modest plan fares any better.

NALC President Fredric Rolando made NALC’s position about the restructuring clear by issuing the following statement: “Regardless of the operational structure of the Postal Service, NALC will continue to prioritize safe and efficient work methods, good service to our customers, dignity and respect in the workplace, and contractual compliance. We are in the process of engaging those within the new operational structure to rescind several operational initiatives that are clearly inconsistent with these objectives. Rather than fostering the unilateral implementation of reckless initiatives, the Postal Service must work with the NALC in our joint task forces to accomplish our common goals.” **PR**

authority from the Office of Personnel Management for employees not represented by a collective-bargaining agreement.

It is difficult to predict how well reorganizations will work. Looking back at PMG Runyon’s attempt to streamline the Postal Service, the

results were mixed at best. He did succeed in thinning out the ranks of Washington, DC-based management, but the field reorganization largely failed. The early-out program, which offered a severance package worth six months’ pay, led 48,000 employees to leave—but only 13,000

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