

**Employee Grievances  
Take Too Long to Resolve  
A Performance Audit**

February 2006

**City Auditor's Office  
City of Kansas City, Missouri**

February 1, 2006

Honorable Mayor and Members of the City Council:

This audit examines the barriers to the prompt resolution of employee grievances filed under the Memorandum of Understanding (MOU) between the city and Local 500 of the American Federation of State, County, and Municipal Employees. We found that it takes too long to resolve grievances – on average 7 months, and sometimes longer than a year.

The actions of both the city and the union contributed to delays in resolving grievances. The city did not meet most deadlines in the sample of grievances that we reviewed. The city forfeited opportunities to resolve grievances at the third step of the process because hearing officers did not hold hearings or did not provide timely answers. In addition, fourth step hearing officers did not meet the grievance deadlines established in the MOU or the extended deadlines that representatives of the union and Human Resources staff informally agreed to follow.

The city is not managing the grievance process. The city does not track all grievance activity, so we could not determine the number of grievances filed or the number of grievances resolved at the first or second steps. Documentation of grievances at the department level is insufficient, and in some cases, missing. Human Resources staff are not held accountable for meeting grievance deadlines. Human Resources holds fourth step hearings without considering decisions made at the earlier steps of the process, even when other Human Resources staff conducted a hearing and provided an answer at the third step. Grievance forms submitted by the union do not always contain enough information to determine the exact nature of the incident grieved or the remedy being sought.

Resolving grievances quickly is best for all parties. When grievances are not resolved, the workplace is disrupted and faith in the system is lost. We recommend that the Director of Human Resources ensure MOU procedures are followed and that modifications to the MOU are properly adopted and published; hold staff accountable for meeting deadlines; establish procedures to record, track, and report grievance activity; establish a system to keep management and the union informed about the status of grievances; conduct and encourage representatives of Local 500 to request fourth step hearings only when an error is discovered in the third step hearing or answer; and encourage Local 500 to fully complete the grievance form.

We provided a draft report to the Human Resources Director for review and comment on December 2, 2005. Management's response is appended. We appreciate the courtesy and cooperation of city staff and Local 500 representatives throughout the audit. The audit team for this project was Deborah Jenkins and Nancy Hunt.

A handwritten signature in black ink, appearing to read 'Mark Funkhouser', with a long horizontal flourish extending to the right.

Mark Funkhouser  
City Auditor

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# Employee Grievance Process

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## Introduction

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### Objectives

We conducted this audit of the employee grievance process under the authority of Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties.

A performance audit systematically examines evidence to independently assess the performance and management of a program against objective criteria. Performance audits provide information to improve program operations and facilitate decision-making.<sup>1</sup>

This report is designed to answer the following question:

- Does it take too long to resolve a grievance?

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### Scope and Methodology

Our review focuses on the city's grievance process as defined by the Memorandum of Understanding (MOU) with Local 500 of the American Federation of State, County, and Municipal Employees, and does not include grievances related to performance appraisal appeals. We conducted this audit in accordance with generally accepted government auditing standards. Our methods included:

- Reviewing the MOU, the city's Human Resources Rules and Policy Manual, and other documents related to the grievance process.
- Interviewing Human Resources staff, third and fourth-step hearing officers, division directors, other city staff, and officials of Local 500.
- Reviewing and analyzing a random sample of fourth-step grievances.

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<sup>1</sup> Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office 2003), p. 21.

No information was omitted from this report because it was deemed privileged or confidential.

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## **Background**

We conducted this audit of the city's grievance process because we had heard complaints from employees and management that it takes too long to resolve grievances. A grievance is a disagreement about employment, working conditions, or relationships between an employee and his or her supervisor or other employees.

A Memorandum of Understanding (MOU) governs the relationship between the city and Local 500 of the American Federation of State, County, and Municipal Employees. The MOU defines the steps in the grievance process and the timeframes within which the parties to the grievance must act.

The city's grievance process is a series of steps that starts with the employee talking with his or her immediate supervisor about the issue. If the grievance is not resolved, the employee can submit the grievance to successively higher levels of management within the department. If it is not resolved at the department level, the union can submit the grievance to Human Resources for a decision. If the grievance is not resolved in these steps, the employer or union can request it go to arbitration. (See Exhibit 1.)

The Labor and Employee Relations Division oversees relations between management and the city's work force. It negotiates the MOU with Local 500 of the AFSCME, and helps departments interpret the MOU's provisions. The Labor and Employee Relations Division also conducts hearings for grievances that are not resolved at the department level.

We reviewed a sample of 40 grievances that the union submitted to the fourth step of the grievance process in 2004. Only 26 of those went through the entire fourth step process. Human Resources did not hold a fourth step hearing for the remaining 14 grievances because the grievant did not show up for the hearing or grievances were withdrawn, resolved before the hearing took place, or deemed ineligible.

## Exhibit 1. Employee Grievance Process

Step	Action	Deadline <sup>2</sup>
<b>Step 1</b>	Employee talks to immediate supervisor to try to resolve the matter.  Immediate supervisor gives the employee an answer.	Within 14 calendar days after the event leading to the grievance, or after the employee knew, or reasonably should have been aware of, the facts giving rise to the grievance.  Within 7 calendar days of meeting with the employee.
<b>Step 2</b>	Employee with union representative submits a written grievance to the next-level supervisor.  Next-level supervisor gives a written answer to the grievance.	Within 7 calendar days after receiving the immediate supervisor's answer or after the deadline for the first step response has passed.  Within 7 calendar days of receiving the written grievance from the employee.
<b>Step 3</b>	Employee or union submits the written grievance to the department director or designated representative. Once submitted, it shall not be altered or modified.  Department director, or designee, contacts the union to schedule a third step meeting (hearing).  Third step hearing is held.  Department director, or designee, gives written answer to union.	Within 14 calendar days of receiving the next-level supervisor's written response or after the deadline for the second step response has passed.  Within 7 calendar days of receiving the third step grievance.  No deadline given in the MOU.  Within 14 calendar days of the third step hearing.
<b>Step 4</b>	Union submits the written grievance to the Human Resources Director or designated representative.  Human Resources staff may schedule and hold a fourth step meeting (hearing).  Human Resources gives a written answer.	Within 14 calendar days of receiving the third step hearing answer or after the deadline for the third step response has passed.  Within 21 calendar days of receiving the fourth step grievance.
<b>Step 5</b>	If the matter is not satisfactorily resolved in the preceding steps, the employer or the union may submit a written request for arbitration.	Within 14 calendar days after step four. The arbitration hearing must be scheduled and heard within ninety days, whenever possible, after the completion of step four.

Source: Memorandum of Understanding between the city and Local 500, Article XXI Settlement of Disputes, Sections 2 and 3 (effective 11-16-03 to 4-30-05).<sup>3</sup>

<sup>2</sup> Deadlines may be extended by mutual agreement in writing.

<sup>3</sup> A new MOU was adopted effective November 21, 2005. There were no changes made to the Settlement of Disputes section.

*Employee Grievances Take Too Long to Resolve*

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## Findings and Recommendations

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### Summary

Grievances take too long to resolve. Some grievances filed in 2004 took longer than a year to resolve. Timelines established in the MOU are not met by hearing officers, MOU procedures for extending deadlines are not followed, and grievances are accepted beyond the established deadlines.

City and union actions contribute to delays in resolving grievances. Opportunities to resolve grievances earlier in the process are forfeited because third-step hearing officers frequently fail to schedule grievance hearings or hold hearings but fail to issue timely answers. An informal agreement between Human Resources Department staff and representatives of Local 500 measures grievance deadlines from points in time not established in the MOU, greatly extending the time it takes to resolve fourth step grievances.

The city is not managing the grievance process. Accountability is lacking and grievances are not a priority. The Human Resources Department does not have a standard method for recording, tracking, and reporting all grievance activity; disseminating answers; or keeping managers and the union informed about the status of unresolved grievances. In addition, grievance forms submitted by the union are not always complete.

Resolving grievances is a critical process – it concerns the city’s most important resource, its employees. Prompt resolution of grievances is central to good labor-management relations and a positive work environment. Employees deserve, and managers need, timely resolutions of grievances.

We make a number of recommendations to the Director of Human Resources to improve the grievance process. We recommend that the city enforce MOU deadlines; follow the MOU procedures; adopt and publish modifications to the MOU; hold staff accountable; establish procedures to record and track grievance activity and disseminate answers; keep parties informed about the status of unresolved grievances; conduct and encourage representatives of Local 500 to request fourth step hearings only when an error is discovered in the third step hearing or answer; and encourage Local 500 to fully complete grievance forms.

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## It Takes Too Long to Resolve Grievances

Grievances do not appear to be a priority to Human Resources. Some grievances filed in 2004 took longer than a year to resolve. Deadlines established in the MOU with Local 500 are not met and procedures required by the MOU are not followed.

### Some Grievances Took Over a Year to Resolve

It can take longer than a year to resolve an employee grievance. On average, more than seven months elapsed from the time grievances in our sample were submitted until the fourth step answers were issued. It took more than a year to resolve three of the grievances. (See Exhibit 2.)

Exhibit 2. Time from Grievance Submission to Fourth Step Answer <sup>4</sup>

Time Elapsed	Number of Grievances	Percentage of Grievances
3 months or less	2	8%
4 to 6 months	6	23%
7 to 9 months	12	46%
10 to 12 months	3	12%
More than 12 months	3	12%
Total	26	100% <sup>5</sup>

Source: Sample of Human Resources grievance records.

### Significant Delays Occur at Third Step of Grievance Process

Third step hearing officers either failed to hold hearings or failed to issue an answer for a majority of grievances in our sample. When third step hearing officers did issue an answer, they frequently did not meet the deadline established in the MOU. In addition, some department level third-step hearing officers report accepting grievances and holding hearings even though the union did not meet the deadline for requesting a third step hearing.

**The failure to hold third step hearings causes delays.** Third step hearing officers either failed to hold hearings or held a hearing and failed to issue an answer in 63 percent of the grievances we reviewed. (See Exhibit 3.)

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<sup>4</sup> The union assigns a unique number to each grievance which reflects the month and year the union becomes involved. We found little date documentation for the early steps of the grievance process in our sample, so we used the union-assigned grievance number to calculate the time it took to resolve a grievance. Because the actual day of the month it was assigned is not contained in the grievance number, we based our calculations on an assumption that the grievance was filed on the last day of the month reflected by the grievance number.

<sup>5</sup> Does not add to 100 percent due to rounding.

Exhibit 3. Third Step Grievance Process Outcomes

Grievance Outcomes	Number of Grievances	Percentage of Grievances
Hearing not held or answer not provided <sup>6</sup>	25	63%
Answer issued	12	30%
Hearing denied	3	8%
Total	40	100% <sup>7</sup>

Sources: Human Resources and operating departments' grievance records.

Authorities recommend resolving grievances at the earliest opportunity to minimize costs and workplace disruption.<sup>8</sup> By failing to follow the procedures outlined in the MOU, the city forfeits the opportunity to resolve the employee's grievance at the earliest possible step. When third step hearing officers fail to hold hearings or do not issue timely answers, the grievance moves to the fourth step and results in the need for a fourth step hearing. In those instances in which a third step hearing was held and the answer delayed or never given, valuable city and union resources were wasted preparing for and participating in the hearing.

**Third step hearing officers miss deadlines.** In our sample of 40 grievances, we could identify only 12 grievances for which a third step answer was issued by the hearing officer. Of these, only one third were issued within the MOU deadline of 14 calendar days after the hearing. (See Exhibit 4.)

Exhibit 4. Timeliness of Third Step Answers

Answer Provided	Number of Grievances	Percentage of Grievances
On Time (within 14 Days)	4	33%
1 to 113 days late	8	67%
Total	12	100%

Sources: Human Resources and operating departments' grievance records.

**Filing deadlines for the union are not always enforced.** Some operating department employees, designated by their department directors to serve as third step hearing officers, told us that although the union sometimes misses the deadline for filing third step grievances, they will hold a hearing anyway. The MOU states that a grievance will not be heard unless deadlines are met. Operating department management expressed concerns that grievances were accepted past the deadline.

<sup>6</sup> Communications from Local 500 indicated that the hearing officer "failed to respond."

<sup>7</sup> Does not add to 100 percent due to rounding.

<sup>8</sup> *Human Resource Management in Local Government: An Essential Guide* (Washington, D.C.: International City/County Management Association, 1999), p. 198.

### MOU Framework Is Not Followed

The grievance process outlined in the MOU is not followed. Fourth step hearing officers do not meet the fourth step answer deadline contained in the MOU or the extended, unwritten deadline agreed to by representatives of the union and Human Resources Department staff. Hearing officers did not follow the procedures for requesting an extension of the time in which to answer. In addition, the MOU outlines a process in which third step hearings rather than fourth step hearings should be routine.

**Hearing officers missed the MOU's fourth step deadlines.** We reviewed a sample of 26 grievances that were answered at the fourth step. Hearing officers did not provide a written fourth step answer within the MOU's deadline for any of the sample grievances. More than half of the fourth step answers were more than four months late. The MOU provides that the Human Resources Director or designee has 21 calendar days after the fourth step grievance is filed to hold a hearing, if needed or requested, and provide a written answer. (See Exhibit 5.)

Exhibit 5. Timeliness of Fourth Step Answers

Answer Provided	Number of Grievances	Percentage of Grievances
On time (within 21 days)	0	0%
1-30 days late	0	0%
31 to 60 days late	5	19%
61 to 90 days late	3	12%
91 to 120 days late	4	15%
121 or more days late	14	54%
Total	26	100%

Source: Human Resources grievance records.

**Unwritten agreement delays fourth step answers.** Human Resources Department staff and representatives of Local 500 report following an unwritten modification to the MOU that extends the time in which the city and union have to resolve a grievance. The MOU requires that the city issue an answer to the grievance within 21 days after the fourth step grievance is filed, whether or not a hearing is held. However, representatives of Local 500 and Human Resources Department staff have informally agreed that the 21 day period does not start until a fourth step hearing is held.

Informally extending the deadline for fourth step answers increased the time that the city and union have to resolve grievances; however, it did not substantially improve how often Human Resources met the deadline

for providing an answer. Twenty-two of the twenty-six fourth step grievance answers were still late even when measured against the unwritten, extended deadline.

This unwritten modification substantially hampers timely grievance resolution because a significant amount of time passes between the time the union submits the grievance to the fourth step and when a fourth step hearing is held. Both Human Resources and operating department staffs suggested that it is difficult to schedule hearings because Local 500 has only one business agent. In over 75 percent of the fourth step grievances we sampled, more than two months elapsed between the time the union requested a fourth step hearing and the hearing date. (See Exhibit 6.)

Exhibit 6. Days Elapsed Between Fourth Step Filing and Hearing

Days Elapsed	Number of Grievances	Percentage of Grievances
30 days or less	0	0%
31-60 days	6	23%
61-90 days	7	27%
91-120 days	6	23%
121-150 days	2	8%
151-180 days	2	8%
More than 180 days	3	12%
Total	26	100% <sup>9</sup>

Source: Human Resources grievance records.

Operating department managers complained to us about “side-bar” agreements between Human Resources and representatives of the union and warned that both employee’s and manager’s recollections about an incident can fade over time. Grievance procedures, including deadlines, should be in writing so that operating department managers and the employees who file grievances know what is suppose to happen and when. If the city or the union dislikes the current provisions of the MOU, they should negotiate changes, reduce their agreement to writing, formally adopt the amendment, and execute and publish the revised agreement.

The Director of Human Resources should ensure that modifications to the MOU are properly adopted, executed, and published.

**The city failed to follow MOU procedures for requesting extensions.**

According to the MOU, time limits at all steps may be extended by mutual agreement in writing. However, we found no documentation from the city requesting an extension of the time in which to provide a written fourth step answer in the files we reviewed. Rather, in 19 of the

<sup>9</sup> Does not add to 100 percent due to rounding.

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files we found correspondence from the union to the department stating that Human Resources had missed the fourth step deadline and requesting that an answer be provided.

**Conducting fourth step hearings for most grievances contributes to delays.** Human Resources Department fourth step hearing officers told us that they disregard the hearing summaries and decisions made at previous steps. They have both sides present everything anew at the fourth step, even though another Human Resources Department staff member could have held a hearing and provided an answer at the third step.

The MOU does not require a hearing at the fourth step of the grievance process, although the union or the Human Resources Director may request a meeting. The grievance framework set out in the MOU relies on the operating department director or the director's representative to resolve grievances through the third step, with the Human Resources Director or designated representative handling fourth step grievances. The Human Resources Department, however, is now providing consultants to some departments. The consultants, who are Human Resources Department employees, conduct third step grievance hearings in the Aviation, Finance, Parks and Recreation, Public Works, and Water Services departments.

A Human Resources representative told us that it has become standard practice to hold hearings for the vast majority of grievances submitted to the fourth step. The union's standard fourth step letter requests a hearing. However, when third step hearings are held and answers provided by a Human Resources Department employee, the need for a complete re-hearing before another Human Resources Department employee may be unnecessary and not clearly anticipated in the language of the MOU.

Fourth step hearing officers should not disregard the work of the third step hearing officer, but rather review the third step record for errors. The Human Resources Director should conduct fourth step hearings and encourage representatives of Local 500 to request fourth step hearings only when an error is discovered in the third step hearing or answer and not as a matter of practice.

## **Employees Deserve and Managers Need Timely Grievance Answers**

Both managers and employees expressed frustration at the time it takes to resolve grievances. Representatives of Local 500 and managers in operating departments agreed that the deadlines set by the MOU were

reasonable and merely complying with the current standards would be an improvement.

Unresolved grievances disrupt the workplace and damage the credibility of the grievance system. Employees told us that delays and dissatisfaction with the grievance process causes turnover. Operating department management told us that delayed and unresolved grievances negatively affect department operations. Undecided issues “hang over the heads” of both management and employees, allow issues to fester, and diminish morale.

The Director of Human Resources should enforce grievance deadlines and ensure that staff follow the procedures established in the Memorandum of Understanding between the city and Local 500.

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## **Grievance Process Needs to Be Managed**

The city is not managing the grievance process. Accountability is lacking and grievances are not a priority.

Human Resources does not have a standard method for recording, tracking, and reporting all grievance activity; disseminating answers; or keeping managers and the union informed about the status of unresolved grievances. In addition, grievance forms submitted by the union were not always complete.

### **Accountability Is Lacking**

The Human Resources Department does not routinely address grievance responsibilities in hearing officers’ annual personnel reviews. In addition, written guidelines for hearing officers do not emphasize the importance of timeliness.

**Human Resources does not hold hearing officers accountable for missed deadlines.** We looked at the personnel files of four Human Resources Department hearing officers to determine whether management held them accountable for meeting grievance deadlines in 2004. We found that Human Resources Department management did not address missed deadlines in the performance appraisals of hearing officers who did not hold hearings or were consistently late in providing answers after grievance hearings. We found no evidence in the annual performance appraisals that meeting grievance deadlines was a performance objective that Human Resources Department management evaluated in 2004.

**Written guidance for hearing officers does not emphasize timeliness.** Human Resources does not have a training manual for hearing officers. In January 2005, however, Human Resources issued an eight-page memo that contained instructions for conducting grievance and other hearings. The memo emphasized following a system of fairness when conducting hearings and making decisions. The memo did not stress the importance of overall timeliness in the grievance process. It did not address the need for the timely scheduling and conducting of hearings or convey that resolving grievances as quickly as possible is beneficial for both the grievant and management.

The Director of Human Resources should hold staff accountable for grievance responsibilities, including timeliness.

### **Better Grievance Information and Documentation Needed**

Documentation on grievance activity, including the status of unresolved grievances, is insufficient. Grievance forms are often incomplete. Better information about grievances and outcomes would help hearing officers consistently interpret provisions of the MOU.

**There is little information about how grievances are managed at the earlier steps of the process.** We tried to trace the grievances in our sample back to the departments to see how the first three steps of the process were managed. Third-step hearing officers could not locate files for 30 percent of the grievances in our sample. In the grievance files that could be located, the documentation kept was inconsistent among departments.

**The city does not have a centralized database of grievance activity.** As a result, there is no way to know how many grievances are filed and resolved at the first and second levels. With implementation of the PeopleSoft system, departments were supposed to begin entering information about the first three steps of the grievance process into a centralized database. However, Human Resources told us the departments are not yet using PeopleSoft to document grievances. Without a centralized database, trends in employee grievance activity are not identified, corrective steps to address recurring difficulties are delayed, and situations may be not handled consistently.

**Hearing officers need better information to be consistent in their decision-making.** A third-step hearing officer's answer for one of the grievances in our sample was later revised because the hearing officer's original decision contradicted precedent set in earlier grievance decisions. While each grievance has unique aspects, consistency is

essential to an effective grievance process. Information on precedents or previous decisions would promote consistency in hearing officer decisions.

The Human Resources Department used to hold “hearing officer roundtables,” but discontinued them for a time. The roundtable meetings, which Human Resources has resumed, provide hearing officers with opportunities to discuss grievances and outcomes, learn about precedents, and reinforce consistency in decision-making.

The Director of Human Resources should establish procedures to record, track, and report all grievance activity and disseminate answers.

**Managers are not kept informed about the status of grievances.**

Operating department managers we talked to expressed frustration with the grievance process. They do not receive hearing answers within the timeframes set in the MOU and are not kept informed about the status of grievances.

In departments with Human Resources Department consultants, managers who provide a response at the second step may not know the grievance has proceeded to the third step until they receive notification of a third step hearing they must attend. Because it takes a long time to schedule third-step hearings, management does not know whether the written answer at the second step resolved the issue or not.

While written guidelines for hearing officers instruct them to “keep the union and/or employee apprised of required extensions of time”<sup>10</sup> when a complex issue delays their answer, notifying management about such delays is not addressed.

The Director of the Human Resources Department should establish a system to keep management and the union informed about the status of unresolved grievances.

**Grievance forms are often incomplete.** Some managers told us that grievance forms do not contain enough information to understand what the grievance is about, which section of the MOU was violated, or what the employee seeks as a remedy. In our review of grievance files, we found that grievance forms submitted by representatives of Local 500 were often only partially completed and critical information was missing. In many of the grievances we reviewed, we did not have enough

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<sup>10</sup> Memorandum from Human Resources Director Gary O’Bannon and Labor & Employee Relations Manager Michael A. Kitchen to Human Resources Consultants, January 21, 2005.

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information to calculate whether the first and second step grievance deadlines were met.

Some managers we talked to questioned whether Human Resources hearing officers permitted the union to present new issues and different information at fourth step grievance hearings. The MOU requires that once the written grievance is submitted at the third step, it should not be altered or modified.<sup>11</sup> Incomplete and vague entries on the grievance form can permit the introduction of issues or information outside the standards established in the MOU and hamper management's ability to address an employee's grievance in a timely manner as clarification is sought.

The Director of Human Resources should encourage Local 500 to supply all information needed on the grievance forms submitted.

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<sup>11</sup> MOU Article XXI Settlement of Disputes, Section 2, General Rules, (g).

## Recommendations

1. The Director of Human Resources should ensure that modifications to the MOU are properly adopted, executed, and published.
2. The Director of Human Resources should conduct fourth step hearings and encourage Local 500 to request fourth step hearings only when an error is discovered in the third step hearing or answer.
3. The Director of Human Resources should enforce grievance deadlines and ensure that staff follow the procedures established in the Memorandum of Understanding between the city and Local 500.
4. The Director of Human Resources should hold staff accountable for grievance responsibilities, including timeliness.
5. The Director of Human Resources should establish procedures to record, track, and report all grievance activity and disseminate answers.
6. The Director of Human Resources should establish a system to keep management and the union informed about the status of unresolved grievances.
7. The Director of Human Resources should encourage Local 500 to supply all information needed on the grievance forms submitted.

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## **Appendix A**

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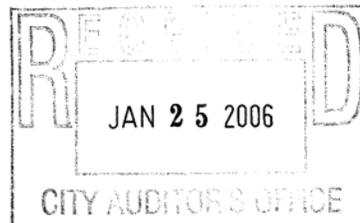
### **City Manager's Response**

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## Office of the City Manager

### Memorandum



**DATE:** January 25, 2006

**TO:** Mark Funkhouser, City Auditor

**FROM:** Wayne A. Cauthen, City Manager  
*W.A.C.*

**SUBJECT:** Response to Draft Report on Employee Grievances

The recently completed audit conducted by your department has revealed several issues that should be addressed to reduce the amount of time it takes to resolve employee grievances. I agree with all recommendations resulting from this audit, and submit to you the following:

While I agree with all the recommendations resulting from this audit, please note the following items:

- The Labor and Employee Relations division of the Human Resources Department is the responsible unit for employee grievances. Comprised of three individuals, this workgroup not only handles employee grievances, it negotiates MOUs with the unions, delivers training, and assists with recruitment activities. In addition to the three staff members, grievance hearings are regularly held by human resource liaisons, and by trained hearing officers. Those individuals are also responsible for other duties in addition to holding and resolving employee grievances.
- The Department was in negotiations with the Local 500 Union from May 2004 through November 2006. Thus for 2/3 of the time period for which the sample were taken (during the entire calendar year 2004), the key staff in the Department responsible for tracking grievances were involved in union negotiations, which take priority.
- This report addresses Local 500 grievances only. In addition to Local 500 grievances, this workgroup handles non-bargaining unit employee grievances, Local 3808, and Local 42, thus the actual number of grievances being managed by this workgroup is much higher than the audit may indicate.

**Recommendation #1:** The Director of Human Resources should ensure that modifications to the MOU are properly adopted, executed, and published.

Agree. Should the management staff of the Human Resources Department enter into an agreement to shift timelines in the hearing process to better accommodate to current conditions of both the Labor Union and the city's caseload of unresolved grievances, those agreements are made public. The department currently communicates these modifications in training sessions,

and at hearing officer round table discussions. Moving forward, the department will ensure that any changes to the timeline for resolution in the MOU as adopted by the City Council are presented to the full council for consideration.

**Recommendation #2:** The Director of Human Resources should conduct fourth step hearings and encourage Local 500 to request fourth step hearings only when an error is discovered in the third step hearing or answer.

Agree in part. The department's general sentiment is to only hold fourth step hearings when necessary. In general, fourth step hearings are held only when Local 500 requests them. Also note that as the penultimate step in the appeals process before a request for binding arbitration, the fourth step is vital to maintaining objectivity and offering a fair grievance process to employees. The fourth step helps to resolve any undue bias employees may feel have occurred in previous hearings, and allows for the hearing officer to fully explore any concern or possibility of an error in the third step of the hearing process. Thus it is mutually beneficial to both the employee and the city to hold a fourth step hearing upon request from Local 500 even if there is no noticeable error contained in the third step hearing answer.

**Recommendation #3:** The Director of Human Resources should enforce grievance deadlines and ensure that staff follow the procedures established in the Memorandum of Understanding between the City and Local 500.

Agree. The department is committed to resolving all grievances in a timely manner. The current system in place allows for grievances to be postponed for a variety of reasons, chief among them being when Local 500 requests a continuance, and when new information is introduced and needs to be verified and vetted for presentation. Currently, the department carefully tracks the status of all grievance hearings, and will continue to do so. In addition, the department will make stricter rules for acceptable reasons for a witness not to attend a grievance hearing, which will greatly contribute to quicker turn around times.

**Recommendation #4:** The Director of Human Resources should hold staff accountable for grievance responsibilities, including timeliness.

Agree. As a follow-up measure to stricter rules for attendance at grievance hearings, the department will add a dimension of performance measurement to those employee responsible for holding and tracking employee grievances. This measurement will require timely resolution of employee grievances.

**Recommendation #5:** The Director of Human Resources should establish procedures to record, track, and report all grievance activity and disseminate answers.

Agree. The department currently has established procedures to accomplish the above activities. On December 15, 2005, director's office announced to all Human Resources staff, and Human Resources department consultants that we will leverage PeopleSoft as the reporting device, which allows all departments with a system to input grievance information beginning at Step

One of the grievance process. The department will share this information in a Human Resources Advisory meeting, and ensure that all practitioners of the grievance system are properly notified.

**Recommendation #6:** The Director of Human Resources should establish a system to keep management and the Union informed about the status of unresolved grievances.

Agree. The department will communicate the status of all grievances by sending out a form email to all principal parties involved in grievances notifying them whether or not their original grievance deadline will be met. If applicable, the reasons for postponement of the resolution of the grievance will be included in that email.

**Recommendation #7:** The Director of Human Resources should encourage Local 500 to supply all information needed on the grievance forms submitted.

Agree. The Director currently encourages Local 500 to supply all information needed on grievance forms submitted. As a result of this audit, the Director will follow up with a memo encouraging Local 500 to meet these requirements.