

A SUBMISSION TO

CANADA POST CORPORATION

FROM

THE ASSOCIATION OF POSTAL OFFICIALS OF CANADA

CONCERNING

AN OPERATIONAL CRISIS IN

THE APOC SUPERVISOR ROLE

SEPTEMBER 2018

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SECTION 1. INTRODUCTION

1.1 BACKGROUND

In the last 10 years Canada Post Corporation (CPC) has been through dramatic and continuous change. It is a credit to Management, Staff and the partnered unionized stakeholders that a coalition of common purpose and interest has sustained its financial integrity and social responsibility mandate in such turbulent times.

These changes have been dictated by external factors which have challenged the historic role and responsibility of CPC as it engages in a commercial environment of rapid growth in parcel business, constant change and demanding commercial dynamics. Technology, globalization, demographics, e-commerce and the revolution in how people communicate have been the catalysts of change. Over many years the dramatic changes within CPC have often been destructive to structures, systems and people. This represents an intrinsic shift for an enterprise whose roots are in an industrial age model of a public service culture, monopolistic assumptions, modest service expectations and limited demands for operational adjustments.

Internally, these cumulative changes have placed exceptional stress on Members of the Association of the Postal Officials of Canada (APOC) who represent the critical management control and leadership role at the strategic point of execution—service delivery! Throughout this period the changes to the resourcing, roles and management processes have not kept up with the changes in operations. Continuous assessment and adaptation of various operational elements are important to sustainability and maintaining competitive advantage. For Supervisors these ongoing changes have been driven by cost-saving objectives within the CUPW employee ranks with out sufficient regard for on-going evaluation of human factor considerations. The

status quo can serve short-term goals but has created somewhat of a false economy relating to sustainability and organizational flexibility. There is now an imbalance in managing contemporary human resource objectives of capacity, competence, commitment and cost effectiveness.

In this submission important issues are raised for examination, decision making and implementation. Fear, anger and disempowerment capture the essence of Member attitudes and perceptions of the current work environment and present an imperative for urgent, common-sense action. These expressions flow from a member survey conducted in the fall of 2017 and member focus groups on the spring of 2018.

Throughout this turbulent period, APOC has always sought to be a mature and responsible partner in supporting CPC strategy and appropriate adjustments to operational processes. APOC works to balance this commitment with its primary role to protect the physical and psychological well-being of its Members and to preserve the rights acquired through negotiated agreements. This submission articulates a crisis in all aspects of operational management. This is true in all supervisory functions, with particular impact on Members' physical and mental health in Collections and Delivery (C and D). Without attention to the current realities, and taking corrective action, could also threaten the economic prosperity and dominant market position of CPC. Serious problems exist—action is necessary—if CPC continues to lose the engagement commitment of its APOC Members, it has a serious problem.

APOC will always seek to be a constructive partner in the many tactical changes needed to implement adaptive strategies. The Association's role here is to help CPC to remove some of the unrealistic expectations, antiquated management systems that have eroded the health of members due to work-related illness cause by the unrelenting stress and futility felt by knowing that you will never be able to fulfil your responsibilities on any given day.

1.2 Submission Objectives

The objectives of this submission are:

- 1.2.1 To bring to the attention of Senior Management a number of critical issues that are having a negative and highly problematic impact on organizational effectiveness and on the health, engagement and on-going viability of the Supervisor function in Collections and Delivery as well as other operational areas.

- 1.2.2 To examine the presenting issues, identify the impact of each issue for CPC and APOC, currently and in the future.

- 1.2.3 To advocate for common sense corrective actions which serve the goals of both CPC and the well-being and on-going commitment of APOC Members.

SECTION 2. EVOLUTION OF THE SUPERVISOR ROLE

2.1 BACKGROUND

Throughout the past 10 to 15 years CPC has been a shrinking organization, at least from an employee headcount perspective. All the while it has been growing in parcel volume by leaps and bounds. Additionally CPC needed to clean up inefficiencies that have built up over CPC's long history. This was done through a number of process changes, improved reporting systems and extensive changes in processing and delivery methods. Couple these changes with the downloading of duties from Enabler groups to the frontline Supervisor and Superintendents, and we find ourselves in a difficult position.

2.2 PROCESS IMPROVEMENT AND REPORTING SYSTEMS

Process changes came in many of the areas of the Company. In the processing side of the business new tools were developed to add visibility to how effective employees were doing their jobs. Two good examples of this were the Valus and PDX systems. These systems allowed the Supervisors to view productivity on an hour by hour basis without requiring constant observation of a group of employees.

From a delivery perspective there were many improved processes. Admail was one area where the Company had been struggling to excel. Improved visibility and control was added through increased on-street verification, in depot audits, etc. Overtime was also an area of increased control. A very robust process was put in place to attempt to reduce 15.08 overtime (overtime on a person's on route). This process is very stressful and time consuming but it has been successful in many areas. More recently the SSINA (Successfully Scanned Item Not Available) process was added to the depots which required the Supervisor to do an extensive investigation any time a customer reported that there tracking

states the item was delivered but it is not in their possession. SSINA investigations have put tremendous pressure on a Supervisor's day.

2.3 CHANGES IN PROCESSING AND DELIVERY METHODS

While CPC has been evolving as a Company this has not been a totally natural evolution. There were two main projects that drove much of this change. First, the Postal Transformation (PT) project; and, secondly, the CPC 2.0 initiative.

2.3.1 Postal Transformation

The PT project was focused operationally on two areas: Processing and Delivery. The most important change, which drove the delivery changes, was the purchase of the new modern Multiline Optical Character Readers (MLOCR). These pieces of equipment gave the operations a vast improvement in mail processing capabilities. It improved speed of process, percentage of mail that could be machined and allowed for the ability to sort mail directly to the line of travel of a Delivery Agent. While these changes did alter how the plants process mail it was not as dramatic a change as its effect on the delivery organization.

The delivery organization was reshaped allowing for a substantial reduction in work force. In the past, a Delivery Agent's (DA) day was split into 4 parts. They were 1 part sortation and 3 parts delivery. With the PT project there were two main changes to their day. First, with the ability to sort to the line of travel of a Delivery Agent the time required for sortation was reduced. Secondly, each office that was included in this project was mobilized allowing for the DA to deliver in a faster way. These two changes allowed for each of the DAs to deliver to 10 – 30% more points of call than they had in the past. This change allowed for CPC to reduce its employee headcount to customer ratio and as such improved the efficiency of the delivery operation.

2.3.2 CPC 2.0

The CPC 2.0 initiative was focused on further reducing costs and improving the Company's ability to deliver packets/parcels. These cost reductions impacted all areas with C and D experiencing the greatest resource stress impact.

This change was to remove the door-to-door delivery component from every address in Canada. This would reduce the walking time required by each DA and thereby allow them to service more customers per day. This shift was called centralizing delivery. Each customer would be given a box within a community mail box (CMB) and they would be required to pick up their mail (and some parcels) from this central point each day. By the utilization of this system, the DAs could deliver to many more customers each day and allow CPC to reduce the number of DAs required. While the CPC 2.0 project has been shut down, it was still implemented in many areas and those that have it remain in the centralized delivery method.

2.4 DOWNLOADING OF DUTIES AND REDUCTION OF ENABLER GROUPS

Along with the improvements above the Company has reduced cost by reducing Enabler groups. The appearance from the front lines was that these groups were viewed as less than productive in some cases and major cutbacks were done. The Training Teams were reduced and centralized, the Production Control and Reporting (PC&R) group was reduced and a number of groups were de-emphasized pushing duties to the front lines.

These groups historically were the ones to take on the background tasks required in order for the frontline to function. The Training Team in the past would have been conducting most of the training required for the teams.

With the reduction and re-tasking of the training department many of the training programs have been watered down and pushed forward to the Supervisor teams for implementing with the Training Team overseeing. There are a number of examples of this:

- Dangerous goods training
- Violence in the workplace
- WHMIS
- Driver licencing
- Letter carrier training
- Supervisor CORE training
- Upgraded PDT rollout
- Safe lifting training

Most of these programs were coordinated by the Training Department but the frontline Supervisor/ Superintendent teams were required to manage/ facilitate them.

The PC&R group are the ones that handle frontline staffing and report production that the teams utilize to manage their teams on a daily basis. The reporting aspect of CPC has grown many fold over the years but this team has been dramatically reduced. For example—in 2009 the NB/PEI Directorship was supported by a team of 10 individuals and today it has 4. The end result is that the number of reports the frontline team have to complete on a daily basis has pushed them from managing people to filling in reports.

Finally, many groups such as the Route Measurement Officers (RMO) and the Service and Quality Departments have been de-emphasized. In the case of the RMO team their classifications were reduced to the Level 1 category and as a result many of the most experienced RMOs left the team. This has had the effect of pushing more of their day-to-day and restructure duties onto the local Supervisor teams. The Service and Quality teams once measured and scored the effectiveness of process operations—now they focus on analyzing reports.

2.5 SUMMARY

All of these projects and improvements have put CPC in the place it is today—the premier business to consumer delivery Company it is. The cost, however, has yet to be recognized by the people responsible for the management of the frontline Supervisors/Superintendents. All these process improvements have helped CPC to instill a level of control of its operation that it never had in its long history. The drawback to this is it reshaped the essential nature of the Supervisor's role. Where in the past they were focused on managing their teams they are now forced to shift much of their time to managing processes. It has become a problem because the need for managing their people has never diminished.

The impact of the two main projects upon the depot teams has been much more profound. Where once they would work to manage a team of employees based on a reasonable ratio of employees/Supervisors, these changes have invalidated the established 1 to 34 ratio. This has yet to be acknowledged. Every depot across the country has seen a reduction of the delivery employees. This is great for the bottom line. However, depots have seen a steady growth in the points of call they service and a dramatic growth in deliveries. This has been compounded by reductions in Supervisor headcounts over the past 10 years. While the head count has been stable for the past 5 years, at one time the overall head count of the APOC represented employees were in excess of 3900 and currently sit less than 3500. Add that with the increase in reports required by the improved internal controls has forced a shift in supervisor focus. A shift that moved them from employee management to a emphasis on customer, process management and the expanding demands of metric analysis/reporting.

SECTION 3. SUPERVISOR CHALLENGES TO BE RESOLVED

3.1 Supervisor Workload

The workload of Supervisors in large C and D and other operations is unreasonable and unsustainable. This is true in the current environment and exponentially truer in future scenarios. The current staffing profile bears no relationship to work demands. The depth and breadth of Supervisor tasks has expanded dramatically with exceptional parallel increases in points of call and unprecedented growth in the parcel business.

EXAMPLE: Station “B” Downtown Toronto

	<u>2014</u>	<u>2018</u>
Points of Call	42,566	53,539
Apartments and Lobby Boxes	33,534	45,828

The contributors to this damaging reality include:

- An unrealistic performance expectation where days are time scheduled to 100% of the work period
- The front line supervisor teams are often created on headcount only and don't effectively utilize the other components of the staffing clause of the collective agreement (article 43.55). The various other components are rarely utilized, and headcount is used as the main driver. Creating problems with the designs.
- The loss of Enabler functions and the downloading of administrative functions to Supervisors
 - Training and e-learning
 - Scheduling and verification

- Mechanical Material Handling Equipment (MMHE) evaluations
 - Local Joint Occupational Safety and Health Committees (LJOSH)
 - Employee case files
 - Neighbourhood Mail (NM) verifications
 - Overages and shortages
 - Bundle checks
 - Vehicle checks
 - Personal Data Terminal (PDT) problem solving and scanning reviews
 - Edit book
 - Address Management System (AMS)
 - Restructures
 - 2 – 3 hours per day reporting metrics
- Inadequate staffing for backfilling absences or scheduled leave
- Unlike the CUPW clean-floor model, in Collections and Delivery, where the framework is in place, there is typically carry-over work from the previous day. This combined with the demands of a new day and week to achieve the 126 performance rated tasks is often overwhelming (Appendix A). These standards are monitored locally and usually make no allowance for anomalies, reasonable variances or the impact of unforeseen events (staffing issues, vehicle incidents, exceptional volumes, etc.). In many cases the daily administrative and reporting workload have become the dominant focus of activity rather than actual real world performance.
- It is respected that critical management metrics are a fundamental control in a complex, competitive and large logistics business. However, there is a risk that data analysis becomes the implied corporate mission rather than excellence in service delivery and customer satisfaction. It is assumed that

evidence-based resourcing and logistical flexibility are primary levers in maintaining and leveraging a position of competitive advantage. Appropriate quantitative and qualitative measurement, adequate resourcing and logistical flexibility need not be mutually exclusive.

- In all roles APOC Supervisors have little or no time to actually manage employees. The downloading of “Enabler” functions has added to the deterioration of this essential relationship. The beginning of each day in Collection and Delivery is consumed with the referenced overflow and administrative demands as well as preparing to manage their on-going item task list. Before they are free their employees have left the Depot and there is little time to engage with them. Coaching, performance management, encouragement and building positive relationships have become a secondary priority. This mitigates opportunities to energize positive culture and personal motivation of employees—the leadership responsibility.
- Related APOC Data

Survey Composition	Local Area	8.10%
	Plant	17.61%
	Support	13.03%
	Collections and Delivery	61.27%

Q1. *"Do you have the necessary resources to help you do your Job?"*

Yes 33.76%

No 66.24%

Q2. *"If you answered NO to Q1, indicate your resource need—as many as you feel apply:"*

Human resources 36.67%

Technology	34.76%
Time	84.29%
Equipment	29.52%
Clear objectives and priorities	42.38%

Q3. *To adapt to changes, I have the freedom to make changes and use my judgement:*

Never and Occasionally	54.73%
Always and Most of the Time	34.85%

Q4. *The biggest challenge that I face in maximizing my management effectiveness:*

The stress of my expanding job definition	67.80%
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Q5. *My current workload is (indicate one):*

Balanced	14.52%	85.48%
Heavy	32.58%	
Stressful	32.58%	
Cannot sustain	20.32%	

Q6. *I take regular breaks according to our Collective agreement:*

No	78.15%
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3.1.3 Focus group expressions:

- "No emphasis placed on different factors between areas"*
- "I don't know what my job is anymore"*
- "Everyone is burned out at the end of a day"*
- "Morale is at an all-time low"*

"A fear of reprisal or not being a team player if not meeting all NDM and KPI standards—everyday"

"Overtime is expected without compensation"

"We are unable to attract Supervisors in larger centers—Vancouver, Toronto, Montreal"

"Our facility is like a turn stile for APOC Members"

"People will do anything to get out of C and D"

The Supervisor staffing ratios are unreasonable and unacceptable in the context of rapid growth, substantial downloading and expansion of the role and paralyzing rigidity of daily performance expectations. Without a staff ratio reduction and / or additional administrative assistance service delivery is and will increasingly be degraded and Supervisor mental and physical health is and will continue to be seriously compromised.

This is against an ominous backdrop of rapidly expanding points of call, dramatic growth in parcel delivery, problematic new competitors and increasing human resource burnout, disillusionment and erosion of engagement.

3.2 Management systems

In addition to the primary issue of workload, results driven systems has created a climate of fear. Over decades, Supervisors have demonstrated an active, responsive and prideful commitment to CPC's mission, stakeholders and customers. Every organization is comprised of a technical system and a social system. Most CPC Managers are competent in the management of the technical system; many struggle in leading the social system—the people who get the job done. This has created a material erosion in the historically positive, unspoken psychological contract between CPC and its APOC front-line Supervisors.

3.2.1 Overtime Policy

The issues of workload stress and illness related to expanded job definition and increased volumes is a fairly straight forward resource issue where common sense should enable rational analysis and remedial decision making.

It has become difficult to follow the overtime policies and still ensure positive performance metrics. The expanded task of CPC without additional resourcing has created an escalated and predictable pressure on overtime requirements. This is a normal implication of success in a time-sensitive business. It is also respected that overtime costs require management oversight and control.

The inclusion of indirect overtime as a personal performance metric for the front-line Management team has led to many Managers needing to put pressure on the supervisors to deliver their numbers. Supervisors are under constant pressure to deliver absolute NDM and KPI expectations. This is often impossible due to a wide range of volume, staffing, SSINA work, etc. When attempting to book overtime, discussions occur about them not managing their time and must get the work done in the 100% fully-booked day which assumes no unforeseen operational issues. If not getting it done without overtime, they tend to receive the stigma of "*not being a team player.*" In many cases APOC Members are receiving a "2" PMP year-end rating while they are literally harming themselves in an effort to meet expectations. Additionally, in seeking overtime, many members have been warned of receiving poor ratings because it is viewed that they are not managing their time. Often managers will work to negotiate with Members for some form of compensating consideration in lieu of overtime entitlement, commonly called "Black" or "Green" book time.

This practice is outside CPC's or the Associations expectations of a work environment but it happens frequently and is a primary contributor to workplace stress. This stress manifests in the members as fear of discipline or poor performance ratings. These counter productive behaviours creates an adversarial culture of suspicion, relational disconnect and eroding loyalty.

The overtime pre-approval policy leads to a daily confrontational and negotiating reality. The current incentivized overtime performance metric for Managers signals a clear management intention to limit access to overtime rights.

3.2.2 The "and other duties" Clause of the Supervisor Job description.

Most job descriptions contain an arbitrary "and other duties" clause to facilitate management flexibility in the use of human resources. This is reasonable and normally assumes an infrequent application in special circumstances of need.

Through the years, and the evolution of the role, the frequent use of this clause to download additional tasks/ responsibilities to the front line. The understood intention of the clause has been lost. This cannot continue, where APOC Supervisors are already dramatically overloaded with 126 task items within 13 key areas of performance.

This clause should be eliminated or modified to identify specific circumstances where its use is agreed.

3.3 Performance Management

A major issue is the fact that Management personnel are measured on group performance against KPI's or other standards. Supervisors are (as

agreed) to be evaluated against individual performance but this is often not the reality when group performance is simply applied to all Supervisors in the appraisal process. This weakens the intention of the process where individual high performance or effort is not rewarded or poor performance is not sanctioned.

This lack of understanding of an agreed process can enable team leaders to assess or criticize Supervisors on their momentary or generalized perceptions. This leads to confusion about what really matters, how they should be assessed or what they are being measured on. It is a fundamental tenant of individual performance management that employees should not be assessed on things that they cannot control.

The difference between the management of performance for the Management employees and the APOC represented employee along with no solid clarification of the difference has created a conflict annually between the groups. The proper process is commonly not followed and poor ratings overturned. This continues to damage the integrity of the process. CPC's performance management of the Manager ranks is purely that of KPI performance while the APOC performance management (as defined in the CA) is based on actions and behaviours. Most managers of APOC supervisors have difficulty being able to differentiate between the processes. Because of this, they apply the KPIs to the APOC Members' Ratings when it shouldn't be. This is a continuous source of conflict between APOC Members and their respective Managers and Directors.

This process should either be managed as agreed or replaced with a model that measures effort and performance against deliverables that are within the Supervisor's control and not subject to the broad undefined subjectivity of the Manager on any given day or their broader personal metrics based on group performance. There appears to be a forced

distribution in the process which serves no purpose other than to make Supervisors feel de-motivated in their efforts. The annual ritual of battle to move some assessments from a 2 to 3 is counterproductive. The reason APOC Members pursue these issues is simply out of pride of effort and what is seen as an imposed injustice which has little financial consequence to either party and in no way relates either to actual performance or lack thereof. The process is outdated as an annual or semi-annual review process and is not consistent with the agreed upon intention.

The “and any other duties” clause is often used to justify Management indifference or misuse of the policy intention.

3.4 Work Related Illness – Short-Term Disability

In 2015 an analysis of almost 300 studies found that harmful workplace practices were bad for mortality and as likely to lead to illness as physician-diagnosed illness related to smoking, diet and other lifestyle factors.

Harmful workplace practices include issues of working hours, work-family conflicts, job insecurity and lack of job control. Additionally, the Mayo Clinic says that "your Supervisor is more important to your health than your family doctor"—the quality of management and leadership that one experiences on a daily basis.

The short-term sick leave data for CPC generally and APOC Supervisors specifically continues to grow as the many work-based pressures already mentioned take their toll. The management and actual human resource practices and behaviours are inconsistent with the values, best-practice

recommendations and training of the Queen’s Mental Health Awareness initiative.

3.4.1 Facts

- Over 60% of time-off illness claims are stress / mental health related
- STD mental health cases in APOC:
 - 2015 133
 - 2016 177
 - 2017 184 (projected)

- Average duration of absences – mental health
 - 2015 110 days
 - 2016 114 days
 - 2017 115 days

- % of STD mental health claims in APOC compared to CPC:

	<u>CPC</u>	<u>APOC</u>
2015	15.49%	26.39%
2016	19.3%	29.42%
2017	20.22%	30.12%
(to Sept. 2017)		(to Sept.2017)

APOC runs 10 – 15 points above corporate average for mental health issues

- % of mental health claims are fairly consistent across age bands with the highest numbers in the 35 – 44 year age group

3.4.2 Work-Based Contributors to Mental Health Levels in APOC

- Contributing workplace challenges:
 - 22% increase in parcel delivery from 2016 – 2017
 - Weekend parcel delivery has grown to 3.6 M in 2017 compared to 2.4M in 2016
 - CPC experienced 41 – 1M days in 2017 compared to 26 -1M days in 2016

- 4th year of continuous growth to 2017; 393M parcels, 124 transactional mail
- In 2017, 12.2M parcels to retail outlets, a 19.6% increase over 2016
- *"Our parcel business will continue to grow. We know we must do everything we can to make sure that does not overwhelm our employees or compromise safety." (Mary Traversy, Chief Operating Officer)*
- APOC Supervisors are overwhelmed which creates a climate where performance issues can compromise safety objectives
- Inadequate staffing
- Inappropriate management behaviours (manipulation of overtime and "other duties clause")
- Misuse of performance management policy

3.4.3 APOC Survey Data

Q10. *I believe that I am experiencing work related stress:*

Yes 75.16%

No 28.84%

Q11. If you answered "yes" to the above question, what symptoms are you experiencing? (As many as are true)

Fatigue	21.19%
Lack of concentration	6.36%
Muscle tension	5.93%
Sleeping problems	18.64%
Mood swings	8.05%
Stomach upsets	4.66%
Feeling I cannot cope	21.16%
Chest pains	5.08%

Changes in eating habits 0.85%

3.4.4 Related Focus Group Expressions

- *"Many of us are working at home or spending more time at work to simply complete compliance tasks."*
- *"I am a single mother and depot Supervisor. The work load is so heavy that each day I leave an hour late, pick up my daughter and once she is in bed I need to work till 10 just to keep up."*
- *"We are being bullied to give more without compensation or recognition."*
- *"I start getting calls around 0.5.00 each day. I basically need to start work then. The problem is that recently my Manager reduced our team and took over the duties on day shift. My shift starts at 15.00."*
- *"We have nothing left for our families."*
- *"Members themselves become unwell with additional workload day after day and never being rewarded, thanked, appreciated and constantly on the defensive for why they can't get things accomplished or meet KPIs."*
- *"Calling EAP does not begin to address any changes in the work environment."*
- *"People see what's happening in Collections and Delivery and they want no part of it."*

The stress and mental health related STD numbers are of great concern and bear a direct correlation to the issues of workload, management, growth, and the quantum expansion of deliverables and daily expectations. Addressing the challenges presented in this submission will be the primary means to stabilize and reduce these disturbing numbers. Both CPC and APOC have a "duty of care"

responsibility to aggressively address the stress and mental health issues.

3.5 Summary of the Challenges to be Resolved are:

- Staffing level ratios
- Management behaviours relating to overtime, the “all other duties” clause of job descriptions and a deficit in leadership skills.
- Ensuring management compliance with the agreed performance management process
- Stress and mental health challenges

APOC and CPC have a history of shared responsibility and common sense collaborations. Together, we can strengthen a critical corporate competency in an age of continuous evolution—the capacity to change, adapt and realign resources to task.

The unrelenting pressure of a changing business model and exceptional parcel growth within the broader CPC service mix have been demanding for all stakeholders. This is most true for APOC Supervisors who each day must navigate a balance of management accountability to CPC and an advocacy responsibility to its members—a difficult role under stable circumstances.

It is felt that the efforts of all to cope on a daily basis has created a void of oversight, regular capacity and resource assessment and on-going alignment of resources to task. None of the issues are beyond resolution. Joint problem solving and rebalancing can add value to current operational effectiveness and better equip CPC for the emerging and yet unseen challenges of the future.

SECTION 4. IMPLICATIONS OF INACTION FOR CPC AND APOC

4.1 Canada Post Corporation

- The opportunity cost of not investing in adequate resources to align with on-going volume growth and service complexity
- Loss of competitive advantage

CPC has a strategic advantage in the industry as a result of a managed address list, an established infrastructure, a trained workforce and high brand recognition. A 60% of volume exposure to AMAZON and their exploration of creating a franchised delivery network (PRIME) or other innovations can present serious threats. On-going advances in technology, delivery options and new entrants can be problematic.

Demonstrable excellence in customer service and delivery is the critical defense to these threats. Adequately resourced and properly led and managed APOC Supervisors are in the best position to positively influence this proposition.

- Increased health care costs
- An erosion of organizational performance related to a number of human resource issues:
 - Higher levels of staff turnover
 - Exodus of Supervisors from C and D creating a vacuum in succession and loss of organizational competence at the sharp end of the business
 - Problems in recruiting and increased recruiting cost
 - The cost of new inexperienced and poorly trained Supervisors
 - The motivational and performance damage of a culture of fear, suspicion and manipulation
 -
 - A Supervisory workforce that is disconnected from the corporate strategy
 - A workforce that sees themselves as micro-managed units of production versus engaged contributors.

4.2 Association of Postal Officials of Canada

- Increasing stress and mental health sick leave
- Increased erosion of Supervisor work engagement and morale
- Continuing exodus from C and D supervisory positions
- A potential negative shift in the historically positive partnership culture of the CPC and APOC relationship
- The cumulative human damage to Supervisors and their families
- The lack of time to lead and manage employees

5. RECOMMENDATIONS

5.1 Supervisor Ratios

It is recommended that in C and D and other appropriate operational areas that the Supervisor to employee ratio is reduced to 1 Supervisor to 24 employees as a matter of national policy. Positive local initiatives in reduced ratios are being implemented in areas in Montreal and Toronto. These innovations result from overwhelming operational realities.

5.2 Overtime

It is recommended that a revised overtime policy be developed which is in line with the negotiated agreement, protects Supervisor rights but is rational to CPC in balancing resources to tasks as daily demands or needs fluctuate.

5.3 Performance Management

It is recommended that the existing annual review process is terminated. It is an industrial-age approach which is mismanaged, poorly designed and achieves no objective other than to facilitate conflict, de-motivate Supervisors and perpetuate an anachronistic management style.

APOC assumes that they will be consulted on any initiative in this area and has views about what elements are critical to any successful model or process. It is a fundamental assumption that performance must be managed on a daily basis and that any annual/semi-annual process must focus on a broader range of shared and mutually beneficial goals and behaviours as well as addressing chronic performance issues.

5.4 Use of the “any other duties” Clause

It is recommended that CPC and APOC agree, publish and direct management conditions where the clause can be applied and when it may be used in lieu of existing KPI tasks. This is to include recording the use of this option for retrospective review.

5.5 Supervisor Mental Health - Short-Term Disability

It is felt that positive action relating to the previous recommendations will create a significant improvement in the rates of stress and related mental illness and STD claims. Such actions would improve generalized employee dissatisfaction and work-based stress. Reducing staffing ratios are of paramount importance.

5.6 Management Development

It is recommended that Managers receive developmental training and accountability for human resource leadership to bring greater balance to the human factors impact on operational performance. Defined competencies would be helpful, feedback loops would be progressive and training in such areas as team leadership, emotional intelligence and coaching and counselling would be enlightened.

6. A SUCCESS STORY

Over the recent past discussion in the Montreal have lead to some positive changes in the organizational design of the supervisor teams. The local General Manager and Divisional Vice President have recognized the flaw in the C and D team head count. The two parties met together as they had both come to understand that the level of work based on purely head count no longer works in modern depots.

They looked at the old organizational structures and realized that it was not working effectively. While the number of CUPW employees were decreasing overall the workload of the supervisor team was becoming unmanageable. It was recognised that points of call per supervisor need to be looked at within the design of the organizational structure.

For example:

1) St-Eustache office

- a. Before: 27,000 points of call. There were 2 supervisors in the office with an average of 33 employees. This is a fast growing area
- b. After: 36,000 points of call. There are now 3 supervisors with an average of 23 employees.

2) Rive Nord office

- a. Before: 37,870 points of call. There were 5 supervisors in a quickly growing area
- b. After: 67,000 Points of call. There are now 6 supervisors with an average of 25 employees

The discussions continued with 4 other offices including Sherbrooke, Sirois, Chavanel and Relief for superintendents. In total they added a total of 6 additional positions.

The end results of these changes have seen a positive turn around in the moral of the supervisor team, the level of productivity per supervisor and many of the KPI's in the territory.

7. SUMMARY

The Purpose of the report to Canada Post Corporation is to bring to the attention of Management a specific range of issues that are having a highly negative impact on Supervisors, employee engagement, operational effectiveness and the future capacity of CPC to meet what will be a variety of unseen dynamics and challenges. Intelligent strategy and tactical innovation are critical to success in these emerging environments. Without the enabling culture to leverage success and to deflect commercial challenges, success is problematic.

Action on these issues presents a watershed moment in the APOC—CPC relationship. The anger, disillusionment and sense of injustice has created an emotional temperature in our Members that has not been seen before.

This report is submitted in a spirit of shared responsibility and mutual benefit that has historically been the hallmark of our relationship. APOC does not wish to see an erosion in this productive affiliation.

However, the leadership of APOC is committed to a firm and decisive advocacy in support of the well-being and reasonable work-based expectations of its Members.

Let us invoke collaboration, common sense and engaged leadership in creating a better future for CPC and APOC Members.

THE ASSOCIATION OF POSTAL OFFICIALS OF CANADA

DocuSigned by:

Cameron Clay

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Cameron Clay, 1st National Vice President

DocuSigned by:

Joseph Blanchard

DCB8C646F73748B...

Joseph Blanchard, Atlantic Divisional Vice President

DocuSigned by:

Liberato Taddeo

EDF943D52BD8454...

Liberato Taddeo, Montreal Divisional Vice President

DocuSigned by:

Dillon Lumsden

847D3ED4DF2A4BE...

Dillon Lumsden, York Branch Vice President