

In the Arbitration between:

Inland Steel Company  
(Indiana Harbor, Indiana)

and

United Steelworkers of America  
Local 1010, CIO

Arbitration No. 33

Before  
Harold M. Gilden  
Arbitrator

Hearings, September 14 and  
16, 1948.

#### REPORT AND DECISION OF ARBITRATOR

This arbitration involves three issues submitted for award to Harold M. Gilden. Hearings were held at Indiana Harbor, Indiana, on September 14 and 16, 1948, at which all parties were represented and fully heard. The Union was represented by Joseph Jeneske, International Representative, Harry Powell, Local President, O. H. McKinsey, Chairman Grievance Committee, John Sargent, Peter Calacci, and Harold Kraft. The Company was represented by William Price of Pope and Ballard, Attorneys Lee B. Luellen, Assistant to General Superintendent, William A. Blake, Superintendent Labor Relations and Herbert Lieberum, Divisional Superintendent of Labor Relations.

#### ISSUE I/- CASE 4-C-7

##### NATURE OF CASE

The instant grievance calls for the interpretation and application of the seniority provisions (Article VIIIO of the current collective bargaining agreement which became effective on May 7, 1947. Particularly the issue concerns the propriety of applying either departmental seniority or sequential seniority to demotions arising in the day to day operation of multiple job sequence units. There is no dispute that with respect to promotions in such situations, sequential seniority prevails.

This same problem, namely whether the seniority jurisdiction should be departmental or sequential, was the subject of grievance action under the two previous labor contracts. In the 1942 Agreement, the Larkin decision resulted in the application of sequential seniority. Jobs in the department were mapped out into formal sequences, each dealing with particular units of production or specific types of work, and arranged in gradual progression from the lowest to the highest rated jobs. Seniority lists were prepared on the basis of sequential ratings. Under this system all promotions and demotions were according to relative standing withing the sequence. The Company's continued application of sequential seniority following the signing of the 1945 contract gave rise to the Walter Serbon grievance. In the settlement of that grievance, the Company conceded that the contract provided for departmental seniority, and, as a consequence, the seniority standings of all employees were revised to give preference to their length of service within the departments. The sequence arrangements, in the form in which they had existed under the 1942 contract, were not disturbed, the only change being that movements up and down within the sequence became governed by departmental instead of sequential length of service.

With the signing of the 1947 contract the Company contended that sequential seniority was reinstated again to its former predominance, and proceeded to chart the relationship between employees on the basis of their sequential length of service. New seniority lists were posted showing relative sequential standings. These listing were to control in the selection of persons for promotions or demotion within particular sequences. On August 4, 1947, the following grievance was filed on behalf of the employees in #1 O. H.

"Immediately after the signing of the Agreement, without consultation together with the Union representative of Number 1 Open Hearth, Management set up a revised seniority list for the floor sequence. Reshuffling the entire seniority list and demoting men from the top of an occupation to the bottom.

The Union feels that the settling up of this seniority list based on sequential seniority for promotions and demotions is a violation of the Agreement since it is clearly stipulated that demotions shall be made on departmental seniority.

Union requests Management conform with the Agreement and set up a seniority list of sequential seniority for promotions and departmental on demotions."

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#### Union's Position

1. That the present seniority pattern requires that demotions be made on the basis of departmental seniority and promotions on length of sequential service.
2. Under the previous labor agreement departmental length of service governed both promotions and demotions within work sequences and employees are accustomed to being demoted on basis of departmental seniority. To permit employees with a higher sequential seniority rating to occupy a preferred position over employees with longer service in the department in the matter of demotions is to violate the fundamental principles of seniority. Under such an arrangement the possibility exists that employees with longest departmental service may be laid off while others with less service remain at work.
3. The seniority provisions of the current contract were among the major problems dealt with in contract negotiations. That the present language reflects a compromise between the respective positions advanced by the parties the intention being that promotions would be made on basis of sequential seniority and demotions on basis of departmental seniority.
4. Article VII, Section 9 states that Departmental seniority is the criteria for determining lay-offs where lack of business requires reductions in work force after the plant is down to a 32 hour work week. It doesn't seem reasonable or sensible to use sequential seniority as the basis of sequential demotions in reducing the work week from 40 hours to 32 hours, and then adopting a completely different pattern for determining additional decreases in personnel.
5. The contract clearly provides for the pre-eminence of departmental seniority in situations where employees are transferred at Company request and where they are returned to jobs in the bargaining unit after service in a supervisory capacity.

### Company's Position

1. The pertinent seniority provisions of the current agreement specify that both promotions and demotions are governed by sequential seniority. This system is fair and workable. In movements within the labor pool and in single job promotional sequences, departmental seniority applies.

2. The contract language reflects the deliberate intention of the parties to limit the application of departmental seniority to certain specified situations. It was not the purpose to intermingle departmental and sequential seniority in the handling of promotions and demotions.

3. To adopt the Union's contention that departmental seniority should govern demotions would cause constant confusion and job insecurity. Under this system a new man coming in at the bottom of the sequence could use his accumulated departmental seniority to hold his place in preference to men who had been in the sequence a longer time. The job seniority of everyman in the sequence would be uncertain the moment a new transferred into that sequence.

4. That the Company's experience with departmental seniority under the 1945 contract was so unhappy that it was determined to negotiate for sequential seniority in the new contract.

5. This grievance doesn't concern mass lay-offs and, therefore, the procedure established by Section 9, and the limited conditions under which that Section permits department seniority to come into play does not sustain the view that departmental seniority should govern all demotions.

6. That Sections 13 and 14 dealing with transfers and resumption of jobs in bargaining unit are special situations, but even there, the same seniority pattern governs both promotions and demotions.

### Discussion

The current labor agreement contains the following provisions:

#### ARTICLE VII

##### Seniority

The Company and the Union recognize that promotional opportunity job security when decrease of forces takes place, and reinstatement after lay-offs should merit consideration in proportion to length of continuous service. It is also recognized that efficient operation of the plant greatly depends on the ability of the individual on his particular job.

Section 1. Definition of Seniority - Employees within the bargaining unit shall be given consideration in respect to promotional opportunity for positions not excluded from said until job security upon a decrease of forces, and preference upon reinstatement after lay-off in accord with their seniority status relative to one another. "Seniority" as used herein shall include the following factors:

- (a) Length of continuous service as hereinafter defined;
- (b) Ability to perform the work; and
- (c) Physical fitness

It is understood and agreed that where factors (b) and (c) are relatively equal, length of continuous service as hereinafter defined shall govern. \*\*\*

Section 3. Seniority Sequences - Within a reasonable time after the signing of this Agreement, but not later than ninety (90) days, the various jobs in the bargaining unit within each department shall be arranged by the Company into definite promotional sequences in accord with logical work relationships, supervisory groupings and geographic locations, and such sequences shall be set up in diagram form. It shall be the specific objectives to establish such promotional sequences, insofar as possible, in such manner that each sequence step will provide opportunity for employees to become acquainted with and to prepare themselves for the requirements of the job above. The arrangement of occupations within a promotional sequence shall be in ascending order of total average earnings on the jobs concerned, and any permanent change in such earnings shall be the basis for realignment of the jobs within the sequence. Where job earnings are approximately equal, the job generally regarded as most closely related to the next higher job shall be the higher in the sequence arrangement.

The promotional sequence diagrams, together with a list of the employees in the sequence and their relative relationship therein, shall be given to the grievance committeeman for the department involved within said ninety (90) days period, and such grievance committeeman shall confer with the Company regarding any changes therein he deems necessary or desirable. The diagrams and lists proposed by the Company shall be posted upon the bulletin boards in the department involved.. Such diagrams and lists shall take effect at the time of posting; subject to being revised under the grievance procedure of Article VIII hereof, beginning with Step 2.

The diagram lists of employee relationships shall be posted and shall be kept up to date by the departmental management. Where a permanent change in the relationship of jobs in the sequence takes place or new jobs are installed, the sequence diagrams and lists referred to in this section shall be revised under the principles set forth above.

Section 4. Sequential Length of Service - Employees shall be regarded as having established continuous length of service within a sequence after thirty (30) turns worked therein on other than fill-in turns for to other employees, at which time the date of establishment shall go back to the start of the thirty (30) turns. Continuous length of service standing of employees within a sequence shall be in accord with the respective dates upon which they become established in that sequence, except as such standing is altered or modified by the provisions of the other sections of this Article.

No employee shall hold continuous length of service standing in more than one sequence at one time, and an employee leaving one sequence to enter another shall lose his continuous length of service standing in the sequence from which he transfers after thirty (30) turns worked in the new sequence.

In all cases, the employee must enter a sequence in the lowest step of the sequence.

Section 5. Departmental Length of Service - Jobs in the labor pool and in single job promotional sequences (considered together as a unit) shall, in each department be governed by the departmental length of service, but employees in a single

job promotional sequence shall not be displaced by employees in the labor pool having longer continuous length of service, unless there are employees in the pool (labor) with longer length of continuous service in the department who are subject to being laid off, in which cases such employees shall be entitled to move into the single job promotional sequences in accordance with the provisions of this Article. In the labor pool and in the single job promotional sequences, the employees continuous length of service standing shall be in accord with the respective dates on which they were last employed in the department, except if altered or modified by other provisions of this Article.

Employees who have been in a sequence and are stepped back to the labor pool under the provisions of this Article shall be entitled to jobs in the department labor pool in accordance with their departmental continuous length of service and they shall be recalled to their sequence, when needed, in accord with their sequential seniority.

Section 6. Filling of Vacancies and Stepbacks with a Sequence. (a) Promotions Temporary vacancies shall be filled by the employee on the turn and within the immediate supervisory group in which such vacancy occurs in accordance with the provisions of this Article, except that, where such vacancy is on the lowest job in the sequence, it may be filled by the employee in the labor pool group (including available employees in single job promotional sequences) most conveniently available in accordance with their seniority standing. Temporary vacancies which are known to extend over the next work week or longer, or those where no definite information as to the duration of the vacancy has been furnished to the department management by the time schedules for the next week are posted, shall be filled by the employee within the sequence who is entitled to the vacancy under the provisions of this Article.

Permanent vacancies in jobs more than one step above the labor pool shall be filled by the employee within the sequence who is entitled to the job under the provisions of this Article, except that no employee shall move into a higher job without first having performed the immediately subordinate job, unless another employee entitled to the higher job makes this possible by waiving promotion.

(b) Waiver of Promotions - An employee may waive promotion by signifying such intention to his supervisor or shall be considered as waiving if he fails to step to fill a vacancy. Such waivers shall be noted in the personnel records and confirmed by the Company in writing. Employees may withdraw their waiver or announce their intention to fill future vacancies (which the Company shall also note in personnel records) and confirm in writing, following which they shall again become eligible for promotion, but an employee who has so waived promotion and later withdraws it as herewith provided shall not be permitted to challenge the future higher sequential standing of those who have stepped ahead of him as the result of such waiver, until he has reached the same job level above (by filling a permanent opening) as those who have stepped ahead of him, at which time his waiver shall be considered as having no further force and effect.

\* \* \* \* \*

(c) Stepbacks - All stepbacks within a sequence for any reason shall be in accordance with the provisions of this Article. When such stepbacks are being made the Company shall not apply the ability factor where the employee has performed the duties of the job for six (6) months or more.

Section 7. Filling of Vacancies and Stepbacks in Single Job Promotional Sequences - The same principles set forth in Section 6 above shall apply to promotions and set-backs to and from single job promotional sequences where departmental length of service shall apply.

Section 8. Other Conditions Affecting Length of Continuous Service Factor (Sequential or Departmental) (a) Employees on leaves of absence, employees who are inactive because of established bona fide illness, employees temporarily demoted for cause, disciplined with time off, or temporarily demoted to a lower job at their own request for good cause, shall, upon return, resume their former position in the sequence, in accordance with the provisions of this Agreement.

\* \* \* \* \*

Section 9. Layoffs - Force and Crew Reduction Due to Lack of Business. When it becomes necessary to lay off employees because of decreased business activity, the following procedure shall be followed, unless, otherwise mutually agreed between the Company and the Union:

A. Sequential Jobs

- (1) Employees within the sequence having no length of service credit) probationary employees shall be laid off.
- (2) The hours of work within a sequence shall be reduced to thirty-two (32) hours per week before anyone with continuous length of service standing in a sequence is displaced therefrom.
- (3) Should there be further decrease in force, employees will be laid off according to the seniority status as defined in the following paragraphs of this Section in order to maintain the thirty-two (32) hour week.

Employees will be demoted in the reverse order of the promotional sequence in accordance with factors (a), (b), and (c) defined in Section 1 of this Article. Where factors (b) and (c) are relatively equal, continuous service in the department shall govern. No question may be raised with respect to factor (b), "Ability to perform the work," where the employee has held and performed the duties of an occupation for six (6) months or more.

B. Labor Pool:

- (1) Employees in the labor pool shall be laid off in accordance with their departmental seniority.

Section 13. Transfers - An employee desiring to transfer, to a department in the plant other than the one in which he is employed shall, if transferred, retain his seniority of thirty (30) turns worked. At the end of this period, he shall commence to establish a departmental service record in the new department as of his first working day therein.

Employees transferred by management or employees desiring to transfer in order to fill a vacancy or a new occupation which cannot be filled from the department,

in accordance with this Article VII, Section 1, shall, if so transferred, carry with them all of their previous length of service credit for the purpose of promotions and demotions within the new department. Written records of all such transfers shall be maintained within the new department.

Section 14. Seniority with Relation to Supervisory Occupations. If an employee is promoted to a supervisory position and is later demoted to a job within the bargaining unit he may return to the department and sequence from which he came and his continuous length of service standing shall be the same as if he had not left, plus his service in the supervisory job, except that he shall not move into a job he has never held without first having performed the duties of the subordinate job. \* \* \* \* \*

The decision on this grievance has primary significance in those situations where curtailment of business forces a cut-back in the weekly work schedule from 40 hours to 32 hours, and where employees must be shifted when units go down for repairs. The Union's vigorous insistence that departmental seniority should govern demotions stems from its desire to protect those persons who received preferential treatment on the criteria of their departmental seniority, in promotions or transfers from one sequence to another, during the pendency of the 1945 contract. It is obvious that unless the Union's position on this grievance is sustained, the advances in seniority ratings given to persons with wide disparities between their departmental and sequential service dates, will be wiped out.

There can be little doubt that with the exception of the special situations dealt with in Sections 13 and 14, Article VII established sequential seniority as the measuring stick for the application of seniority benefits in multiple job sequences. Section 3 of this Article makes it mandatory that the Company set up promotional sequences, and outlines in broad dimensions the procedure to be followed. This same section specifies that the employees shall be listed according to the "relative relationship" in the sequence. The meaning of "relative relationship" in the sequence is found in Section 4. That section tells how continuous length of service within a sequence shall be acquired, and provides that the relative seniority standing of the employees within the sequence shall be determined by the respective dates on which such seniority was first established. In equally unambiguous language, Section 5 mentions that the seniority standing of employees in the labor pool, or in single job promotional sequences, shall be calculated by their departmental seniority.

Thus it appears that the respective dominion of the two types of seniority is carefully delineated. Even Section 9 which covers layoffs during periods of business depression, recognizes the division between sequential jobs and labor pool jobs in describing the circumstances in which either sequential or departmental seniority shall apply. Further evidence of the separate allocation of sequential seniority to multiple job sequences and departmental seniority for single job sequences is found in Section 7. The only reason for the statement in Section 7 that departmental seniority shall govern promotions and stepbacks in single job sequences is to show that sequential seniority shall not apply. If departmental seniority, as alleged by the Union, controlled stepbacks in multiple job sequences, Section 7 would be meaning less and unnecessary. It follows, therefore, that the mentioned in Section 6 (c) that all stepbacks within a sequence shall be in accordance with the provisions of this Article" can mean only that sequential seniority shall be the determinative factor.

The recurrent seniority conflict between these parties extending back through the two preceding labor agreements has always concerned itself entirely with the question of whether sequential or departmental seniority should be dominant. Each time this question was resolved one or the other of the two types was accepted to control the application of seniority benefits for all purposes, including the handling of both promotions and demotions. Throughout the entire history of this dispute there has not been a single instance where one seniority standard fixed promotions while a separate and different standard applied to demotions. It has been the consistent past practice to apply the same seniority pattern to promotions and demotions. If, as contended by the Union, the present contract was designed to accomplish that objective, it would be necessary to spell out such procedure in clear and unmistakable language. Such intent and meaning cannot be found in the wording of the 1947 contract.

Award

That under the term and provisions of the contract dated May 7, 1947, sequential seniority, and not departmental seniority, is the proper basis for determining demotions in multiple job sequences.

Respectfully submitted

Harold M. Gilden  
Arbitrator

October 18, 1948.