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BEFORE

PAUL M. EDWARDS

IMPARTIAL ARBITRATOR

INLAND STEEL COMPANY	)	
	)	
and	)	GRIEVANCE NO. 20-C-12
	)	
UNITED STEEL WORKERS OF AMERICA C.I.O. Local 1010	)	

DECISION OF THE UMPIRE

THE QUESTION TO BE DECIDED

Whether or not the Company was in violation of Article V, Section 1 and 5, of the collective bargaining Agreement when it denied the request to install an incentive for the high-lift tractor operator in the Refractories Department.

ARBITRATOR'S AWARD

The Company was in accord with and not in violation of said Article V, of the collective bargaining Agreement when it denied the request to install an incentive for the high-lift tractor operator in the Refractories Department.

EXCERPTS FROM CONTRACT

The sections of the basic labor Agreement between the parties, dated May 7, 1947, and revised up to the revision of December, 1950, which may be presumed to apply in this case are as follows:

FROM ARTICLE V - WAGES, SECTION 1

"All incentive plans used in computing incentive earnings (including all methods, based and guaranteed minimums under said plans) in effect on November 30, 1950, shall remain in effect for the life of this Agreement, except as changed by mutual agreement, or pursuant to the provisions of Section 4, 5, and 6 of this Article."

ARTICLE V, SECTION 5 - INCENTIVE PLANS

"Whereever practicable, it will be the policy of the Company to apply some form of incentive to the earnings of the employees when their efforts can readily be measured in relation to the overall productivity of the department or a subdivision thereof, or on the basis of individual or group performance. In this connection, the Union recognizes that the Company shall have the right to install incentive rates in addition to existing hourly rated wherever practicable in the opinion of the Company. It is also recognized that the Company shall have the right to install new incentives to cover (a) new jobs, or (b) jobs which are presently covered by incentives but for which the incentive has been reduced so as to become inappropriate under and by reason of the provisions of the aforesaid Wage Rate Inequity Agreement.

In such cases, or in cases where an incentive plan in effect has become inappropriate by reason of new or changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality of manufacturing standards, the Company shall have the right to install new incentives, subject, however, to the provisions of the aforesaid Wage Rate Inequity Agreement. Such new incentives shall be established in accordance with the following procedure: "

(The procedure for the installation of new and changed incentives follows).

ALSO IN SECTION 5, PARAGRAPH 5, of THE PROCEDURE

"Until such time as the new incentive is agreed upon or, in the event a grievance is processed to arbitration, until an arbitrator's decision has been rendered, the average hourly earnings of incumbents of the job as of the date the new incentive is installed shall not be less than the average hourly earnings received by such incumbent under the incentive plan in effect during the three (3) months immediately preceding the installation of the new incentive.

Where an incentive plan becomes inappropriate because of new or changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed, or quality of manufacturing standards, and the Company does not develop a new incentive, the employee or employees affected may process a grievance under the provisions of Article VIII of this Agreement and Section 9, of this Article, requesting that a new incentive be installed providing, in the light of the new or changed conditions, equitable incentive earnings in relation to other incentive earnings in the department or like department involved, and the Previous Job Requirements and the Previous Incentive Earnings."

OPINION

It is clear that the Company has the right to install new incentives to cover new jobs. The right to install new incentives for new jobs obviously carries with it the right to refuse to install new incentives to cover new jobs. However, where an incentive plan has become inappropriate because of changed conditions, the affected employees may process a grievance requesting that a new incentive be installed. It is evident, therefore, that the decision in this case must be based upon one or the other of these rights, and the right of the Company to install or refuse to install an incentive for the high-lift tractor operators depends upon whether the job of high-lift tractor operator in the Refractories Department is a new job or a change from the job of tonnage laborer.

In most cases of this nature, the question of whether a job is new or changed is academic, since the common practice is to make an evaluation which is properly related to the evaluation of the job prior to the change; and the answer arrived at, as far as evaluation and base rate are concerned, would be the same in either case. However, due to the terms of the Agreement between the parties, the question of whether the high-lift trucker job is new or changed is of paramount importance.

An examination of the duties and requirements of the tonnage laborer in the Refractories Department and the duties and requirements of the job of high-lift trucker must lead inevitable to the conclusion that the job of high-lift trucker is new and is not a changed form of the tonnage laborer. Were the jobs in this department being evaluated for the first time, there is no question but that the tonnage laborer and the high-lift trucker would have been considered as two jobs, not one. The fact that individuals working as tonnage laborers were assigned to the job of high-lift trucker is a matter of chance as far as this case is concerned. Had the departmental organization and bidding procedures been such that all truckers in the plant formed a separate department and it was necessary to fill the job from that department, the question of whether this was a new or changed job would probably never have arisen. If the mechanical arrangements for handling of brick had been a crane instead of a truck and the cranemen was drawn from the Electrical Department of the plant, there would have been little question that the cranoman's job was a new job and not a changed form of the tonnage laborer's job. In filling the high-lift trucker's job, it is a real possibility that the none of the tonnage laborers might have qualified because of the very distinct differences in the job requirements.

However, some men did qualify and accepted the questionable promotion to the job with the higher base rate. These men had accepted a new job, and under the terms of the Agreement between the parties, the Company has the right to install or refuse to install an incentive to cover this job.

The fact that no incentive was forthcoming for this job has undoubtedly been a bitter disappointment to those men who considered themselves as still a part of the refractories unloading group. The arbitrator believes that the Company has a moral obligation to carry out sincerely the intent of the opening statement of Section 5, "Wherever practicable, it will be the policy of the Company to apply some form of incentive to the earnings of the employees when their efforts can readily be measured in relation to the over-all productivity of the department or a subdivision thereof, or on the basis of individual or group performance." The wording of the Agreement, however, leaves the final decision as to whether or not to install incentives in the hands of the Company, and the question regarding interpretation of this section of the Agreement is not within the scope of the question being arbitrated.

Signed: Paul M. Edwards,
Impartial Arbitrator

June 20, 1951