

UNITED STEELWORKERS OF AMERICA, C.I.O.
ON BEHALF OF LOCAL 1010

-vs-

INLAND STEEL COMPANY

GRIEVANCE NO.

16-C-152

arb 49

Hearing was held in the Labor Relations Meeting Room, Plant 1 Clockhouse of the Indiana Harbor Works Plant of the Inland Steel Company, East Chicago, Indiana, April 17, 1951.

Transcript of the hearing was received on May 1, 1951. A post hearing statement, dated May 15, 1951, was submitted by the Union. A post hearing statement, dated May 31, 1951, was submitted by the Company.

Decision rendered by arbitrator June 23, 1951.

The issue before the arbitrator as stated by the Union and the Company may be summarized as follows: When the incentive rate (File No. 138-M) was established for the Halden Shear Tractor Operators, effective May 16, 1949, did the Company comply with the contractual provisions as stated in Article V, Section 5, Paragraph 4, of the Collective Bargaining Agreement.

The disputed incentive rate was established by the Company as a consequence of a program which changed conditions in the Cold Strip Department. From June, 1948, until May 16, 1949, the date on which the incentive rate in dispute was installed, the aggrieved Hallden Shear Tractor Operators were paid an average earnings rate equal to their total average hourly earnings for the ninety day period prior to May 17, 1948. According to the Company's statement, the installation of the New Hallden Shears made it necessary to separate the tractor servicing the Hallden Shears from the Cold Mill tractor group. This newly created job was described, evaluated and classified in Job Class 8 at \$1.625 per hour. Prior to the installation of the new Hallden Shears, the Hallden Shear was serviced by one of the Cold Strip Mill tractor group working under the incentive rate 83-1-4. The incentive earnings were equal to 9.5% over base rate. The old job, Index No. 77-1303, and the new job, Index No. 77-2412, are in Job Class 8.

After the installation of the new incentive rate (File No. 138-M), a grievance (#16-C-152) was filed by the Union on June 27, 1949. It states:

"The Hallden Shear Tractor Operators request a new rate. The men feel that this job as it stands now is somewhat the same as that of a feeder and the compensation for the job should be more in line with the rate of the feeder."

In its arguments, the Union contends that the incentive earnings of the Hallden Shear Tractor Operator should be approximately in line with the Hallden Shear Feeder. The "Average Total Earnings Per Hour" for the period of January to March 1951 indicate that the Tractor Operators receive \$0.65 to \$0.70 less per hour than the Feeders although the Feeder Base Rate of \$1.445 is lower than the Tractor Operator Base Rate of \$1.625. The Union further argues that the Tractor Operator is required to take on the duties of the Feeder whenever the Feeder is away from his position in the Unit. The Union contends that the Hallden Shear Tractor Operator should not be compared to other Tractor Operators who are in purely service groups because the Hallden Shear Tractor Operator is a member

of the Hallden Shear crew.

The Company states that the incentive rate (File No. 138-M) was established in accordance with the contractual provisions of the Collective Bargaining Agreement. The Company argues that the additional duties assigned to the Hallden Shear Tractor Operator since the installation of the new Hallden Shear have been recognized in the job evaluation and the incentive earnings. The job evaluation assigns 54 points to the new job as against 52 points carried by the old job; the new incentive earnings amount to 24% and 30% over base rate as against 9.5% over base rate yielded by the old incentive rate (83-1-4).

The Union compares the present Tractor Operator job to the Pickler and Scrubber Craneman 20A occupation. The Company contends that this comparison is not valid because the Craneman "actually performs all of the duties required of a regular crew member on the unit" when he works on the unit. The Company argues that the Craneman has greater influence on the incentive earnings of the crew than the Tractor Operator. The union contends that the Tractor Operator has as much influence upon the earnings of the Shear crew as the Craneman has upon the Pickler and Scrubber crew.

There was general agreement that the incentive earnings do not have a direct relationship to the base rates. Under the Company's system, the incentive rate actually nullifies the base rate established by the Job Classification system. It became clear during the testimony that the Company selects a "target" earning rate per hour, determines the production that might be expected under the prevailing conditions, and then calculates the incentive rate. This incentive rate takes into account all the job requirements in a manner similar to job evaluation. In addition to this procedure, the Company follows the practice of using a steeper slope for the incentive rate for operating crews than for the incentive rate for auxiliary groups. For example, the ratios indicating the slopes of the earnings curves for such auxiliary groups as tractor and crane operators are 0.124 and 0.148. These ratios are 0.483 and 0.496 respectively for the Hallden Shear 48" - 54" and the Hallden Shear 66" - 74" operating crews. This ratio for the Hallden Shear Tractor Operators is 0.213. These figures are averages given in the Company's post hearing brief dated May 31, 1951 and identified as Company Exhibit "F". It is interesting to notice that the ratio for the Pickler and Scrubber 20A occupation is 0.705 because, according to the Company, the "occupation participates as member of crew."

It is clear, therefore, that the question to be decided is: Should the Hallden Shear Tractor Operator be treated as an auxiliary occupation or as a member of the crew?

The applicable contractual provision to this arbitration is in Article V, Section 5, Paragraph 4, as follows:

"If the Grievance is submitted to Arbitration, the Arbitrator shall decide the question of 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..."

If the Hallden Shear Tractor Operator is to be treated as an auxiliary occupation, then "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" would be determined by

comparing this occupation to other occupations in the auxiliary groups. If the Hallden Shear Tractor Operator is to be treated as an occupation that is a member of an operating crew, then the same contractual provision requires that this job be compared to other jobs with the status of operating crew member.

From the testimony, it is clear that the Hallden Shear Tractor Operator is in the area of "a member of an operating crew", to a greater degree than the Company has recognized. Therefore, the arbitrator finds in favor of the Union in the arbitration of Grievance No. 16-C-152.

It is recommended that the incentive rate be so revised as to yield 1.50 as a ratio of total earnings to Base Rate instead of 1.30 as shown in the Union Exhibit B-B. The line referred to here reads as follows:

Shear Tractor Operator	1.625	2.121	<u>1.30</u>
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The Company's Industrial Engineering Department may calculate a new incentive rate to reflect this change all through the range of output. In other words, the incentive rate is to be revised so that the figure, 1.30, in Exhibit B-B becomes 1.50.

Respectively submitted,

E. A. Cyrol, Arbitrator