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IN THE MATTER OF:

Inland Steel Company

and

United Steelworkers of America

Local Union 1010, C. I. O.

Grievance 12-C-112
JEC A.T. #57
October 15, 1951

Arbitrator's Report
and
Award

HEARING: East Chicago, Indiana; October 4, 1951

FOR THE COMPANY: Herbert C. Lieberum, Asst. Supt., Ind. Rel.
V. T. Finan, Div. Supt.
F. L. Wood, Industrial Engineer
L. E. Davidson, Industrial Engineer
J. G. Rothfuss, Ass't. Supt., Sheet Mill
and others.

FOR THE UNION: Joseph B. Jeneske, Int'l. Rep.
Donald Lutes, Chm., Grievance Comm.
Fred A. Gardner, V.-Chm., Grievance Comm.
August Sladcik, Sac., Grievance Comm.
Albert Garza, Shearman
C. Harvey, Operator
and others.

ARBITRATOR: Paul N. Lehoczky

ISSUE. Are the incentive earnings of the continuous galvanize occupations in equitable relation as provided for in Article V, Section 5 of the Collective Bargaining Agreement?

GRIEVANCE. The grievance, dated July 23, 1951, reads: "Aggrieved claim that incentive now in effect does not provide equitable incentive earnings as is being paid on similar and like occupations in Plant #2. Aggrieved request new incentive which will give them the same total earnings as is being paid on these like or similar occupations. Request the new rates be applied retroactively to May 13th, 1951."

The Company's reply dated August 2, 1951, reads:

"This grievance alleges that the incentive now in effect for the Continuous Galvanize Line does not provide equitable earnings on similar and like occupations in Plant 2; a new incentive to correct this inequity paid retroactively to May 13, 1951, is requested.

"The Industrial Engineering Department has studied every occupation on the line and the results of these studies show the work load of the men and the degree of control they exercise over the production on the line do not warrant an increase in the level of the incentive rate.

"The Union contends that the jobs on the line are similar to occupations in Plant 2 and should be paid at approximately the same level. The Company disagrees with this point of view. The electrolytic line in the Tin Mill is an entirely different process than the galvanizing process on the Continuous Galvanizing Line. There is no more reason to consider these processes similar than

that of hot dipping tin plate and galvanizing sheets in pots. The speeds of the respective lines vary greatly; the tonnage is not comparable; the method of coating the strip is different; the responsibility of the various occupations on the two lines vary widely; the cost and selling price of the finished products of the two lines are not comparable. In view of the foregoing, the only similarity between the two departments is the fact that they coat a continuous steel strip. The Company does not consider this sufficient reason to consider the Tin Mill and Galvanizing Departments as like departments.

"The operating crew can contribute little to production except normal attention to duty. The importance of alertness has been recognized in the base rate and by the establishing of an incentive based on operating efficiency. The Company believes the incentive level is fair and equitable under the circumstances.

"In view of the foregoing facts, Article V, Section 5 was not violated and the grievance is, therefore, denied.

"By mutual agreement, this constitutes a combined First and Second Step answer."

The Company's final reply, dated August 3, 1951, reads:

"This grievance alleges that the incentive now in effect for the Continuous Galvanize Line does not provide equitable earnings on similar and like occupations in Plant 2; a new incentive to correct this inequity, paid retroactively to May 13, 1951, is requested.

"The basis for this grievance lies in the union's contention that employees of the Continuous Galvanize Line must receive earnings comparable to those paid to similar and like occupations in Plant 2. The Company disagrees with the union's arguments that the departments are similar in the sense intended in Article V, Section 5 of the Agreement. A detailed reply to the union's contentions is given in the Second Step answer and will not be repeated here. In the Third and Fourth Step hearing, the union representative did not provide any new arguments pertaining to this grievance. The Second Step answer is affirmed, and the grievance is denied.

"By mutual agreement, this constitutes a combined Third and Fourth Step answer."

AGREEMENT TERMS. The grievance is based on Article V, Section 5, "Incentive Plans," applicable parts of which read as follows:

"4. Should agreement not be reached, the proposed new incentive may be installed by the Company at any time after fifteen (15) days after the meeting between the Company representative and the International Representative of the Union, and if the employees affected claim that such new incentive does not provide 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 they may at any time after thirty (30) days but within one hundred-eighty (180) days following such installation, file a grievance so alleging. Such grievance shall be processed under the grievance procedure set forth in Article VIII of this agreement and Section 9 of this Article. If the grievance be submitted to arbitration, the arbitrator shall decide the question of equitable incentive earnings in relation to the other incentive earnings in the department or like department involved and the Previous Job Requirements and the Previous Incentive Earnings and the decision of the arbitrator shall be effective as of the date when the new incentive was put into effect."

UNION POSITION. The Union summarizes its position as follows:

"1. That the incentive installed by the Company was only a temporary incentive installed as a stop-gap measure until such time as a new incentive paying at least 30% above base could be developed as promised by the Superintendent of the Department.

"2. That the operation of the Electrolytic Tin line is a comparable operation and that the earnings of the two lines should be comparable.

"3. That the descriptions and classifications of the two lines indicate a similarity of work and indicate that they are a like operation as anticipated under the terms of Article V, Section 5.

"The Union is not requesting a change in the structure of the incentive other than the raising of the earning level."

COMPANY POSITION. The text of Article V, Section 5, lists four factors for the testing of incentive earnings. These are:

"These four (4) factors are provided for testing incentive earnings. Testing the incentive earning of the galvanizing line occupations by these four factors, we have:

"1. Relations to incentive earnings in the department. A comparison of the incentive earnings of the continuous galvanizing line occupations to the incentive earnings of other occupations in the galvanizing department shows this.

"2. For the relations of incentive earnings in like departments - there are no like departments. There is, and always has been, only one galvanizing department in the plant. Built and operated for the sole purpose of galvanizing steel sheets, it has been and has remained unlike any other department.

"3. For the relations to previous job requirements, a comparison in this case is not practicable since the occupations on the new and changed process are so unrelated to the previous occupations and previous requirements of the prior process. A list of the previous occupational titles of employees now filling these new occupations shows this.

"4. The relations to previous incentive earnings are also shown by a comparison of the ratio of incentive earnings to base rates on the continuous galvanizing line occupation as to the ratio of incentive earnings to the base rates of the previous occupation held.

"These comparisons leave no question that the incentive earnings of the occupations of the continuous galvanizing line meet the test of equitable incentive earnings in relation to (factor 1 - same department), (factor 3 - previous job requirements), and (factor 4 - previous incentive earnings). The one remaining and disputed factor is (factor 2 - like department)."

DISCUSSION. The issue before us naturally divides itself into two questions: first, whether or not the continuous galvanizing line is a "like department" in terms of the continuous electrolytic tin plating line; second, (and independently of (1)), what are equitable earnings on the continuous galvanizing line.

(1) After hearing the arguments and viewing the operations we can only conclude that there is but little relationship between the continuous galvanizing line and the continuous electrolytic tin plating line and most certainly, that they are not sufficiently similar to be classed as "like departments" in the sense of V/5. The basic processes are quite different for the one involves electrolysis while the other involves dipping; the products are entirely different, the gages are different, the use to which the product is put is different;

the technical problems on the line are different, the inspection standards are different, the speed of the line is different, etc. The general loading and unloading conditions are similar, but even here the buggy arrangement differs, the loading time differs and the weld necessarily differs. In brief, except for the fact that both units handle continuous strips, they differ radically in purpose and operation.

The Company's arguments which cite the history of the departments, the history of the lines, further bear out the "un-like" factor. The Company's emphasis on the lack of mention of any similarity between the Departments in former wage negotiations, wage determination and wage arguments further emphasizes the fact that these two departments never were considered by either side as being related to one another, even though there were a number of occasions in the past when any similarity would have been developed had either party felt that any existed. We don't, of course, blame the Union for attempting to prove its case as it has, but we cannot agree with its position in terms of the meaning and intent of V/5.

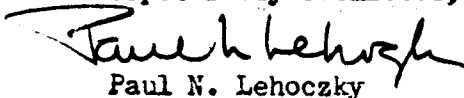
(2) The next question we must examine involves another aspect of the problem of equitable earnings on the continuous galvanizing line. The Union's specific claim here is based on two arguments: (a) that the individual jobs in terms of their descriptions and evaluations are "like" in the two departments and (b) that the Company through one of its officials promised to increase the yield of the incentive plan now in effect on the continuous galvanizing line.

2/a. As to the similarity in jobs on the two continuous lines: galvanizing and electrolytic tin. We examined the job descriptions given us and although there is some similarity in a few of the jobs, in our opinion most of the jobs are dissimilar. They are dissimilar in background and in duties assigned to them. It is quite true that some of the individual factors, (for example, responsibility for materials, or equipment, or accident exposure, etc.) may evaluate the same, but this does not make "like" jobs out of them. It is also true that the main objective on either line is to keep the line going for as great a per cent of the time as possible, but this again does not make "like" jobs on the lines nor "like" lines out of the two. Any more than two "tonnage" jobs are "like" just because both of them pay for tonnage produced. Nor does the fact that two lines have similarly named occupations assigned to them ("turn foreman," "operator," "shearman," etc.) make two lines alike.

2/b. The Union claimed (and the Company indirectly denied) that one of the Company's officials promised to adjust the wage formula on the continuous galvanizing line to yield 30%. The arbitrator is obviously in no position to rule on this point. But the arguments presented did prove one point: the incentive yield on the galvanizing line has no precedent, the line is not related to any other line, the department is not related to any other department and the work on the line is not related to the work in the rest of the department (dipping). Consequently, if any incentive yield changes are made, they are made independently of V/5, independently of any other rate in the plant. Such changes however are a matter for collective bargaining and cannot be arrived at in terms of V/5.

AWARD. We find that the incentive earnings of the continuous galvanizing line occupations are "equitable in relation" as provided for in Article V, Section 5 of the Collective Bargaining Agreement.

Respectfully submitted,


Paul N. Lehoczy