

IN THE MATTER OF:	:	Arbitration No. 70
	:	Grievance 13-D-3
	:	
Inland Steel Company	:	April 14, 1953
Indiana Harbor	:	
	:	
and	:	Arbitrator's Report
	:	
United Steelworkers of America,	:	and
Local Union 1010, C.I.O.	:	
	:	Award

HEARING: Indiana Harbor, March 16, 1953.

FOR THE COMPANY: W. T. Hensey, Asst. Supt., Labor Relations
 L. E. Davidson, Supervisor, Industrial Engineering
 T. G. Cure, Asst. Supt., Labor Relations
 W. L. Ryan, Asst. Supt., Labor Relations
 R. Arzbaecher, Ind. Engr., Hot Strip Mills
 W. H. Mulflur, Asst. Supt., 76" Hot Strip Mill
 E. Schwenk, General Foreman, 76" Hot Strip Mill

FOR THE UNION: Joseph B. Jeneske, Internatl. Representative
 Peter Calacci, Chm., Grievance Comm.
 Fred A. Gardner, V. Chm., Grievance Comm.
 Frank E. Negrete, Grievance Comm., 76" Mill

ARBITRATOR: Paul N. Lehoczky

ISSUE: Grievance 13-D-3. Does the newly installed Wage Incentive Plan 76-1620 for the 76" Hot Strip Oiler Unit No. 90 provide equitable incentive earnings as provided for in Article V, Section 5 of the Agreement?

GRIEVANCE: Grievance 13-D-3, dated September 15, 1952, reads:

"Incentive file #76-1620 installed August 4, 1952, effective January 14, 1952. New incentive does not provide equitable incentive earnings in relation to other incentive in the department or like department involved and the previous job requirements and previous incentive earnings.

"Request new and higher incentive."

The foreman's reply to the grievance, dated September 22, 1952, reads in part:

"Article V, Section 5, was followed in procedure by Management in developing and presenting a new incentive rate for this unit under Rate File 76-1620. This new rate file was presented and described to the Union representatives and members of a crew from this unit and installed August 4, 1952, retroactive to January 14, 1952. Since the installation of this new incentive rate, it is Management's opinion that a fair trial has not been given this rate by the crew members inasmuch as they are continuing to work at a labor rate pace. The crew through their representatives have been asked in a meeting held in Mr. Mehler's office, September 19, 1952, to give the new rate a fair trial. No response was given by the crew representative in the affirmative."

Finally, the Company's third-step reply, dated December 26, 1952,

reads, in part:

"In the Third Step presentation by the representative of the International Representative, it was claimed that the crews operating the Sheet Oiler Unit in the Finishing End of the 76" Hot Strip Mill Lean-to, under Incentive File 76-1620, are losing money each pay period compared to the amount they earned prior to starting work on this unit. The Union requested that an incentive rate be proposed and installed that would return earnings for these crew members at a level equal to the earnings received while working on other jobs before they started to work on the Sheet Oiler Unit.

"This incentive rate and its application has been reviewed by the Company following the Third Step presentation of this grievance. It is management's opinion that the part of the answer to this grievance in the First Step reply, which appears in paragraph two of that reply, is still the position which must be maintained.

"It has been concluded by management that the incentive rate file 76-1620 as installed August 4, 1952, for this unit, is fair and equitable and fulfills the provisions of Article V, Section 5 of the Collective Bargaining Agreement. The request of this grievance is, therefore, denied."

UNION POSITION. The Union's position at the hearing was based upon three major contentions as follows:

(a) The ratio of total earnings to base rate (November 26, 1951, to February 17, 1952) was 1.214 on the 76" Mill while the present "total-earnings-to-base" ratio for the crew on the Plate Oiler is only 1.07. In other words, the condition that present earnings must be equitable in relation to other incentives in the Department does not hold.

(b) The ratio of total earnings to base rate for the last 3 months of 1952 on the 44" Hot Strip Mill was 1.252 as was the 1.07 indicated in (a). This proves an inequity when "like" departments are compared.

(c) A comparison of present and previous incentive earnings shows that the four crew members are short by 73½¢/hr. (operator), 61¢/hr. (Helper) and 36¢/hr. (the two Pilers).

From which the Union concludes that the Incentive 76-1620 is deficient on at least three counts.

COMPANY POSITION. The Company argues that the plan (76-1620) fulfills all requirements set forth in Article V, Section 5, because:

"1. There are no previous job requirements to be considered in judging the wage incentive plan for the 76" Hot Strip Plate Oiler Unit No. 90 because the wage incentive plan before the arbitrator is the initial incentive installation for this unit.

"2. As stated above, the wage incentive plan before the arbitrator is the initial incentive installation for the 76" Hot Strip Plate Oiler Unit No. 90, therefore, there are no previous incentive earnings for comparison.

"3. The average margin of incentive earnings over base rate for all

production occupations in the 76" Hot Strip Mill is 22.9%. The wage incentive plan before the arbitrator provides incentive earnings of approximately 27% over base rate for the 76" Plate Oiler Unit occupations.

"4. The Company considers the 44" Hot Strip Mill the only like department. The average margin of incentive earnings over base rate for all production occupations in the 44" Hot Strip Mill is 26.9%.

"Following the installation of the wage incentive plan on August 4, 1952, there was little or no response by the oiling crews to achieve the expected production level. In September 1952, the oiling crews were advised that their performance was not satisfactory in that little or no improvement in production had occurred as can normally be expected in such circumstances. The aforementioned conditions continued to exist until the middle of February 1953 even though the supervision made repeated attempts to encourage the achievement of a higher production level. In the pay period beginning February 16, 1953, the oiling crews demonstrated that they were now beginning to work on the wage incentive plan. All of which proves that the plan is equitable and that it will yield the required earnings if the crew applies itself.

DISCUSSION. As we see it, there are in essence only two basic differences in opinion between the parties: the "slitter crew" earnings and the difference between the observed and the "allowed" times. Other than these two, is the argument that ideal conditions (crane) exist during the study and/or that the study was not of sufficient duration to warrant using it to establish a formula.

As to the Slitter crew: the Company, in our opinion, proved that there is no relationship between the job involving the Slitter and the Oiler Unit in question here. Entirely aside from this, it does not follow that the Slitter crew would exert the same effort on the Oiler job as it does on the Slitter. Consequently, the earnings on the two jobs could not be compared without effort rating the data used in the comparison.

As to the discrepancy between the observed and "allowed" times: this is an argument which is practically ever-present in all time study discussion. Since the change-over from observed to "allowed" time is at best a matter of judgment in any event, all that can be hoped for is that this judgment remains fairly uniform for all time studies throughout the plant. In our experience with the parties, there is but little reason to complain about the Company's method of converting times and we believe that the present complaint is based more on its being an argument favoring liberalization of the formula than on its being a fact. All this is further substantiated by the earnings of the crews (other than the Slitter crew mentioned above) and by the trend in earnings during recent weeks.

As to ideal (crane) conditions: there is bound to be a tendency among supervisors, cooperating crews (crane) and others concerned, to be more attentive and to be more aware of an operation which is being time studied. Whether or not this results in better than normal conditions is not always clear, but it is worth while to remember that when an incentive formula is based entirely upon a few time studies and not upon ratio-delay studies or upon other compensating analyses, that then the condition complained of by the Union could well exist. We do not believe however that the arguments are applicable here: the lay-out is simple, the number of units served is small, the Company admittedly gives first priority to the Oiler, the cycle is frequent

enough and short enough to warrant conclusions on a 3-4 turn basis. All this if conditions remain as they are; should they change, then the equation would have to be re-examined.

The Union's fourth argument, to the effect that not enough time studies were taken, is in our opinion not warranted because the cycle is exceedingly simple and very short as cycles go. All in all then,

AWARD. We find that Incentive file 76-1620 does provide equitable incentive earnings in relation to other incentive in the department or like department and the previous job requirements and previous incentive earnings. (V/5/4)

Respectfully submitted,

s/ PAUL N. LEHOCZKY

Paul N. Lehoczky