AWARD OF THE IMPARTIAL ARBITRATOR

#99

Inland Steel Company)
Indiana Harbor Works)
and)
United Steel Workers of)
America, Local 1010)

Grievance No. 15-D-28

Hearing January 4, 1954
Transcript received January 30, 1954
Award February 25, 1954

Chas. B. Gordy
Arbitrator

THE PROBLEM

Does wage incentive plan 75-0901-1, developed for the #4 and the #14 Hallden Shear units in the 44" Hot Strip Mill, provide equitable incentive earnings in accordance with the provisions of Article V, Section 5 of the Collective Bargaining Agreement dated July 30, 1952?

The union contends that the company is in violation of Article V, Section 5 of the July 30, 1952 agreement in that the wage incentive plan 75-0901-1 is inequitable in relation to the requirements of the contract. The union, in support of its contention, cites four criteria of equitability from the contract, page 10, as follows:

> ". . . 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. . ."

The company contends that it is not in violation of Article V, Section 5 of the July 30, 1952 agreement in that the wage incentive plan 75-0901-1 does provide equitable incentive earnings, and has maintained this contention through the first three steps in the grievance procedure as outlined in Section 2, Article VIII, and so maintains in this the fourth-impartial arbitration-step.

The Company, in support of its contention, in general agrees with the union as to the four tests of equitability, but the emphasis is quite different. Quoting from procedure 4, Section 5 of Article V, 10 lines above the start of the above quote by the union, the company expresses the matter in the following way, beginning at the bottom of page 7 of its brief submitted to the arbitrator at the January 4th hearing:

"In Article V, Section 5, Procedure 4, the parties (company and union) have agreed and stipulated the factors that employees affected by a new wage incentive plan can claim when filing a grievance on such a wage incentive plan.

Specifically, they are:

1. The employees affected may claim that such new wage incentive plan does not provide equitable incentive earnings in relation to other incentive earnings in the department.
2. The employees affected may claim that such new wage incentive plan does not provide equitable incentive earnings in relation to other incentive earnings in a like department.
3. The employees affected may claim that such new wage incentive plan does not provide equitable incentive earnings in relation to the previous job requirements.

4. The employees affected may claim that such new wage incentive plan does not provide equitable incentive earnings in relation to the previous incentive earnings.

This portion of Article V, Section 5, Procedure 4, clearly limits any grievance arising from a new wage incentive plan to a claim that such new wage incentive plan does not provide equitable incentive earnings in relation to one or more of these four factors."

THE FACTS

It is surely desirable that an arbitrator be brief, and that he include only enough facts from the hearing and the exhibits presented during the hearing to indicate to the parties the process of thinking involved in the award. Conditions surrounding grievance 15-D-28, however, are such as to raise a question as to the virtue of brevity. These conditions are as follows:

1. The Record of Proceedings held on January 4, 1954, extended over 181 typed pages.
2. The Union presented 8 exhibits supporting its position during the hearing, and the Company presented a brief and 5 exhibits.
3. Since the filing of Grievance 15-C-11 on September 14, 1948, there has been disagreement between the Union and the Company on the wage incentive plan application for the Halldon Shears in the 44" Hot Strip Mill.
4. A previous Arbitration, No. 72, awarded on Grievance 15-C-44 was quoted by both the Union and the Company; in fact, the Company presented this award as Exhibit A. Arbitration award No. 72 concerned wage incentive plan 75-0901, the plan immediately preceding 75-0901-1 for the Halldon Shears in the 44" Hot Strip Mill with which the present Grievance 15-D-28 is concerned.
5. In support of its position that the wage Incentive Plan 75-0901-1 for the #4 and #14 Halldon Shears in the 44" Hot Strip Mill does conform to Article V, Section 5, of the July 30, 1952 agreement, the company presented voluminous time study data of some technical difficulty, which requires careful study and analysis.
6. The implications of the award on Grievance 15-D-28 can be far reaching.

In the light of these conditions, therefore, it devolves upon this arbitrator to devote somewhat more space to fact and discussion than is ordinarily desirable.

The Exhibits presented:	Company	Union
Arbitration No. 72 Grievance 15-C-44	A	
Grievance 15-D-28 Step, 1, 2, 3 ans	B	2
44" Hot Strip Mill Margin of earnings over base, 11-26-51 to 11-17-1952	C	3
76" Hot Strip Mill Margin of earnings over base Last quarter 1951	C	
44" Hot Strip Mill Department #4 and #14 Halldon Shear Wage incentive plan 75-0901-1	D	1

	Compa...	...nion
44" Hot Strip Mill, #14 Hallden Shear operators hourly average earnings 3/16/52 to 11/22/53	E	
44" Hot Strip Mill Margin of earnings over base, Second quarter 1953		4
Comparison, union Exhibits 3 and 4		5
Production and Earnings Report, April and May, 1953 (mainly operator Firrek)		6
Skin Rolling and Shearing, 5 coils 7-14-53		7
Cold Strip Mill, Hallden Shear Division		8

Historical setting, incentive application on #4 and #14 Hallden Shears in the 44" Hot Strip Mill

Perhaps it will serve to clarify the issues involved in Grievance 15-D-28 on Wage Incentive Plan 75-0901-1 if the various steps leading up to the filing date on August 10, 1953 be enumerated. Clarifying, also, will be a statement of the particular way in which Hallden crews in the 44" Hot Strip Mill are paid at the present time. The following enumeration, therefore, starts with the installation of a second Hallden Shear, #14, in the #1 finishing end of the 44" Hot Strip Mill in June 1948.

1. Wage Incentive Plan 73-y-2a, already serving #4 shear, was applied to the #14 shear.

2. The union filed Grievance 15-C-11 on September 14, 1948.
   The Company states, p. 24 of Transactions, that this was denied through all steps in the grievance procedure, and was withdrawn by the union in November, 1950.

   The Union states, page 19 of the Transactions, that: "In the fall of 1950 the company offered the union a settlement which provided for a guarantee of earnings arrived at during the period of June, 1948, to November, 1948, the work performed on the #14 shear".

3. Wage plan 73-y-2a was revised during the summer of 1951, p. 24 of Transactions, and identified as Wage Incentive Plan 75-0901. It became effective October 29, 1951.
   The company states that the need for increasing the payment for heavy gage material and knife changes was recognized in this change.

4. The union filed Grievance 15-C-44, p. 25 of Transactions, on November 15, 1951 on wage Incentive Plan 75-0901. The 4th step hearing was held April 1, 1953.

5. Subsequent to the filing of Grievance 15-C-44, wage Incentive Plan 75-0901 was revised and became Plan 75-0901-1.
   This revision was "necessitated by a previous change in handling equipment for which no standards adjustment was made. This. . . change allowed the crews to increase their earnings. The advent of larger coils then diminished the opportunity to achieve higher earnings. . .". p. 26 of the Transactions.

   The effective date of plan 75-0901-1 was March 2, 1953, but the time of the above changes preceeded this by about a year, and some $200.00 was paid to all men involved in this operation, p. 147 of the Transactions. Plan 75-0901-1 was thus made retroactive to March 3, 1952.

6. Arbitration award #72 on Grievance 15-C-44 must have been rendered shortly after May 22, 1953, although the exact date is not noted on the award. Company Exhibit A.

   The arbitrator stated that there ". . . has been no violation of Article V, Section 5, in anyway whatever. . . and hence, must say that since there is no violation, the conditions will have to stand as they have been set up by the company in the late Schedule 75-0901."

   The arbitrator relied upon figures furnished between the dates November 26, 1951, and February 17, 1952. p. 3, Company Exhibit A.

   If the dates noted in 4, 5, and 6 above be compared, it seems evident, when award #72 was made on or about May 22, 1953, on Grievance 15-C-44 that wage plan 75-0901 had been superseded by wage plan 75-0901-1 to take effect March 3, 1952.

7. The crews on #4 and #14 Hallden Shears in the 44" Hot Strip Mill are paid on "average earnings", and have been so paid since November 27, 1951, by arbitrator award #59. Section V, procedure 5, contract dated July 30, 1952; pp. 126, 127, 129, 137, 147; company Exhibit C.

   At the bottom of page 161 of the Transactions, there is an intimation that rates in wage plan 75-0901-1 may have been in operation for a period, but diligent analysis by this arbitrator fails to confirm this. The "average earnings rate", for the operator is $2.85 per hour, and if the earnings, computed by wage Incentive Plan 75-0901-1, do not equal this figure the company has to make the difference. pp. 129, 148 of the Transactions.

This lengthy analysis of the historical setting of wage plan 75-0901-1 has been undertaken to clarify and evaluate the mass of detail submitted in the hearing on January 4, 1954. In the process, it has become clear that portions of the data submitted are not helpful in determining the equitability of wage Incentive Plan 75-0901-1, which will be explained later.

Summary of process and wage changes

The relevance of data submitted in the January 4, 1954 hearing may be tested, or evaluated, also in the light of process changes prior to and during the life of plan 75-0901-1. Statements made in the first three grievance steps of 15-D-28 will be included.

1. "During summer of 1951, the company recognized the desirability of increasing the payment for heavy gauge material and knife changes" p. 24 of Transactions. Plan 73-y-2a was revised to 75-0901, effective 10/29/51. p. 24 of the Transactions.

2. "Subsequent to the filing of Grievance 15-C-44 (on November 15, 1951) it became necessary for the company to revise. . . plan 75-0901 . . .." This modification was made as a result of a change in handling equipment and the advent of heavier coils. p. 26 of Transactions.

   The larger, heavier, coils, appeared in April, 1952, according to Exhibit D, exhibit VII.

   The revision became plan 75-0901-1, effective March 3, 1952, but installed March 2, 1953.

3. In revising plan 75-0901 to plan 75-0901-1, certain structural changes were made by the Industrial Engineering Department.

   Coil handling was paid for separately in 75-0901, while in 75-0901-1 it is included in the crew rate per 1000". Wasters are paid for in 75-0901-1, but are not mentioned in plan 75-0901. p. 53 of the Transactions.

Time Study Evidence, First Check Study
May 18, 1953 to June 5, 1953

The company in Exhibit D presented extensive time study data for the purposes of (a) explaining the development of Wage Incentive Plan 75-0901-1, (b) explaining various increments of

time included in the production standard, (c) comparing the performance of the three Hallden Shear Operators, (d) indicating the reasons, by time increments, for failure of the crews to come up to the expected earnings level, and (e) comparisons on light and heavy gauges.

The first review time study was undertaken on May 18, 1953 and extended through June 5, 1953. It covered five operating turns on successive days for each of the three operators; a study which rightly may be called exhaustive, and of large sample size.

The net result of this check-study, as far as reasons for failure of the crews to come up to the level of expected earnings in concerned, is that "it became apparent that the Hallden Shear Crews were bettering the coil handling, lift handling, and size change allowances while exceeding the knife change and delay allowances. Although there were variations on a turn by turn basis all crews bettered the allowed minutes for coil handling, lift handling, and size changing during the period of the study" p. 71 of the Transactions.

In its presentation, the company states, p. 72 of the Transactions, that the present knife rates have been effective since October 29, 1951; and that the guaranteed average earnings of the Hallden Shear Crews were obtained when the present knife change rates were in effect. ". . . there have been no changed conditions which render it impossible for the Crews to attain the same performance level. . .".

It is to be noted, however, that the number of knife changes made during this check study of fifteen turns, five for each operator, are comparatively few in number. The record of knife change performance abstracted from Exhibit D, Part II, exhibits II and III is as follows:

Date	Operator	Observed Time, Minutes	Allowed Time, Minutes
5/18/53	Raeich	0.0	0.0
5/19/53	"	86.60	22.70
5/20/53	"	38.85	34.00
5/21/53	"	15.00	11.00
5/22/53	"	0	0
5/25/53	Firrek	0	0
5/26/53	"	60.90	33.70
5/27/53	"	0	0
5/28/53	"	0	0
5/29/53	"	0	0
6/1/53	Gancheff	16.55	11.00
6/2/53	"	0	0
6/3/53	"	44.25	26.30
6/4/53	"	0	0
6/5/53	"	0	0

Thus, out of a 15 day period, knife changes were observed on only six days; and out of these six days the observed times for three were excessively above the allowed time.

In Exhibit D, Part II, exhibit IV, analysis is made of the various delays observed during the 15 turn study mentioned above, and the point made that the allowed percentage of operating time was 35.6% while the observed percentage of operating time was 44.7%. The following observations seem pertinent:

1. Of the total observed delay time noted on the summary sheet of 1973.20 minutes, some 25% is taken up in shear cobbles, mechanical, and electrical delays.

2. The Industrial Engineer states, p. 73 of the Transactions, that Mechanical, cobbles at shear and avoidable delays average over 35% of total delay time. . . "and were the primary factor in preventing the Hallden shear crews from attaining average earnings". pp. 74, 86 of the Transactions.

3. There is a marked difference in the total observed [illegible] Delay and [illegible] Time for operator Racich as compared with operators Firr[illegible] Gancheff. The same difference is to be noted in the operators variable earnings per hour as recorded in Exhibit D, Part II, exhibit III and IV.

4. In Exhibit D, Part II, p. 4, the company states that "[illegible]s to be noted that most of the Mechanical delays and cobbles at shear delays were due to the eccentric shaft on the shear head of the unit. A subsequent check with operating supervision has established the fact that this delay has been substantially reduced. . ." p. 101 of the Transactions.

5. The actual operating time was "leveled" at 100%. pp. 78, 84, 100 of the Transactions, and Exhibit D, Part II, exhibit III.

Time Study Evidence, Second Check Study, December 1953.

This study was made "to validate our original leveling to make sure that our delays were again what we thought they would be. . .". p. 90 of the Transactions. This check, however, covered two turns of operator Racich (12/17/53, 12/18/53), and during that time only one pair of slitter knifes were changed. Observed delays were 30.4% of net operating time, and the allowed 28.05%, contrary to the 15 turn study, however, coil handling, lift handling and size change observed time exceeded the allowed time. Shear cobbles, mechanical and electrical delays totaled about 10%. It is to be observed that operator Racich had much the smaller "delay lost time" than the other two operators in the 15 turn check. Exhibit D, Part II, exhibit III summary sheet. The question naturally arises at this point as to adequacy of this sample of two turns on what evidence points to be the most skilled operator.

Aside from the purpose of dinding what increments of operating time were responsible for failure of the Hallden crews to equal the production standard established in wage plan 75-0901-1, the company contends that "the expected production level and earnings level. . ." can be attained. This says the company, can be done by reducing the delays and knife changes to the allowed level. p. 76 of the Transactions, and Exhibit D, Part II, exhibit III, IV. These references indicate that if possible variable operator earnings of $1.784 per hour be added to the "incentive base" in plan 75-0901-1, would enable". . . these units to attain their previous average earnings under present operating conditions". p. 77 of the Transactions. The previous average earnings are $2.85 per hour for operators.

Certain Union Contentions

1. Product mix. The Union contends that the post war "product has changed quite a bit". p. 19 of Transactions. No proof, however, is submitted to substantiate this statement. Coil weights did increase in April, 1952 (Company Exhibit D, Part II, exhibit [illegible]), but plan 75-0901-1 was made retroactive to cover this.

2. Light vs. heavy gauge material, product mix.
   The union contends, p. 114 of the Transactions, that the rate is unbalanced as between light and heavy gauge material run through the shears. As evidence, Union Exhibit #6 is presented, which consists of the "Production and Earnings Report" for April and for May, 1953 for operator Firrek. The point made on p. 114 of the Transactions is that a run of light gauge in a pay period would reduce earnings. Light gauge is .0821 or under.

   The Company cannot, of course, control the gauges ordered by customers; moreover, in a pay period it may be impossible for production control to schedule a normal mix of light and heavy gauges, but over a period, the mix should be normal and in accordance with the mix observed during the time study made to establish the production standard.

   To test this contention of the union, this Arbitrator analyzed Exhibit #6 with the following result:

Period	Light Gage	Heavy Gage
April, 1953	202	278
May, 1953	221	169
TOTAL	423	447

Over this two months' period, therefore, the orders run through the shears consisted somewhat more predominately of heavy gage orders. It may be pointed out, also, that as the gage decreases, the allowance or time increments in wage plan 75-0901-1 increases per 1000 pounds; and increases as the size of sheet decreases. This is true in both shear alone, and in slit and shear. Sheet 5, wage plan 75-0901-1.

The union, p. 127 of the Transactions, contends that "previous job requirements have fluctuated from time to time depending upon product mix. . .".

3. Size change, product mix
the union contends, pp. 121-127 of the Transactions, that frequent adjustment of the shears due to change in sheet size prevents the crews from getting a "productivity run" (p. 121), and as a result they have an "abnormal product mix". Union Exhibit #7 was presented to show the several sheet sizes required in 5 coils, and the point made that the crews could earn more money if few sheet sizes are specified.

It is easy to see that the fewer the adjustments for size required the more time is available for running time. But here, as in the case of gage sizes, the company cannot dictate the size of sheet its customers should order. All that need be assured is that the original Time Study used to set the production standard covered a sufficiently long period of time to include a typical sample of size changes.

In Exhibit D, Part II, exhibit I, a "Size change standard" is made an integral part of the allowed minutes per 1000 pounds. The periods of time covered by time study, both the original and the 15 turn check study, seem ample as a sample of what usually takes place. In fact, all delays up to thirty minutes are factored into the rate on a 1000 pound basis. p. 121 of the Transactions.

ARBITRATOR'S APPRAISAL
OF THE FACTS
(as they apply to Grievance 15-D-28)

Historical

Continuing disagreement on pay for the Hallden shear crews in the 44" Hot Strip Mill has existed since September 14, 1948, when Grievance 15-C-11 was filed. A change was made in the payment plan for heavy gage material and for knife changes, and plan 75-0901 was born with an effective date of October 29, 1951. The union filed grievance 15-C-44 on November 15, 1951. In the period during which grievance 15-C-44 was being processed, a change in handling equipment and in coil size initiated a revision in wage plan 75-0901 to plan 75-0901-1 with an effective date of March 3, 1952. Coil weight increase occurred in March, 1952, so 75-0901-1 was made retroactive to the time this change was initiated. Award No. 72 on grievance 15-C-44 was made in May 1953, and grievance 15-D-28 was filed by the union on August 10, 1953.

Relevant wage data

Since plan 75-0901-1 was made retroactive to March 3, 1952, because of process change, the wage data between November 26, 1951 and February 17, 1952 is not considered pertinent to this grievance. This is union Exhibit 3, part of union Exhibit 5, and part of company Exhibit C. This grievance is on wage plan 75-0901-1 which was not in operation during this time. Pertinent

wage data which will be considered by this arbitrator is the [illegible] as Exhibit 4, second quarter 1953, and that included in company Exhibit [illegible], the companion chart from Exhibit D. The fact that $2.85 is the operator "average hourly earnings" seemed ample evidence (p. 11 of the contract) as to the previous earning level. In company Exhibit E, and the companion chart, however, the period from March 16, 1952 until about November 1, 1952 is worthless as wage data, for this period was just before, during and immediately after a work stoppage. Abnormal conditions during such periods can hardly be considered typical. Since plan 75-0901-1 was made retroactive to March 3, 1952, no legitimate conclusions may be drawn as to the earnings yield from this plan during this abnormal period between March 16, 1952 and about November 1, 1952.

Union contention on
Time Study data

Time studies, the union contends, ". . . are not a part of the contract". p. 130 of the Transactions. With this contention, this arbitrator cannot agree. On page 9 of the contract, in the first paragraph of Section 5 occurs the statement: ". . . when their efforts can readily be measured. . .". On page 13, also in the first paragraph of Section 9, the Services of an Industrial Engineer are required as arbitrator. To a person of such training, Time Study is the tool used to measure effort and is so recognized. The Time Study data presented in company Exhibit D is, therefore, considered pertinent by direct authority of the contract.

In overall union policy, the decision not to become involved in time studies may be a wise one; and on that score this arbitrator expresses no judgment. During the hearing, however, this arbitrator gained the definite impression that part of the difficulty underlying this grievance was due to lack of understanding of the background of wage plan 75-0901-1. This is covered, in part, under the above heading "certain union contentions". Perhaps it is fair to say also that this arbitrator gained the impression that the company could improve its explanation as provided on p. 10 of the contract.

A few comments will be made which are relevant to the reasons for variation in earnings over base, and on the question of like departments. All running time is "levelled" at 100%, p. 84 of the Transactions. Therefore, a job with a large part of the cycle time taken up in operator activity as compared with running time of the machine, when the operator is idle, offers more opportunity for incentive earnings than one in which these conditions are reversed. That condition undoubtedly accounts, in part, for the variation in total earnings over base called attention to by the union in Exhibits 3, 4, and 5.

Moreover, wage plan 75-0901-1 is so devised that a high job class rating, say 12, yields a larger percentage of total earnings over the base rate than say job class 4. Thus a group of workers rated high in job classes will, by the very nature of the plan, earn a higher percentage over the base rate than a group of workers rated lower in job class composition of the group.

These two comments are presented to indicate how misunderstanding may arise. These matters are not, however, in issue in grievance 15-D-28.

Time Study evidence
first and second check studies

The first check study from May 18 to June 5, 1953 covers a longer period of time than is usually used for such purposes. The disturbing thing about this study is, however, the small number of knife changes observed; and that on three of the six days in which knife changes are observed, the observed times are so very much higher than the allowed time as to lead this arbitrator to believe that conditions beyond the control of the crews were present. This seems a reasonable inference, since the company states, Exhibit D, Part II, p. 3, that the crews" . . . . bettered the coil handling, lift handling, and size change allowances. . ." in this same study.

A further disturbing feature of this check study is the [illegible] played by mechanical and electrical delays. The company, in the reference last quoted, states that the crews". . . while exceeding the knife and delay allowances." In another part of Exhibit D, p. 86 of the Transactions, attention is called to the fact that if delays were reduced to the"allowed value of 35.6 per cent of net operating time as shown in the standards in place of the observed actual value of 44.7 per cent of net operating time, the actual earnings of the three crews would have been adjusted as follows". The table, included in Exhibit D, Part II, exhibits IV, indicates that if such a result ensued, the operators variable earnings would--on average--equal $1.80 (1.797), which, with the incentive base of $1.06 (p. 5a of wage plan 75-0901-1) equals the $2.85 "average earnings" figure.

The second check study, that of December 17 and 18, 1953 of two turns by operator Racich, is not considered an adequate sample by this arbitrator. In the first place, only one pair of slitter knives were changed during the study; in the second place, results, largely, were the reverse of the first or 15 turn study; and thirdly, the study was on--from the various data presented--what appears to be the most skilled Hallden shear operator. It is true that mechanical delays, noted as large in discussion of the 15 turn study, are reduced. Perhaps this check study is intended, in that respect, to implement the statement that "a subsequent check with operating supervision has established the fact that this delay has been substantially reduced. . .". Exhibit D, Part II, p. 4. This arbitrator is not convinced that this evidence, the second check study, accomplishes what the company evidently believes that it does.

To this arbitrator, the net result of the above discussion is that the "average earnings" can be attained by the Hallden crew operators if help is supplied to them by the Industrial Engineering Department. In good Industrial Engineering Incentive application, it is not enough to devise a wage plan--no matter how logical and correct it may be--but, during the initial application of such a plan, the Industrial Engineer must live with the operators, and show (tell, instruct, demonstrate) them that particular ways (motions, elements, acts) are not being performed in the manner intended in the standard. Such explanation goes beyond that outlined on page 10 of the contract. Judging from the degree of leveling shown on Exhibit D, Part II, exhibit I, the Hallden crews can contribute to this result by better effort. This is substantiated by second and third step replies to grievance 15-D-28, and page 48 of the Transactions.

The philosophy of the wage Rate Inequity Agreement of June 30, 1947 is a part of the contract of July 30, 1952, as recognized in Article V, Section 5 at the bottom of page 9. One provision, the first noted on page 6 of the Inequity Agreement, states that: "In no case shall revised incentive compensation be such as to deprive the worker of average hourly total earnings for equal performance at least equal to those existing prior to such adjustment." That provision is the origin of the $2.85 average earnings rate under which Hallden operators are paid at present. The same wording, essentially, is repeated in the first paragraph of procedure 5 on page 11 of the July 30, 1952 contract. This arbitrator, therefore, cannot agree with the union position, p. 130 of the Transactions, that the rates in plan 75-0901-1 "should go higher". The unreliability of average earnings data between March 16, 1952 and about November 1, 1952 has already been noted. While "average operator earnings by pay period"..company Exhibit E and accompanying chart exhibit VI--fluctuates somewhat below the "average earnings rate", this arbitrator is convinced that it can be at least equal to this rate if measures indicated in the above discussion are followed.

For this arbitrator, therefore, to grant the requested increase in Grievance 15-D-28 does not seem logical from an Industrial Engineering standpoint, and--more importantly--does not seem logical both from the evidence presented and the provisions of the contract so far quoted.

The Union Case

The union's case was stated at the beginning under the heading "The Problem". Late in the hearing, p. 126, 129 of the Transactions, the case was expressed as: "actually, the requirements of the contract, in so far as the arbitrator is concerned, is to determine the equity of the rate in relation to the four factors: previous job requirements, previous incentive earnings, other incentive earnings in the department, and incentive earnings in a like department", and on page 129: "But in the main the union hinges its case on the fact that they (the crews) have not reached. . . anticipated earnings set for them by the company."

It is now the purpose of this arbitrator to comment on each of four criteria determinative in deciding whether the company has violated Article V, Section 5 of the agreement of July 30, 1952 in so far as the rates established in wage plan 75-0901-1 are concerned:

1. Does not provide equitable incentive earnings in relation to other incentive earnings in the department.

   In union Exhibit #3, company Exhibit C, the 44" Hot Strip Mill "margin of total earnings over base rate by occupation" Second Quarter 1953 was presented as evidence of incentive earnings. Presumably, then, there is no disagreement over the department to be considered, the Hallden Shears are a part of this department.

   The term "equitable" is bothersome. It is susceptible of various interpretations, as will be found upon consultation of any standard dictionary. Moreover, this indefinite term is to be found in the agreement dated May 7, 1947; evidently, therefore, the parties have not over a considerable period availed themselves of the opportunity to give a precise meaning to it. As explained earlier, the incentive opportunity varies with the job class; being higher the higher the job class.

   This arbitrator compared the Hallden job classes with the other job classes in the Second Quarter 1953 statement with the following results:

Occupation	Job Class	Margin of total earnings over base rate
Hallden #4	12	29.0
Hallden #14	12	37.7
Slab yard	12	29.9
Up cut unit	12	33.7
Circle shear 13	12	46.0
Normalizer	12	30.0
Hallden #4	8	25.1
Hallden #14	8	32.4
Mill crew	8	37.7
Slab yard	8	28.8
Circle shear 13	8	48.7
54" 2-Hi	8	43.8
60" 2-Hi	8	44.9
Ship crane	8	14.7
Sheet Pickler	8	54.0
Finish end	8	15.7
Hallden #4	5	27.9
Hallden #14	5	34.6
Up cut unit	5	33.0
Heating crew	5	38.3, 32.9
Circle shear 15	5	69.8
Shipping	5	9.0, 18.3
Normalizer	5	28.1

This list is not extended to include job class 4, b[illegible] same resu[illegible] evident that is above shown for classes 12, 8, and 5: Name[illegible], [illegible] the Hallden crews did not during this period, earn the highest "margin of [illegible]al earnings over base rates"; on the other hand, neither did they earn the lowest. [illegible]t is interesting to note that there is greater difference in the "margin of total earnings" between Hallden #4 and #14 than between these and some other job classes wi[illegible]h they are compared, yet this is not at issue in this arbitration. Neither at issue is the fact that some crews in the 44" Hot Strip Mill make high margins, and others make low margins.

The union contends that: ". . . arbitrators have more or less made a choice of where this job is more comparable, to what particular units the job should be compared, and not the overall average. The contract doesn't provide for overall average". p. 132, 133 of the Transactions. However, Exhibit 5 of the Union was presented as important data to substantiate their claim. This Exhibit is an unweighted overall average of the percentage margins of total earnings over base for selected crews in the 44" Hot Strip Mill. Two of these selected crews, the 54" and the 60" 2-Hi skin mill, have quite a different composition of job classes than the Hallden crews, and they are among the higher incentive earning groups. It may be noted, also, that an average of percentages is not a correct way of computation. For this arbitrator to decide that the Hallden crews should be paid the same "margin" as some other crew in the 44" Hot Strip Mill would be a vast assumption of authority. For example, the up cut unit, Second Quarter 1953, earned about the same "margin" as the Hallden crews, while circle shear #15 earned much more percentage wise. No evidence was presented which would indicate one or the other of these two crews as a norm for the Hallden crews.

This arbitrator can only observe that the Hallden crews are within the range of the highest and lowest "margin" earning crews; therefore, equitable incentive earnings are provided; and the company is not in violation of Article V, Section 5 of the 1952 contract on this first point.

2. Does not provide equitable incentive earnings in relation to like departments involved.

In this second criterion of equitability, there is the bothersome term "like", and this indefinite term--as in the case of "equitable" commented upon in point one--has persisted in the contract since 1947. This arbitrator suggests that it is quite possible to define both terms realistically if one skilled in Semantics rather in the Law be consulted. Since the 1952 contract expires in June 1954, an opportunity is provided reasonably soon to revise these impediments to understanding. The company, p. 108, 109 of the Transactions, contends that "like" is to be judged by the type of proce[illegible]ing, the products processed and not the existance or non existance of occupation[illegible] the union would ". . . like it very much if the company would consider the Hall[illegible]n workers in the 44" finishing end on the same basis as those on the various Halldens in the Cold Strip Department". p. 19 of the Transactions, also p. 170.

"Like defined as an occupation name, the union contention, presents certain difficulties: for example, two companies may have an occupation named "chauffeur"--to get away from steel for the moment; but one may drive only, the other drive and repair. No one in this case would contend for equal pay.

This arbitrator might launch upon an Industrial Engineering definition of "like"; but he is not convinced that such efforts would be successful, for the parties have been arguing this point since at least May 7, 1947 and as of the date of this hearing--January 4, 1954--are still in disagreement. As noted above, there is opportunity to give preciseness to this term at the renewal of the contract in June 1954.

However, attention is called to award #72 on Griev[illegible]-D-54 [illegible] 75-0901. This was presented as Exhibit A by the co[illegible] for the purpose of indicating that some issues, specifically the matter of "like" departments, were settled. The union contends, p. 136, 137 of the Transactions, that the Arbitrator was confused by errors in quoting job classes. It does not seem that these errors invalidate that arbitrator's decision on the question of likeness, for other factors were considered. It appears that much more evidence on likeness was presented in that grievance than in this one 15-D-28.

This arbitrator considers award #72 pertinent to grievance 15-D-28, for the question of "like" departments was at issue in both cases, and in both grievances the Hallden crews in the Hot Mill are compared with Hallden crews in the Cold Mill. The arbitrator, in award #72, concluded--p. 159 of the Transactions--that these two did not constitute like departments, obviously, this award was a defeat for the union position. This arbitrator on grievance 15-D-28 wishes to point out some implications involved. On p. 33 of the 1952 contract under step 4, the second paragraph, occurs this statement: "The arbitrator's decision shall be final and binding on both parts." Despite such definite and unequivocal language, the union raises this same question August 10, 1953--grievance 15-D-28--that was settled in May 1953 by Award #72. Let us assume that an arbitrator decided against the company on some particular issue, would the union look kindly on the company raising the same issue in a later case? This arbitrator is not persuaded that they would, nor should they. Did the contract between the parties provide for a permanent arbitrator for all grievances, which it does not, then such arbitrator would decide issues raised in current grievances in the light of his awards on the same issues in prior grievances. Any other method of arbitration would result in chaos in which nothing is ever decided. This arbitrator holds that this principle is valid, for identical issues, where different arbitrators are selected for grievances as they arise.

This arbitrator holds that the company is not in violation of Article V, Section 5 of the 1952 agreement in the matter of "like departments, for this issue was settled in award #72; and, therefore, should not be in issue in grievance 15-D-28.

3. Does not provide equitable incentive earnings in relation to the previous Job requirements.

The union, p. 20 of the Transactions, states that: "This grievance deals with incentive plan 75-0901-1, which replaced incentive 75-0901. The union maintains that previous job requirements and previous production, which were used as a basis of setting up average earnings, cannot be met because of lack of similar conditions that prevailed before." The company, p. 41 of the Transactions, states that: "The Hallden Shear occupational descriptions and classifications were reviewed and found to be appropriate, therefore, they remained in effect. . .".

On page 4 of this award, this arbitrator traced the process and wage changes prior to and during the life of wage plan 75-0901-1; on page 7 certain union contentions were outlined involving the question of product mix, such as light vs heavy gage and size change. These two analyses need not be repeated at this point; but the conclusions which this arbitrator draws, after diligent analysis, is that changes in conditions claimed by the union have been imbedded in the wage plan 75-0901-1. It is pertinent to observe that earnings computation of the same poundage, width, and thickness of steel run through the Hallden shears yields higher earnings by plan 75-0901-1 than by plan 75-0901. It must be remembered, however, that coil weights increased in April 1952, and plan 75-0901-1 was made retroactive to cover this change.

This arbitrator holds that the company is not in violation of Article V, Section 5 of the 1952 agreement in the matter of "previous job requirements".

4. Does not provide equitable incentive earnings in relation to the previous incentive earnings.

On page 8 of this award under the heading "relevant wage data", this arbitrator explained why data for the period November 26, 1951 to February 17, 1952 did not seem relevant. The fact is that the contract of 1952, page 11, first paragraph of procedure 5, states that ". . . 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". There was no disagreement between the parties at the January 4, 1954 hearing that this average earnings rate was $2.85 per hour for operators; and, of course, correspondingly for other members of the Hallden crews. This figure seems determinative as far as this fourth point is concerned.

This arbitrator cannot agree with the union contention that: "The particular operation in question here has not been on any real incentive earnings for a considerable period of time". p. 126 of the Transactions. If the Hallden crew total earnings as recorded on the Second Quarter earnings sheet of 1953 be compared with the hourly "base rate" of plan 75-0901-1, it will be found that the earnings of each member of the crew are larger. The proper union contention is, using operators as an example, that earnings have not equaled $2.85 per hour. Current earnings, of operators, of less than this amount are made up by the company.

The point of view stressed by this arbitrator under the heading "Time Study evidence, first and second check studies" is that plan 75-0901-1 will fulfill the requirements of the contract if the Hallden Crews and the Industrial Engineers cooperate properly. To grant a "new incentive plan which will pay the aggrieved twenty five (25%) per cent more money", which is the union statement of this grievance in the first step grievance statement of August 10, 1953, is--to this arbitrator--equivalent to buying a Homberg for a tramp with big holes in the soles of his shoes.

This arbitrator holds that the company is not in violation of Article V, Section 5 of the 1952 agreement in the matter of previous incentive earnings.

AWARD

This arbitrator concludes that wage plan 75-0901-1 does not violate Article V, Section 5 of the collective bargaining agreement dated July 30, 1952 in any of the four criteria there established to determine equitable incentive earnings.