#139

BEFORE

C. ROBERT ELKOURY

IMPARTIAL ARBITRATOR

INLAND STEEL COMPANY INDIANA HARBOR WORKS	)	GRIEVANCE NO. 16-D-78
and	)	ARBITRATION 139 Cold Strip Department No. 34 Crane Operator Occupation Code No. 77-2426
UNITED STEELWORKERS OF AMERICA, C.I.O., LOCAL 1010	)	

DECISION OF THE ARBITRATOR

The Question to be Decided

Whether or not the Company was in violation of Article V, Section 5, of the July 30, 1952, Collective Bargaining Agreement when it (the Company) denied above named Grievance 16-D-78.

Arbitrator's Award

The Company did not violate Article V, Section 5, of the July 30, 1952, Collective Bargaining Agreement.

Contract Provisions

Article V, Section 5, July 30, 1952, Collective Bargaining Agreement:

> "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 rates 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 Wage Rate Inequity Agreement of June 30, 1947.
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> "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 or manufacturing standards, the Company shall have the right to install new incentive, subject, however, to the provisions of the aforesaid Wage Rate Inequity Agreement. Such new incentives shall be established in accordance with the following procedure:

1. The Company will develop the proposed new incentive.

2. The proposal will be submitted to the grievance committeemen representing the employees affected for the purpose of explaining the new incentive and arriving at agreement as to its installation. The Company shall at such time furnish such explanation with regard to the development and determination of the new incentive as shall reasonably be required in order to enable the grievance committeemen to understand the method by which the new incentive was developed and determined, and shall afford to such grievance committeemen a reasonable opportunity to be heard with regard to the proposed new incentive.

3. If agreement is not reached within thirty (30) working days after the meeting at which such incentive is explained to the grievance committeemen, the matter shall be reviewed in detail by an International Representative of the Union and the Company for the purpose of arriving at mutual agreement as to the installation of the incentive. Such meeting shall be held promptly upon the request of either party.

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.

5. 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 or 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."

Supporting Facts for Decision

1. No disagreement between the parties regarding the Job Description Code No. 77-2426.

2. Wording of Contract, Article V, Section 5, is quite specific and states that . . . "the Company shall have the right to install new incentives" . . . This may be considered as a complete right to either install new incentives, or to not install new incentives.

3. A study of the job was made by the Industrial Engineering Department and their findings must be accepted regarding the work content of the disputed changed conditions of the task, since no change has been made in the Job Description and Classification.

4. It has been established that if additional tasks are required of an operator, either because of changed conditions or changed material, on an incentivized task, these may not be measurable enough to change the total task requirement, and hence need no incentive if in the opinion of the company they are incapable of measurement.

5. No proof of changed or reduced earnings has been presented, so your arbitrator can not pass on this plane of the grievance.

From these established facts, your Arbitrator can only conclude that the sole right for determination of Job Conditions and Classification is a Company right, guaranteed by the Article V, Section 5, part of the July 30, 1952, Collective Bargaining Agreement.

/s/ C. Robert Egry

C. Robert Egry
Impartial Arbitrator
28 December 1955