Grievance No. 17-E-30
Appeal No. 166
Arbitration No. 159

Opinion and Award

INLAND STEEL COMPANY)
)
and)
)
UNITED STEELWORKERS OF AMERICA)
Local Union 1010)

Appearances:

For the Company:

William F. Price, Attorney of Vedder, Price and Kaufman
L. E. Davidson, Assistant Superintendent, Labor Relations
J. I. Herlihy, Superintendent, Industrial Engineering
W. D. Salisbury, Assistant Superintendent, Tin Plate Department

For the Union:

Cecil Clifton, International Representative
Fred A. Gardner, Chairman, Grievance Committee

The Union in this case questions whether Wage Incentive Plan, File No. 78-0312, applicable to the No. 4 Radiant Tube Anneal - Furnace Tender and Loader, in the Tin Mill, provides equitable incentive earnings, under Article V, Section 5. In the grievance the Union refers to all the criteria set forth in sub-paragraph 4 of this section of the Agreement, but in its presentation at the hearing it stressed particularly the previous job requirements and previous incentive earnings of the employees involved and the incentive earnings of all production employees in the department. It conceded that there is no other "like department."

This new incentive plan came into being because of the Company's installation of Radiant Tube Anneal furances to supplant the old Batch Anneal process in December, 1954. This conversion or change also gave rise to the grievance of the #44 Crane Operators which was ruled on in Arbitration No. 156.

On the Batch Anneal the Company employed crews of one Operator and four Loaders, exclusive of Crane Operator. The foreman acted as Head Loader and did most of the necessary clerical work. On the Radiant Tube Anneal there is a Furnace Tender and one Loader. The new base rates and incentive plan were presented by Management on December 17, 1954; the base rates became effective at once and the incentive plan on December 20, 1954. The grievance questioning whether the incentive plan is equitable was filed April 19, 1955.

The method used to develop the new incentive plan was identical with that described in Arbitration No. 156. The Company determined that the Furnance Tender would have a work load approximately the same as that of the Furnance Operator on the Batch Anneal, namely 75.6%. This was so even though it was expected that the number of charges per turn would decline

from 3.99 to 1.2. This difference was offset, in Management's judgment, by new responsibility for operating and inspecting additional auxiliary equipment. Accordingly, the Furnance Tender was placed in job class 13, the same as the Furnance Operator, given the same base rate of $2.17 and the same margin of 31.9% for incentive earnings, making the expected total hourly earnings $2.862, which is exactly what the Furnance Operator had earned.

The Loader's work load, however, was determined to be 8.9% less than that on the Batch Anneal, which Management translated into a reduction of 3.1% of the Loader's base rate, or $.057 per hour. The 3.1% was arrived at by taking 8.9% of the 35% normal margin. On the other hand, Management evaluated the Loader's job and placed it in job class 7, as compared with job class 6 for the Loader on Batch Anneal. This was caused by higher values being assigned for the factors of initiative, education, and experience in the job requirements category, and mental exertion and maintenance of operating pace in the job conditions and job responsibilities categories, offset only in part by a lower allowance for physical exertion. This increased the Loader's base rate by $.05, but the lesser work load as seen by Management offset this, because the earnings otherwise expected were decreased by $.057.

The employees take strong exception to Management's finding that the work load of the Loaders has declined, especially because of the physical exertion and responsibility factors. They claim that the patrolling or walking feature of their duties has been somehow overlooked or seriously played down in the computations made by Management, and that one Loader now functioning where four formerly worked has resulted in greater tension, over-all responsibility and vastly more clerical work.

In any event, we note that a comparison of earnings, actual on one hand and expected on the other, is as follows:

Occupation	Job Class	Base Rate	Total Earnings	Margin
Batch Anneal				
Furnance Operator	13	$2.17	$2.862	31.9
Loader	6	1.82	2.501	37.4
Radiant Tube Anneal - Expected				
Furnance Tender	13	$2.17	$2.862	31.9
Loader	7	1.87	2.512	34.3

We note, further, that on the Radiant Tube Anneal the expected earnings have not been attained, although they have improved in more recent periods. This may be seen in the following table of actual incentive earnings, adjusted to exclude the effect of general wage increases.

This table also includes figures relating to production.

	Furnance Tender	Loader	Coils per Turn	Tons per Turn	Charges per Turn
January 2 - April 24, 1955	$.551	$.505	$22.9	215	1.1
April 25, 1955 - December 15, 1956	.593	.545	23.4	235	1.0
September 9 - December 15, 1956	.669	.613	26.3	245	1.1
Expected	.700	.640	26.4	315	1.2

In Arbitration No.156 I discussed the use of work load as a direct measure of incentive earnings when the Agreement speaks of "job requirements." I also considered the matter of divorcing the new incentive earnings from the previous incentive earnings and job requirements. If the previous job requirements are an important factor in developing the new incentive, as must be the case if such great weight is given to the respective work loads, then it would seem that close attention to previous incentive earnings should also be given because the two are coupled in sub-paragraph 4 of Section 5. In the incentive cases thus far heard, this problem has been more or less academic because in each case Management has elected to use as the basis of comparison the incentive earnings on the prior job, doing so on the ground that it is the most comparable job in the department.

The observations made in the earlier Radiant Tube Anneal - Crane Operator case are equally applicable here and need not be repeated. It is worth repeating, however, that the search for what is equitable does not call for an exact equalization.

Before proceeding further, it should be observed that the Union in conceding that there is no other like department excludes any comparison with individual occupations in some other department, even if the occupations are similar, for the Agreement limits such comparisons to <u>like departments</u>, not to <u>like occupations</u>. Departmental incentive earnings figures submitted by the Union show very wide variations and have little significance, particularly in view of the Union's agreement that where we have a similar occupation in the department we need search no further.

The Company made two check studies of these occupations, one on December 13, 1956 and the other on January 10, 1957. As to both occupations the work load found was wide of the mark set up originally in the incentive plan as expected. The Tender was found to be carrying on those days a work load of 58.3% of what was expected, yet he was earning 95.6% of his expected incentive earnings. The Loader was carrying a work load of 74.3% of expected and he was earning 95.7% of his expected incentive earnings.

The data used by Management in developing the new incentive plan is certainly important evidence in these cases, but cannot be accepted as beyond question in the sense that mathematical or scientific data would have to be. The views of the employees on the job are also evidence bearing particularly on the question of job requirements.

In this case, I am persuaded that the finding of Management that the incentive earning opportunity of the Loaders should be decreased by 3.1% from what it would otherwise be because the work load was lighter is not supported by the full evidence presented. The job requirements, as reflected in part by Management's evaluation, and in part by the descriptions of the work given at the hearing, lead me to the conclusion that the Loaders should not have been subjected to this decrease of 3.1%.

AWARD

The grievance on behalf of the Furnance Tenders is denied.

The Wage Incentive Plan, File No. 78-0312, in so far as it applies to the Loaders, should be adjusted to eliminate the effect of the 8.9% reduction in work load and the consequent decrease of $.057, or 3.1%, in their incentive earnings.

David L. Cole
Permanent Arbitrator

Dated: March 6, 1957