

INLAND STEEL COMPANY

and

UNITED STEELWORKERS OF AMERICA
Local Union 1010

Grievance No. 12-E-73
Docket No. IH-7-7-4/5/56
Arbitration No. 172

Opinion and Award

Appearances:

For the Company:

William F. Price, Attorney of Vedder, Price and Kaufman
William C. Ryan, Assistant Superintendent, Labor Relations

For the Union:

Cecil Clifton, International Representative
Fred A. Gardner, Chairman, Grievance Committee
A. Garza, Vice Chairman, Grievance Committee
C. C. Crawford, Grievance Committeeman, Galvanizing Department

The Union complains that Wage Incentive Plan 55-2036 covering Stocking Crane Operators and Stockers in the Galvanize Department does not provide equitable incentive earnings in relation to the standards set forth in Article V, Section 5, of the 1954 Agreement. The relief requested in the grievance notice was "a more equitable incentive" in relation to previous job requirements and previous incentive earnings; also that the incentive be paid "direct from the line" as in the past (i.e. equipment utilization plan) rather than being based on the number of coils charged to the lines and the number of coils unloaded from trucks as in Incentive Plan 55-2036.

Line #1 in the Galvanize Department began production in May, 1941; Line #2 in May, 1954; and Line #3 in November 14, 1955.

We are dealing here with the Stocking Crane Operator (referred to hereafter as the Craneman) whose primary function is to "Operate electric overhead traveling cranes to store and stock coils and to service the Continuous Galvanizing Lines" and the Stocker whose primary function is to "Receive and store incoming steel and furnish coils to entry ends of Continuous Galvanizing Lines." In incentive plans in effect prior to the introduction of the #3 Line, these occupations were grouped with other occupations on the line. Plan No. 55-2036 now groups these two occupations under a single plan.

The position of the Union may be summarized as follows: Cranemen received incentive pay of 17 cents per hour when they serviced #1 Line alone which, at that time, produced about 50 tons per turn; now they service #2 Line which averages 80 tons and the new #3 Line which produces 100 tons per turn. The increase in tonnage handled, from 50 to 230 tons per turn justifies the claim "that \$.51 (\$.17 x 3) per hour would be an equitable incentive in relation to the previous job requirements

and previous incentive earnings." Similarly, with regard to the Stocker, it is argued that inasmuch as the Stocker handled about 130 tons on #1 and #2 Lines alone, and received incentive earnings of 30 cents per hour, and the addition of #3 Line increased this tonnage to about 230 tons, an additional 25 cents per hour (or 55 cents) "would make the incentive equitable in relation to previous job requirements and previous incentive earnings." Incentive earnings for the Craneman prior to Plan No. 55-2036 amounted to \$.285 per hour; the Union would increase them \$.225 to a total of \$.51, as indicated above. The Stocker received incentive earnings of \$.30 per hour prior to the contested new incentive plan; the Union would increase the earnings by \$.25 per hour to a total of \$.55. Under the contested plan, for 29 pay periods ending February 23, 1957, the average incentive earnings of Cranemen were \$.427 and of Stocker were \$.465 representing an increase of \$.142 to Cranemen and \$.165 to Stocker.

The Union's affirmative case is based broadly on an increase of 100% of work load occasioned by the introduction of the new #3 high speed continuous line. A Craneman testified that prior to the introduction of the third line he was working one-half of the time, and that he now works three-fourths of the time; that "the work is doubled" and that "Number 3 line is producing approximately as much as number 1 and number 2 lines together." The Union witnesses also testified to the fact that they have responsibility now for some duties which they did not have before the introduction of the #3 Line. In this respect, reference was made to service of a transfer conveyor, the loading of more cars and trucks, the loading of prime coils to be shipped to cold strip, the addition of three scrap pans to be loaded, the operation of additional cranes in emergencies, etc.

Actual production figures were submitted by the Company. They indicated the following:

	<u>#1 Line</u>	<u>#2 Line</u>	<u>#3 Line</u>	<u>Combined</u>
1953	75.3			75.3
1954	64.3	63.1		127.4
1955	59.1	79.7	82.7	221.5
1956	53.3	82.0	110.0	245.3
1957	58.5 ^{a/}	88.5 ^{a/}	119.0 ^{a/}	266.0 ^{a/}

^{a/} Based on January and February figures.

These figures disclose that although the new #3 Line produces more tonnage than the #1 and #2 Lines, it is an exaggeration to say that the production of those lines has been doubled by the addition of the new line.

Considerable changes in the duties and activities of the occupation of Craneman and Stocker took place during the period when the #2 Line

and then the #3 Line were installed. At the time of the introduction of #2 Line the job descriptions were revised by eliminating or diminishing certain functions (such as dressing and threading the line, the cranes to be used, servicing the reject pallet, open hearth scrap pans, etc.). Further changes took place when the #3 Line came in, but the extent of the diminution in job requirements claimed by the Company is contested by the Union. Without seriously disputing that the Stocker is no longer required to remove bands from the coils, Union witnesses contend that additional cranes other than the regular two stocking cranes must be operated to a greater extent than the Company concedes. The Company claims that the other cranes are used for emergencies only.

The fact is that these two jobs have been modified in several respects. Some duties were added but others were dropped or simplified, with the net result in each instance of an increase in work load. Management agrees that Craneman's work load has gone up 14.82% and that the Stocker's load has gone up 17.38%.

In developing the new plan, the Company employed procedures similar to those it has followed in other incentive cases. Time studies were taken in January, 1955 on the two line operation and the actual times observed were leveled to reflect performance at an incentive pace. These time studies included all elements on the two line operation and formed the basis for a projection as to the expected work load on the three line operation, when installed.

As a result of these studies and projections, Management, as indicated, ascertained that the Craneman's work load would rise 14.82% and that of the Stocker 17.38%. By the usual technique of applying these percentages to the expected incentive margin of 35%, it was determined that the following adjustments in incentive earnings opportunities would be equitable:

	<u>Craneman</u>	<u>Stocker</u>
Average work load - two lines	23.76%	42.12%
Expected work load - three lines	<u>38.58%</u>	<u>59.50%</u>
Increase in work load	14.82%	17.38%
Adjustment indicated in incentive margin	5.187%	6.08%
Previous incentive margin	14.34%	14.34%
Increase due to work load	<u>5.19%</u>	<u>6.08%</u>
Expected margin	19.53%	20.42%
Previous incentive earnings	\$.289	\$.289
Expected increase	<u>.105</u>	<u>.123</u>
Expected incentive earnings	\$.394	\$.412

In fact, because they have handled more coils per turn than anticipated (23.55 rather than 21.75), the incentive earnings over a period of 29 payroll periods have exceeded those expected. The Stocker has averaged \$.465, or \$.053 per hour above the expected amount, and the Craneman \$.427, or \$.033 per hour more than expected.

On March 1, 1957 the Company made check-studies which seem to support the earlier findings and calculations of its industrial engineers. The Union was critical of these studies, asserting that when they were made there were less coils being processed than normal although the coils were of greater length. It appears, however, that these studies were related to coil production running over a considerable period, which on the whole makes these studies sufficiently typical or representative to be worthy of being given an evidential value.

We must now consider the Union's complaint that these adjustments have not resulted in an incentive plan equitable under the criteria of Article V, Section 5, particularly Procedure 4. This has been quoted repeatedly in prior incentive Awards and need not be recited in full again. The problem is simplified in this case because it is agreed this is merely a changed and not a new job and that the relevant tests, under the Contract, are comparisons solely with the previous job requirements and the previous incentive earnings. It is agreed there is no "like department" and no other fairly comparable occupations within the same department.

The Union suggests that the Craneman's incentive should provide earnings of \$.51 per hour. It arrives at this by taking the Craneman's incentive earnings when he was servicing only the #1 Line, prior to May, 1954, and multiplying this average (17 cents) by three. In the case of the Stocker, the Union shows that his incentive earnings on the #1 and #2 Lines averaged about \$.30, at which time these two lines were producing about 130 tons per turn. Now that the tonnage has gone up about 100 tons per turn, the Union apparently feels the incentive earnings should go up approximately the same percentage, and thus arrives at the conclusion the Stocker's incentive earnings should be about \$.55.

If the Union's approach were accepted with regard to the Craneman, the effect would be to review not only the incentive plan here in question but also to re-examine that which was set up when #2 Line went into operation as well. This obviously cannot be done under the procedures stipulated in the Agreement.

In the case of the Stocker, the test under the Agreement requires that we compare the incentive earnings now provided with the previous incentive earnings and previous job requirements of these employees. We certainly cannot short-cut the process by ascertaining the difference in tonnage alone. Such a difference may have little relationship to job requirements, where, as here, duties have been added, withdrawn, and modified.

It is worth repeating that it is agreed the work loads of both occupations have been increased. Management's engineers, supported by the production supervisory personnel, indicate certain precise percentages of increase. The employees urge that the increase is understated, relying principally on the amount of tonnage processed.

The Stocker is earning \$.176 and the Craneman \$.138 per hour more in incentive earnings than they were earning before #3 Line went into operation.

On all the evidence submitted, I cannot say that the increases provided by the incentive plan under review are inequitable in relation to the previous job requirements and the previous incentive earnings of these employees.

AWARD

This grievance is denied.

Dated: April 5, 1957

David L. Cole
Permanent Arbitrator