INLAND STEEL COMPANY	)	
	)	Grievance No. 22-F-33
and	)	Docket No. IH 314-305-5/5/58
	)	Arbitration No. 295
UNITED STEELWORKERS OF AMERICA	)	
Local Union No. 1010	)	Opinion and Award

Appearances:

For the Union:

Cecil Clifton, International Representative
J. Wolanin, Secretary, Grievance Committee
J. Gyurko, Grievance Committeeman

For the Company:

W. F. Price, Attorney
L. E. Davidson, Assistant Superintendent, Labor Relations
H. C. Cummins, Supervisor, Industrial Engineering
H. M. Kroner, Assistant Superintendent, No.3 Open Hearth Depart.
L. Lee, Industrial Engineering Department

This grievance alleges that the incentive plan applicable to Pit Hookers and Mould Yard Hookers in the No. 3 Open Hearth Department does not satisfy the standards in Article V, Section 5 of the Agreement.

Before the changes attending the expansion of the No. 3 Open Hearth Department had taken place, the Pit Hookers were compensated under an incentive plan; the Mould Yard Hookers were not. A time study of the jobs made in January, 1957 when there were two Pit Hookers and one Mould Yard Hooker per turn, or a crew of three, adjusted for 94% availability of four furnaces, resulted in a calculated weighted average work load for each occupation of 34.6%.

Since expanding the Department and placing into effect the changes which have been referred to in the current series of decisions with respect to that Department, the Company has established a new manning schedule for the occupations. Thus its present practice is to schedule as follows:

Number of Furnaces	Pit Hookers	Mould Yard Hookers	Total Crew
4	2	1	3
5	2	2	4
6	3	2	5
7	3	2	5

The incentive plan was developed according to the standard industrial engineering practices employed with respect to the No. 3 Open Hearth Department occupations in the associated cases. At a seven furnace level of operations the work load, with a crew of five was computed to be 29.4%, a decrease of 5.2% from the work load measured in the studies prior to the changes. The previous incentive margin for the Pit Hooker, the only occupation covered by the plan before the changes was 9.8%. The new plan, as developed, provided for an incentive margin of 10.3% and a single actual rate of .232 standard hours per 100 ton unit.

In this as in the associated cases the Union complained that the standards in Article V, Section 5 of the Agreement have not been met. It stated that "the decrease in the work load is not correct" and "that the work load has remained constant or even increased somewhat, due to the increase in the number of furnaces and the increase in the number of heats being poured". In support of these contentions, the Union observes that despite the Company's denials it was told at the presentation of the plan that an additional Pit Hooker (making a crew of five rather than four) would be added at a five furnace level of operation and that since the changes it has been required that the moulds be "limed" all around their openings rather than half way around to prevent the metal from sticking.

With respect to the additional man, it may be observed that at a five furnace level of operation a crew of four is an increase over the crew of three previously scheduled for four furnace operation; and at the level of six furnace operation another Pit Hooker is, in fact, added. In response to the Arbitrator's inquiries as to the equitability of the plan at various levels of production, the Company witness testified that while the plan was developed with a view toaseven furnace level of operation, the amount of money paid out under the plan, if represented graphically, would be shown on a smooth straight line, the incentive earnings for individual worker depending upon the number of man hours devoted to production in a pay period. This was illustrated by the experience for the pay periods ending February 22 and April 19, 1958. The data for these periods shows the following:

Pay Period Ending	Tons	Incentive Margin	Incentive Earnings Pit Hooker	Man Hours
February 22	42,115	12.4	2.321	788
April 19	42,249	9.7	2.265	1008

It is evident that the size of the crew has a critical effect upon the yield of incentive earnings per employee. Another way to express this is that when the crew size indicates that greater effort is required per man, the incentive plan compensates for this. The significant factor is the amount of effort required as reflected in production per man hour.

Although this suggests that the plan is designed, generally, to meet the standards of equitability established by the Agreement, it does not, of course, necessarily prove conclusively that the relationship between greater or less effort (as represented by "job requirements") and incentive earnings have been satisfied. The general propriety of such a plan would have to yield to a factual demonstration that the job requirements have not been properly identified or evaluated or that under given circumstances, job requirements and incentive earnings are not in equitable balance.

The record of this case has been carefully reviewed and the conclusion has been reached that the showing in this case is insufficient to justify a finding that the plan under attack does not satisfy the standards in Article V, Section 5.

AWARD

The grievance is denied.

Peter Seitz,
Assistant Permanent Arbitrator

Approved:

David L. Cole,
Permanent Arbitrator

Dated: January 9, 1959