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

Grievance No. 16-F-76
Docket No. IH-371-362
Arbitration No. ~~354~~ 338

Opinion and Award

Appearances:

For the Company:

W. F. Price, Attorney
W. A. Dillon, Attorney
J. DeBrota, Assistant Superintendent, #1 and #2 Cold Strip Mill
L. E. Davidson, Assistant Superintendent, Labor Relations
J. L. Federoff, Supervisor, Labor Relations
K. H. Hohhof, Supervisor, Industrial Engineering

For the Union:

Cecil Clifton, International Representative
Fred A. Gardner, Chairman, Grievance Committee
J. Wolanin, Secretary, Grievance Committee
J. Stone, Grievance Committeeman

This grievance questions whether Wage Incentive Plan File No. 77-0631 is equitable. It relates to the 48" Stamco Slitter Tractor Operator, #1 and #2 Cold Strip Department. The incentive plan was installed December 16, 1956.

The primary function of this Tractor Operator is to service the Stamco Slitter by delivering and preparing coils for the unit and taking them away. This incentive plan is tied to that of the crew of the Stamco Slitter, being based on its expected production each turn. The incentive plan of the Stamco Slitter crew was challenged and ruled on in Grievance 16-F-75, (Award 349). If the expected production level is reached by that crew, and if the Tractor Operator keeps pace with them, he would attain his expected level of incentive earnings, as the Company developed this incentive plan.

When the Tractor Operator's job was timestudied in October, 1956, a workload of 43% was found, including rest and personal allowance. However, this was projected upward to 75.3% to reflect the workload when the Stamco Slitter is producing at its expected level. Applying its 35% rule, the Company translated this workload into an expected earning margin of 26.4%. To achieve this margin, the Company in developing the incentive plan, credited the Tractor Operator with 35.8% of the standard hours earned from production items by the Slitter crew plus .5 standard hour for each man hour on the job.

Under Article V, Section 5, comparison must be made with other Tractor Operators in the department. The Union suggests particularly those servicing the 48" and 54" Hallden Shears and the 48" Wean Slitter. This is a similar incentive occupation in the department. The Company suggests the use of the Streine Tractor Operator and the Tractor Operator servicing the 48" Wean Slitter when it operates alone rather than in combination with the Hallden Shears. These are also similar in nature and of some significance in making comparisons of other incentive earnings in the department. The Streine Tractor Operator, however, is in the general tractor pool, and his earnings are not governed directly by the production of the Streine, as grievants' earnings are by the production of the Stamco.

The Tractor Operator servicing the Hallden - Wean combination has a workload of 81.1% (as compared with grievants' of 75.3%), and his incentive earnings in 1959 averaged 32.1%, and, in the first quarter of 1960, 27.6%.

The 39" Streine Tractor Operator has a 37.3% workload, expected earnings of 13%, and actual earnings of 8.2%. The Tractor Operator servicing the 48" Wean Slitter by itself has a workload of 54.9% and expected earnings of 19.2%, and actual of 19.4%.

These must be looked at in the light of grievants' workload of 75.3%, expected earnings of 26.4%, and actual margins of 10.66% in 1957, 13.15% in 1958, 11.8% in 1959, and 12.7% in the first quarter of 1960.

If 35% of the difference between the workload of the Stamco Tractor Operator and those of each of the others is applied to the respective expected earnings levels, except in the case of the Hallden - Wean Tractor Operator where we have only actual earnings, we find that the expected earning of the Stamco Tractor Operator is on precisely the same level as those of the Streine and Wean Tractor Operators, and deficient by 1.4% in relation to the Hallden - Wean Tractor Operator.

If the expected earnings of the Stamco Tractor Operator were accurately computed by the Company, and if the projected workload is correct, then, as observed at page 5 of Award 156, the incentive plan in question would have to be held to be well within the range of comparable incentive earnings in the department and therefore "equitable in relation to the other incentive earnings in the department."

While the Union and the employees called attention to differences between the duties of the Stamco Tractor Operator and those of the Hallden - Wean Tractor operator, this was not sufficiently convincing to persuade me that the Company has not correctly projected the workload of the Stamco Tractor Operator or has inaccurately developed the resulting incentive plan.

Much of the reasoning in Award 349 as to Grievance 16-F-75 is applicable here as well and need not be repeated. Certainly, the observation concerning the upward movement of earnings of Revision No. 2 is put into effect (four to five cents per hour), and the finding that the expected level of production is attainable, have a direct bearing on this case as well. The same is true of the ruling on the Union's request for average hourly earnings.

<u>AWARD</u>

1. Wage Incentive Plan File No. 77-0631, with Revisions No. 1 and No. 2, provides equitable incentive earnings under the criteria of Section 5 of Article V, with the understanding that Revision No. 2 will be made effective as of December 16, 1956;

2. The Union's request for average hourly earnings is denied.

Dated: August 3, 1960

(signed) David L. Cole
David L. Cole
Permanent Arbitrator