

In the Matter of Arbitration  
Between:

INLAND STEEL COMPANY

- and -

THE UNITED STEELWORKERS OF AMERICA  
Local Union No. 1010

Arbitration Award No. 379

Appeal No. 116

Grievance No. 18-F-36

PETER M. KELLIHER  
Impartial Arbitrator

APPEARANCES:

For the Company:

Mr. William F. Price, Attorney  
Mr. Donald L. Arnold, Attorney  
Mr. Herbert H. Cummins, Supervisor, Industrial Engineering  
Mr. J. H. Herlihy, Superintendent, Industrial Engineering  
Mr. Bert Hawley, Superintendent, Yard Department  
Mr. Fred Corban, Assistant Superintendent, Yard Department  
Mr. R. J. Stanton, Assistant Superintendent, Labor Relations  
Department  
Mr. John Polihronis, Industrial Engineering

For the Union:

Mr. Cecil Clifton, International Representative  
Mr. M. Connelly, Witness  
Mr. A. Garza, Secretary of Grievance Committee  
Mr. C. Bullock, Grievance Committeeman

STATEMENT

A hearing was held in Gary, Indiana, on October 14, 1960.

### THE ISSUE

The aggrieved feel that it is practical to apply some form of incentive to the earnings of themselves that their efforts can readily be measured in relation to the overall productivity of the Department or Subdivision thereof on the basis of individual or group performance. As relief sought, they request that they be placed on a working incentive plan.

### DISCUSSION AND DECISION

The controlling contractual provision reads as follows:

"Wherever 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."

The issue posed by this Grievance is largely one of interpretation. It is conceivable that some form of incentive could be devised to measure the individual performance of the Loaders. This, however, is not enough under the clear provisions of the Agreement set forth above. This Arbitrator cannot read out of this Contract the

introductory condition "Wherever practicable" nor ignore the language that the Company has the "right to install incentive rates\*\*\*Wherever practicable in the opinion of the Company". Management here has made a determination that it is not practicable to devise an incentive principally because it would not result in a meaningful increase in "productivity" on the part of the Loaders. The evidence shows that the work of the Loaders is internal to the cycle of the crane. Without determining the precise amount of idle time that the Loaders now have, it is evident that any increased effort that they might make due to the establishment of an incentive would result merely in more idle time for them and would not substantially increase productivity in "relation" to the work of this entire operation. In Arbitration No. 225 the crew at the Number 5 End Shear claimed that they were "obliged" to work at an incentive pace set by the Shearman and Shearman Helper. The crew there also asserted that an incentive should be installed "because their efforts can readily be measured in relation to the overall productivity of the department". The Arbitrator in that case found that the Company's decision not to install an incentive plan was not "arbitrary and unreasonable, but has a rational foundation". Under the heading "The Practicability of the Installation of an Incentive Plan" the Arbitrator there states:

"The Company asserts that it is not practicable to install an incentive plan applicable to the grievants in which wages for incentive pace are measured by the tonnage production of the mill. In addition to the facts set forth above it contends that the grievants, as a group, presently operate with a considerable amount of 'forced' idle time not subject to their control. Here again the evidence is in conflict as to the amount of idle time, and I do not base my decision on the observations and convictions of two Company witnesses that the idle time of the crew of grievants amount to 50 per cent of the turn. Ascertainment of the precise percentage of non-idle hours of individual grievants and of the grievants as a group is not critical to a decision here. It does appear, however, that delays in crane availability and service, delays due to cutting tests, the loading of trucks, taking burners off the rolling line, waiting for the Shearman and his Helper and other circumstances not within the control of the grievants result in a considerable and substantial amount of forced idle time. Under these circumstances it is difficult to understand how the holding out of an incentive rate could result in performance by the grievants at incentive pace." (emphasis added)

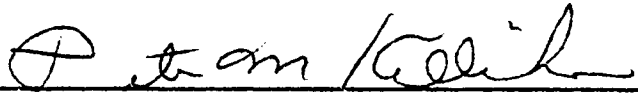
The evidence in the matter before us is that the situation is now different than that which prevailed in 1948 when an incentive plan was installed for ships which later was revised to include work in connection with the barges. In 1948 there were smaller tonnages in a more confined area. The evidence also is that there were less railroad cars and truck transportation in this area. Since that date, there have been increased delays.

All of the evidence in this case would indicate that the substantial amount of idle time that exists is not within the control of the Grievants, but is due to several other conditions. The Company produced evidence to show that the decision made was

reasonable and not arbitrary and "has a rational foundation".

AWARD

The Grievance is denied.

  
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Peter M. Kelliher  
Arbitrator

Dated at Chicago, Illinois

this 21st day of November 1960