

In the Matter of Arbitration Between:

THE INLAND STEEL COMPANY

ARBITRATION AWARD

- and -

UNITED STEELWORKERS OF AMERICA,
Local Union 1010

Grievance No. 16-F-366
Appeal No. 145
Arbitration Award No. 390

Peter M. Kelliher
Impartial Arbitrator

APPEARANCES:

For the Company:

W. F. Price, Attorney
D. Arnold, Attorney
J. Herlihy, Superintendent, Industrial Engineering Dept.
K. Hohhof, Supervisor, Industrial Engineering Dept.
R. McCauley, General Foreman, Transportation
L. Davidson, Asst. Superintendent, Labor Relations Dept.
A. Lorenzen, Industrial Engineer, Industrial Engineering
Dept.
E. Mullin, Industrial Engineer, Industrial Engineering Dept.

For the Union:

Cecil Clifton, International Representative
Al Garza, Secretary, Grievance Committee
Ted Rogus, Grievance Committeeman
James Stone, Witness
Joe Barabas, Witness

STATEMENT

A hearing was held in Gary, Indiana on January 9, 1961.

THE ISSUE

The grievance reads:

"The aggrieved, Tractor Operators, 40" Tandem, allege violation of Article V, Section 4 of the Agreement.

No mechanical improvements have been made on the said occupation which rendered the agreed upon incentive plan inappropriate.

The aggrieved request that the Company reinstitute the previous incentive plan."

DISCUSSION AND DECISION

The essential question here is whether a change in "methods" rendered the former incentive plan inappropriate. The evidence here does not show simply a change in work load. There can be no question that viewing the matter in its entirety the changes in the Tin Mill Department Electrolytic Cleaning Process did eventually bring about a situation where the present changes could be made in the routing of the 40" Tandem Mill tractors. The prior plan was based upon the use of two Tractor Operators, one operating a transfer tractor and the other operating a delivery tractor. Presently only a delivery tractor is in operation. There has been a substantial change in the routing. After the changes in the lay-out and equipment, it then became possible to rearrange the storage areas and to devise new routes so that only a delivery tractor was necessary to perform the required

deliveries without creating mill delays. The destinations of the three type coils were rearranged.

The evidence requires a finding that there was a change in work "methods". There can be no question that the prescribed method or pattern contemplated under the previous incentive plan was substantially changed. As this Arbitrator stated in the Acme Steel Case:

"In order to preserve a sound incentive system and to prevent inequitable distortions, which would injure either the employees or the Company, all changes in the standard practice must be taken into account.

A change in "method" must be broadly understood to cover any situation which changes the nature and sequence of the elements or in any way affects the manner of performance of work. Certainly a comparison of the standard practice sheets, in effect, before and after the changes, demonstrate that the "method" has been changed. The time studies show changes that are substantial. In order to accomplish the fundamental purpose of an incentive program, the term "method" must be given an all inclusive definition. It is to the interest of the Employees, as well as the Company, that all substantial changes in the work required of the employees should be taken into account in setting incentive standards."

It is evident that the Tin Mill Department changes did eventually make possible the change in the pattern or method described in the earlier incentive plan. Those changed conditions had a direct impact upon, and did effect the appropriateness of the prior plan. Changes

in manufacturing methods are not limited simply to changes in the specific operation of a particular machine, but are broadly conceived to cover all changes in the pattern of work performance. There can be no question that the changes described have an effect on the work performed.

AWARD

The grievance is denied.



Peter M. Kelliher

Dated at Chicago, Illinois

this 21 day of March 1961.