

In the Matter of Arbitration Between:

THE INLAND STEEL COMPANY

- and -

UNITED STEELWORKERS OF AMERICA,
Local Union 1010

ARBITRATION AWARD NO. 519

Grievance No. 22-G-53
Appeal No. 595

PETER M. KELLIHER
Impartial Arbitrator

APPEARANCES:

For the Company:

Mr. W. Price, Attorney
Mr. H. Cummins, Supervisor, Industrial Engineering Department
Mr. L. Davidson, Superintendent, Industrial Engineering Dept.
Mr. A. Kroner, Superintendent, No. 3 Open Hearth Department
Mr. L. Lee, Industrial Engineer
Mr. J. Stanton, Assistant Superintendent, Labor Relations Dept.

For the Union:

Mr. Cecil Clifton, International Representative
Mr. William E. Bennett, Acting Chairman, Grievance Committee
Mr. Joseph Gyurko, Grievance Committeeman
Mr. Howard Dodrill, Witness
Mr. Frank Woszczyński, Witness
Mr. Matthew Lewandowski, Witness
Mr. Walter Serbon, Witness

STATEMENT

Pursuant to proper notice a hearing was held in EAST GARY, INDIANA, on November 20, 1962.

THE ISSUE

The grievance reads:

"Aggrieved employees of the Floor Sequence of No. 3 Open Hearth contend that the new incentive plan file No. 85-4137, Revision No. 1, does not provide equitable incentive earnings in relation to other incentive earnings in the department or like departments involved, and the previous job requirements and the previous incentive earnings."

The Relief Sought reads:

"Aggrieved employees of the Floor Sequence request of Management to revise rate No. 85-4137, Revision No. 1, upward to provide greater incentive earnings than the previous incentive plan."

DISCUSSION AND DECISION

Under Article V, Section 5, certain specified criteria must be followed when a grievance of this type is submitted to arbitration. The applicable Contract language reads:

"If the grievance be submitted to arbitration, the Arbitrator shall decide the question of equitable incentive earnings in relation to *** the previous job requirements and the previous incentive earnings."

The prior plan was File No. 85-4137. The present plan here considered is File No. 85-4137, Revision No. 1, which was installed on September 4, 1960. The basic overriding criteria is whether, in fact, the present incentive plan provides an earnings opportunity giving full consideration to workload that is equitable in relation to the previous job requirements and the previous earnings. The Revision here considered relates to the adjustment factors (Table D) which were applied to the Roof Lance Oxygen produced heats.

The Union has alleged that there was an increase in the work load and that more attention is now required to the furnace and there is a "possibility" that the furnaces are made up twice in a turn, and that there is more work with each furnace make-up. (Tr. 16 and 18). With reference to this attention time, the employees, according to the Union testimony, are now working 60 to 65 per cent of their time. There has been a 10 per cent increase in heats per pay period. The Union testimony, however, concedes that there is less work involved with reference to attention time to the Roof (Tr. 34) and there is only a slight variance with reference to bottom maintenance. (Tr. 33).

The Company presented evidence that in the base period selected the work load for the First Helper was calculated at 68.2 per cent or 6.75 work hours per heat. During this period the average productivity was 32.8 turns per furnace hour and the crew earned as a combined average 156.5 per cent index of pay performance. Operating on the fuel firing rate of 150 million B. T. U.'s per hour and using 40,000 cubic feet of oxygen per hour the expected productivity now is 38.3 tons per hour or 8.45 hours per heat. At this productivity level the work load expected for the First Helper is 76.2 per cent. Subtracting the 68.2 per cent work load under the base period for the First Helper from the 76.2 per cent expected work load, there is an increase

in work load of 8 per cent from the base condition work load. This increase applying the standard incentive policy of 35 per cent incentive margin for increased incentive effort justifies an increase in incentive earnings margin of 2.8 per cent.

This evidence clearly does show that furnace crews under the Revision No. 1 plan have attained their prior hourly earnings in 53 per cent of the occurrences of individual furnace pay periods (14-day pay period).

There is an increase in work load and the weight of the evidence is that this increase is compensated for by the increase in incentive earnings margin of 2.8 per cent. The incidence of two tap turns is $2\frac{1}{2}$ per cent or less and is not a significant factor.

This Arbitrator and other Arbitrators in interpreting the above-contractual language have held that "the mere fact of greater production standing alone" without consideration of "other relative factors is not controlling". (Arbitration Award No. 447). The test is not a comparison of actual earnings. The criteria is whether the plan offers an opportunity to achieve the expected earnings. The record establishes that this opportunity does exist based upon the earnings records of the employees which shows that they have exceeded their average hourly earnings in over half the pay periods since the installation of the revised plan. The evidence does show that while the work load increased from 57.5 per cent (Expected Oxygen Rate) from the 50 per cent (Base Period Rate) or 7.5 per cent, the Company applied the more liberal 8 per cent work load increase per heat. (Co. X G). The question as to whether the employees were firing oil at a rate less than 180 million B. T. U.'s, but were actually paid on the basis of firing that amount would raise a question as to whether these employees were being properly paid during that period under the plan. This issue does not relate to the equity of the plan as properly applied. The paramount consideration in this case is that the earnings records of the employees do show that they have the opportunity contemplated by Article V, Section 5, to achieve the expected earnings.

AWARD

The grievance is denied.


Peter M. Kelliher

Dated at Chicago, Illinois
this 14 day of March 1963.