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

Grievance No. 5-G-35
Appeal No. 685
Arbitration No. 530

Opinion and Award

Appearances:

For the Company:

William F. Price, Attorney
Robert H. Ayres, Assistant Superintendent, Labor Relations
L.E. Davidson, Superintendent, Industrial Engineering Department
L. E. Kraay, Superintendent, No. 2 Open Hearth
Herbert H. Cummins, Supervisor, Industrial Engineering Department
Louis Lee, Industrial Engineer
J. A. Casey, Industrial Engineer

For the Union:

Cecil Clifton, International Representative
T. J. Rogus, Secretary, Grievance Committee
J. Shebish, Grievance Committeeman
S. Ballard, Assistant Griever

This grievance questions the Company's right to revise Incentive Plan No. 60-5306-2 by the Supplement of November 27, 1960, and also, if it is held that the said Incentive Plan had become inappropriate, the equitability of the revision. There was an incidental claim made by the Union at the hearing that by virtue of the ruling in Arbitration No. 493 which held that the Company representative should have met with the International Representative of the Union as required by the contractual procedure relating to the installation of new or revised incentive plans, there should be retroactive pay awarded to the grievants for the period involved, since the revisions prematurely reduced incentive earnings by approximately 9.5%.

The supplement was occasioned by the installation of a basic roof and roof oxygen lance equipment in Furnace No. 32 in No. 2 Open Hearth. This had the effect of increasing the production by one to two tons per hour at an oxygen flow of 30000 cubic feet (from an actual average of 18.5 to 19.6 tons, to 20.6 tons). Article V, Section 5 (Paragraph 53) provides that

> " ... where an incentive plan in effect has become inappropriate by reason of new or changed conditions resulting from mechanical improvements made by the Company in the interest of improved methods or products, or from changes in equipment, manufacturing processes or methods, materials processed or handled, or quality of manufacturing standards, the Company shall have the right to install new incentives."

When similar changes or improvements were made in No. 42 Furnace in No. 3 Open Hearth, the Union agreed with the Company that the existing incentive plan had been rendered inappropriate. The same is equally true in this instance.

The dispute as to whether the revised incentive plan provides equitable incentive earnings, is governed by the criteria set forth in Article V, Section 5 which have been discussed at length in numerous earlier arbitration awards. The controlling or most relevant test in a situation like this is the comparison with previous job requirements and previous incentive earnings.

Based on the six pay periods immediately before the installation of this revision the average hourly earnings of the First Helpers were $4.963, which represented an incentive earning margin of 35.8%. In all the subsequent pay periods in which the basic roof and roof oxygen equipment were in use the earnings averaged $5.344, or a margin of 46.2%. There is no doubt but that the workload increased. The Company's technicians assert that at the 30000 cubic feet flow level the workload increase was 6%; the employees claim it rose considerably more. The grievants assert they often have two heats per turn, that there is more stocking, tapping, and repair work to do, that they work in higher temperatures with the roof fan blowing hot air down on them. The Company claims, however, that the heat is electrically controlled and that in other respects the work is only slightly changed.

The record shows that in two two-week test periods the number of heats on this modernized furnace was compared with those on all other furnaces in No. 2 Open Hearth, and the respective repair times per heat were also compared. The averages indicated somewhat more than two additional heats per week on the improved No. 32 Furnace, and that the repair time per heat was 23.2 minutes as compared with 22.6 minutes. These two factors would affect the workload far less than asserted by the employees, the Company's industrial engineers claiming they would cause a workload increase in themselves of only 1%.

It is difficult to judge whether sufficient allowance was made in the Company's calculations of the effects of working under more exacting conditions and in higher temperatures, but it seems clear that over-all the revised incentive plan has made ample allowance for any reasonable estimate of the increased workload. The incentive margin has in fact risen more than 10%, which means that it is sufficient to cover a workload increase of about 30% (applying the customary 35% factor).

Equitable incentive earnings opportunities are provided by this revision. The grievants have met the expected earnings figure 78% of the time, their previous average hourly earnings 87% of the time, and over half the time they have exceeded their previous average hourly earnings by 40 cents per hour. And throughout, as stated, they have averaged more than 38 cents above their guarantee with over 10% more in their incentive margin.

It follows that the earning opportunity required by the tests of Article V, Section 5 has been provided and met, and that the revision therefore provides equitable incentive earnings.

The Union's claim for retroactivity is most technical in nature. When Arbitration No. 493 was presented, it was on the basis that it was not a money or penalty case but rather for the purpose of compelling adherence to the procedures stipulated in Article V, Section 5. It was actually in the nature of an academic exercise, since the grievance committeeman had already objected to the revision, and it was evident that the same would be done by the Union's International Representative, which in fact was done, without any actual

meeting being held after the award was issued. In fact, the instant grievance had been pending a long time when the award in Arbitration No. 493 was issued on August 31, 1962. The grievance was filed December 14, 1960 and was already awaiting hearing in arbitration. Under such circumstances, it would be highly improper to impose a money penalty on the Company of the proportions here suggested. It would only have been a matter of a few days for the required meeting to have been held and concluded, and I can not see that any unreasonable money loss was sustained by the employees in that interval which was much more technical than real in nature.

A W A R D

This grievance is denied.

Dated: February 6, 1963

/s/
David L. Cole
Permanent Arbitrator