

INLAND STEEL COMPANY

and

UNITED STEELWORKERS OF AMERICA  
Local Union 1010

Grievance No. 17-G-85

Appeal No. 878

Arbitration No. 548

Opinion and Award

#### Appearances

##### For the Company:

William F. Price, Attorney  
Donald L. Arnold, Attorney  
R. H. Ayres, Assistant Superintendent, Labor Relations  
R. J. Stanton, Assistant Superintendent, Labor Relations  
T. C. Granack, Divisional Supervisor, Labor Relations  
T. E. Davidson, Superintendent, Industrial Engineering  
K. H. Hohhof, Supervisor, Industrial Engineering  
C. E. Wilde, Industrial Engineering  
T. E. Charlebois, Industrial Engineering  
W. H. Swisshelm, Assistant Superintendent, Tin Mill

##### For the Union:

Peter Calacci, International Representative  
Al Garza, Chairman, Grievance Committee  
Lon Porter, Griever  
Charles Williams, Witness  
Joe Ashbock, Witness  
J. Hurley, Witness

This grievance, filed December 14, 1960, challenges the incentive plan put into effect on August 8, 1960 for the crews on the new 54" Temper Mill in the Tin Mill Department. The Union insists that the plan is still inequitable despite Revision No. 1 installed on April 14, 1963 to reflect relaxation of standards relating to Batch Anneal Coils.

This is a standard hour incentive plan. The 54" Mill was installed and started as a new operation in the Tin Mill Department, largely replacing the older 40" Temper Mill, which, however, has continued to be operated. The employees who manned the 54" Mill were mainly those previously working on the 40" Mill. There are four occupations in the crew, and for our purposes it is sufficient to make comparisons of the Rollers' earnings, the relationship between the Roller and the others not being questioned.

The contract provision governing this issue is Article V, Section 5, which has been the subject of numerous awards. Suffice it to say that the appropriate test for determining equability in this grievance is a comparison of the incentive earnings opportunity under the incentive plan and that of the employees on the 40" Temper Mill. These are the occupations on an incentive plan in this department most similar to those of these grievants.

In the first quarter of 1960 the crew on the 40" Temper Mill averaged 50.15% above hourly base rate. The Roller averaged 56.3%. Using its customary procedures the Company determined that the workload on the 54" Mill would be 15% higher than that on the 40" Mill (80% as compared with 65%). Applying the

usual 35% factor to this difference, the expected earnings on the new incentive plan were set at 55.48% over base. This meant that the Roller could expect to earn \$5.622 per hour.

Expected earnings were never achieved for a period of two years. In fact, from August 8, 1960 through May, 1963, when there were over 2000 turns worked, in only 22 individual turns have the expected earnings been reached, and never for a pay period as such.

This, of course, as pointed out in several prior awards, does not determine this dispute. The question to be answered still is whether the incentive plan provides a reasonable or fair opportunity for the grievants to attain the expected earnings level.

This new 54" Mill had a number of bugs to eliminate. It is a bigger and faster type of equipment than the 40" Mill. It can process wider and heavier coils, at a maximum rolling speed of 7000 feet per minute as compared with 3300 on the 40" Mill. It was designed to thread coils faster, with far greater acceleration, and it decelerates in less time, using an automatic electrical slow-down device. Its effective speed was originally set at 6000 feet per minute, but by the revision installed in April, 1963 this speed was reduced to 5000 feet for Batch Anneal Coils as the result of studies made by the Company.

The Company maintained in its grievance answers that the crews have not been performing at an incentive level and that particularly because of various improvements made since the incentive plan was installed the opportunity to realize equitable incentive earnings is present. The Union, on the other hand, maintained that the grievants had not attained expected earnings because of the poor condition of the steel, mechanical and electrical difficulties, and inadequacy of the equipment.

Numerous improvements have been made since 1960. An additional rebuilt crane has been made available. Improved hard rubber rolls are now being used. Hot bearing and leaking seal troubles have been reduced. Heat exchanges and feed reel lubrication have been improved. The troubles with the electrical slow-down equipment have been corrected. A better method of changing rolls has come into use, saving approximately 10 minutes on each roll change.

The 54" Mill has a number of advantages over the 40" Mill. In general terms these have been referred to above. There are some aspects, however, in which problems remain, some of which were not present on the 40" Mill. The work rolls have trouble with heavy gauge material. The rolls cannot be separated to prevent buckling, pinching and cobbling. There is still difficulty with the belt wrapper, as with the delivery puller rolls. The entry of coils into the feed reel from the conveyer is retarded because of lack of adequate capacity, and the hoist operates too slowly to remove scrap efficiently. Moreover, there is somewhat less reconditioning of coils, requiring the Mill to be operated on some material at reduced speed.

The effect of the improvements made, however, is plainly seen in the better earnings levels the crews have been attaining. From March, 1961 to the end of 1961 the Rollers' incentive margin rose gradually from 9.8% to 25.1%. In 1962 this margin was largely in the 30-40% range. In the first five months of 1963, giving effect to Revision No. 1, the range of the Rollers' incentive margin has been 42.4 to 49.3%, with 46.5% achieved without the benefit of Revision No. 1. The Roller has attained an hourly earnings level of approximately \$5.00, going to \$5.069 in two recent months.

The Company has tested the operating speeds and the adequacy of its several allowances by means of a speed-time recorder test in March, 1963, arriving at the conclusion, as stated in its third step answer, that an equitable earnings opportunity is offered by this incentive plan.

On the other hand, the expected earnings level has still not been achieved for any pay period. The pendency of this unresolved grievance may have had a deterring influence on the crews, but the constantly rising level earnings as improvements have been made in equipment and methods is not without significance. It is also of unusual interest to note that several of these improvements originated in suggestions of some of the employees themselves. This is true of the synchronization of the pull roll and the mill, in order to make threading on the fly more practical, and also of a modification of the method of changing rolls which saves some 10 minutes per change.

One other feature of this case is noteworthy. The Company answered in the second step that "the crews are not performing at an incentive level." In an earnest effort to resolve this grievance among themselves, representatives of both parties observed these employees at work. The Assistant Superintendent stated frankly at the hearing that 90% of the men are experienced and qualified and were putting forth good effort. For this candor he deserves real credit. Consequently, when he also expressed the opinion that one of the retarding factors is the broad sequential arrangement, under which the crews on the 40" Mill and the 54" Mill are in a single sequence, as a result of which there is a good deal of shuffling of crews, preventing the continued use of stable crews for as much as a month at a time, one must give serious consideration to this opinion. He also mentioned other improvements which tend to make the standards more nearly achievable, like the rehabilitation of 75 per cent of the convector plates and hearths in Radiant Tube Anneal and the use of new plates on T-1 and T-2 material (the kind which tends to stick).

As stated in other arbitrations, the tests of equability as set forth in Article V, Section 5 do not lend themselves to the kind of precision one would desire. This case is a good illustration of how the parties find themselves unable to meet squarely on the issues each raises. The Union urges that the men are doing their best and the record shows they have been unable to reach the standards which the Company insists, item by item, they are able to reach.

One sitting in judgment in such circumstances must rely on impressions made as a result of all the evidence and all the inferences that can fairly be drawn therefrom.

These impressions in this case are that the crews can do better than they have done in actual performance and that they will do better as some of the improvements under way progress, but that the standards in this incentive plan are nevertheless too tight and should be relaxed. Thus, while the Rollers for significant periods of time during 1963 have attained an earnings level of about \$5.07 per hour as opposed to expected earnings of \$5.622, a good part of this gap will be bridged without any adjustment in the incentive plan. But, for the correction of part of this difference there is a need indicated to modify the standards of the incentive plan to enable the Rollers at the level of performance they reached in these pay periods of highest earnings to receive \$5.22 per hour rather than the \$5.069 earned under existing standards while working on the incentive plan in effect.

Proportionate adjustments should of course be made for other members of the crews on the 54" Temper Mill while they are working under this incentive plan.

AWARD

Wage Incentive Plan File No. 78-0540, Revision No. 1, shall be revised to provide the additional earnings indicated in the two preceding paragraphs hereof.

Dated: July 30, 1963

/s/ David L. Cole

David L. Cole  
Permanent Arbitrator