

In the Matter of Arbitration Between:

INLAND STEEL COMPANY
and
UNITED STEELWORKERS OF AMERICA,
Local Union No. 1010

ARBITRATION AWARD NO. 553

Grievance No. 20-G-142
Appeal No. 958

PETER M. KELLIHER
Impartial Arbitrator

APPEARANCES:

For the Company:

Mr. William F. Price, Attorney
Mr. R. Ayres, Assistant Superintendent, Labor Relations Dept.
Mr. L. Davidson, Superintendent, Industrial Engineering Dept.
Mr. Gerald A. Jones, Supervisor, Industrial Engineering Dept.
Mr. A. Scolnick, Industrial Engineer, Industrial Engineering Dept.
Mr. W. Woodworth, General Foreman, Boiler & Fabricating Shop.
Mr. J. Knoche, Fabricating Foreman, Fabricating Shop
Mr. R. Kurinac, Industrial Engineer, Industrial Engineering Dept.

For the Union:

Mr. Peter Calacci, International Staff Representative
Mr. Al Garza, Chairman, Grievance Committee
Mr. James Balanoff, Griever

Also Present:

Mr. Robert J. Smith
Mr. Glen Keen
Witnesses

STATEMENT

Pursuant to proper notice a hearing was held in Gary, Indiana, on September 17, 1963.

THE ISSUE

The issue is the disposition of the following grievance:

"The Fabricating Shop, Boiler Shop, and Weld Shop are all working on Inland Double Pot Slag Cars-Shop Order #794898C. The Boiler and Weld Shop men receive incentive earnings for their part of this job. The

Fabricating Shop men, who are working on the same job, do not."

The relief sought reads:

"That the employees of the Fabricating Shop working on the Slag Cars--S.O. #794898C--be paid incentive earnings for all work done thus far and all future work to be done on these Slag Cars."

DISCUSSION AND DECISION

Employees in the Fabricating Shop did perform the principal work on the construction and assembly of Slag Pot Cars. Employees in the Boiler and Weld Shops also performed a limited amount of work on these cars consisting mainly of components and sub-assemblies. There are twelve production employees in the Fabricating Shop and 145 such employees in the Boiler and Weld Shops. Of this number the Boiler Shop had fifty-five production employees and the Weld Shop, 90 production employees. The Boiler and Weld Shops are covered by the same incentive plan and are in physically adjoining areas in Plant 1. This area is approximately one-half mile by tunnel or $2\frac{1}{2}$ miles by road from Plant 2 where the Fabricating Shop is located. Employees in the Fabricating Shop occupy a space approximately one-fourth of that of the Boiler Shop. These employees are required to do their own loading and unloading of material. They must clear the floor area before commencing work and there is only one overhead crane that is generally in operation. There is no jib crane in the Fabricating Shop. Employees in the Fabricating Department change functions frequently and may perform three or four different operations in one day. The Fabricating Shop does not have as full a range of equipment as the Boiler and Welding Shops. The equipment is old and somewhat inefficient. Items worked on are not as heavy nor do they require as intricate work as is required in the Boiler and Weld Shops. Frequently an employee in the Fabricating Shop will perform several types of functions to complete work on one piece of equipment. Employees in the Boiler and Weld Shops work as specialists. They generally will work all day on one type of function. Their work is more repetitive in nature because of the large number of employees available and the volume of work. The records do show that 60.5 per cent of the work during a typical period in the Boiler and Weld Shops was repetitive, while only 5.4 per cent of the work in the Fabricating Shop could be considered repetitive. Repetitive work is here defined as jobs which are expected to repeat in the same form so that additional engineering analysis is not necessary each time a job reoccurs.

The Company has previously divided work between the Fabricating Shop and the Boiler and Weld Shops. In this particular case 1,008.5 direct man hours of work on the 8 Double Slag Pot Railroad Cars were

performed in the Boiler and Weld Shops. 6,153 direct man hours were required in the Fabricating Shop. The Company originally planned to have all the work on Split Apron Plates performed in the Boiler and Weld Shops. In order to expedite the work, however, Supervision assigned two of the sixteen Plates required for this order to be drilled and burned in the Fabricating Shop. This would constitute the only instance of identical work. This, however, represented only approximately twenty-four (24) hours out of the 6,153 direct man hours in the Fabricating Shop on this order. No showing was made that piling did constitute repetitive work based on the definition that such work does not require additional engineering analysis.

The Union in Arbitration No. 222 did recognize that whether "work is of a repetitive nature" did present one of the criteria under this issue as to whether it was practicable to apply some form of incentive to the earnings of the employees. The evidence clearly shows that the work in the Fabricating Shop is not of a repetitive nature. Prior Arbitration Awards also considered the factor of "forced idle time". (See Arbitration Award No. 225). In the case here considered, delays are encountered because only one overhead crane is available. Employees also have to clear out the area and perform work of loading and unloading. While it is evidently practicable to have an incentive plan covering the Boiler and Weld Shops, this in itself does not show that it is, likewise, "practicable" to have the same incentive plan or some other form of incentive plan in the Fabricating Shop. In the Boiler and Weld Shops the incentive rate was defined in terms of the method, fabrication procedure, crew size, and equipment to be used. Each of these criteria are different in the Fabricating Shop. The Union testimony is that the methods are not always the same. In the Boiler Shop in handling small parts, the testimony is that employees there lay out each individual piece. In the Fabricating Shop a Template is used. The Boiler and Weld Shops have heavier burning equipment and most of the equipment is newer and more efficient. The employees in the Boiler and Weld Shops are Specialists, while the employees in the Fabricating Shop do perform many functions during the course of one day.

With reference to the outside Piling job referred to by the Union where four men from the Boiler Shop came to the Fabricating Shop to assist in performing this work, it must be noted that they were not paid in accordance with their production effort, but received the field rate which represented a flat per cent above base. This field rate is customarily paid to Boiler Shop employees when they perform work outside of that Shop. Prior Arbitration Awards clearly state that it is the Union's burden of proof to show the Company's failure to install an incentive plan was arbitrary, unreasonable, and lacked a rational foundation. In Arbitration No. 225 Arbitrator Seitz stated:

"On the whole record I find that the Company's decision that it is not practicable to install an incentive plan for these grievants is not arbitrary and unreasonable, but has a rational foundation. This is not to say that there is no possible basis on which such a plan might be devised -- but such a basis, if one exists, is not disclosed by the presentation of the parties on the record."

The language of Article V, Section 5, does not set forth a test as to whether it is "possible" to devise an incentive plan; rather the consideration is whether such a plan would be "practicable". Based on all of the evidence here presented, this Arbitrator cannot find that the Company's determination was "arbitrary and unreasonable and lacked a rational foundation". To the extent that this grievance may contain an inference of violation in that employees in the Fabricating Shop are performing somewhat similar work on a non-incentive basis, while employees in the Boiler and Weld Shops are performing work on an incentive basis, this clearly in itself does not constitute a contractual violation. Article V, Section 7 provides:

"No basis shall exist for an employee, whether paid on an incentive or non-incentive basis, to allege that a wage rate inequity exists, and no grievance on behalf of an employee alleging a wage rate inequity shall be filed or processed during the life of this Agreement."

AWARD

The grievance is denied.



Peter M. Kelliher

Dated at Chicago, Illinois

this 26 day of November 1963.