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United States Steel Corporation Sheet and Tin Operations Geneva Works and United Steelworkers of America Local Union 2701

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BOARD OF ARBITRATION

Case USS-7785-S

February 2, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
SHEET AND TIN OPERATIONS
Geneva Works

and

Grievance No. SGe-68-38

UNITED STEELWORKERS OF AMERICA
Local Union No. 2701

Subject: Incentive Administration

Statement of the Grievance: "We, the undersigned employees request Management to investigate and change the incentive application No. 42.3-1 because of the change in conditions and the added work load to these employees. There has been substantial change in the work load and the work requirements and responsibilities of these employees.

"Therefore, we request the Company to adjust this incentive in compliance with Section 9-C of the basic agreement."

Contract Provision Involved: Section 9-C of the September 1, 1965 Agreement.

Grievance Data:Date

Grievance Filed:	March 27, 1968
Step 2 Meetings:	April 18, 1968
	September 18, 1968
	October 24, 1968
	March 18, 1969
	August 13, 1969
Appealed to Step 3:	October 1, 1969
Step 3 Meeting:	November 26, 1969
Appealed to Step 4:	December 29, 1969
Step 4 Meeting:	March 19, 1970
Appealed to Arbitration:	May 1, 1970
Case Heard:	October 26, 1970
Transcript Received:	December 11, 1970

Statement of the Award:

The grievance is sustained to the limited extent that the earnings will be increased retroactively by two percentage points and one percentage point for the two periods in 1968 that are set forth in the Findings. No further adjustment will be required by this Award.

BACKGROUND

USS-7785-S

In this grievance from the Rolling Mills Department, Geneva Works, the Union protests the alleged failure of the Company to maintain the integrity of the incentive covering the Bloom Yard crew under Section 9-C of the September 1, 1965 Agreement.

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The incentive in question (Application No. 42.3-1), originally installed on December 2, 1951, covers a varying crew of some two to four men per turn that receives blooms from the 45" Mill bloom transfer car, performs the necessary handling of blooms at the yard for cooling, identification, conditioning and stocking purposes and transfers the blooms from stock to the 32" - 26" Mill furnace charging platform.

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The true work performance of the crew is based largely on (1) standard hours per bloom received from the 45" Mill and (2) standard hours per bloom charged on the 32" - 26" Mill reheat furnace charging table. These standard hours vary according to the size of the bloom in question. The incentive earnings are calculated on a pay period basis for all crews collectively.

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From 1952 through 1967 the earnings under the incentive appeared as follows:

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<u>Year</u>	<u>Average Pay Perf.</u>	<u>Year</u>	<u>Average Pay Perf.</u>
1952	108	1960	121
1953	113	1961	121
1954	117	1962	120
1955	120	1963	122
1956	120	1964	122
1957	123	1965	120
1958	121	1966	121
1959	121	1967	118

During the early years of this incentive, scarfing was performed in the Yard and the members of this crew handled the blooms for the Scarfers. The standards in the brochure are said to have been engineered on the basis that approximately 44 percent of the tonnage passing through the Yard would be scarfed, contemplating that the crew in question would have to handle the product for that job. Beginning in 1956 scarfing ceased at the Bloom Yard and was not resumed until March 23, 1968. At the time the scarfing ceased, the Company did not change the standards in the incentive and the performance continued to be determined on the basis of the standards as originally engineered.

The Union notes that, during the first six pay periods in 1968 the crews averaged an IPP of 121 percent. On March 23, 1968 the scarfing of some but not all of the blooms was resumed at the Yard and the members of the crew assigned to handle the blooms while being scarfed. In addition at about this time additional handling of blooms was required for bloom separation and in order to flame cut corners on 8" H beam blooms. This grievance was filed seeking a change in the incentive because of the alleged increased work load.

The earnings of the incentive by pay period for 1968 and 1969 appear as follows:

<u>Pay Period Ending</u>	<u>IPP</u>
1-13-68	121
1-27-68	121
2-10-68	124
2-24-68	120
3- 9-68	119
3-23-68	122

<u>Pay Period Ending</u>	<u>IPP</u>
4- 6-68	119
4-20-68	118
5- 4-68	118
5-18-68	114
6- 1-68	117
6-15-68	117
6-29-68	121
7-13-68	118
7-27-68	118
8-10-68	106
8-24-68	117
9- 7-68	117
9-21-68	102
10- 5-68	108
10-19-68	111
11- 2-68	116
11-16-68	121
11-30-68	123
12-14-68	121
12-28-68	120
Yearly Average	117
1-11-69	118
1-25-69	119
2- 8-69	117
2-22-69	118
3- 8-69	117
3-22-69	117
4- 5-69	119
4-19-69	118
5- 3-69	120
5-17-69	118
5-31-69	118

<u>Pay Period Ending</u>	<u>IPP</u>
6-14-69	119
6-28-69	120
7-12-69	119
7-26-69	116
8- 9-69	118
8-23-69	119
9- 6-69	108
9-20-69	118
10- 4-69	119
10-18-69	121
11- 1-69	121
11-15-69	122
11-29-69	119
12-13-69	121
12-27-69	125
Yearly Average	119

In the grievance procedure the Union attributed the drop in earnings to the additional work required in handling the blooms for the Scarfers and mentioned also the other two added items of work noted above. Effective July 14, 1968 the Company added a standard time value for bloom separation and the flame cutting of corners on 8" H beam blooms. This change is said to have had the effect of increasing earnings by approximately one percentage point.

After the grievance proceeded through the grievance procedure, other alleged items of new work were referred to by the Union and finally, effective November 30, 1968, the

Company recognized some of these items providing standards for the following work:

- "a. Handling blooms for crop end burning.
- b. Ingot lot separation.
- c. Slabs processed in bloom yard.
- d. Four-side bed inspection of blooms.
- e. Slow cooling blooms."

These changes are said to have had another one percentage point beneficial effect on earnings.

In no case did the Company agree to change the incentive in order to comprehend the reinstatement of scarfing at the Yard, contending that the existing standards had always comprehended the work of handling blooms for the Scarfers since they were engineered on that basis and had never been changed even when no scarfing was performed. 10

The Union relies essentially on the fact that for six pay periods prior to the filing of this grievance the IPP averaged 121 percent and that thereafter for twelve pay periods in 1968 earnings averaged 117 percent. It notes that the items of work added to the crew, particularly stressing the commencement of scarfing at the Yard requiring the double handling of each bloom scarfed. It stresses the fact that no change in the incentive has been made sufficient to bring the earnings up to the 121 percent enjoyed immediately prior to the filing of the grievance. At the hearing the Union also referred somewhat generally to the handling of larger blooms and asserts that the increased smoke from the scarfing has also caused a decrease in the earnings. 11

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The Company stresses the fact that through the years since its installation in 1952 the earnings under this incentive have averaged 119.3 percent. It points out that the basic standards on which the true work performance is based comprehended an allowance for scarfing activities and these standards have never been changed even though no scarfing took place at the Yard for a number of years. The Company also points out that, if it had not been for five pay periods in 1968--those ending August 10, 1968, September 21, 1968, October 5, 1968, October 19, 1968 and November 2, 1968--in each of which the 32" - 26" Mill was down for one week thereby reducing the earnings derived from blooms charged to that Mill, the earnings for the year of 1968 would have averaged precisely 119.3 percent equal to the annual average earnings over the life of this incentive. Having made minor adjustments for the other work that has been added, the Company fails to see any requirement that the incentive be adjusted to maintain its integrity.

FINDINGS

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The Union's evidence would seem to indicate a general dissatisfaction through the years with the earnings under this incentive. However, at this late date the equitability of the compensation received under the incentive over the years since 1952 must be presumed and the sole question to be decided here is whether any new or changed conditions have occurred in the operation that would require an adjustment of the incentive under Section 9-C-2-a in order to maintain its integrity. The evidence does not reveal, nor does the Union seem to contend, that any basis exists for finding that any of the alleged changes were of such a magnitude as to require the replacement of the incentive under Section 9-C-2-b.

On March 23, 1968 the scarfing of blooms in the Yard was recommenced after a lapse of some 12 years. This required the crew in question to handle the blooms more often than was the case when scarfing was not being performed. In addition other items of work were added for which the Company finally added standards on July 14, 1968 and November 30, 1968. Each of these two adjustments is said to have had the effect of increasing the earnings by one percentage point.

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One question that must be decided then is what impact the resumption of scarfing had on the integrity of this incentive. In this connection it is significant that this incentive was engineered originally containing an allowance for the extra handling of blooms when a certain percentage of the blooms are being scarfed. There is no indication that the extent of scarfing in the Yard at any time after March 23, 1968 exceeded that originally contemplated in the engineering of the incentive.

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Moreover, serious question exists whether the work required by scarfing really had any significant impact on the earnings. This is indicated by the uncontroverted evidence concerning the earnings in 1970 when for ten pay periods ending May 16, 1970 scarfing was performed in the Yard and the crew averaged an IPP of 121 percent. Thereafter for ten pay periods no scarfing whatsoever was performed and the earnings of the crew averaged 120 percent.

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It is true that immediately after March 23, 1968 the earnings did drop some 4 percentage points when compared to the 121 IPP enjoyed for six pay periods immediately prior thereto. However, a mere comparison of these earnings figures can be misleading. For purposes of testing the integrity of an incentive, the Board is not bound to look only at the three-month period immediately preceding a change as might be the

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case if Section 9-C-4 were applicable. The Board can and has looked at longer and different periods if they can assist in providing a more representative basis for comparison. Here it is noted that in 1967 when no scarfing or other items of work referred to here by the Union were required at the Yard, the earnings under the incentive averaged only 118 percent. Although in other recent years the earnings attained were as high as 121 percent or 122 percent, the 118 percent earned in 1967 is further indication that the resumption of scarfing in the Yard had only minimal impact on the earnings. Therefore, in light of all the evidence it must be concluded that the amount of scarfing, to the extent it has been resumed in the Yard so far, does not require a change in this incentive at this time.

The Company did adjust the incentive on two occasions in 1968--July 14 and November 30--to reflect specific additional items of work added to the crews that were called to the Company's attention by the Union during the processing of this grievance. Each of these changes are said to have increased earnings by approximately one percentage point. Despite pointed questions from the Arbitrator early in the hearing, neither the Company nor the Union was able to pinpoint the precise date that these added items of work were first assigned to the Yard crew. At most vague references were made to these items of work having been assigned in some cases at least as early as the first part of 1968 or the second quarter of that year. However, it is clear that no attempt whatsoever was made by the Company to make either change retroactive to the date when the new or changed condition first occurred as required expressly by the provisions of Section 9-C-2-a and in this sense the Company violated the Agreement.

Thus proceeding on a case-by-case basis normally applied in testing the integrity of the incentive, it must be concluded that the proper application of Section 9-C-2-a would require the retroactive payment to the crews involved of two additional percentage points for the period from March 24, 1968 through July 13, 1968 and the payment of one additional percentage point from July 14, 1968 through to November 30, 1968 when the last of the two change authorizations became effective. This would increase the average earnings in 1968 to an IPP of 119 percent and preserve the integrity of the incentive.

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AWARD

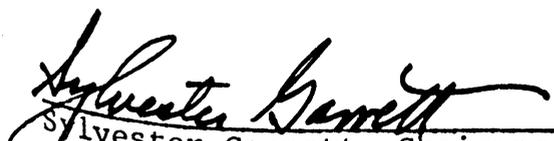
The grievance is sustained to the limited extent that the earnings will be increased retroactively by two percentage points and one percentage point for the two periods in 1968 that are set forth in the Findings. No further adjustment will be required by this Award.

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Findings and Award recommended pursuant to Section 7-J of the Agreement, by


 Alfred C. Dybeck
 Assistant to the Chairman

Approved by the Board of Arbitration


 Sylvester Garrett, Chairman