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United States Steel Corporation Gary Works and United Steelworkers of America Local Union 1066

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BOARD OF ARBITRATION

Case USS-7896-S

January 29, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
Gary Works

and

UNITED STEELWORKERS OF AMERICA
Local Union No. 1066

Grievance Nos.
SGa-66-108; 68-39; -329

Subject: Incentive Administration

Statement of the Grievances: Grievance SGa-66-108:

"We, the employees of the H.R., C.R. & C&C Whse & Shipping Department, charge management with violation of Section 9C of the Basic Labor Agreement dated 9-1-65.

"We had to double handle coils from Jan. 1, 1966 and we did not get paid for double handling of these coils at any time. Our loaders put them on the report as unmeasured time and our foreman scratched these off the report. We do not have standards for this kind of handling. Here is what we mean. We had to set the coils in the aisle and then change hooks so we can load them.

2.

USS-7896-S

"Set in standards to pay for double handling and make them retroactive from Jan. 1, 1966 until final date of settlement of this grievance."

Grievance SGa-68-39:

"We, the undersigned and all affected employees of No. 2, 3 & 4 Warehouse and Shipping Department, who are covered by Incentive, charge the Company with violation of Sections 1, 2 and 9 of the Basic Labor Agreement. We contend the Company has not revised or adjusted our application to reflect changes in equipment, product and manufacturing standards in order to preserve and maintain the integrity of our plan. Once there were 10 to 12 coils or more to load a car. Now, there are less coils per car and truck and more weight but less money to be earned. Yet, more work is required, more skids, more bands and less incentives to be earned. The same applies with packages. Therefore, we request that we be reimbursed for all monies lost from the beginning of the changes in methods until settlement of this grievance.

"Same as above.

"Grievants' request be granted."

Grievance SGa-68-329:

"We, the employees of the HR, CR and C&C Warehouses and in behalf of all the employees

similarly affected, charge Management with violations of the following sections of the Basic Labor Agreement dated 9-1-65--Sections 1, 2, 4, 9-C-2, 10, 11, 13, 14 and the Local Seniority Agreement and Promotional Charts.

"For the past 3 months our earnings have dropped because of the added extra work, bad stocking and jammed areas, bad coordination of P. P. D. and Shipping. We are working unsafely. Loaded man hours have been added to the pool since the stock piling and added work of loading in the new area and North Pickle. Since Feb. 1, 1968, Management has over manned our crews by working employees all the overtime hours and overloading of our man hours. Our Providers and Loaders have added work by going into #3 Fin. Dept., Temper Mills, Roofing Dept. and the Galvanize Dept., also the Annealing to find coil and sheet products in preparation for packaging and shipment. Nothing has been done to cover employees working in the new 700 Warehouse and Pickle Depts. to load.

"Cancel out our present incentive and pay us average earnings for the past 3 months until a new Incentive Plan is installed. That is, pay us average earnings retroactive as of Feb. 1, 1968 until a new Incentive Plan is installed and this grievance is resolved."

Contract Provisions Involved: Section 9-C-2 of the September 1, 1965 Agreement.

Grievance Data:

	<u>Dates</u>		
	<u>SGa-66-108</u>	<u>SGa-68-39</u>	<u>SGa-68-239</u>
Grievance filed:	Apr. 20, 1966	Sept. 27, 1967	May 21, 1968
Step 2 Meeting:	Not available	Not available	Not available
Appealed to Step 3:	June 13, 1966	Feb. 16, 1968	May 13, 1969
Step 3 Meeting:	June 13, 1966	Mar. 11, 1968	Aug. 15, 1969
Appealed to Step 4:	June 30, 1966	Apr. 11, 1968	Oct. 29, 1969
Step 4 Meeting:	Sept. 30, 1969	Sept. 30, 1969	Sept. 30, 1970
Appealed to arbitration:	June 23, 1970	June 23, 1970	June 23, 1970
Case heard:	Dec. 1, 1970	Dec. 1, 1970	Dec. 1, 1970
Transcript received:	Dec. 16, 1970	Dec. 16, 1970	Dec. 16, 1970

Statement of Award:

The grievances are denied.

BACKGROUND

Case USS-7896-S

These three grievances by employees in the Sheet Finishing Division, Gary Sheet and Tin, Gary Works, assert that their incentive should have been adjusted at various times to meet claimed changes in conditions and alternatively that it should have been canceled and replaced by a new incentive.

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Incentive Application No. 5460-735 first was installed in October of 1955. It is a direct measurement type plan which covers two separate groups of employees in the Sheet Finishing Department -- Hot and Cold Roll Warehouse Packaging and Shipping Crew. Group A covers 7 occupations which package and load product in coil or sheet form and has a turn calculation period. Group B includes two occupations which provide inventory and tractor service for Group A and has a 24-hour calendar day calculation period--performance for Group B is calculated by taking the average of the Group A performances over the 24-hour day.

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In January of 1966 the Company instituted a change in coil hooking procedures to the extent that a tong-type hook was used at times in place of the "C" type hook which previously had been used uniformly. This minor change occurred when it became necessary to place coils on trucks with minimal spacing between the coils. For this purpose the tong hook was used to remove coils from their storage area and then the "C" hook was used for loading onto the truck. In Grievance SGa-66-108, filed April 20, 1966, the Union claims that this change required an adjustment of the incentive because it entailed "double handling" of the coils involved.

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On September 27, 1967, this grievance was followed by Grievance SGa-68-39, in which the Union listed over 30 claimed changes in conditions said to require adjustment in the incentive. This grievance claimed particularly that less coils per car or truck were being loaded, with more weight and less money being earned, and more skids and bands being required.

Grievance SGa-68-329 then was filed May 21, 1968, seeking cancellation and replacement of the incentive and embodying many of the contentions as to changed conditions developed in the 1967 grievance. This grievance specifically asserted, moreover, that during the prior three months earnings of the crews had dropped because of added extra work, bad stocking, and bad coordination by Production Planning and Shipping. This grievance also stressed that Management had "over-manned" the crews commencing around February 1, 1968.

The parties conducted extensive discussion of the various claimed changes in conditions in the grievance procedure, and most of this was reviewed by witnesses at the hearing. The flavor of the parties' discussions of these matters appears in attachments to the Incentive Check List as follows:

1. Union Position - The flooding or over-manning of our incentive pool by operational personnel. Most of these men are untrained and are of little or no use in gaining for us a higher incentive. In most cases the personnel are not even required to get out additional tonnage.

Company Position - Page 1 of incentive plan states that "The average group of qualified employees under this application can attain an average performance of 26% ---"; the participation of inexperienced personnel does not require an adjustment to the incentive within the meaning of Section 9-C-2 of the Labor Agreement.

2. Union Position - New personnel should be put on average earnings for a period of not less than 90 days enabling regular warehouse personnel to maintain an average incentive while the above are in the training process.

Company Position - Same as Item 1 above.

3. Union Position - Some sort of minimum incentive should be set up to protect warehouse personnel against poor scheduling by operations and the over-flooding of different areas in our pool.

Company Position - Same as Item 1 above.

4. Union Position - Rolls of paper being installed in their racks.

Company Position - Installing rolls of paper in their racks is covered. Refer to Work Functions, Page 7, Item 23, of the incentive.

5. Union Position - Emptying scrap boxes in dirt cars.

Company Position - Item 16, Page 8, of the incentive and "Note" of general work has always covered this work.

6. Union Position - On down turn work is halted at 10 p.m. for cleaning areas, picking up lumber and loading it into dirt cars. All crews on this turn lose about 2 hours production time.

Company Position - If crews performed duties properly on a turn-by-turn basis, this would not occur. See Page 7, item 26, 27, - page 8, item 16 - page 10, item 13 of the incentive.

7. Union Position - Equipment in need of repair or not working properly, such as staple guns, banding machines, sealers, etc., cause production to be slowed down.

Company Position - The rate provides a delay allowance of .206 per hour on measured work; refer to page 12 of incentive; further, there is no requirement within the meaning of Section 9-C-2 of the Labor Agreement to adjust an incentive due to deterioration of wear of equipment.

8. Union Position - Larger and heavier lifts being loaded cutting down the number of lifts per car. Cars are longer, therefore less cars are being put into track requiring additional switches.

Company Position - The incentive provides coverage for Vehicle Preparation of all types and sizes of cars and handling units to be loaded regardless of size. With fewer lifts per car, as alleged, either fewer employees are needed to load cars or more cars are loaded. Switching is normalized into standards providing coverage for all conditions.

9. Union Position - Cars are coming into warehouse with excessive dirt, etc.

Company Position - On Page 9 of the incentive, in the Work Function description, is a statement as follows: "Clean Gondola or Box car of scrap and debris." The standard includes, on a normalized basis, all car cleaning and is applied to any car regardless of the degree of cleaning required.

10. Union Position - Removing of covers on cars that are excessively dirty and then replacing because cars are unusable.

Company Position - This occurs infrequently; standards coverage is to be provided to cover this work.

11. Union Position - Replacing hoods on cars loaded by previous turn.

Company Position - There is no practical way to avoid this problem. The Vehicle Preparation credit is applied to the crew unbuttoning, cleaning, and loading the vehicle. If

covers are not installed, the following crew installs covers. Over an extended period of time, this averages out for all Group "A" crews involved.

12. Union Position - Additional bracing pieces required by customer specifications on loading causing delay and additional work.

Company Position - Vehicle Preparation on any type vehicle includes bracing. Any of the changes or additional bracing involved is covered in Change No. 43, installed on July 3, 1966.

13. Union Position - Damaged bulkheads require more time in car loading. Cars should be inspected by EJ&E before entering warehouses due to safety factor involved.

Company Position - Vehicle Preparation for trough-type cars includes, on a normalized basis, various degrees of damaged bulkheads.

14. Union Position - Cars loaded where additional bulkheads or unusual loading requirements for consumer purposes or unloading requirements should pay more than a standard car.

Company Position - Additional Bulkheads, as such, are rare. There are, however, customer specifications which call for separators. This value for separators is built into each

Vehicle Preparation standard. Existing standards reflect separate coverage for various types of cars.

15. Union Position - The loading process unlike before is being slowed down even though cars have a greater load capacity due to the size of coils and lifts.

Company Position - See Item 8 above.

16. Union Position - Servicing lines in #2 Warehouse not only cause delay in loading but slower service to packaging floor.

Company Position - Material Handling standards pay for service to lines. Refer to page 7a item 8 of the incentive. Coordinated efforts of all cranes can expedite loading, package floor work and service lines. Also, refer to page 12 of incentive for delay allowance.

17. Union Position - No rate for #56 Crane for removing storm seal and prime rib from roofing conveyor and stocking same.

Company Position - The 6200 Special Code pays for packaged product handled into storage. Refer to page 5b of the incentive.

18. Union Position - #113 Crane unloads coils from transfer cars for our Warehouses. Unless sprayed, coils not covered.

Company Position - This has been paid for as "Per Hot Rolled Coil unloaded from Gondola"; see page 8 of the incentive. However, the "determinant" description is to be revised to conform with such actual application of standard; this claim by the Union, therefore, is inaccurate.

19. Union Position - At times insufficient stocking area causes extra handling.

Company Position - The standards have always provided for extra handling of product. Refer to page 8, items 6 and 7.

20. Union Position - Loading production time is lost while #113 and #67 Cranes are performing non-incentive work. #55 Crane at times alone is responsible for the coil loading of cars, and trucks in #2 Whse.

Company Position - All work performed by craneman is covered by the incentive and should be performed at incentive pace. Refer to "Note" on page 8 of the incentive.

21. Union Position - #67 Crane losing too much time on lines by picking up lifts, splitting lifts, picking up scrap, straightening split lifts. These lines are given top priority and we are required to service when called for.

Company Position - The incentive covers all work associated with servicing the galvanize lines. Refer to page 7a of the incentive.

22. Union Position - No incentive for taking warehouse lifts off #8, #7, and #6 lines and putting them in stocking area until lumber arrives for same and then handling again to put on packaging floor.

Company Position - Refer to page 7a, "Work Functions", items 2, 3, 7, 8, and 9. This work is covered by the incentive.

23. Union Position - The dispensing and handling due to customer requirements of bands on lifts and coils for all Fisher and Chrysler products, etc.

Company Position - Existing package codes cover the various combinations of banding requirements. In addition, the incentive provides coverage for special codes which are applied on an additive basis. Refer to pages 3 thru 6a of incentive brochure.

24. Union Position - A MUST--additional standards increase for all side tie packages, due to customer requirements because of the additional work involved in lacing packages and the moving of tying equipment.

Company Position - Change No. 36, effective October 27, 1963, changed all sheet, coil and circle packages to include sealing all bands on end.

25. Union Position - Standards should be raised on all metal packages and coils. Average cannot be attained by working this material.

Company Position - Metal wrapped packages have the same incentive-earning potential as any other type package.

26. Union Position - All four by fours should pay more than two by four skids because they are heavier, especially when using longer lengths. At times, when carrying four by fours of the larger lengths only one can be handled at a time.

Company Position - Handling of all size skids is normalized in the standards.

27. Union Position - Material handling should be paid when packaging floor has to package bulletin material that at times require excessive material handling.

Company Position - Material Handling includes, on a normalized basis, extra handling and digging. See page 8, items 6 and 7 of incentive brochure.

28. Union Position - Congestion on packaging floor caused by insufficient or congested stocking facilities in warehouses requires excessive carrying of lumber.

Company Position - Package floor personnel must perform at incentive pace to keep product moving. All packaging standards include coverage for carrying lumber to package site.

29. Union Position - The moving of the materials supplies and lumber to new warehouses and salvage area.

Company Position - Presently, the incentive does not cover movement of material and supplies to these areas. All tractor hours associated with these movements properly should be recorded as unmeasured until standards are developed to cover this work.

30. Union Position - Moving material from one warehouse to another for shipment due to poor PPD functioning.

Company Position - The incentive has always covered moving material from one warehouse to another. Refer to page 8, items 5, 6, 7, and "Note" of the incentive.

31. Union Position - Shortage of scheduled tractor drivers causes delay in supplying all material and equipment to the various packaging floors.

Company Position - The delay standard on page 12 of the incentive covers this item when it occurs; further, tractor service is provided to the fullest practicable extent.

32. Union Position - Tractor drivers are used to relay messages from foremen to warehouse personnel when they should be doing assigned work.

Company Position - There should not be any reluctance on the part of tractor operators, or others, to deliver messages enroute to expedite the operation; such is in keeping with the incentive principle of crew co-operation and can generate more incentive earnings.

Specifically as to Grievance SGa-66-108, the Company emphasizes that earnings were substantially higher after the alleged change in conditions than they had been before. Over 9 pay periods before the change earnings were 136% compared with 146% for 9 pay periods after the change. Taking a full year period before and after the change, moreover, the Pay Performance averaged 138% after, compared with 137% before. The Company also notes that "double handling of coils" long had been necessary before introduction of the tong-type hook. Finally, the Company notes that two cranes usually were used together in loading trucks before January 1, 1966 and this situation continued thereafter, with the only change being that

one crane had a tong-type hook, to dig the coils out of the storage area and place them in a position to be picked up by the second crane equipped with a "C" hook.

With respect to the two later grievances, the Company emphasizes that the decline in earnings which occurred in the summer of 1968 and ran into 1969 resulted from the injection of an inordinately large number of inexperienced employees into the crews because of heavy incidence of summer vacations combined with the continuing impact of high production levels. On this score the Company provides the following table:

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<u>PPE</u>	<u>IPP</u>	<u>No. of Pkgs.</u>	<u>Actual Pkg. Hours</u>	<u>Earned Hours Pkg.</u>	<u>Delay</u>	<u>Total Earned Hours</u>	<u>Hrs Per Pkg</u>	<u>Pkg Perf. %</u>	<u>Pkg IPP</u>	<u>Earned Hrs. Pkg.</u>
4-19-69	132	13,840	7,940	7,035.5	1,635.6	8,671.1	.57	89	109	.51
6-14-69	116	11,827	9,053	6,812.2	1,864.9	8,677.1	.76	75	96	.58
7-26-69	119	11,387	9,271	5,996.4	1,909.8	7,906.2	.82	65	85	.53

Finally, the Company notes that shortly before the hearing in this case (under an experimental agreement) it began to calculate earnings for the employees in Group A on the basis of the four specific areas in which they worked rather than lumping them together as a single group. The result was a substantial increase in earnings derived under the standards; this leads the Company to argue that one of the problems under this incentive has been the failure of the employees to respond fully.

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The Union arguments in support of the grievances appear in its brief as follows:

"Starting from the installation of a new warehousing system which involved the use of tong-type hooks in place of a 'C' hook for the storing and hooking out of coils, to the 32 other union claims as exhibited in Attachment 'A' in the 4th Step Minutes, the Union is convinced that the Company was negligent in its responsibilities by not maintaining the integrity of this plan.

"The incentive check list shows a downward trend of earnings for these employees starting with 138% in 1966 to approximately 118/120% in 1969 and to 114/117% so far in 1970.

"The Union finally submits that the lack of proper adjustment by the Company, rather than the lack of sustained effective incentive effort on the part of the crew, is responsible for the decline of earning levels."

FINDINGS

There is no doubt that some change in operating procedure occurred when a tong-type hook was substituted for a "C" hook on one of the cranes in January of 1966. But it is equally clear that this minor change cannot be found to have affected grievants' incentive earnings adversely to any measurable extent. Thus there is no basis to sustain Grievance No. SGa-66-108.

As for the other two grievances, none of the many claimed changes in relevant conditions actually is shown to have caused the decline in earnings which produced these claims. The Company evidence establishes that most of the earnings decline resulted from the addition of new and inexperienced personnel, particularly in 1968 and that thereafter the crews did not respond adequately to the earnings opportunity offered under the standards.

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This conclusion is amply reinforced by what happened in late 1970 when, by mutual agreement, it was decided that the numerous employees in Group A would be separated into four separate groups for purposes of incentive calculation. The result was that earnings of each of the four groups were improved over earnings attained in earlier periods. During this experimental period the Group A employees in No. 1 Warehouse averaged 250%, those in No. 2 Warehouse averaged 136%, those in No. 3 Warehouse averaged 142%, and those in No. 4 Warehouse averaged 128%. The composite average for all groups was 135%. These figures confirm the belief that when the employees respond to the earnings opportunity offered by the disputed incentive, they can achieve adequate earnings.

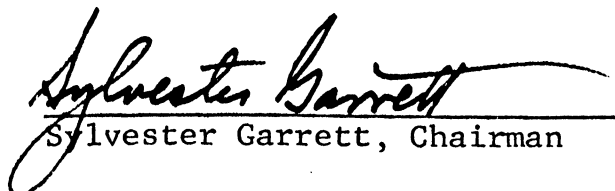
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AWARD

The grievances are denied.

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BOARD OF ARBITRATION


Sylvester Garrett, Chairman