

12-16-1965

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

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## Recommended Citation

Garrett, Sylvester, "United States Steel Corporation Sheet and Tin Operations Geneva Works and United Steelworkers of America Local Union 2701" (1965). *Arbitration Cases*. 169.

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BOARD OF ARBITRATION

Case No. USS-5118-S

December 16, 1965

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
SHEET AND TIN OPERATIONS  
Geneva Works

and

Grievance No. CP-16-72-64

UNITED STEELWORKERS OF AMERICA  
Local Union No. 2701

Subject: Claim that Performance Standards were  
Established for Nonincentive Jobs.

Statement of the Grievance: "Section 9-J-2 of the Agreement  
states: 'The Company will not establish performance  
standards for non-incentive jobs, except as such  
jobs are covered by incentive.'

"Nitrogen Plant Management is  
violating this Agreement by setting performance  
standards in the Nitric-Acid Operation. We ask  
Management to stop this violation of the Agree-  
ment."

This grievance was filed in  
the Second Step of the grievance procedure May  
25, 1964.

Contract Provision Involved: Section 9-J-2 of the April 6,  
1962 Agreement, as amended June 29, 1963.

Statement of the Award: The grievance is denied.

BACKGROUND

Case No. USS-5118-S

This grievance from the Nitrogen Plant of Geneva Works claims that Management established performance standards for nonincentive jobs in the Nitric Acid operation, in violation of Section 9-J-2 of the April 6, 1962 Agreement, as amended June 29, 1963, which reads as follows:

1

"The Company will not establish performance standards for nonincentive jobs, except as such jobs are covered by incentives."

The Nitric Acid Plant is manned by a crew of two employees, a Job Class 17 Burner Operator and a class 12 Concentration Operator. Those jobs, as well as all other Nitrogen Plant jobs, are not covered by incentives. Management says it has not been feasible to develop incentives for Nitrogen Plant operations until relatively recently because of protracted operating difficulties.

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In March of 1964 a proposed incentive for Nitrogen Plant producing crews was developed, its standards being based upon contemplated crew reductions. Management sought to have the proposed incentive installed by mutual agreement under 9-C-3, but only if the Union would agree to the suggested crew reductions. Under those conditions, the Union refused to go along with installation of the incentive by mutual agreement, and Management refused to install it unilaterally. The present grievance was filed in May of 1964.

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The Union says that when the proposed incentive was explained to employees and Local Union officials in March of 1964, they sought and received from Management nitric acid production figures for the first three months of 1963, in order to calculate the manner in which the incentive actually would operate. It is said that application of the standards of the proposed incentive to those production figures disclosed that the plan would have generated incentive earnings, not only for the reduced crews proposed by Management, but also, although at a lower rate (about 110%), for the existing crews.

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Thus, the Union's theory of the case is that, since Supervision already had arranged equipment utilization, operating procedures, and workload so that grievants in fact were producing, without incentive earnings, at a level which would have generated incentive earnings under standards of the proposed incentive, had it been installed, Management therefore had established performance standards for nonincentive jobs, in violation of 9-J-2.

In addition, the Union asks that the Board establish guidelines for the parties as to where normal pace stops and incentive pace begins.

Management feels that the grievance is an attempt to force it to install an incentive unilaterally.

### FINDINGS

The evidence shows that nitric acid production had remained stable for 18 months before the grievance was filed. Moreover, no production quotas have been established. What happens is that Management sets pressures and temperatures at which the equipment is to be operated, and the resulting rate of production is a function of catalyst condition (clean or dirty), atmospheric temperature (colder air is more dense and thus more of it can be pumped by the compressor), and availability of raw materials and fuel. In fact, in view of the rather highly instrumented nature of the operation, grievants appear to perform about the same kind and amount of observing, adjusting, testing, and recording work at any of the various operating rates which the plant has experienced.

The basic difficulty with the Union position is that Section 9-J-2 simply does not go to the lengths which the Union urges here. That provision first appeared as part of Section 9-K of the April 22, 1947 Agreement, as follows:

"K. Development to Complete Program  
of May 8, 1946, Agreement

The Joint Wage Rate Inequity Negotiating Committee, representing the Company and its affiliated steel-producing companies and the Union, shall proceed expeditiously to finish its work required to complete the program of the May 8, 1946, Agreement between the parties hereto. As an aid to the mutual understanding necessary for the completion of such program the following understandings are established.

1. The Company will not establish performance standards for non-incentive jobs."

In dealing with an argument similar to the Union's position here, the Board said in CI-257:

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"It is notable that Section 9-K-1 is one of a number of provisions in Section 9-K covering developments to complete the program of the May 8, 1946 Agreement between the parties to eliminate inequities. Read in the context of Section 9-K it is apparent that the language of Section 9-K-1 was intended to convey the meaning that the Company would not establish performance standards for jobs except in connection with the establishment of incentives. If Section 9-K-1 were read to mean that management was not entitled to increase work loads because the mere fact of increasing a work load amounted to establishment of a 'performance standard,' then it would equally well follow that prior thereto there had already been established a performance standard, since there would be no generic difference between one level of effort and

"another. Since obviously the parties did not contemplate that there were already established performance standards in the sense that they were using the term for all nonincentive jobs, it would be fallacious to infer that they meant under Section 9-K-1 to provide that any increase in work load would constitute the establishment of a performance standard. This is especially true in view of the fact well known to both parties that the work load of jobs in large mills will vary greatly from one job to another, and also from time to time."

The general reference to claimed 1962 suspensions for allegedly engaging in a slowdown, without more details connecting them with the present dispute, surely does not make the Union's point. It is true that the optimum producing rate had been reached with existing equipment for about one and one-half years before the grievance, but, although that might create problems upon installation of a new incentive, it does not establish violation of 9-J-2. If Management, in its effort to induce employees to accept a new incentive involving a crew reduction, elects to offer "incentive" pay for production which already has been attained, such an offer cannot be construed as establishing a performance standard. The grievance will be denied.

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AWARD

The grievance is denied.

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

Clare B. McDermott  
Clare B. McDermott  
Assistant Chairman

Approved by the Board of Arbitration

Sylvester Garrett  
Sylvester Garrett, Chairman