

6-28-1965

# United States Steel Corporation Sheet and Tin Operations Gary Sheet and Tin Works and United Steelworkers of Americ Local Union 1066

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BOARD OF ARBITRATION

Case No. USS-4890-S

June 28, 1965

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
SHEET AND TIN OPERATIONS  
Gary Sheet and Tin Works

and

Grievance No. A-64-16

UNITED STEELWORKERS OF AMERICA  
Local Union No. 1066

Subject: Incentive Administration

Statement of the Grievance: "We request management to adjust the incentive standards on application #5100-747 to reflect the changes in operations."

This grievance was filed in the Second Step of the grievance procedure January 22, 1964.

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

Statement of the Award: The grievance is denied.

BACKGROUND

Case USS-4890-S

Employees covered by Indirect Labor Crew Incentive Application No. 5100-747 in the Hot Rolling Division of Gary Sheet and Tin Works submit that the incentive standards of the application should be adjusted under Section 9-C of the April 6, 1962 Agreement, as amended June 29, 1963, to reflect changes in operations.

The incentive was installed on April 8, 1956, to cover men who perform general labor scheduling, clerical, clean-up, and miscellaneous service for the Hot Rolling Division, particularly the 80" Hot Strip Mill, the various Continuous Pickle Lines, and the Slab Conditioning Department. The amount of work performed is reflected by the earned standard hours and unmeasured man-hours of specified direct crews, and standards are established in terms of standard indirect crew man-hours per earned and unmeasured hours of the specified direct crews. As in other indirect incentives, this application also contains a standard ratio of actual indirect crew hours to direct crew man-hours. It was explained at the hearing that the Company based the development of the application on a performance of 152% for the 80" Hot Strip Mill, 160% for the Pickle Lines, and 182% for the Slab Scarfing Line. Actually, the performances of these units were somewhat higher in the reference period but the Engineers, using actual time studies, scaled them down to more realistic levels, thereby enhancing grievants' earnings opportunity.

Section VIII of the application contains a reference period index of performance extending from the pay period ending September 10, 1955, until the pay period ending November 19, 1955. It shows the actual hours worked and earned and unmeasured hours for the 80" Hot Strip Mill, all Pickle Lines, and Slab Conditioning. It also shows computations of the index of pay and measured performance for the grievants by application of the proposed standards which, although not weighted in

accordance with the earnings contributions of the three operating units, would have resulted in earnings ranging from a low of 103% to a high of 113%. In all of these pay periods, the total actual hours of the indirect crew exceeded the minimum allowed hours under the proposed incentive application, and it was explained to the crews that the application would yield an average performance of 119% with tighter man-hour controls, and grievants agreed to a cut in crew size in exchange for a greater earnings potential. The extent of this cut was not detailed at the hearing, but it can be assumed that the reduction equalled at least the difference between the actual hours and the minimum crew hours shown in Section VIII of the incentive application.

Since its installation, the incentive yielded the following earnings:

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<u>Year</u>	<u>Average Inc. Measured &amp; Pay Performance (%)</u>
1956	122
1957	121
1958	120
1959	117
1960	118
1961	118
1962	114
1963	113
1964	113

It is undisputed that the average performance level for the year 1963 has decreased to 145% on the 80" Hot Strip Mill, to 144% on the 42" Pickle Line, to 143% on the 76" Pickle Line, and to 142% on the 40" Pickle Line. Performance on the 80" Pickle Line has increased to 169% and in Slab Conditioning to 199%.

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The Union blamed the declining yield of the direct incentives on changes in product mix on the operating units due to the installation of a new 66" Pickle Line in the North Mill to which much "gravy product" has been transferred, and also on tighter quality control. There was also an allegation, not supported by specific evidence, that the indirect actual crew hours exceeded those provided for in the incentive.

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The Company agreed that the over-all reduction in performance levels of the direct units is responsible for the decrease in earnings under the indirect incentive. This, however, it was argued, cannot be the basis of a Section 9-C-2-a adjustment, as reflected in Case T-1036 so recently. The Company also referred to the statement in the Step Four minutes that, in 1963, indirect labor crew actual hours were at "minimum" in 24 pay periods, and slightly above "minimum" in the remaining two pay periods.

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### FINDINGS

The evidence introduced at the hearing, and the arguments advanced by the Union dealt exclusively with the impact of the start-up of the 66" Pickle Line and of greater quality control on the performance of the direct operating crews.

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The undisputed testimony of the Company's witness, supported by the statistics set forth in the record, and also included in the incentive application, established a direct relationship between the decline in earnings of the indirect incentive to the reduced earnings on the direct operating units. Therefore, the ruling of Case T-1036 is also applicable to this case, and the grievance cannot be sustained.

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4.

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AWARD

The grievance is denied.

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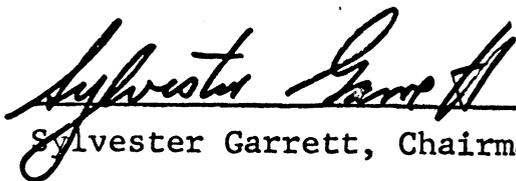
Findings and Award recommended  
pursuant to Section 7-J of the  
Agreement, by



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Peter Florey  
Assistant to the Chairman

Approved by the Board of Arbitration



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Sylvester Garrett, Chairman