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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 No. G-180

September 17, 1964

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
SHEET & TIN OPERATIONS
Geneva Works

and

Grievance No. OH-1-51-61

UNITED STEELWORKERS OF AMERICA
Local Union No. 2701

Subject: Incentive Administration

Statement of the Grievance: "We the 1st and 2nd Helpers assigned to the Oxygen Furnaces charge Management with violation of Section 9 of the contract.

"Jobs presently covered by incentive standards must continue to be covered by such standards, unless cancelled as the result of changes in equipment - methods - etc.,

"Since Management has not cancelled such standards, Management has acknowledged no equipment changes - Therefore the present standards must remain in effect for all heats produced with Oxygen.

"We request that we be reinstated for earnings lost as a result of this violation, on the basis of existing standards."

This grievance was filed in the First Step of the grievance procedure May 13, 1961.

Contract Provision Involved: Section 9 of the January 4, 1960 Agreement.

Statement of the Award: The grievance is denied.

BACKGROUND AND FINDINGS

Case G-180

1
First and Second Helpers assigned to the Oxygen Furnaces in the Geneva Works Open Hearth Department grieve a Section 9-C violation alleged to have occurred between April 25 and July 22, 1961 when Management interspersed 51 high-flow oxygen experimental heats with regular oxygen heats and paid the men for the experimental heats in the pay periods in question by calculating incentive earnings on the basis of their average incentive earnings on regular oxygen flow heats. This is alleged to constitute a unilateral Company change in an agreed 1956 incentive; the Union believes Management should have applied the existing oxygen flow standard to the 51 experimental heats.

2
It appears that Corporation experience at other plants prompted Geneva Works to ascertain whether the normal 8-1/2 hours to produce a heat could be reduced by stepping up oxygen injection through lances from 40,000 - 50,000 cubic feet per hour to 60,000 - 80,000 by equipping the six orifices on each of two lances with 5/8-inch rather than 1/2-inch nozzles, thereby obtaining tonnage per furnace in a shorter time. The experiment was abandoned in July, 1961 (in which month only a single experimental heat was run) because it was felt that even the substantial reduction in heat time experienced did not warrant continuation in light of other factors such as the fact that Geneva Works is not an oxygen-producing installation but must obtain its supplies from Chicago and Pittsburg Works.

3
Superintendent Hunziker discussed the nature and purpose of the experiment with then Grievance Committeeman Tippetts prior to the first experimental heat and informed him of the proposed method of payment, said to have been patterned after a method utilized at Gary Steel, Homestead, and Fairless Works at the time when they were engaging in similar experimentation. Tippetts told Hunziker that the experiment could only be conducted in accordance with Section 9, the implication being that the existing standard was applicable to the faster producing experimental heats regardless of an inflationary effect on earnings. The Company proceeded and did so by alternating high-flow oxygen injections between various furnaces at various times. The result, said the Union, was that furnace bottoms had to be repaired more frequently than was the case with standard-flow heats. This in turn depressed First and Second

Helpers' earnings on regular heats in the very pay periods when Management was utilizing incentive performance figures on regular heats as the average standard for paying for experimental work. This alleged impropriety was heightened by insufficient oxygen volume at regular-flow furnaces resulting from the drain of high-flow operating furnaces on an insufficient overall supply.

The Company asserts that it was not possessed of necessary data to develop a high-flow oxygen incentive standard in the experimental period and that one of the by-products of the experiments would normally have been the development of such data. Geneva Management believes that the experience of other plants in setting a high-flow oxygen standard would have been incorrectly applied at Geneva and, with hindsight, states that high-flow oxygen heats require 7 hours at Homestead or Fairless and 7 hours and 45 minutes at Geneva. Thus, reliance on other plants for standards would have saddled employees with standards far too tight. An alternative would have been to treat experimental heats as unmeasured work, but this was discarded since it was held to be inequitable to pay crews their standard hourly wage rates for producing heats much faster with high-flow oxygen. Reversing the coin, application of regular-flow standards, based on 8-1/2 hours, to high-flow conditions with much shorter tap-to-tap times would have greatly inflated incentive earnings. In balance, it seemed better to Management to guarantee the crews earnings based on the average performance of furnaces at regular-flow oxygen. Management says it finds justification for its approach in a comparison of the average I.P.P. percentages for the pay periods when experimental heats were run and for 14 succeeding pay periods which were, respectively, 157% and 156%.

4

If the experimental work covering 51 heats had been shown by this record to have furnished Management with sufficiently extensive information from which an appropriate high-flow oxygen standard could have been developed intelligently, an adjustment would have been called for under Section 9 and the reasoning in Cases G-60 and -61. But the record here, as also in Case USC-945, does not enable the Board to conclude that "...sound standards could and should have been developed for this experimental annealing prior to the abandonment."

5

Since the Company could not develop a sound standard under the circumstances here and could not reasonably be required to apply the existing standard to stepped-up oxygen flow circumstances not contemplated by the existing standard, it appears that the method of payment utilized is not barred since its objective was to find a practical way to protect the employees from any appreciable loss of earnings. Charging the experimental man-hours as unmeasured would have produced significantly lower earnings, and so properly was deemed unfair by Management. There also might have been a real question as to whether it was proper to treat the 51 heats as unmeasured work; 51 heats are clearly distinguishable from the 20 experimental heats regarded as unmeasured work in Case USC-945. The evidence does not reveal any significant, or measurable loss of earnings as a result of the method of payment which was adopted here.

6

AWARD

The grievance is denied.

7

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



David C. Altrock
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chairman