

11-11-1964

United States Steel Corporation Sheet and Tin Operations Bessemer Rolling Mill and United Steelworkers of America Local Union 2421

Sylvester Garrett

Follow this and additional works at: http://knowledge.library.iup.edu/garrett_series

Recommended Citation

Garrett, Sylvester, "United States Steel Corporation Sheet and Tin Operations Bessemer Rolling Mill and United Steelworkers of America Local Union 2421" (1964). *Arbitration Cases*. 380.
http://knowledge.library.iup.edu/garrett_series/380

This Article is brought to you for free and open access by the Sylvester Garrett Labor Arbitration Collection at Knowledge Repository @ IUP. It has been accepted for inclusion in Arbitration Cases by an authorized administrator of Knowledge Repository @ IUP. For more information, please contact cclouser@iup.edu, sara.parme@iup.edu.

BOARD OF ARBITRATION

Case No. T-1036

November 11, 1964

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
SHEET AND TIN OPERATIONS
Bessemer Rolling Mill

and

Grievance No. 182-73

UNITED STEELWORKERS OF AMERICA
Local Union No. 2421

Subject: Incentive Administration.

Statement of the Grievance: "We, the undersigned, grieve for ourselves and others of the General Service crews because for the last three month period our straight time average earnings are equal to the standard hourly wage rate.

"Remedy Requested: We request that our incentive be adjusted as provided for by Sections 9-C-1 and 9-C-2 of the contract."

This grievance was filed in the Second Step of the grievance procedure October 5, 1962.

Contract Provision Involved:
1962 Agreement.

Section 9-C of the April 6,

Statement of the Award:

The grievance is denied.

BACKGROUND

Case No. T-1036

This grievance from Bessemer Rolling Mill protests low incentive earnings realized by the General Service Crews under Incentive Application No. 30-2-5.3 and seeks adjustment or replacement of that incentive under Section 9-C-2 of the April 6, 1962 Agreement.

Incentive Application No. 30-2-5.3 was installed by mutual agreement in 1957 under Section 9-C-3 of the 1956 Agreement. It is a general indirect incentive covering about 46 employees in various crews in all departments of the plant which perform tasks of a service nature for jobs directly engaged in making, shaping, and handling product. Work of the General Service Crews is measured in terms of allowed standard hours per earned standard and unmeasured hours of direct crews under Incentive Application No. 30-2-5.1 (Bar Mill Reheating, Rolling, and Shearing) and No. 30-2-5.3 (Guide Mill Reheating, Rolling, and Shearing). Earnings are calculated on the basis of a six-pay period rolling average.

The Union says that when the incentive was installed by mutual agreement in 1957, the Index of Measured Performance goal was 113%. It is said that the incentive paid off in general from 1957 to 1961 at about that level, the highest pay period IMP being 118%, but that earnings began a downward trend in late 1961, following Change 2-117.

Combining data from Company and Union Exhibits shows the following yearly average IMP (rounded to nearest whole number) from 1959 through approximately the first half of 1964:

<u>Year</u>	<u>Number of Pay Periods</u>	<u>Average IMP %</u>
1959	19	114
1960	25	106
1961	25	106
1962	26	97
1963	26	92
1964	12	102

As filed in October of 1962, the basis of the grievance was said to be that average straight-time earnings were equal to standard hourly wage rate for the preceding three-month period. The grievance requested that the incentive be adjusted under 9-C-1 or -2. 5

Management's answer was that there had been no change in conditions which would require any revision or replacement of the incentive at that time. 6

In Step 3 the Union said that the General Service Crews had realized no incentive earnings since the Spring of 1962 when man-hours had increased. The Company replied that in large indirect incentives such as this it was not unusual for man-hour requirements to fluctuate from time to time and that that factor did not require adjustment of the incentive under 9-C-2. 7

The Union then said that when the incentive was installed by mutual agreement in 1957, the Grievance Committee had been told that it would pay in the area of 14% above base and asserted, therefore, that the incentive had been misrepresented to the Union. 8

The Company responded that a statement of expected earnings under normal conditions was customary when installing an incentive, but that conditions at that time were not normal in that performance under the two direct incentives was down and that improved performance under those two incentives would have a favorable effect on the incentive in dispute. 9

The Union then suggested that if the calculation period were changed from the six pay period rolling average to a single pay period there might be some improvement. 10

The Step 4 meeting opened with a Union statement that something was wrong with this incentive and a request that Management check into it to find what the trouble was. 11

The Company said that the incentive had paid off in the past but that there were two reasons for then low incentive performance: (1) low performance by the direct crews, and (2) inability at the then decreased operating level to reduce general service crews' man-hours in direct proportion to the decrease in operating levels.

12

The Union then referred to three alleged changed conditions which required adjustment under 9-C-2. These were alleged increases in Yard Department hours from five employees when the incentive was installed in 1957 to twenty-two in February of 1962, increases in hours charged to the incentive resulting from installation of an automatic water spray in the Bar Mill in 1962, and addition of an employee to handle long lengths. It was said that these items did not occur every day but on occasion did involve a considerable number of man-hours.

13

At this point the grievance was referred back to Step 2 in order to investigate those specific Union allegations.

14

Management's subsequent investigation showed, contrary to the Union charge, that Yard Department employees in February of 1962 averaged less than six. The Company explained also its view of the situations respecting the other two Union complaints, and the Union indicated that it was satisfied with that explanation.

15

Upon return to Step 4 the Union urged that this incentive could be replaced by a new one at Management's discretion under 9-C-1-c. It was said that this was a poorly designed incentive at the outset and that Management must have failed to preserve its integrity since it had not yielded expected incentive earnings.

16

The Union then mentioned an alleged changed condition regarding a straightener which was said to have occurred since the first Step 4 meeting in this case, and Management replied that changes normally would continue to occur on this and all

17

other operations but that it would not aid resolution of this problem to continue to refer to changes in conditions which occurred long after this grievance had been filed.

At the hearing the Union argued that this incentive does not provide equitable incentive compensation and that there had been changed conditions to which Management had not responded by adjusting the incentive, with the result that integrity of its earnings opportunity had not been preserved. The Union said that it was forced to either of two conclusions: (1) The incentive was faulty from the beginning but the faults were not disclosed until later, or (2) there were changes in conditions which the Company did not take into account.

18

FINDINGS

In light of the fact that this incentive was installed by mutual agreement, the Board could not find that it does not provide equitable incentive compensation. Similarly, the Union's mere conjecture that faults existed in it from installation in 1957 but were not disclosed until 1962 cannot be considered here, absent a showing of misrepresentation preceding installation, and there is absolutely no evidence of that.

19

Turning to 9-C-2 arguments, the only specific change seriously offered by the Union as in any way explaining the present difficulties was Change 2-117, dealing with deletion from the indirect crew of a job which had not been manned for over a year and installation of a motorized crane and abrasive cold saw. But, this change, too, was installed by mutual agreement in October of 1961, one year before this grievance was filed. Moreover, the average IMP was 107.50% for the six pay periods preceding Change 2-117 and was 109.33% for the six pay periods following that Change.

20

The other changed conditions referred to either disappeared from contention or were explained to the Union's satisfaction. 21

Thus, the only remaining charge urged by the Union is that earnings under this indirect incentive are down, but that is not the kind of new or changed condition requiring that the incentive be replaced or adjusted under 9-C-2. 22

It might be, as the Company says, that much of the difficulty here stems from the fact that this is a relatively small operation on an old mill. But, however that may be, on this record, the only plausible explanations for reduced earnings under this indirect incentive are the decided drop in performance by the two producing crews operating under the direct incentives which generate earnings for this one, and perhaps the suggestion that indirect service crew hours cannot be reduced at lower operating levels in direct proportion to the reduction in operations. Neither of those situations demand replacement or adjustment under 9-C-2. Moreover, there is nothing in this record which could support the Board's directing Management to change the calculation period and methods which are spelled out in the incentive and which have been applied since its installation. 23

Accordingly, the grievance must be denied. 24

AWARD

The grievance is denied. 25

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

Clare B. McDermott
Clare B. McDermott
Assistant to the Chairman

Approved by the Board of Arbitration

Sylvester Garrett
Sylvester Garrett, Chairman