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# United States Steel Corporation (Eastern Steel Operations) Fairless Works and United Steelworkers of America Local Union 5092

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BOARD OF ARBITRATION

Case No. USS-7992-S

March 23, 1971

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
(EASTERN STEEL OPERATIONS)  
Fairless Works

AND

Grievance Nos. SFL-68S-51,  
SFL-68S-52

UNITED STEELWORKERS OF AMERICA  
Local Union No. 5092

Subject: Seniority - Determination of Appropriate Seniority Unit

Statement of the Grievance: "We the undersigned, grievance Committee of Local 5092 contend that the Company is in violation of the basis labor agreement.

"Facts: The union contends that the Co., in its negotiations on the manning of a new facility (galvanizing) that it was acceptable to them that it would be set up as a new department or units within an established department with the guide lines that were set down in the 3rd step minutes under item of general interest dated April 4th, 1968. In a recent conversation with industrial dept. heads, they have informed me, the chairman of the grievance committee, that they are going to place these jobs in the existing & established seniority units. The unions position is that under Sec. 13 E of the Basic Labor agreement the galvanizing unit is a new facility, and it will involve

a transfer of employees & therefore under Sec. 13 B of the agreement with full realization to achieve a true meaning out of Sec. 13 A of the agreement (continuous service) that it is our intent to afford the opportunity of older service employees to exercise their rights for promotional opportunity & job security in the new facility.

"The union intends to carry its case to the board of arbitration. It is apparent to the union now that the Co. has stalled the union for reasons we do not fully understand as yet, but the members of the grievance committee & the president of the union who were present at such meetings and in light of all the minutes that were taken at such meetings there could be no misunderstanding on either parties part that it was agreed to set up a distinction between existing units and departments.

"Remedy Requested: Employees who would have received the positions in question be reimbursed for all monies lost."

Contract Provisions Involved: Sections 13-A, 13-B, 13-D, and 13-G of the Salaried Agreement dated September 1, 1965.

Grievance Data:

	<u>Date</u>
Grievance Filed in Step 3:	July 25, 1968
Reappealed to Step 3:	June 20, 1969
Step 3 Meeting:	June 26, 1969
Appealed to Step 4:	July 17, 1969
Step 4 Meeting:	June 3, 1970
Appealed to Arbitration:	August 25, 1970
Case Heard:	February 3, 1971

Statement of the Award:

The grievance is denied.

BACKGROUND

USS-7992-S

Grievance SFL-68S-51 had been scheduled for arbitration together with SFL-68S-52, which was resolved directly by the parties prior to the hearing.

Grievance 68-S-51 was filed in response to the Company's action in placing employees of the new Galvanize facility, which was started in 1968, in existing seniority units. The Union had sought new units for all employees handling either the Accounting, Metallurgical or Production planning functions on the new line. Eight positions were involved in the grievance. However, prior to the hearing all of them were placed in existing units by agreement of the parties, except for the three involved in this proceeding.

According to the Union, there should be a separate seniority unit in Galvanize encompassing the Scheduler, 0130 (JC 9), Order Correspondent, 0131 (JC 7), and Detail Scheduler, 0132 (JC 6). At present there are only four employees who would be in such a seniority unit, one Scheduler, two Order Correspondents and one Detail Scheduler.

No seniority unit of the half-dozen in Production Planning has less than 20 employees. Seniority unit 17, Sheet Finishing and Service, into which the three Galvanize positions have been placed by the Company, consists of about 35 employees performing similar or related duties. For example, there are other Schedulers (JC 9) in Hot Roll and Cold Roll Finishing and other Detail Schedulers (JC 6) in several areas. Similar work is performed by the Schedulers whether their assignments are in Galvanize, Hot Roll Finishing or Cold Roll Finishing.

The Union's position is based upon the benefits it asserts employees would derive from a separate unit in terms of promotional opportunities, vacation preference and job security. However, the Company, aside from its own operating reasons, contends that employees would have broader promotional opportunities, more opportunities to fill temporary vacancies and greater security in the event of reductions in force. Additionally, the Company's position does rest upon administrative

considerations, for it would be exceedingly difficult to function with a seniority unit of four employees in three jobs, in the event of absenteeism among two or three of them.

Award USC-1919 was cited by the Union because the Board in that case upheld the Company's request to establish a new seniority unit in connection with a new facility.

### FINDINGS

This issue arises under Section 13-B of the Agreement dated September 1, 1965, which provides, as follows:

"...In any case in which local agreement cannot be consummated as to the seniority unit in which a new job is to be placed, Management shall include such job in the most appropriate seniority unit subject to the grievance procedures of this Agreement."

According to the Fourth-Step minutes, the Union in this grievance was taking a completely opposite position from one taken earlier. No effort was made at the hearing to reconcile the two approaches, each of them ostensibly more beneficial to employees. Prior to 1960, Sheet and Tin Division Accounting was divided into seniority units patterned on the Division's departmental organization. The Union's local officers then requested and obtained a single, combined seniority unit on the ground that such a change "would give maximum promotional opportunities to the involved employees and, at the same time, would provide greater job security to the more senior employees in event of force reductions requiring layoffs and reductions to lower rated jobs." This is just the reverse of what is now being said.

There was no demonstration that the Union's proposed separate unit of only four men had special merit for employees, compared with the combined units into which other Galvanize jobs were placed by mutual agreement. While it is possible that an individual might benefit from the smallest seniority unit, it has not been shown that employees in general would be better off. The Union did not challenge the Company's contention that its administrative needs are better served by the larger unit. Thus compelling reasons exist for the Company's approach but no persuasive support for the Union's position is evident.

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The Union cited Award USC-1919 (Gary Sheet & Tin), which was a denial Award in a case where the Union sought inclusion of employees in a new facility within existing units. However, that new facility required employees with specialized training and skills who could not readily be replaced by incumbents in the other units, although the "basic" nature of the work was similar. That was the reason given for upholding a separate unit. However, the newly established unit consisted of 28 employees compared with four in the instant case. Yet in USC-1919 the Board noted its concern that "creation of an unduly small seniority unit not only restricts promotional opportunity; it also reduces employment security." While a seniority unit cannot be gauged on size alone, it is one consideration requiring evaluation. Unless there is a special reason, the larger unit frequently is advantageous to both sides.

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A unit consisting merely of four employees perforce would restrict promotional opportunities. It would reduce employment security, by limiting the opportunity for lateral movement when there is a reduction in force, in contrast with the possibilities in a larger seniority unit. Thus the standards applied in USC-1919 do not support the Union here but indicate that the seniority unit it proposes is the less tenable.

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Where there is sound reason to believe that employees are generally better off under the Company's proposed unit,

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and where there is uncontested administrative justification showing that the Company is better off, no basis exists for reversing the Company's action.

AWARD

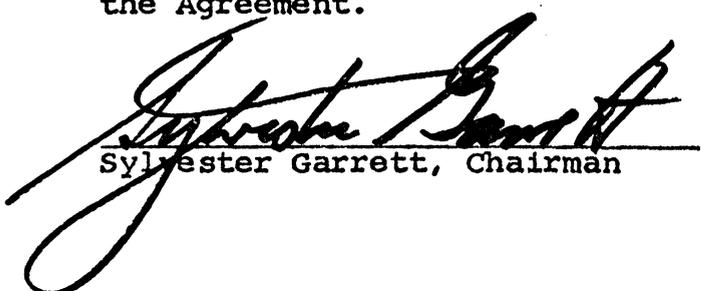
The grievance is denied.

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Findings and Award recommended  
by

  
Milton Friedman, Arbitrator

This is a decision of the Board  
of Arbitration, recommended in  
accordance with Section 7-J of  
the Agreement.

  
Sylvester Garrett, Chairman