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United States Steel Corporation Tubular Operations Lorain Works and United Steelworkers of America Local Union 1104

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BOARD OF ARBITRATION

Case No. USS-5279-T

March 7, 1966

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
TUBULAR OPERATIONS
Lorain Works

and

Grievance No. T-L65-9

UNITED STEELWORKERS OF AMERICA
Local Union No. 1104

Subject: Incentive Administration

Statement of the Grievance: "Co. cease and desist computing our earning on an all hours worked basis. Incentive earnings are calculated on a 8 hour turn or less"

This grievance was filed in the Third Step of the grievance procedure December 28, 1964.

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

Statement of the Award: The grievance is denied.

FINDINGS

Case USS-5279-T

Employees in the No. 1-2-3 Seamless Mills Finishing Department of Lorain Works claim that their incentive earnings for December 4, 1964 were calculated improperly under Incentive Application No. 348-00, in violation of Section 9-C of the April 6, 1962 Agreement, as amended June 29, 1963.

Section V-1 of the incentive provides that performances and incentive earnings shall be calculated on a single turn basis.

On December 4, 1964, six employees were scheduled and worked under Incentive Application No. 348-00 on the 7-3 turn; five on the job of Ring and Plug Tightener (8523) and one on the job of Oiling Machine Operator (8551). Upon completion of the scheduled eight hours of work, supervision decided to work a five-man crew four hours overtime. Following established overtime assignment practices three men were held over from the 7-3 turn crew, and two men were assigned from the Pump Crew. Three men worked as Ring and Plug Tighteners, one as an Oiling Machine Operator, and one on the job of Wiper (8555).

In computing incentive performance, separate calculations originally were made for the first eight hours with earnings at 151%, and for the remaining four hours at 205%. This calculation later was revised upon advice of the Industrial Engineering Department to the effect that a "two-turn" method of computing incentive pay was erroneous, under the facts, and that performances should be calculated on the basis of the single twelve-hour turn. The new calculation resulted in an incentive performance of 167% for all crew members (whether they had worked under the incentive for twelve hours, eight hours, or four hours) and required appropriate adjustments in pay.

The Union argues that a "single turn" within the meaning of Section V-1 of the incentive must be construed to mean an eight-hour turn. It suggests that any other interpretation might penalize employees who are held over, and who increase their pace during overtime hours because of the overtime rate.

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The Company emphasizes that the word "turn" does not necessarily mean a precise period of eight hours. In mill language it is not uncommon to refer to a ten-hour turn, or to periods of less than eight hours where the normal eight-hour period is cut short for some reason.

6

The Company stresses that a single calculation is made for single-turn performances irrespective of whether such turns are actually less or more than eight hours, in conformity with long-established practice throughout the Corporation, including Lorain Works. The requirement of the present incentive brochure for calculation on a "single-turn basis" (and like language in other brochures) has been used for years in light of the long-established practice. Another aspect of the general rule is the so-called 50% rule: if less than 50% of the crew changes during the overtime period after eight hours of work, a single calculation will be made and applied to all employees working under the incentive during the total elapsed time. But if, after eight hours of work, 50% or more of the crew is changed during the overtime period, two separate calculations are made. In the present case, less than 50% of the crew changed for the four-hour overtime period.

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The Company urges that the language of this incentive application, installed in 1961, should be interpreted in light of the pre-existing background.

8

The Company also noted at the hearing that a "single turn" computation has the practical advantage of avoiding the necessity of two counts of production and of removing the temptation for crews to stretch completion of work into overtime hours. The record also leaves no doubt that the computation practices, including the 50% rule, long have been in effect throughout the Corporation, including Lorain Works, and have provided a satisfactory rule of thumb in applying incentives.

9

The grieved computation apparently represents the first instance of a single calculation since the installation of this particular incentive; in five prior occurrences of overtime work, the 50% rule was applied, and two separate calculations had been made. The Company admitted that, occasionally, separate calculations have been made in error under other incentives.

10

The term "turn" is not defined either in the incentive or the Basic Agreement, and can denote eight hours of work or any given shift from scheduled starting to quitting time. The term may cover consecutive hours of work of a given crew who run over their scheduled turn on an overtime basis. It is not uncommon to hear references to "four-hour," "six-hour," "ten-hour," or, as in this case, "twelve-hour" turns. Since "turn" is susceptible to these various meanings it may be given a practical meaning, for purposes of incentive administration by long-established practices.

As stated by the Board in Case USS-4974-S, "Such practices -- even if not clearly required by specific language in the incentive -- certainly represent a reasonable application of the incentive as written."

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USS-5279-T

AWARD

The grievance is denied.

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



Peter Florey
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chairman