

5-17-1965

# United States Steel Corporation Irvin Works and United Steelworkers of America Local Union 2227

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BOARD OF ARBITRATION

Case USS-4974-S

May 17, 1965

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION  
Irvin Works

and

Grievance No. A-64-80

UNITED STEELWORKERS OF AMERICA  
Local Union No. 2227

Subject: Incentive Administration

Statement of the Grievance: "Employees protest Management's method of computing incentive earnings for the Tin Temper Mill Crews.

"On 4-17-64 (second turn), two separate and distinct Crews worked (1) hour and (4) hour partial turns on #3 Tandem Tin Temper Mill due to Management's request per operations. Incentive earnings were computed for (5) hours and divided between Crews instead of each being figures separately, thus depriving individual Crews of proper incentives.

"Crews be compensated according to their proper incentives and loss of wages be made whole."

This grievance was filed in the First Step of the grievance procedure April 5, 1964.

Contract Provisions Involved: Sections 9-C-2 and 9-F-2 of the April 6, 1962 Agreement as amended June 29, 1963.

Statement of the Award: The grievance is denied.

BACKGROUND

Case USS-4974-S

This grievance from the Tin Finishing Department of Irvin Works claims improper calculation of incentive earnings for different periods of work performed on No. 3 Tin Temper Mill by each of two separate crews during the 8-4 turn of April 17, 1964.

On the turn in question, the No. 4 Temper Mill crew (three employees) was assigned to operate No. 3 Temper Mill temporarily for the first hour of the turn because finishing rolls were unavailable at No. 4 Mill. After one hour, in which five coils were charged and rolled, weighing 80,250 pounds (first pass rolling), the crew was returned to the No. 4 Mill and operated it the rest of the turn. Three hours later, a two-man crew from No. 1 Mill (plus another employee to round out the necessary crew) was assigned to operate No. 3 Mill and did so the remaining four hours of the turn. This crew charged 14 coils (one - first pass, and 13 - authorized rerolls), and rolled a total of about 185,000 pounds. No. 3 Mill was not operated between 9:00 a.m. and noon.

In calculating incentive earnings for the No. 4 and No. 1 crews for the combined total of five hours which they worked on No. 3 Temper Mill, Management proceeded on a turn basis, covering all of the employees in a single calculation. Thereafter the present grievance was filed by 10 employees asserting that the earnings of each crew (from the No. 1 and No. 4 Mills) should have been figured separately so that each such crew would realize its individual performance under the applicable standards.

If earnings of the two crews had been calculated separately, the No. 4 Temper Mill crew would have realized higher earnings for one hour and the total of such higher earnings for this crew would have been matched precisely by lower earnings for the No. 1 Mill crew spread over the 3 hours which they worked on No. 3 Temper Mill. The Union stresses that separate

production sheets were maintained by each crew while on the No. 3 Temper Mill, and that it would have been possible to calculate earnings of each crew separately. Up to the time of this incident, employees allegedly were unaware that incentive earnings in a situation of this sort were not calculated separately for each individual crew, according to the Union. Moreover, the Union holds that the language of the incentive brochure itself supports its view as to the proper method of calculating earnings.

The incentive here involved is an old Carnegie-Illinois Standard Bonus Plan originally installed prior to April 22, 1947. The Company stresses that its calculation of incentive earnings on a turn basis under this incentive is in accord with Section 9-F-3 of the current Agreement between the parties, reading:

"Each employee while compensated under an existing incentive plan in effect on April 22, 1947, shall receive for the applicable single or multiple number of eight-hour turns in effect as of January 13, 1947, the highest of the following:

- "a. The total earnings under such plan;
- "b. The total amount arrived at by multiplying the hours worked by the existing fixed occupational hourly rate, if any; or
- "c. The total amount arrived at by multiplying the hours worked by the applicable standard hourly wage rate."

(Underscoring added.)

The idea that incentive earnings would be calculated on the basis of no less than a single turn seemingly has been reflected in Section 9-F-2 over many years; this approach can be traced back to Section 3-D of the September 1, 1942 Agreement, reading:

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"The turn guarantee of incentive earnings shall not apply on an individual turn basis to those operations concerning which it is not possible to calculate such incentive earnings on the single turn basis, but shall in such cases apply on the smallest practicable number of eight (8) hour turns."

The Company also urges that the incentive here calls for this method of calculation in providing:

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"Earnings:

"Earnings shall be calculated each turn with the Occupational Hourly Rate guaranteed for the total hours worked during the turn.

"Total individual earnings are determined as follows:

"A. Each member of the crew shall be paid his Base Hourly Rate per actual hour worked.

"B. Each member of the crew shall receive additional payment in the form of monetary rates per 1000# and per coil charged and shall participate in these rates as follows:

Temper Mill Roller	100%
Temper Mill Roller Helper	84.5 %
Assistant Temper Mill Roller	66.5 %

"C. Contractual wage increases shall be added to the earnings of each individual included in this incentive plan."

(Underscoring added.)

Finally, the Company asserts that it always has followed the policy of calculating earnings on the same basis as here, when more than one crew operates a given piece of equipment in a given turn. The Company believes that this approach is required for practical reasons: otherwise it could be urged that every time there was a change in the personnel of the crew assigned to a given operation during the course of a turn, there should be a separate incentive calculation made. Since changes in crews during the course of operating turns are by no means uncommon, the Company believes this would be an extremely burdensome and impractical result. Moreover, many incentives (such as the one here in issue) include standards developed on the basis of delay allowances calculated over representative periods. The Company thus holds that fairness to all employees involved requires that earnings be calculated on a full turn basis so as to spread the effect of delays encountered over the entire turn.

FINDINGS

The issue here is quite narrow. Under the language of the incentive itself, there is support for the approach followed by the Company even though the Union contention--as applied to the specific facts of this case--would not seem to conflict with the language of the incentive. 9

The present incentive is an equipment utilization type of plan under which standards were developed on the basis of average conditions--such as delays--likely to be encountered over a representative full turn. Thus the logical method of applying the plan--to the extent feasible--is on a turn basis. Under the evidence the Company uniformly has made calculations in this manner, under similar incentives, whenever two or more crews have serviced the same equipment during the course of a single turn. The same is true where changes in crew composition have occurred in the course of a turn, without one crew entirely replacing another. The Union has not cited any instance to rebut the Company's claim of uniform practice. And it must be held that such practice--even if not clearly required by specific language in the incentive--certainly represents a reasonable application of the incentive as written. 10

AWARD

The grievance is denied. 11

BOARD OF ARBITRATION

  
Sylvester Garrett, Chairman