

BEFORE OTTO J. BAAB
ARBITRATOR

no 78

Inland Steel Company,
(Indiana Harbor Works)
and
United Steelworkers of America
Local Union 1010

)
)
)
)
)

Grievance No. 16-D-6
Arbitration No. 78

June 25, 1953

ARBITRATOR'S REPORT AND AWARD

Background of the Case

On September 26, 1952, a written grievance was filed by Pickle House Weighers relative to incentive earnings. On October 3, 1952, this grievance was returned for clarification. It was refiled October 8, 1952. The Company answered on October 15, 1952, thus completing Step 1. Steps 2 and 3 were subsequently taken, the Company's reply to the third step being dated January 7, 1953. By agreement between the parties, and in accordance with the Contract, Article VIII, Section 2, Step 4, the undersigned conducted arbitration proceedings in the Labor Relations Conference Room at the plant on April 24, 1953. At these proceedings witnesses were heard and oral and written evidence was submitted. After the hearing the Union filed a Brief and the Company filed its answer.

Appearances

For the Company:

W. T. Hensey, Jr., Assistant Superintendent Labor Relations;
R. J. Royal, Divisional Supervisor, Labor Relations;
L. E. Davidson, Supervisor, Industrial Engineering;
E. G. Mullen, Industrial Engineering;
N. Florian, Chief Clerk, Cold Strip Mill.

For the Union:

J. B. Jeneske, International Representative;
P. Calacci, Chairman, Grievance Committee;
S. Rygas, Assistant Grievance Committeeman;
R. Thompson, Steward;
C. E. Bowman, Aggrieved Employee;
H. K. Bowman, Aggrieved Employee

The Issue

The arbitrator is asked to determine whether there are in effect in the job of Pickle House Weigher such new or changed conditions as to make inappropriate the existing incentive plan and to require an upward adjustment of same.

The Position of the Union

The Union contends that "new methods of recording weights and increased productivity constitutes a changed condition." For this reason the aggrieved employees desire

an upward revision of their incentive plan. The Company's failure to make such a revision is a violation of Article V, Section 5 of the Agreement. Not only is there a changed condition on the weigher's job, but likewise the incentive is inequitable in relation to other incentives in the department.

In July, 1951, the Company changed the method of identifying coils by providing for the use of individual coil tickets. Since the previous method of recording was on an order basis, the use of individual tickets is definitely new and thus constitutes a new method and represents a changed condition.

Production in the cold Strip department has increased and incentive earnings should have increased accordingly. To produce this result the Company should be directed to revise the incentive plan (84-F-4) for the Pickle House Weighers. At present the Weighers have the lowest ratio of total earnings to base rate in the department--1.04. The department average is 1.426. The Weighers job could be fairly compared to the Stocker job, where the ratio is 1.09.

When production increases effected earnings of other jobs in the Pickle House favorably, the Union points out, because of new equipment and new lines, the Company declared that there was a changed condition so that the old rates were rendered inappropriate. So new incentive rates were installed.

Since higher earnings were not shown on the Weigher's job, nothing was done about their rates, (Tr. p. 58), even though on other jobs in the department new rates were set. Although new lines and equipment were installed, the method of production was not changed. Yet production increases caused the Company to declare there was a changed condition which justified a change in rates. Increased production constituted "the main thing that was changed" in the Weigher's job and this change should be reflected in changed rates resulting in increased earnings.

The Position of the Company

The Company denies that there is a changed condition in the job of Pickle House Weigher which makes inappropriate the existing incentive plan and that there has been a violation of Article V, Section 5 of the Contract. The existing incentive plan for the Weigher job, 84-F-4, was in effect on February 29, 1952 and therefore cannot be changed, except by provisions in the Contract (Art. V., Section 1; and Sections 4, 5, 6.).

The argument that a changed condition resulted when a new method of recording weights was instituted is rejected by the Company. This new method involves the recording of the same information as the old method called for. The change from a Master Card to individual tickets for each coil is a change in type of card rather than in method of recording data thereon.

As to the Union's claim that increased production is a "changed condition" in the job of weigher, Grievance 16-D-5 was filed on the basis of this claim and the Company answered it by adding a second Weigher in October, 1952. Production figures are submitted by the Company to show the exact situation in this matter.

Discussion

The Contract Terms

It will not be necessary to repeat the appropriate portions of the Agreement which are applicable to this case. Clearly, the clause which is relevant is Art. V, Section 5, Par. 2. This paragraph provides that the Union may file a grievance if it is convinced that an existing incentive plan has become "inappropriate because of new or changed conditions." These conditions must result from technological improvements for the sake of improving methods or products. They may also appear because of changes in equipment, processes or methods, materials processed or in quality or manufacturing standards.

Such a grievance may request, on the basis of a showing that new or changed conditions on the job in question actually exist, that a new incentive be installed which provides equitable incentive earnings. Such earnings are to be determined by reference to other departmental incentive earnings and previous incentive earnings on the job affected. However, the only question before the arbitrator is whether the incentive plan covering the Weigher job in the Pickle House has become inappropriate because of new or changed conditions as outlined above. The arbitrator is required to determine if "new or changed conditions" exist on this job, and, if they do, whether they render the incentive plan now in effect for this job inappropriate. If such conditions are found not to exist, of course the grievance must be denied. If a positive finding results, then the question of the appropriateness or inappropriateness of the rates must be considered.

The Contract prohibits the arbitrator from finding that rates are inappropriate because earnings are out of line with other incentive earnings on other jobs in the department or in a comparable department or with previous incentive earnings on the same job. These matters are only useful in guiding management in setting a new incentive, after it has been determined that the old rates are no longer appropriate on the basis of new or changed conditions. Incentive earnings in themselves, whether higher or lower than some accepted norm, are not in themselves a job condition. Collective bargaining agreements consistently distinguish between rates of pay and conditions of work, as does the agreement between the parties in the instant case. Much needless argument would be obviated if this fact were kept in mind. If earnings on one job tend to fluctuate, or if the incentive which a particular job makes possible is more or less than that for other, even related, jobs, this situation, while it may reflect, is certainly not tantamount to, a changed condition.

To ascertain the presence or the absence of a changed condition an analysis of the Pickle House Weigher job is fundamental. Since an accepted job description and classification is in effect and no dispute exists respecting this, the arbitrator simply needs to examine evidence as to an alleged change or changes submitted at the hearing. Job content is not involved, rather the question of a changed condition. This term must be defined in relation to technological improvements in methods of production, and to changes in equipment, in method, manufacturing processes, the materials which are processed or quality or manufacturing standards. Loosely construed, the term "condition" could be related to many other conceivable factors, such as the temperature of the Pickle House, the personality of the foreman, or of a fellow worker. Construed in relation to the Agreement, the word relates to materials, methods, standards, and products

which are involved in that part of the manufacturing process for which the aggrieved are responsible.

A changed or new condition is alleged on two grounds--(1) increased productivity and (2) a new method of recording weights. The only significance of a finding of increased productivity in this proceeding would be its reflection of an improvement in mechanical processes through changed or new equipment. Increased productivity is not the condition of a particular job; rather it is the result of the combined application of man-power and mechanical power to all jobs. To make productivity a pertinent factor in this case, therefore, the mechanical process inherent in the job must be examined. If this process has been improved, increased productivity becomes significant.

This point brings us to the Union's insistence that a new method of recording weights is in effect. In July, 1951 the Company abandoned the use of Master record cards and substituted the use of individual cards for each coil. The Master card called for entries on ten different items (Company Exhibit "F"); the individual coil card called for nine entries. A comparison of the two types of cards shows that there is a difference. They are different in shape, size, color, location upon them of the various blank spaces for making entries. On the other hand, the number and nature of the entries are substantially the same. While the Union affirms that the use of the individual coil card entails greater effort by the Weigher to keep up production, it does not show how the change from one kind of card to another could substantially increase energy output. It is reasonable to conclude that the clerical aspect of the job would be the simplest and least strenuous of all the operations demanded of Weighers. Granting that the change in card is a change in method, it is apparently so inconsequential as to provoke no grievance for considerably more than a year (July, 1951 to September 26, 1952). Technically, there has been a change in method, but this change is of so little importance that it cannot be said to constitute a new or changed condition. Furthermore, it is a change, not in the actual process of weighing, but in what is incidental to weighing--the making of records.

In the matter of any alleged increase in occupied time and exertion on the job, the undenied testimony that the Company accepted a grievance requesting additional personnel (Grievance 16-D-5) by adding another weigher meets this problem effectively and decisively. The addition of a second Weigher has reduced the number of coils per man per turn substantially. This is clear from a study of Company Exhibit "G." In the quarter when there was but one Weigher (July to September, 1952), the average number of coils per turn was 112.2; while in a subsequent quarter (January to March, 1953), when there were two Weighers, the average per man per turn was 69.6, or approximately a reduction of 60%.

The modernization of Pickling lines admittedly stepped up production in the Pickle House. The record of the hearing describes this change in considerable detail. New streamlined and more efficient lines were installed. These greatly reduced manual operations in favor of mechanical controls (Company Exhibit "B" and Tr. pp. 11-16) and increased production. Nonetheless, the operation and equipment for the job of Weigher were not thereby affected. Neither did this increase in the Pickle House increase the physical effort required of the Weigher, as figures cited above as to man-coils per turn make clear.

The contention that rates and earnings on the Weigher job are out of line with those of other jobs in the department (Tr.pp. 65-66) has no bearing on this case, since the matter of an alleged changed condition, rather than comparative rates and earnings, is before the arbitrator. If mechanical improvements which were effected by installing conveyer lines #1 and #2, increased earnings for certain jobs but not for the Weighers, the latter benefit from increased production through a provision in their incentive plan. This establishes a crew rate per 100 net tons of \$.047 for the Weigher classification (Company Exhibit "A"). In any case, no dispute as to inequity exists. The sole question is that of a changed condition.

Findings

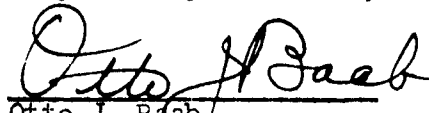
The arbitrator finds that increased productivity is not a factor in this case.

He further finds that the slight change in method represented by the ~~case~~ use of individual coil cards instead of a master card does not constitute a changed condition within the meaning of the collective bargaining agreement.

The Award

The arbitrator finds and hereby determines that there are not in effect in the job of Pickle House Weigher such new or changed conditions as to make inappropriate the existing incentive plan and to require an upward adjustment of same.

Respectfully submitted,


Otto J. Baab,
Arbitrator