Award No. 704
In the Matter of the Arbitration Between
INLAND STEEL COMPANY
AND
UNITED STEELWORKERS OF AMERICA
AND ITS LOCAL 1010
Grievance No. 14-P-21
Appeal No. 1307
Arbitrator: Bert L. Luskin
October 21, 1981

INTRODUCTION

An arbitration hearing between the parties was held in Harvey, Illinois, on August 17, 1981. The parties had filed pre-hearing briefs in accordance with their adopted procedures.

APPEARANCES

For the Company:
Mr. R. T. Larson, Arbitrator Coordinator, Labor Relations
Mr. J. T. Mareta, Superintendent, No. 3 Blooming & No. 4 Slabbing Mills
Mr. W. P. Boehler, Assistant Superintendent, Labor Relations
Mr. R. B. Castle, Senior Representative, Labor Relations
Mr. J. Stevens, General Mill Foreman, No. 4 Slabbing Mill
For the Union:
Mr. Theodore J. Rogus, Staff Representative
Mr. Joseph Gyurko, Chairman, Grievance Committee
Mr. William Gailes, Vice Chairman, Grievance Committee
Mr. Don Lutes, Secretary, Grievance Committee
Mr. Earl Neal, Griever
Mr. Allen Gunn, Griever
Mr. Rosendo Pena, Griever
Mr. John Deardorff, Compensation Commiitteeman
Mr. Ken Merrell, Assistant Griever
Mr. Nick Paunovich, Grievant

BACKGROUND

Nick Paunovich was employed by the Company on June 13, 1961. Paunovich became established in the No. 4 Slabbing Mill Heating Sequence. In 1981 Paunovich held the position of Pit Craneman; that position was the third highest-rated classification in the sequence that consisted of ten classifications. In January, 1981, Paunovich was listed as the last employee established in the Pit Craneman occupation in the No. 4 Slabbing Mill Heating Sequence.

Paunovich became eligible for a thirteen-week vacation in 1981 pursuant to the provisions of the December 31, 1978, Savings and Vacation Plan. In October, 1980, Paunovich (along with all other employees in the sequence) submitted his request for specific vacation weeks in 1981. The vacation period extended throughout the entire year.

On March 16, 1981, a grievance was filed by Paunovich contending that the Company had improperly denied Paunovich his right to select certain vacation weeks in the year 1981. The grievance specifically cited the denial of his request for weeks of July 5, October 25, November 1, November 22 (Thanksgiving week), December 20 (Christmas week), and December 27 (New Year's week). During the processing of the grievance the Union was informed that the weeks of October 25 and November 1 should not be in issue since they were open and could be selected by the grievant despite the fact that he had not included those weeks in his vacation preferences for 1981. Since the week of July 5 had passed, the Company contended that there were three weeks in dispute between the parties. Paunovich had specifically requested and had been denied the weeks of November 22 (Thanksgiving week), December 20 (Christmas week), and December 27 (New Year's week). For each of those three weeks an employee in the sequence junior to Paunovich in length of service was allowed to be on vacation.

The Company contended that it had fully and completely complied with the requirements of the Collective Bargaining Agreement [Article 12, Section 6-a-(4)] concerning the scheduling of vacations.

The grievance was denied and was processed in accordance with the requirements of the grievance procedure relating to the expeditious handling of vacation grievances. The issue arising out of the filing of the grievance became the subject matter of this arbitration hearing.

DISCUSSION

The provision of the Agreement cited by the parties as applicable in the instant dispute is hereinafter set forth as follows:

"ARTICLE 12

"VACATIONS

"SECTION 6. SCHEDULING OF VACATIONS

"a. GENERAL

"(4) The vacation time allotted to each employee for his vacation shall be determined by the Company so that it will cause the minimum interference with plant operations, with consideration being given the wishes of the individuals in accordance with their relative length of continuous service. The Company reserves the right to make changes in the dates of vacations at any time when it considers such action necessary, and the Company shall notify the employee or employees involved of any such changes in vacation date as far in advance as possible."

The Union contended that an employee named West, holding the pit craneman occupation, who had less seniority than did Paunovich, was permitted to receive the three weeks of vacation sought by Paunovich even though the use of West in the place and stead of Paunovich would not have constituted an interference with production. The Union contended that it would have been a relatively simple matter to substitute Paunovich for West and to allow Paunovich, who was the more senior of the two, to take the weeks of vacation sought by Paunovich that were granted to West.

The Union contended that, although it does not object to the basic concept of a tier method in allotting vacations, the more appropriate way to develop the tiers would be to arrange the tiers among employees within specific classifications or among those who customarily upgrade and promote to those classifications. The Union pointed to the fact that neither Paunovich nor West had ever promoted into the two heater classifications, and the Union pointed to the fact that West had regularly filled vacancies in the pit craneman classification. The Union contended that West was qualified to replace Paunovich without in any way interfering with the Company's operation of the department.

The Union contends that during the early part of 1981 the Company was aware of the fact that West would be granted weeks of vacation that were being denied to Paunovich. The Union contended that it would have been a simple matter to substitute Paunovich for West for the weeks in question.

The Company contended that it had, for a number of years, used a two-tier approach in determining the number of heating sequence employees who could be on vacation at one time. The Company contended that it had the contractual right to use the two-tier method within the Slabbing Mill in order to make certain that there were a sufficient number of employees available at all times to fill the Company's needs without the necessity of scheduling excessive overtime in order to fill the required occupations. The Company contended that there were many departments within the Company that employ the tier method for determining the number of employees who may be off at one time, and the Company contended that there are other departments in the Company that determine the number of persons to be off in any one week based upon dividing the calendar year into 52 weeks and thereafter computing the number of people who can be off in any given week based upon the number of persons established in the sequence.

The Company contended that if it used the simple mathematical approach of combining the entire department, a total of only seven employees could have been scheduled off on vacation in each week of the vacation year. By using the two-tier method for this department, the Company contended that it was able to schedule seven persons off from the critical tier one jobs and two persons off from the non-critical jobs in tier two during any given week of the year. The Company pointed to the fact that, although there were approximately the same number of vacation weeks to be allocated within the sequence in 1981 as were allocated in 1978, the Company allowed a total of nine persons to be off in one week in 1981, whereas in 1978 only eight persons were allowed to be off in any one week.

The Company contended that in determining vacation allotments for 1981 for the No. 4 Slabbing Mill, it had to examine the availability of qualified replacements for employees in the critical jobs in the sequence and the level of known and anticipated absences in the sequence. The Company contended that the sequences were divided into the two tiers based upon the critical or non-critical aspects of the jobs. The Company pointed to the fact that there are 26 employees established in tier one and 45 employees established in tier two. It contended that allowing more than seven of the 26 tier-one employees to be off on

vacation at one time (in addition to absences) would result in an excessive dilution of qualified tier-one employees who could fill the critical positions. The Company contended that if more than seven employees from tier one were off at any one time, it would necessitate the scheduling of burdensome amounts of overtime.

The Company contended that it would not have been possible to permit Paunovich to replace West for vacation purposes on the weeks in question since the movement of West into Paunovich's job for those weeks would have created excessive bumping and would have done violence to the tier method which had functioned for many years and which had provided an equitable means for allocation of vacations consistent with the contractual requirements of the Agreement. The Company pointed to the fact that, although the tier-one occupations include employees with the greatest amount of seniority within the sequence, those employees do not always receive the vacation weeks that they prefer, whereas more senior employees in the tier-two classification are generally able to receive the weeks of their choice.

The Company contended that so long as the Company had established a reasonable vacation tier allotment procedure, it was in compliance with the provisions of the Agreement, and the establishment of the two-tier concept in the No. 4 Slabbing Mill Department was not only reasonable but was completely consistent with the procedure followed by the Company for many years without objection.

Article 12, Section 6 a (4), is clear and unambiguous. It permits the Company to schedule vacations so that the vacations would cause a minimum interference with plant operations. The Company is required to consider the wishes of the individuals in accordance with the relative length of their continuous service. The Company reserves the right to make changes in the dates of vacations, and the language of that provision does not in any way preclude the Company from following a reasonable method that will determine the number of persons to be off in any given week. The Company can use an orderly method of allotting vacations within a department so long as that method does take into consideration the wishes of employees based upon their relative seniority rights. The establishment of a tier system within a department must be based upon operational needs and requirements, and the division of jobs among the two tiers would have to be considered to be reasonable in the light of all of the prevailing circumstances.

In the instant case the Company divided the heating sequence into two tiers. It included within tier one the jobs which it considered to be critical in nature, consisting of the heater, assistant heater, and pit craneman classifications. All other positions in the sequence were placed into tier two. Because of the unusual skill requirements of the heater and assistant heater classifications, not more than three employees from those two classifications could be permitted to be on vacation at any one time. The third job in that tier (pit craneman) is the top job among all of the cranemen classifications within the sequence. The Company considered the pit craneman to be a critical classification and it allowed from four to seven pit cranemen to be on vacation in any one week depending upon the availability of employees in the heater and assistant heater classifications. Since nine sequence employees could be permitted to be off at any one time, two employees in tier two could be on vacation in any one week, whereas seven tier-one employees (the more critical classifications) could be on vacation at any one time.

The arbitrator must find that the establishment of the two-tier concept for vacation purposes at the No. 4 Slabbing Mill did not constitute a violation of any provision of the Agreement. It was a reasonable means of allocating vacations consistent with the Company's operational needs and requirements. The formula adopted by the Company would cause the minimum amount of interference with plant operations.

With the adoption of the concept, the Company did allocate vacations among the employees within each of the two tiers based upon the Company's needs and requirements. It also considered the wishes of the individuals based upon their relative length of continuous service. Since Paunovich was the least senior employee among the three classifications within tier one, he could not receive the precise vacation weeks of his choice.

The procedure followed in allocating vacations for tier-one employees was identical with the procedure followed among employees holding positions in tier two. The fact that it might have been a relatively simple matter to have granted Paunovich's request and to give him the weeks of his choice and require West to make a second choice, would not be controlling in the instant case. To follow the suggestion of the Union would result in thereafter permitting West to bump other employees in the tier-two positions. The adoption of that approach would have nullified the two-tier concept adopted by the Company that was contractually permissive and was in compliance with the applicable language of the Collective Bargaining Agreement.

The Company was not contractually required to grant Paunovich's request. The Company considered the vacation requests of all employees within the two tiers and within each of the two tiers it did follow seniority principles in the allocation of vacations for the year 1981 in the No. 4 Slabbing Mill Department. The adoption of the two-tier method at the No. 4 Slabbing Mill Heating Sequence for allocation of vacations for 1981 was adopted by the Company a number of years ago. It was followed by the Company without objection until the filing of the grievance in this case. The division into the two tiers and the placement of the respective classifications within each of the two tiers was a reasonable exercise of judgment on the part of the Company. The number of persons permitted to be on vacation at any one time in each of the two cases was reasonable and consistent with the contract requirements. The action taken by the Company could not be considered to constitute an arbitrary or discriminatory exercise of judgment on the part of the Company. The fact that Paunovich had greater seniority than did West is not controlling in this case, since Paunovich is in a classification which is in tier one and his seniority rights for vacation selection would have to be based upon the need for the services of employees from among the three classifications in tier one. The fact that West had less seniority than did Paunovich and the fact that West could have replaced Paunovich in the pit craneman classification, are not controlling in this case.

The arbitrator must, therefore, find that the grievance would have to be denied since the procedures followed by the Company in this case did not constitute a violation of any of the applicable provisions of the Collective Bargaining Agreement. For the reasons hereinabove set forth, the award will be as follows:

AWARD No. 704

Grievance No. 14-P-21

The grievance is hereby denied.

/s/ Bert L. Luskin

ARBITRATOR

October 21, 1981