Arbitration Trends in Disputes Involving Production Standards, 1946 to 1959

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ARBITRATION TRENDS IN DISPUTES INVOLVING PRODUCTION STANDARDS

1946 TO 1959

by

Kenneth Clarence Heyer

A Thesis Submitted to the Faculty of the Graduate School of Loyola University in Partial Fulfillment of the Requirements for the Degree of Master of Social and Industrial Relations

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1960
Kenneth Clarence Heyer was born in Chicago, Illinois on January 21, 1932.

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A. **Statement of the Problem**

The purpose of this thesis is to study and evaluate arbitration decisions regarding production standards in industry covering grievances developed during the fourteen year period following the conclusion of World War II (1946-1959).

The development of American industry during this time has brought about a growing interest and necessity for a reasonably accurate evaluation of the quantity of work to be expected from industrial workers. The rights of management to establish "standards of performance", or production standards, together with their application, revision and change have resulted in many grievances and arbitration cases concerning their legality.

The broad field of production standards involves arbitration cases too numerous to study effectively and would be beyond the scope of this thesis. For example, the author will make no attempt to investigate and report on awards concerning production standards as related to Incentive Wage Plans and Piece Rates, which include wage differentials, adjustments and inequalities of pay rates, and retroactive pay. In order to investigate and evaluate arbitration decisions effectively in the field of production
standards, the author has limited his coverage to certain critical areas as outlined in the table of contents. The establishment of production standards, changes in operation and methods, speedup and workloads, and discharge and disciplinary action for failure to meet production standards were chosen as important areas to be studied.

It is the study of these cases involving rulings and policies set forth by the arbitrator, together with some of the factors which prompted these decisions that is the ultimate purpose of this thesis. In the pages and chapters to follow the writer will attempt to report various trends regarding decisions in production standard cases.

B. Definitions

A standard is any established or accepted rule, model or criterion against which comparisons are made. The term production standard as used in industry and by the author refers to an established performance level of production with which actual performance is compared.\(^1\) In order to set equitable production standards it is necessary to establish by definition a normal performance called "average", and the concept of a fair day's work. Average performance is the performance given by the operator who possesses average skill and effort.\(^2\)

There are two distinct procedures for deriving production standards, one called time study and one motion study. The terms are sometimes used interchangably, however, only time study will be of significance regarding


\(^2\)Ibid. p 1-77.
this thesis. By definition, time study is the procedure by which the elapsed times for performing an operation or subdivisions thereof is determined by the use of a suitable timing device, and recorded.\(^3\)

The author feels it is necessary to acquaint the reader with these basic definitions, and with the concept of time study because of their direct relationship in the establishment of production standards, and the nature of the grievances and arbitration cases which result. Chapter II contains a complete review of arbitration cases concerning time study, the use of standard data, time study adjustments and revisions and the concept of average performance as pertaining to production standards.

C. Methods and Procedures

In order to obtain information for this study, it was necessary to review all the Labor Arbitration Reports (Volumes 1 through 32), printed by the Bureau of National Affairs on production standards dating from 1946 to 1959.

The initial task before the writer was to familiarize himself with the type and nature of the grievance, and the arbitrators decisions. This was often difficult due to the rather inconsistent terminology used by the arbitrators in their analysis and interpretation of production standards. The terms work standard, time standard, incentive standard, piece rate, production quotas and production standard were used interchangably and necessitated additional probing by the author to distinguish the intended meaning. As previously stated, it was necessary to limit the

\(^3\)Maynard, p.1-92.
coverage of these cases, and to then categorize them into several basic areas. Pertinent cases were not readily found under the heading of production standards in the Subject Index, and production standards were seldom listed in the Classification of Rulings. It was necessary to study cases in related areas such as Incentive Plans and Piecework, Job Classifications and Rates, and Management Rights to uncover the subject cases.

The author reviewed the arbitrator's decisions and recommendations before distinguishing where the grievance case logically belonged, and then classified the case into one of the main categories listed in the table of contents. Some grievances were difficult to separate organically and topically since many of the cases had multiple rulings. While every attempt was made to separate a grievance into a specific area, it was sometimes necessary to refer to the problem in a related chapter for clarity and organizational purposes.

Approximately two hundred arbitration case decisions were reviewed by the author while in the process of acquiring data for this report. After organizing the subject matter and classifying the decisions, a total of 117 were presented as being pertinent to the areas under consideration. Of this total, thirty-seven were presented in Chapter II, seventeen in Chapter IV, twenty-five in Chapter III, and thirty-eight in Chapter V. It should be realized however, that only a small percentage of arbitration decisions are published. The above mentioned cases represent only the decisions reported in the Labor Arbitration Reports.

When all the cases were sorted according to type of grievance and placed in the proper grouping, the sole remaining task was the relating
of the specific types of grievances and decisions to the awards of the arbitrators to determine the trends which have resulted during the period of this report.
A. Introduction

Time Magazine in an article published in 1956 stated "In the past six years, more than twenty-five per cent of all man hours lost from work stoppages were directly caused by arguments about measuring a worker's performance." In 1954, time study and job evaluations were responsible for nineteen per cent of the cases handled by the American Arbitrators Association. By 1956, this figure had grown to twenty-three per cent. One local union reported 254 grievances were carried to the fourth step. Of these 254 grievances, 221 or eighty-seven per cent were time study cases involving production standards.

As may be expected, unions are distrustful of the time study method and take particular offense at the rating process, which in their experience involves the step where the most personal judgment or guesswork is involved; that it is used to enable the time study engineer to justify a standard predetermined before the study is taken. Labor cites a Society for the


Ibid.

Ibid.
Advancement of Management study which proves the results of time study are approximations that cannot be considered factual.

Of 599 time study men, the average error in estimating variations in work pace was almost eleven per cent, fifty-nine per cent of the men had average errors larger than ten per cent, forty-one per cent averaged less than ten per cent, and less than twelve per cent had errors averaging below five per cent. 7

It is the union's contention based on these studies that time study cannot be accepted without question, and that every aspect of time study procedure resulting in the setting of production standards must be subject to union review through collective bargaining and the grievance procedure. This trend of thought by unions has prevailed throughout industry and is the reason why there are frequent grievances on time study in general, and its use by management for establishing production standards.

Because management does not like to bargain on production standards and considers it a management prerogative to establish production standards, a large proportion of grievances are taken to arbitration. Although arbitrators are not biased in favor of company or union, time study is accepted as scientific and precise. In 1956 the AFL-CIO lost well over fifty per cent of the arbitration cases handled by the American Arbitration Association concerning time study and production standards. 8

7 "Time Study, p. 52”

8 Ibid.
The purpose of this introduction is to briefly acquaint the reader with the general attitude of unions and management regarding time study and its use in the establishing of production standards. The following pages outline in detail the arbitration cases and awards pertinent to this area.

B. Management Rights - Use of Time Study and Standard Data

Despite the numerous grievances concerning time study only a few arbitration cases directly involve grievances on management's rights to actually establish production standards and the inadequacy of time study methods. Of the cases reviewed between 1946 and 1959 that were directly concerned with this problem, the majority were decided in favor of management.

The following statement is presented by the author as a foundation for the decisions which follow: Management maintains the unilateral right to set production standards by use of time study or by tested formulas or other standards developed from production studies. "Further, where a company specifically prescribes a method of performing an operation, outlines that method, sets forth a specific pattern and established production standards in accordance with a prescribed method or pattern, then the production standard is based upon the operation as it has been studied, prescribed, and as the operators have been instructed to perform the operation." The latter statement will be elaborated upon in Chapter III.

In one 1946 case, management was granted the undoubted right to establish production standards as long as it was done fairly. The arbitrator ruled the production rate in question was proper and confirmed to past

9 National Lock Company, 18 LA 459.
10 Gordon Baking Company, 3 LA 87.
practice. This theme was repeated when another arbitrator ruled production standards would be set in a manner which would be fair and equitable to the workers and outlined the following provision to assure its conformance:

"Except as otherwise provided in the agreement, a production standard once established shall not be increased or decreased except where a substantial change is made by the company in material, tools, machinery, method or design of operation." A substantial change is one where a five per cent increase or decrease in time per piece results from the existing time study elemental times.

In another 1946 case an arbitrator recommended the following steps be taken in a dispute involving methods of setting production standards:

"The employer should (1) inform the workers involved of the time study results, (2) issue a statement of exactly what the production rate is, and (3) make such information available to the union so alleged injustices may be corrected through the grievance procedure."  

Two cases granted the employer unilateral right to establish production standards. In one of these cases, the agreement recognized the employer's right to adopt and enforce reasonable rules and regulations for efficient operations, and past practice at the plant had been for management to establish production quotas without previous complaints by the union.  

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11 International Harvester Company, 16 LA 331.
12 International Harvester Company, 1 LA 512.
13 National Lead Company of Ohio, 32 LA 865.
In the other case the agreement impliedly recognized this right in a clause stating that management of the plant and direction of the workforce is vested exclusively in the company and arbitrators "shall not have the power to pass upon the company's methods, practices or procedures." In each of these cases, the arbitrator maintained management had the unilateral right in the absence of language to the contrary.

An arbitrator made a similar ruling regarding the authority to pass judgment on a company's practices. "So long as new standards afford the opportunity to the average worker to earn twenty-five per cent above the base rate of the job, and so long as the company is not charged with acting arbitrarily or in bad faith, the Board cannot review merits of conclusions which the company has drawn from its time study." This statement holds true even if the union is correct in its claim that the company made errors in drawing its conclusions. The only requirements of the agreement were those stated above. The Board in essence ruled it had no power or jurisdiction to review actual results of time study conducted by the company honestly and in accordance with sound engineering practice.

The continuing trend of arbitration rulings upholding management's right to establish production standards was evident in another case recorded in 1951. The provisions of the agreement gave management the initiative and authority to establish production standards. It further allowed management the application in accordance with its own interpretation of

14Olin Matheson Chemical Corporation, 32 LA 317.
15National Cash Register Company, 25 LA 106.
the agreement. This was justified on the basis that authority to act carried with it the right to apply terms of the agreement initially in the course of taking such action. The agreement further provided that the arbitration clause "shall in no event apply to any grievance involving existing, new or revised production standards established by management, unless the parties agree in writing to arbitrate the case." \[16\]

A recent ruling on the question of "arbitrability" concerned an employer who violated the agreement by assigning a different time value to a standard than that previously established.\[17\] The issue was declared arbitrable under the agreement providing for disputes as to interpretation and application, even though the agreement excludes the arbitrator authority to establish or modify any time value. The arbitrator would and could not establish or modify the time value, but would merely determine if there had been a recorded time value in existence as originally intended by the parties.

A New York Supreme Court Ruling in 1955 resulted over a grievance which questioned whether or not the contract gave the employer the right to establish standards of production higher than the minimum standards agreed upon in the agreement.\[18\] The arbitrator ruled it to be an arbitrable issue under a clause in the agreement providing for arbitration of disputes as to meaning of contract. The cross motion to confirm the award was

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Management's rights to establish production standards for a new operation was upheld in another case involving the "inadequacy of time study." 19 The contract provided for a three month trial period which was not upheld by the union, and the arbitrator ruled the new operation was "clearly" different, and just reason to establish a new time standard.

When making changes in a standard based on improvements in machinery, tooling, materials and methods, management is sometimes granted a period of 120 days under terms of the agreement to incorporate the change in the standard. The period of time allowed for the establishment or setting of production standards however, varies in individual agreements, and usually contain general descriptive phrases such as "without undue delay", and "within a reasonable period of time". Granted these to be ambiguous terms, the arbitrator must still judge each grievance individually and submit a ruling on the basis of his interpretation of the agreement. Barring more explicit terminology, arbitration rulings will vary, and offer no definite guide to use for analyzing any possible trends. Although a definite trend exists concerning management's right to establish production standards, no indication of a definite time limit for their initial establishment is evident.

The decisions in two cases tend to substantiate this statement. In one case the arbitrator ruled the company was not in violation of the

19 Allegheny-Ludlam Steel Corporation, 29 LA 784.
agreement requiring production standards be established "without undue delay", when he waited for one year before doing so. The arbitrator ruled the operation to be "intermittent" since it was run only a few times within the elapsed period. He further ruled the company gave preference to the higher production operations during the one year period, giving the workers increased earnings opportunities. Yet in another case, the company was in violation of the agreement when it failed to establish production standards and were ordered to employ a time study man and set standards within forty-five days.

Investigation of arbitration awards which ruled against management's use of time study resulted in the following case decisions.

In one case the company was in violation of the agreement in its methods of time study and management was denied the right to change a standard which it contended was based on an "obvious mathematical or clerical error." The arbitrator ruled that (1) the error was not obvious in lieu of the fact the time study was accepted by experienced technical persons and relied on as a production standard basis for four years, and (2) the error was one of analysis or assumption rather than mathematical or clerical.

20 *International Harvester Company*, 17 LA 139.

21 *Simonds Worden White*, 14 LA 36t.

22 *Aetna Ball and Roller Bearing Company*, 32 LA 610.
The second case in this category found the company improperly fixing new time standards for a job because as the arbitrator ruled, the time study was made of supervisory personnel and the studies were made without ratings for speed, skill and effort. In setting production standards, the extent of an operator's skill and effort must be determined in order to fix standards that will permit the average operator to work in the allowed elemental time. The fact that the employer admittedly used a method which failed to include actual effort ratings constitutes a violation of the basic principles of time study and the fixing of proper standards.

**Standard Data**—Standards for elemental times as a basis for establishing production standards are determined in two ways; either by individual time study, as previously discussed, or by the use of standard data. Standard data by definition is a compilation of all the elements that are used for performing a given classification of work with normal elemental time values for each element. The data is used as a basis for determining time standards on work similar to that from which the data was determined without making an actual time study. Standard data is used by management to improve the consistency and accuracy of time standards, and management claims its use reduces the time required to set production standards from that of individual time study.

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23* Singer Manufacturing Company*, 32 LA 640.

Individual time study is the most common method and its use resulted in substantially more grievances and arbitration cases than that of standard data. In fact, the author uncovered only two cases from 1946 to 1959 that involved the use of standard data.

In one of these cases, the arbitrator found the terms of the agreement did permit use of formulae based on standard elemental times in setting production standards. The unions contention that the company was required to time study every operation was incorrect and the company was granted authority to use standard data taken from past standards or arranged from other studies. The Board further ruled that once an elemental time value had been mutually accepted as fair, its use in future standards is assured.

The second case stated that where an agreement is silent as to whether a company must use individual time study or accumulated standard data in introducing elemental changes, the employer had the right to use standard data, even though individual time study was originally used. The arbitrator ruled that the company originally took the time study because no standard data was available, but the company now has accumulated standard data, and it is their prorogative to use this information. The standard data procedure is essentially the application of a formula which includes the elemental observed times, the correction and translation of

25 *Neon Products*, 9 LA 659.

26 *Singer Manufacturing Company*, 29 LA 629.
these times into average times, and the adjustment of these average times by leveling.

C. Restudy and Revision

The pages to follow contain decisions rendered by arbitrators concerning management's rights to restudy established production standards, and its right to revise or adjust these standards based on the changes involved.

The author offers the following statement as factual, and one that is upheld by arbitrators in the decisions which follow: Management has the right to restudy a job on the basis of "measurable operating changes" and to revise or adjust production standards based on said changes in operation, method, material, equipment and quality. Measurable changes are those which would change the production standard by five per cent. The standard shall then be changed only to the extent warranted by the actual changes in specific job elements as indicated by the restudy. Regardless of whether the change is initiated by the employee or the employer, if there is a deviation from the prescribed method, the company is permitted to reset the job and revise the standard.27

One case allowed the employer to make day to day changes in production standards on the basis of daily restudies or checks of frequency of work elements on each job. It was ruled that management could make proportionate adjustments in the standard as soon as the frequency varied by five per cent or more.28

A similar case involving the restudy of an operation resulted in a six per cent difference between union and management production figures based on their individual time studies. The proper production standard was derived by fixing the rate at a compromise figure (185) with the following explanation rendered by the Board:

In any time study a reasonable margin of error alone can easily equal or exceed such a difference. An examination of the time study records of both parties reveals the difference to be attributable largely to the rating factor. Inasmuch as efficiency ratings of the operators involved is the result of subjective judgment it is difficult for the Board to judge the validity of the respective ratings. In view of the slight area of disagreement we believe it is reasonable to attribute a small margin of error to the studies of both union and management and are of the opinion the rate should be fixed at 185.29

Three more cases containing objections to management's right to restudy were ruled favorably for management. In each of these cases restiming was permitted due to "major operating changes,"30 or "measurable changes in tools and methods."31 The first case restudy eliminated a task which had taken fifty-six per cent of the workers time and the other allowed the company the right to rebalance an assembly line to determine the number of products. An employer's action in changing various production standards on the basis of a time study conducted after rates were bargained for was upheld in absence of a clause prohibiting changes

29 Gender, Paeschke and Frey Company, 10 LA 480
30 Neon Products, 9 LA 659; Huffman Manufacturing Company, 17 LA 293.
31 Jenkins Brothers, 11 LA 433.
or evidence supporting the union claim that the company guaranteed established rates as long as no substantial change resulted.\textsuperscript{32}

A similar case granted management the power to restudy a job without restriction by the agreement.\textsuperscript{33} Where a restudy or check study of a job is requested by the union questioning the adequacy of time study, it first must be determined if the standard had been given a fair trial. Under a grievance of this type, the arbitrator ruled for the company, and disallowed the union claim, based on (1) the grievance was filed within a few hours after the new standard was issued; (2) the employees engaged in a deliberate slowdown, and (3) full union participation was given when the new standard was discussed.\textsuperscript{34}

Two additional cases involving the adequacy of production standards questioned by the union were resolved on the basis of check studies conducted by the company. The Board disallowed the first grievance because an eight-hour check study proved the operator capable of earning twenty-five per cent in excess of standard,\textsuperscript{35} and ruled against the union in the other when the time allowances for the two specific tasks in disagreement were found to be adequate.\textsuperscript{36}

An isolated case involved a restudy by the company without union

\begin{itemize}
\item \textbf{Ohio Steel Foundry Company}, 14 LA 491.
\item \textbf{David Bradley Manufacturing Company}, 14 LA 762.
\item \textbf{Browne Sharpe Company}, 11 LA 228.
\item \textbf{American Steel and Wire}, 5 LA 177.
\item \textbf{American Steel and Wire}, 5 LA 741.
\end{itemize}
knowledge for the purpose of determining whether a new crew size reduction made unreasonable demands on endurance. The union claim that the company had no right to make the study was rejected since the time study was made for the purpose of making known all relevant facts.

Under an agreement requiring an employer to make a new study of an operation when a new or different design and type of work is installed, the arbitrator ruled a change in quality of material used clearly did not involve a new or different design of work and the production standard remained unchanged. In a similar case the union was entitled to a restudy of a disputed standard when the agreement required the company to produce existing records as proof that an employee had or could earn fifteen per cent above the standard rate on a similar job, and the company was unable to do so. The burden of proof was on management. A joint restudy was recommended by the arbitrator.

An employer's refusal to retime two jobs because the union refused to allow restiming of another job was judged to be improper under the maxim that two wrongs do not make a right. The company was ruled to be in violation of the agreement. An additional ruling in this case allowed management the right to retime jobs for the purpose of both down-

37 American Rolling Mill Company, 9 LA 411.
38 Princeton Hosiery Mills Inc., 26 LA 938.
39 John Deere Tractor Company, 10 LA 1.
40 Bastian Morely Inc., 3 LA 412.
When an employer attempts to restudy all elements of a job when only one element is changed, he is in violation of the agreement.\textsuperscript{41} This was held to be the case despite the company claim that the union had not objected to this practice in the past. The arbitrator ruled that past practice may not control over unambiguous contract language.

Whenever a reasonable doubt arises as to the propriety of a standard based on changes utilizing data gathered before the method change, a request for a check study is in order.\textsuperscript{42} Although the union's right to restudy is subject to abuse, its request for restudy in this instance was allowed. The arbitrator qualified his ruling by stating the award was not to be deemed unfavorable to the use of time study data from earlier time studies for computing production standards at a later date.

Despite its authority to restudy and change standards, management is limited in its time for incorporating time study changes.

In one case it was ruled that even though management was entitled to a reasonable period of time to restudy and correct errors in production standards, two years is far more than reasonable, and the award was made to the union despite the knowledge that the production rate was in error.\textsuperscript{43}

\textsuperscript{41} \textit{Singer Manufacturing Company}, 18 LA 110.

\textsuperscript{42} \textit{Carborundum Company}, 19 LA 856.

\textsuperscript{43} \textit{International Harvester Inc.}, 14 LA 1010.
An arbitration award limiting an employer to a period of one year
previous to a new time study of a job in considering changes which would
be utilized in establishing a new production standard was declared in-
valid by a New York Supreme Court ruling.\textsuperscript{44} A related Connecticut Supreme
Court case concerning a dispute over an employer's method of retiming a
job was declared arbitrable under a provision in the agreement for arbi-
tration of "difference as to application of terms of this agreement"
since retiming may result in changed production standards.\textsuperscript{45}

\textsuperscript{44}National Cash Register Company, 25 LA 312.

\textsuperscript{45}Colts Manufacturing Company, 14 LA 45.
A. Changes in Production Standards, Operation and Method

In addition to management's right to establish production standards and methods of production, management also has the authority to introduce new methods and operating techniques whenever and wherever a change is made in equipment, tools, machinery, design of operation, method of processing and material processed, and to revise production standards accordingly. This statement is substantiated in the following decisions upheld by arbitrators during the period from 1946 to 1959.

A typical case ruling stated that permanent standards as established by Industrial Engineering shall remain in effect for the duration of the agreement, unless they are inapplicable to the job because of changes in equipment, methods, material, product design, processes or machine speeds. In such case a new revised standard will be established.66 Another ruling requiring the employer to notify the union of new production standards clearly implied the employer had the unilateral right to change

production standards for a job which had been simplified. The union's contention that prior long-established work conditions could be changed only by collective bargaining was rejected.

In one isolated case regarding off-standard jobs, management was allowed to revise the present standard and establish a new standard. In a related case management was granted the right to make changes in production methods without limitation of the agreement and to decide when such changes would be made.

In absence of specific time limits for incorporating a change, an arbitrator ruled thirteen months was not unreasonable since evidence showed the change was a process entirely new to industry and of a major type revision. A case which did specify definite time limits for incorporating changes resulted in a favorable decision when it was ruled that the delay was not due to "callous disregard" by management and the company was allowed to establish a new production standard based on a forty per cent reduced cycle.

When new machinery is introduced by a company the object of such technological improvements is a bettering of the competitive position of

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47 Armour and Company, 8 LA 1.
48 Beunit Mills, 24 LA 659.
49 National Container Corporation, 29 LA 687.
50 Mosaic Tile Company, 16 LA 922.
51 Standard Thomson Corporation, 26 LA 635.
the company, with the fruits to be shared by the employer and the employees. If management is denied this right their competitive position is weakened with the prospect of lessening business and employment, this view was upheld in two decisions.

One case judged the new method to be "definitely technological changes," and the company was authorized to proceed with the introduction of new machinery and the revision in standard. In the other case the arbitrator awarded management the decision by stating both parties had agreed management was free to introduce new machinery and it was the intention they be operated in good faith up to the level of their capacity. The union grievance that workers be permitted to maintain the output of the old machines was rejected since this would negate the purpose of the clause permitting method changes.

Technological improvements and changes are essential to plant efficiency and full employment, pointed out one arbitrator, and when substantial changes do occur that measurably affect productivity, they must be reflected in the standard. This ruling further justifies management's right to revise production standards based on technological changes.

Three arbitration decisions awarded to management were based on

52 New Bedford Cordage Company, 20 LA 491.
53 Associated Shoe Industries Inc., 10 LA 535.
54 Veedler-Root Inc., 21 LA 387.
changes in material and equipment. In the first case the arbitrator ruled a change from hard steel to leaded machining steel constituted a change in material permitting a change in standard.\textsuperscript{55} The second case decision upheld management's right to change the auto-screw department from a single machine to a multiple machine department, based on the company acting within its legally established "managerial discretion."\textsuperscript{56}

The trend of arbitration rulings favorable to management continued in another case when an adjustment in a standard was allowed to compensate for method changes even though the changes in method on which the revision was based occurred prior to the effective date of the agreement.\textsuperscript{57} However, the arbitrator ruled the standard could only be changed to the extent warranted by the actual changes in specific job elements.

Three more cases in the category of method changes resulted in decisions favorable to management. The first ruling granted management the right to change production standards when a substantial change in tools, materials, machines, method or design of operation occurred.\textsuperscript{58} Another case granted management the authority to change a production standard on a job "after instituting a change in one or more of the job elements."\textsuperscript{59} In a related

\textsuperscript{55}Singer Manufacturing Company, 32 LA 640.
\textsuperscript{56}Blackhawk Manufacturing Company, 7 LA 943.
\textsuperscript{57}Haytag Company, 18 LA 164.
\textsuperscript{58}International Harvester Inc., 16 LA 331.
\textsuperscript{59}Hoover Company, 9 LA 65.
case a union request for a change in production or the grounds the standard was unreasonably "tight" due to a new type of material used in the operation was rejected. The arbitrator ruled management was within its right to introduce new or revised methods.

A change in coarseness of emery used in a job element constituted a change in method or quality, and the company was allowed to reinstate the "stringing element" based on a provision in the agreement granting changes due to revisions in methods, quality and operation.

Webster's New International Dictionary defines method as "An orderly procedure or process; regular way or manner of doing anything; mode of procedure; an arrangement which follows a plan or design." The American College Dictionary defines method as "A mode of procedure, especially an orderly or systematic mode; method refers to a settled kind of procedure usually according to a definite established logical plan."

The above definitions and the succeeding statement were rendered by an arbitrator in a case regarding method changes. Where a company specifically prescribes a method of performing an operation, outlines that method, sets forth a specific pattern and established production standards in accordance with a prescribed method and pattern, then the production standard is based upon the operation as it has been time studied, pre-

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60 Brickwede Brothers Company, 12 LA 273.
scribed, and as the operators have been instructed to perform the operation.

In this award, the arbitrator ruled an employees action, on his own initiative, in reducing the number of prescribed operations in his job without impairing quality constituted a change in methods within the meaning of the agreement, and permitted management to retime and revise the standard. If a deviation from a prescribed method occurs, regardless of whether employee or employer initiated the change, the company may revise the standard.

In a related case it was held that although management had the prerogative to change established work cycles and make corresponding changes in production standards, appropriate payment should be made to employees who develop shortcuts in an operation.63 Payment for improvements is subject to agreement, and may take the form of a lump sum, payment in kind, or payment equal to part of the annual savings realized by the improvement.

Although individual union-management agreements vary in scope and content, they do contain provisions authorizing changes in standards based on method changes. However, several cases reviewed by the writer indicate arbitrators grant these changes with certain restrictions, and under certain conditions according to their interpretation of the agreement.

One case of this type allowed management method determination, but only as long as there was "reasonable regard for justice and an employees

63 Monarch Machine Tool Company, 5 LA 231.
rights.64 A similar type decision granted management the right to make changes in a permanent standard, but ruled the change must be incorporated in the standard within thirty days following the change.65 A mechanical time saving device was introduced by an employer and accepted as a management right, but the arbitrator ruled the company was under obligation according to the agreement to negotiate with the union on any grievances involving work changes resulting from the change.

In absence of contrary provisions in the agreement, management is granted authority to change methods of production. However, management is in violation of the agreement when it attempts to adjust standards by removing allowances from established production standards without instituting a change in materials, tools, machines or methods.66 Further, management is under obligation to develop and establish revised production standards whenever changes are made in equipment, method of processing and material processed, despite its contention that the old standard must be "discontinued" before the union may request a new standard.67 The arbitrator in this case ruled such interpretation would be unfair since it would deny the union the right to protest the company's failure to carry out its obligation.

Although setting of standards that are too loose or too tight is inconsistent with the principle of equal pay for equal work, the arbitrator

64 _Gordon Baking Company_, 3 LA 27.
65 _Hoover Company_, 9 LA 66.
66 _Dominion Electric Company_, 20 LA 749.
67 _Lukens Steel Company_, 15 LA 409.
in a similar case ruled the agreement prohibited the company from correct-
ing long established errors when management attempted to revise a standard erroneously used for two years on the basis of a minor change in job content. 68

Although some agreements do not specify a time limit on management's rights to revise production standards, an arbitrator ruled in one specific case that the parties must be presumed to have intended that the standards would be revised within a "reasonable" time after a change, and under normal circumstances a revision made one year earlier cannot be permitted. 69

Another individual agreement granted management the right to change production standard with the expiration of the agreement, but specified the company was under obligation to notify the union of its intentions during the period of negotiation. When the company unilaterally established new standards during this period without union knowledge they were judged to be in violation of the agreement. 70

68 Hoover Company, 9 LA 66.
69 National Cash Register, 25 LA 106.
CHAPTER IV

ARBITRATION AWARDS PERTAINING TO WORKLOADS AND SPEEDUP

A. Workloads

In the setting of production standards by time study, consideration is given to the workload qualifications for the particular job. Management and unions have frequently established safeguards throughout their agreements so that the employee need not fear he will be required to work on a job which will be too heavy, or that the physical requirements would be such as to unduly hinder him in attaining normal production standards. The workman is compensated in the standard by being granted an allowance time for fatigue and personal and unavoidable delays.

However, in the course of applying the time study method resulting from modifications in machinery and equipment, or technological changes, disputes occasionally arise regarding the workload factor. Although the cases are few in number the author believes them to be significant in their relationship to production standards and indicate some definite conclusions.

Under an agreement which vested direction of the working force and scheduling of production quotas exclusively in management, the arbitrator ruled the company had the right to unilaterally increase the workload as
long as the increase was not unreasonable or unduly burdensome. This opinion was substantiated in a similar case when an employer was allowed to increase the number of operations assigned workers because of improved methods and equipment. The arbitrator ruled the company could make changes in the interest of efficient operations as long as the changes did not adversely affect workers' health and that the increase would not unduly burden workers and increase their workload.

A company's time study supported management's position on the workload in the above case, but an arbitrator ruled a time study was inconsistent in another case because it failed to allow time for delays and indicated undue consideration was given to the time of the most efficient of the workers studied in arriving at the production standard. The employer had the burden of showing the reasonableness of the workload factor and the production standard.

In another case concerning workload and fatigue, the arbitrator ruled the company employed the correct method of measuring work and upheld its time study providing for the fatigue allowance. However, he also ruled that the employees' inability to make the fatigue allowance

71Continental Baking Company, 20 LA 309.
72Fall River Textile Manufacturers Association, 16 LA 314.
73Pennsylvania Transformer Company, 14 LA 638.
74American Thread Company, 30 LA 757.
was attributable to the company's failure to train and supervise the workers in the proper method and in the scheduling of work assignments.

The acceptance of workloads as an arbitrable issue was justified in a 1949 case involving interpretation of the agreement. The arbitrator judged the company improperly changed the workload and denied its contention that the union could not seek arbitration because the agreement referred only to the grievance procedure and not arbitration.75

Based on the above rulings, the author has concluded that management has the right to schedule production and unilaterally increase the workloads based on improved method changes providing it can be substantiated by time study, and is not a burden on the workers.

B. Speedup

It is recognized that changes in operations resulting from technological improvements, competitive conditions and process modifications will from time to time require changes in the speed of operation. When management increases the speed of machines the result is increased productivity and this increase allows management the opportunity to change production standards. The following cases reflect the arbitrators decisions involving management's rights to determine and change machine speeds, and the legality of the revised production standards that result from the changes.

In one case the arbitrator ruled that an increase in machine speeds

75Bemis Brothers Bag Company, 13 LA 227.
involved engineering improvements which constituted a change in method according to the agreement, thereby authorizing a revision to the standard. 76

Another case held that machine speedups which result in greater production without increasing employee effort justified a revision in the standard; that unless a company is permitted to revise standards as machine speeds are increased, all savings from technological improvements would redound to the benefit of the employee and discourage management's efforts to improve methods and means of production. 77 The arbitrator in a similar case ruled that an increase in assignments per worker supported by time study was necessary if the company was to remain competitive and allowed the increase. 78

Under an agreement giving the company the exclusive right to manage the plant, the employer was granted the right to change the speed of the machines at his discretion if the changes did not negate the agreement. 79

Another case ruled that the determination of machine speed increase and the rate paid for the job was the sole prerogative of management. 80

Management was justified in changing production standards following an increase in machine speeds which increased the standard based on the

76 *Libby-Owens-Ford Glass Fibres Company*, 31 LA 662.
77 *Allegheny-Ludlam Steel Corporation*, 28 LA 129.
78 *Naumkeag Steam Cotton Company*, 19 LA 431.
79 *Champion Lamp Works*, 11 LA 703.
80 *Thor Corporation*, 16 LA 770.
arbitrators ruling that (1) increased machine speeds involve engineering changes which justified the change, (2) the revised standard permits an incentive of twenty-five per cent of production of an average qualified worker working at a normal pace, and (3) the increase in output was achieved without a change in effort. 81

Although a company is granted the right to operate production lines at a speed in excess of standard, management must seek to make each employee's work assignment equal to or within the cycle time available. The arbitrator judged that in cases where speed of production results in requiring workers to regularly work above standard, the parties should work out the solution to fit the situation. 82

When an employer does introduce changes in machines which increases the speed, he is under obligation to furnish additional help where the workload is materially increased. A case of this type was ruled on favorably for management when the arbitrator judged there had not been a material increase in labor as a result of the machine speedup and disallowed an adjustment. 83

As in the case of many previous arbitration rulings, interpretation of the agreement plays an important part in the final decision of the arbitrator. Three cases concerned with this phase of production standards

82_**Ford Motor Company**, 12 LA 949.
83_**Central Screw Company**, 11 LA 108.
regarding speedup were decided on the basis of contract interpretation.

The first case questioned management's right to increase machine speeds without union negotiation. The arbitrator stated that although there was no provision in the agreement expressly requiring negotiation on operating speeds, the employer did negotiate under prior agreements when he attempted to increase machine speeds, and nothing in the present agreement indicated an intent to change that practice.84

In the second case the arbitrator ruled that the agreement providing for elimination of speedup systems must be interpreted to refer only to incentive plans and piecework systems, not production standards, and the company was in violation of the agreement when it ordered a speedup of production.85 The final case in this category found the arbitrator disallowing the company's interpretation of a provision providing for a change in standards based on improved changes in the feeds and speeds of existing machinery.86

In a recent case the arbitrator formulated a new agreement including provisions relating to speeds of operation and production restrictions.87 The arbitrator ruled that (1) the company had the right to make initial determination of speeds subject to a seven day notice period; (2) the

84 Colonial Bakery Company, 22 LA 163.
85 Corn Products Refining Company, 3 LA 242.
86 American Filter Company, 27 LA 389.
87 Pittsburgh Plate Glass Company, 32 LA 978.
company may install increased speeds for a three week trial period if no agreement is reached in the seven day period; (3) the dispute will go to arbitration with priority if no agreement is reached; (4) mutual agreement relating to restrictions on speeds may be modified under certain conditions. The objective of the arbitrator in the above decision was to limit both the unilateral right of the workers to veto the increase by restricting production quotas, and the unilateral right of the company to increase speeds.
CHAPTER V

ARBITRATION AWARDS PERTAINING TO DISCHARGE
AND DISCIPLINARY ACTION

A. Introduction

In the preceding chapters the author has cited cases which established management's rights to introduce production standards for the purpose of determining a proper and reasonable quantity of work to be expected from its employees and its right to utilize the standards as a means of obtaining the required production, and as a measure for evaluating an employees performance.

Once a production standard is established and becomes effective, it is either accepted by the employees and production quotas are met, or the standard becomes unacceptable from an employee standpoint. There is a tendency in the latter instance for workers to "fight" the standard by restricting production or reducing the work pace. This action results in grievances by both management and the union which may go to arbitration. The arbitrator must then decide what constitutes a slowdown, withholding of production, and a "fair day's work," and rule on the justice of the penalties involved.
An employee is expected to work at a normal and consistent pace that will neither undermine his health nor deprive management of the benefit of his capabilities. It would not be in keeping with the principle of the union, "a fair day's pay for a fair day's work," if employees limit or withhold production, or do only a part of a day's work to draw a day's pay. This basic principle has enabled management to improve production methods, facilities and equipment, and remain competitive, and has allowed union progress in the improvement of wages and working conditions.

All the cases presented in this chapter concern the subject of disciplinary action based on an employee's apparent inability to meet production standards. The nature of the cases and the trend of the arbitrators' decisions have enabled the author to logically separate the cases into the subheadings that follow. The succeeding pages contain decisions concerning production standards as related to slowdown and withholding of production, and discharge for failure to meet production standards.

B. **Slowdown and Withholding of Production**

The principle of a fair day's work is a significant factor in the arbitrators' final decision on production standard grievances involving slowdown and withholding of production.

In one case the arbitrator ruled that in the absence of production standards, an indicator of a fair day's work is the average output over a reasonable period in the past of employees working at a similar type job performing a similar type operation. The failure of an employee to
meet this standard over a period of time raises a presumption that there is a refusal to do a fair day's work.\(^88\) While such evidence raises a presumption, it must be accompanied by credible evidence that failure to meet production was due to willful acts by the worker calculated to limit output.\(^89\)

This reference to credible evidence is indicative of the trend of arbitrators decisions that proof be presented by management of willful limitation of production by employees.

Although in one case the workers attitude was improper and his performance did not amount to a fair day's work, suspension of the worker for anticipated failure to perform a fair day's work was ruled by the arbitrator as lacking an objective basis.\(^90\) A similar case ruling judged that the proof presented to the arbitrator of an intentional slowdown must be "clear and convincing."\(^91\) In two other related cases, the arbitrators ruled insufficient evidence was presented by the employer in support of a slowdown,\(^92\) and management did not make clear the reason for a drop in production.\(^93\)

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\(^88\) *Fabei Corporation*, 12 LA 1126.

\(^89\) *Fabei Corporation*, 12 LA 1127.

\(^90\) *St Joseph Lead Company*, 32 LA 701.

\(^91\) *Reed Roller Bit Company*, 29 LA 604.

\(^92\) *Wheeling Steel Corporation*, 29 LA 769.

\(^93\) *Bethlehem Steel Company*, 27 LA 421.
Although the employer is entitled to impose some discipline, the discharge of an employee in one case was ruled to be too severe in the absence of any evidence of a deliberate slowdown.\textsuperscript{94} Another arbitrator ruled a supervisor's judgment to be wholly subjective and vague and an improper basis for determining the existence of a deliberate slowdown.\textsuperscript{95}

Several other cases tend to substantiate this trend requiring "burden of proof" by management. In one the arbitrator ruled a worker to be innocent of a claim of wilfully withholding production because he maintained production at a constant rate and took conscious note of his pace.\textsuperscript{96} In a related case the arbitrator stated "in absence of proof of deliberate slowdown, the employee must be exonerated."\textsuperscript{97} An employee was reinstated following a charge of withholding production when the arbitrator ruled the company did not give adequate consideration to all the facts.\textsuperscript{98}

In one case concerning slowdown, two employees who were discharged had the penalty committed to layoff based on an arbitrator's ruling that the production lost due to the slowdown was minor, and the slowdown was a protest against a new production standard.\textsuperscript{99}

\textsuperscript{94}\textit{Fabel Corporation}, 12 LA 1127.
\textsuperscript{95}\textit{Aluminum Company of America}, 8 LA 234.
\textsuperscript{96}\textit{Ibid}.
\textsuperscript{97}\textit{Harvill New England Company}, 11 LA 785.
\textsuperscript{98}\textit{International Shoe Company}, 20 LA 618.
\textsuperscript{99}\textit{Franklin Tanning Company}, 9 LA 167.
When management is able to prove the existence of willful withholding of production or deliberate slowdown, disciplinary action imposed by the company is upheld by the arbitrator.

In one case, layoff of an employee for deliberate restriction of production after a warning was upheld when the employee was proven to be one who, when inclined to question the incentive rate, would deliberately fail to produce.100 Another ruling upheld a five day suspension for an employee who was warned repeatedly of low production and given a total of five opportunities to do better.101 A three day suspension for deliberately restricting production during a time study in another case was justified when management records showed that the workers never produced at a rate equal to standard, and were warned of their low production by the foreman.102 In a similar case an arbitrator ruled that the evidence indicated an employee was engaging in a slowdown since he was experienced and qualified, and other less capable workers had met the standard.103

In two additional cases the arbitrator upheld management's suspension. One was due to a group of employees' failure to put forth reasonable effort by deliberately slowing down their production to a rate below a fair

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100 Borg Warner, 13 LA 716.
101 International Harvester Inc., 22 LA 77.
102 John Deere Harvester Works, 27 LA 744.
103 Reed Roller Bit Company, 29 LA 604.
standard set by the employer, and the second concerned an employee who deliberately limited production to an average rate of production. In the latter case however, the worker was reinstated after the arbitrator interpreted a "fair day's work" to be that rate at which the individual was capable of producing by putting forth his best effort, and not an "average" rate.

The fact that an employee's work is above the production standard does not preclude the possibility of a worker being engaged in a slowdown. In this case the arbitrator ruled that the question is not whether the employees rendered a fair day's work, but whether they engaged in concerted and premeditated restriction of production.

C. Discharge for Failure to Meet Production Standards

Arbitrators uphold management's rights to discipline workers for failure to meet reasonable production standards so long as there is just cause and sufficient warning. Five case decisions tend to substantiate this statement.

The first case granted management the unilateral right to establish disciplinary penalties for workers who fail to meet or refuse to meet production standards. Another case upheld an employer's right as long

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104 Goodyear Tire and Rubber Company, 18 LA 557.
105 Dirilyte Company of America Inc., 18 LA 882.
106 Wheeling Steel Corporation, 29 LA 768.
107 National Lead Company of Ohio, 32 LA 865.
as the discipline was imposed in good faith, without discrimination, and
with a full appraisal of facts.\textsuperscript{108} "Just cause" for discipline was ruled
to be any employee conduct detrimental to the efficient and profitable
operation of the plant,\textsuperscript{109} and in a related case the arbitrator ruled
the right of a company to discharge employees who constantly fail to come
up to standard in their work cannot be contested, since no company can
operate without efficient work.\textsuperscript{110} The final case granted management the
authority to establish systems of production standards and to discipline
employees by reason that (1) plan was flexibly administered so that it
did not require discharge; (2) the union had not challenged the system;
(3) the employer has always retained the right to discharge for poor pro-
duction both before and after the establishment of standards.\textsuperscript{111}

In another case the arbitrator ruled an employee who consistently
failed to produce above an agreed base amount was subject to discharge,\textsuperscript{112}
and another discharge was judged to be proper after management called an
employees attention to his unsatisfactory performance.\textsuperscript{113} Repeated failures

\textsuperscript{108}Dayton Malleable Iron Company, 27 LA 242.

\textsuperscript{109}Harbison-Walker Refractories Company, 32 LA 122.

\textsuperscript{110}Dwight Manufacturing Company, 10 LA 786.

\textsuperscript{111}Johnson Service Company, 30 LA 1048.

\textsuperscript{112}Standard-Cross-Thatcher, 10 LA 217.

\textsuperscript{113}Fruehauf Trailer Company, 20 LA 854.
to meet standard performance constitutes adequate grounds for discharge providing an employee has had every opportunity to be appraised of what is expected of him and sufficient notice had been given of management's dissatisfaction. \footnote{RPM Manufacturing Company, 19 LA 151.}

In several cases, discharge was based on a trial period during which time an employee could redeem himself by making the production standard. In one such case an employee was discharged after failing to meet a production standard following an eight week trial period, and the action was upheld by the arbitrator. \footnote{Weber Aircraft, 26 LA 593.} Another ruling reinstated an employee by granting a trial period because the arbitrator ruled failure to produce was caused by a lack of understanding what the duties were. \footnote{Texas Electric Steel Casting Company, 27 LA 55.}

In other cases upholding management, the arbitrator ruled discharge was proper when: an employee continued to maintain low production despite several warnings; \footnote{Cannon Electric Company, 18 LA 363.} a union president changed the speed of a machine to obtain a faster cycle; \footnote{Detroit Harvester Company, 30 LA 820.} an employee was judged technically incompetent to maintain standard production; \footnote{Bell Aircraft Company, 20 LA 551.} an employee left his job in protest \footnote{Detroit Harvester Company, 30 LA 820.}.
of an increased production rate;\textsuperscript{120} an employee consistently produced at eighty-six per cent of standard despite numerous prior warnings;\textsuperscript{121} and when an employee's failure to meet standard is shown and his sole defense is that the increase in rate was unreasonable.\textsuperscript{122}

As indicated in previous chapters, interpretation of the agreement is an important factor in an arbitrators decisions. In one such instance concerning interpretation, an arbitrator ruled that a clause providing that workers must operate at "average efficiency" or at a standard sufficient to earn fifteen per cent above standard may not be construed as authority for discharge of workers whose production falls below such average efficiency.\textsuperscript{123}

Despite what seems to be a trend from the aforementioned rulings, the writer reviewed two cases where management was judged to be in violation of the agreement. In one ruling the arbitrator stated that no specific quantitative standards had been established, and the company was obliged to retain the discharged workers unless their work fell below a reasonable and definite standard of quality and quantity.\textsuperscript{124} Another arbitrator ruled that discharge was inappropriate due to the particular conditions

\textsuperscript{120} \textit{Walker Manufacturing Company}, 28 LA 288.
\textsuperscript{121} \textit{Bethlehem Steel Company}, 26 LA 379.
\textsuperscript{122} \textit{Chrysler Corporation}, 28 LA 162.
\textsuperscript{123} \textit{Bassick Company}, 21 LA 637.
\textsuperscript{124} \textit{Western Stove Company}, 12 LA 527.
prevailing at the time, and discharge of workers charged with failure to meet production standards was reduced to disciplinary layoff.125

125Ford Motor Company, 14 LA 785.
CHAPTER VI

SUMMARY AND CONCLUSIONS

It has been the purpose of the writer in the preparation and presentation of this thesis to attempt to discern the trends of arbitration rulings in disputes involving production standards. Pertinent cases in selected areas of production standards have been studied and presented in the preceding chapters. These cases are used as the basis for the conclusions which follow.

In the cases presented in Chapter II concerning time study and the establishment of production standards, the arbitrators consistently upheld management's rights to establish production standards by time study or related means. The only provisions were that the standards be fair and equitable and based on sound engineering principles. When employer's failed to provide for rating or otherwise improperly used the time study method, rulings were made against them.

Throughout the cases studied, arbitrators granted management the authority to introduce technological improvements for efficient plant operation to insure full employment, increased productivity and to enhance the companies competitive positions. This trend was unmistakable.

Arbitrators have also continually upheld management's rights to restudy
and change production standards based on technological improvements or measurable changes in material, equipment, quality and operation, or any deviation from the prescribed method. The main provision is that management incorporate these changes into the standard within a prescribed period of time, usually about 120 days following the change.

In cases involving workloads the trend of arbitration rulings perhaps is not as outwardly favorable to management as in the establishment of production standards and subsequent changes. However, there is an indication that management is given the same unilateral power. Arbitrator rulings allow companies to increase workloads in the interest of efficient operation and in order to take advantage of improved methods and equipment. The main inclusion is that the increase does not adversely affect the health of the workers, is not unduly burdensome, and that the increase can be substantiated by time study.

With regard to rulings on speedup, the cases studied by the author reveal a similar trend to that expressed concerning workloads. The arbitrators granted management the authority to increase machine speeds for greater production based on engineering improvements and allowed revisions in production standards providing the increased output can be achieved without a change in effort.

The arbitrators exhibited two very distinct and different and opposite sets of rulings on cases involving slowdowns, and for discharge for failure to meet production standards.
In the first category there is a definite trend calling for convincing testimony or credible evidence presented on the part of management to uphold its claim of deliberate slowdown. The failure of an employee to meet a production standard in absence of a valid reason indicates a refusal to give a fair day's work, but this must be accompanied by proof that failure to produce was due to wilful acts of the worker calculated to limit production. In the vast majority of cases, arbitrators ruled the burden of proof to be on management to prove its case by a fair weight of evidence or by clear and convincing proof.

In the second category, the trend is just as obvious in favor of management. Almost every case presented by the author was judged by the arbitrator to be just cause for discharge. The cases upheld management's rights to discharge employees who failed to meet production standards after a fair trial, proper warnings, and frequent appraisals of their positions. The main inclusion was that the discipline be imposed in good faith and with a full knowledge of facts following proper notification.

Significant factors in the decision of cases pertinent to all areas of production standards were the arbitrators strict adherence to the agreement, his rulings on the intended meanings of the parties regarding terms of the agreement, and his individual interpretation of the language used.

In the absence of provisions to the contrary, management was granted authority to establish production standards, change methods, increase workloads, introduce speedups, and discipline or discharge employees for failure to meet production standards. This series of decisions based on lack of
more explicit contract provisions leads the writer to conclude that there is a need for improved negotiation on the part of unions and management to alleviate the necessity of "interpretation" of agreements by the arbitrator. A substantial amount of arbitration cases might be avoided and union-management relations enhanced if less ambiguous language and more clear, concise terminology were used, particularly in regard to technical definitions, exclusions of contract, intended meanings of parties, and specific time limits.

The agreement should define standards of production and methods. It should specify definite time limits for the establishment of production standards and for any subsequent changes, and specific procedures for termination. It should conform to past practice as an additional means of obtaining clear interpretation, and as a basis for precedent as to intended meanings of parties.

A section should be inserted in each agreement allowing the company the right to revise incentive standards on particular jobs if a gross inequity exists. Because loose standards result in restricted production and unnecessarily high production costs, the company must follow up its "changes" by a standards analysis, or a reorganization in its standards-making structure to clean up "loose" ends. Both parties would benefit by an equalization of standards which must be supported by the terms of the agreement.

Incentive standards must be guaranteed by the company, for no one will know where he or she stands and, as a result, will be forced to
withhold production on jobs carrying loose standards lest the job be re-studied. This sort of restricted production leads to lower incomes and internal strife. The task is to adopt a general plan and practice based upon accepted principles, and to practice these principles in strict accordance with the terms of the agreement.

Perhaps this could be achieved, in part, by use of a Contract Interpretation Manual, containing the company's interpretation of the provisions in the union-management agreement. This would be a valuable source of information to management. A manual of this type would contain information on specific provisions and clarify management's position and intended meaning on basic issues.

Grievances are an important and necessary part of a smooth functioning collective bargaining agreement, but the more would-be grievances that are settled before arbitration, the better will be the union-management relations in that area.

The author found the study of production standards to be engaging, interesting and vital. It is hoped that this study may advance the field of knowledge involving production standards and grievances, and encourage further efforts in a field of importance to labor relations and to industry as a whole.
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Central Screw Co. (Chicago, Ill.), and United Steelworkers of America, Local 2226 (CIO), July 9, 1948, (Samuel Edes), 11 LA 106.


Chrysler Corporation, and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 3, January 28, 1957, (David A. Wolff), 28 LA 162.

Colonial Bakery Co. (Oklahoma City, Okla.), and Bakery and Confectionery Workers International Union of America, Local 173 (AFL), December 15, 1953, (Russell S. Bauder), 22 LA 163.

Colts Manufacturing Co. (Connecticut), and Colts Industrial Union, January 5, 1950, 14 LA 45.

Continental Baking Co. (Sioux City, Iowa), and Bakery and Confectionery Workers International Union of America, Local 433 (AFL), April 8, 1953, (Clarence M. Updegraff), 20 LA 309.

Dayton Malleable Iron Company, (Dayton, Ohio), and United Electrical, Radio and Machine Workers of America, Local 768, September 13, 1956, (Carl A. Wams, Jr.), 27 LA 242.


Deere Tractor Co. (Waterloo, Iowa), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 838 (CIO), March 31, 1946, (Clarence M. Updagraff), 10 LA 1.

Detroit Harvester Company and United Steelworkers of America, Local 3766, April 29, 1953, (Joseph G. Stashower), 30 LA 820.


Dominion Electric Co. (Mansfield, Ohio), and Metal Polishers, Buffers, Platers and Platers Helpers International Union, Local 39 (AFL), June 25, 1953, (Jerome Gross), 20 LA 749.

Dwight Manufacturing Co. (Alabama City, Ala.), and Textile Workers Union of America, Local 575 (CIO), June 10, 1948, (Whitley F. McCoy), 10 LA 796.

Erwin Cotton Mills Co. (Durham, N.C.), and Textile Workers of America, Local 251 (CIO), December 9, 1947, (Jesse Lane), 9 LA 350.

Fablet Corporation, (Gloucester, Mass.), and International Longshoremen's Association, Gloucester Sea Food Workers Union, (AFL), June 23, 1949, (Saul Wallen), 12 LA 1126.

Fall River Textile Manufacturers Association and Textile Workers Union of America (CIO), December 22, 1950, (A. Howard Myers), 16 LA 314.

Ford Motor Co. (Lincoln and Dearborn Assembly Plants), and United Automobile, Aircraft and Agricultural Workers of America, (CIO), December 22, 1950, (Harry Schulman), 12 LA 949.
Franklin Tanning Co. (Curwensville, PA.), and International Fur and Leather Workers Union, Local 31 (CIO), August 26, 1947, (Jacob J. Blair), 9 LA 167.

Fruehauf Trailer Co. (Atlanta, Ga.), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 472 (CIO), June 23, 1953, (Harold T. Dworet), 20 LA 854.

Gender, Paeschke, and Frey Co. (Milwaukee, Wis.), and Fabricated Metal Workers Union, Local 19340 (AFL), April 26, 1948, (Leonard Lindquist), 10 LA 480.


Harvill New England Corp. (Fall River, Mass.), and International Association of Machinists, Lodge 759 (Ind.), August 9, 1948, (James J. Healy), 11 LA 785.

The Hoover Co. (North Canton, Ohio), and United Electrical, Radio and Machine Workers of America, Local 709 (CIO), November 1947, (Paul N. Lehoczy), 17 LA 293.

International Harvester Co. (Springfield Works, Springfield, Ohio), and United Automobile, Aircraft and Agricultural Workers of America, Local 402, (CIO), August 27, 1951, (Whitley P. McCoy), 17 LA 139.

International Harvester Company, (Malrose Park Works), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 6 (CIO), March 21, 1951, (Whitley P. McCoy), 16 LA 331.

International Harvester Co. (McCormick Works), and United Farm Equipment and Metal Workers, Local 108 (UE-Ind.), June 5, 1950, (Ralph T. Seward), 14 LA 1010.
International Harvester Co. (Memphis Works), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 988, (CIO), February 2, 1954, (David L. Cole), 22 LA 77.

International Harvester Co. and United Farm Equipment and Metal Workers (CIO), February 18, 1946, (Philip G. Marshall), 1 LA 512.

International Shoe Company, (Bolivar, Tenn.), and Amalgamated Meat Cutters and Butcher Workmen of America, Local 515 (AFL), June 11, 1953, (Peter M. Kelliher), 20 LA 618.

Jenkins Brothers (Bridgeport, Conn.), and International Union of Mine, Mill and Smelter Workers, Local 623 (CIO), October 20, 1948, (Joseph P. Donnelly), 11 LA 432.


Libbey-Owens-Ford Glass Fibres Co. (Parkersburg, W. Va), and United Glass and Ceramic Workers of North America, Local 22, October 17, 1958, (Donald A. Crawford), 31 LA 662.

Maytag Co. (Newton, Iowa), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 997 (CIO), January 25, 1952, (Peter M. Kelliher), 18 LA 164.

Modine Manufacturing Co. (LaPorte, Ind.), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 530 (CIO), November 26, 1954, (Bert L. Luskin), 23 LA 522.


The Mosaic Tile Co. (Zanesville, Ohio), and Federation of Glass, Ceramic and Silica Sand Workers of America, Local 79, (CIO), July 6, 1951, (Joseph G. Stashower), 16 LA 922.

National Cash Register Co. New York Supreme Court, and International Association of Machinists, (AFL), September 28, 1955, 25 LA 312.
National Cash Register Co. (Ithaca, N.Y.), and International Association of Machinists, Lodge 1607 (AFL), June 4, 1955, (Bertram F. Willcox), 25 LA 106.


National Lead Co. of Ohio, (Cincinnati, Ohio), and Pernald Atomic Trades and Labor Council, July 10, 1959, (Carl R. Schedler), 32 LA 865.

National Lock Company (Rockford, Ill.), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 449 (CIO), March 3, 1952, (Bert L. Luskin), 18 LA 459.

Naumkeag Steam Cotton Co. (Salem, Mass.), and Textile Workers Union of America, Local 74 (CIO), November 11, 1952, (Sidney A. Wolfin), 19 LA 430.


Ohio Steel Foundry Co. (Springfield, Ohio), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 926 (CIO), April 17, 1950, (Paul N. Lehoczky), 14 LA 490.

Olin Matheson Chemical Corp. (Peru, Ind.), and United Steelworkers of America, Local 3963 (CIO), May 16, 1950 (George S. Bradley), 32 LA 317.

Pennsylvania Transformer Co. (Cannonsburg, PA.), and United Steelworkers of America, Local 3968 (CIO), May 16, 1950 (Jacob J Blair), 14 LA 638.


Reed Roller Bit Co. (Houston, Texas), and United Steelworkers of America, Local 2063, November 1, 1957, (Paul M. Hebert), 29 LA 604.

M.H. Rhodes Inc. (Hartford, Conn.), and International Association of Machinists, Local 354 (AFL), August 19, 1955, (John A. Hogan), 25 LA 243.

RPM Manufacturing Co. (Lamar, Mo.), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 710, (CIO), September 2, 1952, (Joseph M. Klamon), 19 LA 151.

Simonds Worden White Co. (Dayton, Ohio), and International Union of Electrical, Radio and Machinery Workers of America, Local 768 (CIO), April 1, 1950, (Harry H. Platt), 14 LA 365.

Singer Manufacturing Co. (Bridgeport, Conn.), and International Union of Electrical, Radio and Machinery Workers of America, Local 237, March 5, 1959, (Sidney L. Cahn), 29 LA 828.

St. Joseph Lead Co. (Baltimore, N.Y.), and United Steelworkers of America, Local 3701, March 23, 1959, (Vernon H. Jensen), 32 LA 701.


Standard-Thomson Corp. (Vandals, Ohio), and International Union of Electrical, Radio and Machinery Workers, Local 762 (AFL-CIO), March 13, 1956, (Paul N. Lehoczky), 26 LA 633.

Texas Electric Steel Casting Co. (Houston, Texas), and United Steel workers of America, Local 2228, August 28, 1956, (Paul N. Lehoczky), 27 LA 55.

Thor Corp. (Chicago, Ill.), and United Automobile, Aircraft and Agricultural Implement Workers of America, Local 554 (CIO), May 23, 1951, (Otto J. Baab), 16 LA 770.

Veeder-Root Inc. (Hartford, Conn.), and International Association of Machinists, District 26, Lodge 354 (AFL), July 16, 1953, (Mitchell M. Shipman), 21 LA 367.

Weber Aircraft Corp. (Burbank, Calif.), and International Association of Machinists, District Lodge 727, May 17, 1956, (Edgar A. Jones, Jr.) 26 LA 598.

Western Stove Co. (Culver City, Calif.), and Stove Mounters International Union of North America, Local 68 (AFL), March 25, 1949, (Benjamin Aaron), December. 12 LA 527.


Wheeling Steel Corp, and United Steelworkers of America, August 6, 1957, (Mitchell M. Shipman), 29 LA 769.
The thesis submitted by Kenneth Clarence Heyer has been read and approved by three members of the faculty of the Institute of Social and Industrial Relations.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Social and Industrial Relations.

June 1, 1960

[Signature of Advisor]