THE ACADEMY OF ELECTRICAL CONTRACTING

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Labor Relations in the Electrical Contracting Industry
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The year-to-year increase in the nation's population, kilowatt consumption, gross national product and construction volume as indicated by Dodge and other reports as compared with the volume of construction work being performed by electrical contractors employing IBEW members as indicated by the Employees Benefit Fund contributions and other sources immediately reveal that Brotherhood employers are failing to expand their sales in proportion to the possible potential. Electrical contractors employing IBEW members are even losing work which they formerly performed.

There is no mystery as to who is taking over the electrical construction field to an alarming degree insofar as the future of both the IBEW employer and his employees are concerned. The main loss is to contractors whose employees are non-union. Then too, a vast amount of both electrical construction and maintenance is increasingly going to electrical contractors who hire employees who are members of unions other than the IBEW. District #50, the American Labor Movement, the Christian Labor Movement, to mention only a few, are making vast inroads into the once dominant position of the IBEW in representing electrical workers throughout the nation. While these facts have been apparent for years, neither the IBEW nor NECA have ever been willing to face up to the remedies necessary to reverse this trend.

Historically, wage increases have had a relationship with cost of living increases and productivity increases. There is no evidence to support a contention that productivity among electrical workers has

increased annually. The productivity of an electrician is not primarily related to technological improvements such as is obtainable by manufacturing companies or utility companies, but is essentially dependent on their physical labor. Thus it could not be expected that the electrical construction industry could be assured of productivity increases each year. However, a survey of most contractors indicates that there is a decline in the productivity of electricians for which there is no excuse and which further results in unjustified cost increases to our customers. Therefore, denying one of the two reasons historically used to justify wage increases the electrical construction industry is hard pressed to justify to its customers the industry's increases averaging far in excess of those granted in other industries.

The fact is that former customers and prospective customers are of the opinion that their interests have not been protected by the employers of Brotherhood members, particularly insofar as the employers negotiations with local unions are concerned. Customers in this instance are not intended to refer to prime contractors, home building contractors, etc., who are in no position to criticize electrical contractors because they themselves are in the same position as the NECA employers through failure to represent the interests of their customers. Our potential customers such as utilities, manufacturing companies and commercial enterprises who have annually negotiated wage increases with union representatives of their employees in the three to six percent bracket, have watched increases being granted by construction contractors from two to four times greater than those which customers of the electrical

contractors have been required to grant to their own employees even though in some instances these same customers were negotiating with the IBEW.

In the past several years, while the average increases being granted by customers of electrical contractors were in the 20¢ to 35¢ range, the building construction industry, including electrical contractors, were granting increases in excess of $1.00 per hour. Not only were their customers required to assume these increased costs, but the effect on negotiations with their employees was having a serious and detrimental effect on these customers in relationship with their unions. These customers then in effect said "a curse on both your houses" and began to find ways of having electrical work done by other than the employers of IBEW members.

In addition to excessive and unwarranted wage increases, the construction employer has in all too many instances turned over to the local union many of the prerogatives of management and have permitted featherbedding clauses to be included in their labor agreements. All have increased construction costs excessively. Primarily, the reason IBEW employers have negotiated featherbedding clauses and given up some management prerogatives is because the IBEW employer, either individually or through his Chapter, negotiates from a position of weakness by virtue of the complete and absolute control by the union referral system of our industry's manpower. This weakness in negotiations can even be at least partially responsible for the very low net profit of the electrical contractor when compared with the net profit

on sales of other segments of American industry. The original purpose which the unions had in mind by these referral systems of absolute control of manpower, namely, the protection of job rights for qualified electricians, has become a system which not only enslaved the contractor but many of their members as well. Thus, the national congress, after long weeks of testimony, deemed that the continuation of the control over contractors by the union referral system was not only detrimental to the contractors, but was equally detrimental to the buying public, and federal law declared the "closed shop" illegal. The industry was caught without a substitute to the union referral hall and the closed shop which had been in effect for so many years.

In the intervening twenty-four years since the enactment of the legislation outlawing the closed shop, the industry has continued to operate with what amounts to a constant conspiracy between construction employers and local unions to maintain an illegal situation. Certainly electrical contractors who cooperate with local unions to violate federal laws have little to recommend them to the buying public. It is an undeniable fact that as long as hiring halls remain in the local union, operated unilaterally by the local union with the resultant control such operation has over contractors, the industry as we have known it in the past cannot survive.

NECA has from time to time initiated programs such as sales courses to aid its members to increase sales. These have been helpful but have fallen far short of the fundamental remedies necessary. It now becomes imperative that NECA take a position which will result in halting

the decline of work opportunities for IBEW members and their employers.

While each Chapter is autonomous and that autonomy is recognized insofar as their local negotiations are concerned, the results of their negotiations and the labor agreement developed therefrom soon spreads and has an influence and effect in other wage areas and for other Chapters.

Even though we give full recognition to the fact that the National office of NECA cannot and should not dictate local settlements, it carries the responsibility of at least attempting to guide the Chapters in their labor relations problems. Such guidance and counsel cannot be effected unless NECA itself has specific labor relations policies and objectives. These policies and objectives should give full recognition to all of the legal rights of the union while at the same time, NECA should zealously resist the infringement of the local unions into the rights of management plus the return to management of any of those rights which have been infringed upon by the union.

Contractual provisions which have the effect of increasing costs with no material benefits resulting to the members of the union must be resisted as well as any other contractual provisions which restrict the employer from selling his services on a competitive basis. Such provisions can only result in detriment to the local union as well as to NECA and its members and must be eliminated.

Featherbedding in any form and all contractual provisions which makes featherbedding possible, must be eliminated. Specifically, NECA should adopt a long range, far-sighted labor relations policy even though the National Association can never by itself bring about the objectives and

policies and can only encourage the Chapters to work towards the ultimate goal of putting into effect the labor policies and programs adopted by the Association.

In NECA's labor relations policy and programs, emphasis should be placed on but not limited to the following:

1. Supervision

While the law permits, and it would be a relatively simple matter to refuse to bargain with the local union for supervision (whether they be known as foremen, general foremen, superintendents or otherwise), the electrical contractors have yet to modernize their operations sufficiently to provide in all instances continual employment of "non-working" supervision. So long as the contractor desires his supervision to be both supervisors and work with the tools, the union has the right to bargain on his hours, wages and working conditions. This has led to contractual provisions stipulating the number of foremen or general foremen required under the labor agreement but not necessarily required by the employer for efficient supervision. All too many agreements provide unnecessary supervision based solely on the number of electricians employed or the dollar size of the job and in addition, some require that the foreman or general foreman may not do any productive work. This is an infringement on the rights of management and is rank featherbedding which the industry cannot justify.

Contractors themselves must be taught how to effectively use supervision of a non-working variety and all contracts should contain the provision that the number and direction of supervision is the

prerogative of management. Only in instances where the employer delegates an employee with certain leadership responsibilities, should he be considered under the provisions of the labor agreement. In those instances, the employer must reserve the right to use him on productive work together with his supervisory responsibilities for which the labor agreement may then provide additional compensation for the classification of working supervisor.

2. Apprenticeship

Control over the number of apprentices by the local union has been another in its understandable unilateral attempts to preserve job opportunities for its journeymen. Another positive effect of restricting the number of apprentices has been to force overtime for its journeymen members. The result of the union's hardhanded control has been devastating and jeopardizes the very future of both the Brotherhood and the NECA contractor.

No other industry in America is controlled by the local union with which it has contractual relations, in training the desired and necessary number of employees needed to service their customers. Once the closed shop, which has not been effective in securing the objectives which the union hoped for, is eliminated and a reasonable plan of job security is entered into between the parties, the union should no longer be permitted to dictate the number of apprentices which may be trained.

Labor agreements providing for union contributions to the training of apprentices are ill advised. In every other industry in America,

the training of employees is the responsibility of the employer and the cost of that training is the employer's responsibility. When unions pay toward the training of apprentices or to the operation of an apprenticeship and training committee or program, they soon control that program.

Most labor agreements contain a clause giving the Business Manager the right to remove any member from any shop for the good of the union. This right must be withdrawn. Here again, only in the building construction industry has this right to interfere in the orderly conduct of an employer's business been granted to the unions.

3. Compensating Employees in Excess of the Labor Agreement Provisions

Compensating employees beyond the provisions of the labor agreement in the form of hourly rates in excess of the negotiated scales, Christmas bonuses, etc., has become so prevalent in wage areas as to almost make a mockery of negotiations and the conditions outlined in the labor agreement.

Many knowledgeable attorneys and labor relations experts agree that paying over the rate violates the labor agreement and denies the union their right to bargain exclusively for the employees covered under the labor agreement. This evil practice stems in many instances from a contractor's desire to pirate his competitor's employees.

In some wage areas, the employees to whom the employers are required to pay the union negotiated scale, are of such poor quality, that there is a belief that a fully qualified employee should therefore receive a higher rate. There is no end to the unrest, dissatisfaction

and future troubles being stored up for employers when employees are granted any scale or benefit or working condition not specifically provided in the negotiated agreement. NECA must take a firm position that the total and only conditions affecting the employment of their electricians are those contained in the negotiated labor agreement and must so advise its Chapters.

Labor agreements must provide that traveling contractors, irrespective of the magnitude of the job, must conform to local area practices with respect to hours, wages and working conditions. The establishment of benefits and privileges made possible only because of fixed fee or cost plus jobs which cannot be met by local Chapter members can only result in the pirating of employees. All labor agreements between Chapter and Union, therefore, should provide not only that paying over the rate shall be considered a violation of the agreement, but that a work week or hours of work not consistent with local contract practices violate the labor agreement.

4. Traveling and Subsistence

Practically all local unions have their membership concentrated in a large city and most agreements provide that work done outside of that city or outside of a zone immediately surrounding the local union headquarters or the contractor's shop shall require the payment of mileage and/or subsistence. This has the effect of making the NECA contractor non-competitive with the non-union or the unionized contractor whose place of business is outside the metropolitan area.

In most instances, these clauses came into being in the old days when communication and travel was difficult and burdensome and some were designed for the purpose of protecting local contractors who were not subject to the same provisions.

All contracts should contain the simple provision that no traveling or subsistence shall be paid on any work performed in the jurisdiction of the union. A typical clause copied from an IBEW-NECA contract accomplishes this objective:

> "Section 1. The Employer shall pay for traveling time and furnish transportation from shop to job, job to job and job to shop within the jurisdiction of the Union. On work outside of the jurisdiction of the Union, the Employer shall furnish transportation, board and all other necessary expenses.
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> Section 2. No traveling time shall be paid before or after working hours to workmen for traveling to or from any job in the jurisdiction of the Union when wo rkmen are ordered to report on the job. Workmen shifting from one job to another shall be furnished transportation or be paid mileage at the rate of ten cents (10¢) per mile."

In addition, assurance should be provided that no regular employee of a company may be disciplined for refusing to accept assignment when such assignment is greater than x number of miles from the city limits of the city in which the employer is permanently located. Failure of his regular employee to accept such assignment would then give the employer the right to employ local electricians in the area in which the job is to be performed and without paying mileage or subsistence.

Traveling and subsistence clauses could reasonably relate to conditions under which an employee shall be reimbursed for traveling outside the local union area and with the added provision that the assignment outside the local union area is of such distance as to make such assignment unreasonable without some provisions for traveling and subsistence if it required the employee to remain away from home.

5. Hazardous Work

Many contracts contain clauses which provide that electricians who work x number of feet above the ground will receive hazard pay and some provide that employees working in tunnels shall receive hazard pay. In most instances, these clauses fall in the category of featherbedding. Linemen are not paid hazard pay for working at the top of one hundred foot poles. Utility electricians receive no extra compensation for working in tunnels. In many instances, the tunnels requiring hazard pay under the inside labor agreement are more comfortable and safer to work in than other work calling for straight time pay.

Extra compensation is not a substitute for safety. All jobs should be required to be made as safe as possible and the monies spent for so-called hazard pay could well be spent to improve the safety of the men involved.

Only in cases of expreme emergencies where there is no escape from working in some hazardous surrounding should there be any provision requiring hazard pay. The determination of whether a job is hazardous can only be made when the job is in progress and, in most instances, the hazard can be removed and the employees are then entitled to no bonus or premium pay.

6. Shift Work

The industry is living in the days when the total usage of electricity was for lighting and the lack of electricity caused no problems that could not be solved or corrected a day or two later when the contractor could service the customer during the "normal" work day and work week. While both contractors and the IBEW are historically opposed to "change", resistance to change in this instance jeopardizes the future of both. As long as utilities and others can negotiate contracts with the IBEW permitting the employment of mechanics on shift work at straight time plus a nominal shift bonus, the same conditions should be extended to the electrical contractor.

Work permitted on shifts other than the normal Monday through Friday daytome shift should include either maintenance or construction.

Because of the dependence of Americans on the continuous and uninterrupted use of electricity for their very existence and survival, the antiquated and outmoded "normal" work week must give way to a change permitting electrical contractors to service their customers at the will and desire of those customers at straight time cost. To do less is to confine our electrical contracting companies to straight construction jobs Monday through Friday, 8:00 to 4:30 with the full knowledge that other industries or companies will take over the needs of factories, commercial buildings and even residences the other two days of the week and the other sixteen hours of each day. Once having created this situation, NECA contractors can expect these other industries or companies to compete with them during the "normal" work week.

7. Closed Shop

While the closed shop is illegal, it would be ridiculous for anyone to bury their head so deeply in the sand as to believe the building trades unions in general do not practice a closed shop. While the closed shop had and does have as its primary purpose the guarantee of work opportunities for its qualified members, the evils that came about from its operation led to its being declared illegal.

The union could hardly have been criticized for its zealousness in attempting to protect the right of its qualified members to perform the work available, and where contractors today resist the understandable and normal desire of the union to protect its qualified members, they are left with only the alternative of an illegal closed shop.

Other industries, all of which can as a rule, point to higher profits than the electrical construction industry, have recognized the right of the union to protect its qualified members and have given effect to labor agreement provisions which makes this protection a guarantee while at the same time eliminating the evils inherent in the closed shop. The electrical industry must do no less.

Of all of America's industries, only the construction industry has permitted the qualifications of employees to be determined unilaterally by unions which have no facilities nor qualifications for determining the qualifications of contractors' employees. All hiring halls must be removed from the union hall. The qualifications of electricians must be determined either unilaterally by the employers

or by a joint committee and the closed shop should come to an end as the single greatest step necessary to stop the decline of the industry and prevent its death.

8. Negotiations and I. O. Labor Agreement Changes

Considering again that electrical contractors negotiate either individually or through the Chapter who bargain from a position of weakness, it is recommended that negotiations should be handled exclusively by Chapter personnel. NECA members who depend on the business agent of the union for their survival and their manpower needs, should not be a part of the Chapter's negotiating committee.

NECA should make clear to the Brotherhood that these are its objectives and constitute its labor relations policy. The field representatives of NECA should be instructed to educate the Chapters and their members of the vital need to the industry for labor agreements to be brought into conformity with these policies.

In the event that the local union resists a Chapter's attempt to bring about the above results or engages in a dispute with the local union in its resistance to featherbedding or further inroads into the prerogatives of management, NECA should make available to that Chapter both financial and legal assistance and instruct its field staff to assist the Chapter in every legal manner in enforcing these policies.

NECA should make clear to the Brotherhood that it will join with them in any reasonable efforts undertaken by the Brotherhood for the orderly and lawful objectives of the union to bargain for the

employees of electrical contractors in the United States.

While the right of the I. O. to approve labor agreements is perfectly understandable, the right to unilaterally change contract provisions, in most instances to the benefit of the local union, makes a mockery of negotiations. Generally, Chapter-union settlements are on a package basis and for the I. O. to arbitrarily strike or change certain provisions of the settlement between the parties certainly constitutes a violation of law and constitutes a lack of bargaining in good faith.

The I. O. should be permitted to change contract provisions only when such provisions violate a law or the constitution of the IBEW.

Just as no labor agreement may become effective until it has received approval of the IBEW, the labor agreement should likewise provide that it will not become effective until it has received the approval of NECA.

Certainly the desire and intention of NECA to cooperate with the IBEW to employ its members demands a complete cooperative effort of both parties to put these policies and programs into effect. With such cooperative effort to bring about constructive change to the end that we can offer the best possible service at the lowest possible cost in keeping with our free enterprise system, we can look forward with confidence to the future of our industry. It is sincerely hoped that the IBEW will support such honest endeavor to protect the work of its members.