

THE ACADEMY OF ELECTRICAL CONTRACTING

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**The Academy of Electrical Contracting
Past-Present-Future**

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Associations (Federations, Leagues, Guilds, Societies, etc.) apparently have existed for many thousands of years and are recorded in history for at least two hundred years. However, those early associations were formed primarily to create monopolies and to control their particular businesses or industries. It was not unusual for members to hide the fact that they were leaders in an association or even that they were members. Association activities were received with mixed emotions and just about all ancient governments attempted to control them, usually with not much success. This was a natural process and it is not to say that the associations didn't think their activities were in the public interest.

In the United States of America, the first recorded association was in the year 1768, according to research and writings of Samuel Shapiro, who is considered the leading authority in such matters. NECA was founded on July 17, 1901 in Buffalo, N.Y. at the New York State Building on the Pan American Exposition Grounds. Forty-nine delegates attended representing one hundred forty contractors from New York, Massachusetts, Pennsylvania, Ohio, Maryland, Missouri, Illinois, Michigan, and Minnesota.

At any rate, in 1890 after many years of frustration, the United States Congress passed the Sherman-Antitrust Act which to this day is the basis for all laws governing antitrust activities. It took the new laws awhile to become really effective, but eventually they made quite a change. It wasn't until the 1920's that associations began to develop toward the full service type associations of today. In spite of the new laws, the desire by some contractors to monopolize and control (fix prices) has not totally diminished to this day. At this time there are ongoing antitrust prosecutions in our industry over the past eight years which have been devastating to many electrical contracting companies and individuals. Over the years it has not been uncommon for associations to be the focal point of such antitrust activities, and when found guilty they are usually driven out of business. We are proud that NECA was not implicated. You should know that the Association preached and will continue to preach that no contractor should ever get involved in price-fixing or any other illegal practice.

It may look good to start with, but eventually it will be the most devastating thing that ever happened to you. The only way to real success is to strive to be the best in your industry; the best in serving your customers, the best at selling quality, and by all means the best at productivity. This generates the best quality for the public and the best profit for the contractor. The only contractor who needs price-fixing is the one who doesn't belong in the industry. He can't compete and should be allowed to leave. He is usually the promoter of such antitrust activities and is the first to agree with the prosecutor to tell all to convict everyone else while he goes free. He makes an arrangement (plea bargain) with the government.

What does all this have to do with the Academy? Well, since associations became full service organiza-

tions, there arose those individuals who gave of themselves (time and talents) to better the industry. Not that this didn't take place earlier, but not to the extent it has taken place since the 1920's. These people had a lot to do with the fact that the Association was not involved in the antitrust problems of the last several years. If the Association had been involved, there probably would not be a NECA today. All its assets and personnel would be gone.

Although one of the most outstanding associations which had and has more services and programs than any other association, even without counting the Field Service, the Labor Services and the Council on Industrial Relations, NECA never quite got a hand on what might be called the "Leadership Maintenance Problem." That is, some method to recognize those who have done so much for the Association to keep them active, to make them feel wanted, and to involve them in future activities. Most problems of this nature are talked about continuously, but no one has the time or inclination to do anything about them. Understand, this kind of problem is usually very difficult to develop. Even though it is obviously a large problem, it gets put aside again and again until someone decides its time has come and it must be solved. The results are so needed it cannot be set aside any longer. Another incentive was the formation of the Federated Electrical Contractors, the Conference Club, and the Mid-West Electrical Contractors Group. These organizations showed very clearly that there were some needs that were not being fulfilled and that something should be done about it. The Academy has fulfilled many of those needs.

Early in 1967, after much thought on the subject, the Association's Chief Staff Officer felt it was important to take the time and to make the effort to establish an organization for the purpose set forth above. One year was considered a reasonable period to make an appropriate study and to develop the rules and procedures of the organization. If more time was needed the time could be extended. Most important was to get started, then to take the time to do it right. Since all associations have this problem, it was thought that surely many things had already been done that could be incorporated into our finished product. That was not the case. Very little had been done. The only thing that is worth mentioning is the American Institute of Architect's Fellowship Program which recognizes architectural excellence and gives awards each year. The AIA's main contribution was the structure of their program which is somewhat similar to the Jury of Fellows.

When the initial review of other associations was completed, many individuals were contacted to get their views on the subject. This was quite interesting and helpful because not only was this problem discussed, but other feelings were exposed that needed attention. Immediately, comments such as "there's nothing so past as a past president" were made which indicated we were on the right track going in the right direction. Most people were quite enthusiastic about the program. However,

since no one seemed to know of any organization that had done anything in this direction, not much was forthcoming organizationwise. The enthusiasm was ample help—without that there would be no program. Yes, there were a few detractors, but this is expected particularly with something this new. The detractors predicted that a monster would be created—that this uncontrollable monster would be a millstone of grand proportions, etc. These comments were equally as helpful as the affirmative ones because they set a challenge to be sure that a monster was not developed and that it was not a millstone around the Association's neck.

With these preliminary things accomplished, it was time to describe what was to be developed. The finished product is called the "Purposes of the Academy" and is as follows:

"The purposes of the Academy are to honor outstanding leaders in the electrical contracting field and to preserve and utilize for the benefit of the construction industry the wealth of experience and ability these men have developed through their years of dedicated effort.

"Fellows of the Academy must have rendered exceptional service to their industry, and that service is continued and enhanced through membership in the Academy. Fellows prepare special papers on aspects of electrical construction in which they have developed expert knowledge. They also participate in fact-finding surveys to determine trends within the industry and make recommendations based on their analyses. An important responsibility for the members of the Academy is participation in long-range studies to ascertain future requirements of the electrical contracting industry."

After the "Purposes" were completed, it was time to create the organization and to do it in such a way that would enhance the Association while not conflicting in any way.

The Governing Authority sets forth the fact that the Academy is part of the Association and that the activities and operations of the Academy shall not duplicate, supersede, or conflict with the other activities and operations of the Association.

Then the Fellowship requirements, nominating procedures, election procedures, installation, and term of Fellowship were established.

Next the responsibilities of Fellows was considered resulting in six very important requirements. Probably the most important are the one that requires the Fellows to actively participate in the Academy, the one that requires the Fellow to prepare and deliver papers under certain conditions, the one that requires participation

in surveys, and the one that restricts the Fellow from participating in any other organization or activity if it will compete for the time of the Fellow as to prevent his participation as much in the Academy, or if this would defeat or be in conflict with the best interests of the Academy or of the Association.

During the many discussions mentioned earlier, there were those who were very concerned that some past officers and award winners would be grandfathered into the Academy who were unqualified or worse. The expulsion procedure and a lot of discussion convinced them to drop any opposition to the Academy and its rules. However, they promised to be vigilant.

The meetings and administration were established with the administration being tied into the Association with clear procedures for the expenses of the Academy.

It was also set forth that the personal expenses of the Fellows would be borne by themselves. Interestingly during the preliminary discussions, a couple of persons were adamant that the Association should pay all expenses including the Fellows' personal expenses. Actually, if that were possible, which it isn't, it would be a grave mistake. If the Academy is to be successful, it should only have those members who are willing to come at their own expense. The Academy should be serious business, not some "boondoggle"—some free vacation. Sure, it's great to get together with old friends and it should be fun, but the business part should be serious business.

A Board of Directors was established. Its meetings and procedures were set forth. Also, voting and other pertinent matters were established.

Next came the Committees of the Academy. These Committees are extremely important since the success and production of the Academy are directly related to these Committees. They are the Jury of Fellows, the Heritage Committee, and the Electrical Promotion and Education Committee. The Jury of Fellows should be carefully selected because if it is not very selective in the admission of new Fellows, the strength of the Academy will be badly diminished. The Heritage and the Electrical Promotion and Education Committees are equally as important because the Academy's accomplishments happen under the charge of these two Committees. Originally, it was estimated that the Academy would have approximately three Fellows per NECA chapter, or about 375 Fellows. That hasn't happened. Possibly the estimate was incorrect. The estimate was based on a sample of chapters who happened to have approximately three eligible members. The numbers are not too important unless some eligible members are being kept out of Fellowship. The important thing is that only eligible members be inducted. Whether there are 200 or 700 doesn't matter a lot. Certainly, the more Fellows there are, the more hands are available to do the work that has to be done for the industry. Again, eligible members should be sought out, but only eligible ones. If the Academy became a "Good Old Boy" organization, that would bring about

its demise in short order. We can't let that happen.

After adding several necessary things such as "Amendments to the Rules" and "Dissolution," the Purposes and Rules of the Academy were completed. Each part had been thoroughly reviewed and studied again and again to be sure that they represented the kind of organization that was needed. Finally, a proper name had to be selected. Many were discussed prior to an executive staff meeting wherein a "brain-storming session" was conducted. Since the Motion Picture Academy's "Oscar Night" had taken place the previous evening, the Academy name kept being presented and was finally recommended. After twenty years, it still seems proper for the organization and there have been no objections. As was mentioned previously, all this was done over a period of approximately one year. It was then presented to the NECA Executive Committee at its midyear meeting in 1968. The Executive Committee reviewed the material and concept and recommended that it be presented to the NECA Board of Governors for adoption. The Board of Governors adopted the Purposes and Rules and established the Academy of Electrical Contracting on October 11, 1968 at its annual meeting in Philadelphia, Pennsylvania.

This writing is taking place in 1988, twenty years after its formation. The Purposes and Rules of the Academy have not been amended and there appears to be no desire or need to change them in the offing. This surely is a tribute to the method used to develop them and the propriety of the rules.

From its beginning the Academy has been well received and has performed its important function very well. Scores of papers have been presented by Academy Fellows. All are outstanding examples of the caliber of the Fellows and are very helpful to the industry. At this time, they appear to have covered just about every subject imaginable. Yet the Fellows continue to come up with new ideas and subjects each year. That's what it's all about and surely it will continue.

In addition, the Heritage Committee and the Electrical Promotion and Education Committee have conducted a number of surveys and studies which have also been very helpful. Probably the most difficult and daring of which was the recent survey and study concerning the services offered by totally union chapters vs. both union and nonunion chapters. Again, this was extremely valuable to the Association and the industry. More recently, the Electrical Promotion and Education Committee recommended the creation of a Foundation which was adopted by the Academy. A foundation can be very important to an industry. They can do things that the Association cannot do. For example: a foundation can be the place to carry on total industry functions; that is, functions that include not only NECA members but others such as manufacturers, independent manufacturer's representatives, dealers, or any others interested in the industry. As a matter of fact, most activities of a foundation are industry-wide. A little imagination will

tell you there are many industry activities and problems just waiting to be addressed. This foundation is an evolution that has been a long time coming. Now that it is here, every effort should be made to make it successful.

This brings us to the Academy's future. It should continue the present programs and should habitually seek out new problems that need correction. At the present, what could be bigger than the antitrust problem? It has been around since the ancient times and very little has been done toward resolving it. Yes, NECA has a strong standing policy against it, but it has been more for show than anything else. That might have been understandable in yesterday's times, but times are changing and new opportunities arise. Circumstances have made a great opportunity to solve this problem at this time. The fact that the industry has just gone through a terrible series of investigations, indictments, and sentencings creates a unique opportunity that may not occur again for many years. It should not be lost.

The absolute truth is that price-fixing is for losers. Properly managed companies do not need price-fixing and they can make much more profit by not participating. Aside from price-fixing being illegal and dumb, it destroys the very industry that is so important to them. Price-fixing raises prices, but it also raises labor costs not only in loose bargaining but in productivity. It also creates outside competition and in general it steals from the customers and the public. How can anyone say he is serving the public when he is stealing from them at the same time? Studies and observations of the industry over the past forty years conclude that the most successful contractors do not participate in price-fixing and those that promote price-fixing are the most inept. They couldn't stay in the industry without price-fixing. In summary, price-fixing is one of, if not the biggest problem in the industry and it is high time we quit looking the other way and do something about it. It doesn't make any sense to stand by while a few unsavory contractors tear our livelihood apart.

The obvious question is, "How are we going to stop the antitrust activities?" The method to stop it can be simply stated as a program to get as many contractors as possible to say no to antitrust. The others cannot operate if most of the contractors say no. There should be a continuous program to convince contractors of the folly of this practice and to show them that they can be much more successful by not participating. Once convinced, permanent programs should be established on the national and local levels to educate all new entries into the industry and to remind the others. Among these programs there should be one that keeps abreast of what is going on in each local area as well as in the national arena so that any digressions can be stopped in their tracks. Some of the benefits of this program are:

- (1) No sleepless nights. (Justice Department serves subpoenas at strange times.)
- (2) Better labor-management relations
- (3) Better labor agreements

- (4) Better productivity
- (5) Less poor competition
- (6) Better contractor relations
- (7) Better customer relations
- (8) Better public image
- (9) A better industry
- (10) A better association.

Why not give this subject to one or both of the Academy committees? Let them come up with a recommended answer. Let that answer be the new position of the electrical contracting industry.

- The Academy has the possibility of a great future.