

THE ACADEMY OF ELECTRICAL CONTRACTING

**Paper Presented by
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**NECA/IBEW DISTRICT PARTNERING
*INITIAL PHASE REVIEW—WESTERN REGIONAL INITIATIVE***

June 2003

The background for the Western Regional Initiative is based upon the understanding between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers. Both organizations have been in existence for over 100 years. In the 1920's, the two organizations entered into an innovative agreement to establish a binding arbitration board called the Council of Industrial Relations. This council provides a means to settle local grievances and local contract disputes, without the need to strike or lockout, and allows completion of construction projects within the contractual time requirements.

Some sixty years later the two organizations entered into an agreement in which NECA would strive to become an exclusive Union employing organization, agreed to a ratio of one apprentice to three journeymen, and Category One language be developed and inserted into each Local Agreement.

Nationally in 2000, there were approximately 15,000 Electrical Contractors but only 4600 Signatory NECA Contractors. There are some 600,000 electricians of which 280,000 are IBEW members.

In 2000, the average Union market share was 18% for NECA's Eighth District. The low market share indicated that an attempt should be made to increase that share. Analysis of the situation determined that material prices to Union and Non-Union contractors from distributors and suppliers were about equal. Assuming that home office and project overhead costs were probably equal, the only major cost differential would be the cost of production labor. Increased labor costs generally can be attributed to either a higher wage rate and fringe benefit package or low productivity or both.

Relations between Electrical Contractors and the Union are for the most part adversarial and seldom cordial. Each side operates and functions independently. Periodical meetings try to resolve disagreements and grievances. A committee such as the Joint Apprenticeship and Training Committee is responsible to select and train apprentices and to provide continuing education for the upgrading of electricians. Another committee is the Labor Management Cooperative Committee, which is formed to identify and solve

industry problems. Each side tries to impose its will upon the other and the industry, as a whole, is left no better for all of the meetings held.

Based on the current status of the two organizations, the time was appropriate to launch an initiative to jointly explore the strategies of gaining market share.

In January 2000, after I became NECA District Eight Vice President, I contacted the IBEW District Eight Vice President, Mr. Jon Walters, and asked if he would discuss the subject of market share in our district. At the March National LMCC meeting in Washington DC, we agreed to meet two hours before the scheduled April Western Regional LMCC in Reno, NV. He was to invite the District Eight IBEW International Representatives and I was to invite the District Eight NECA Field Representative. At this time he indicated that I was to be invited to attend and speak at the April IBEW District Eight Progress Meeting in Pueblo, CO.

At the progress meeting, Vice President Walters informed me that he had invited the IBEW District Nine Vice President and the District Nine I.O. Representatives to attend the Reno WRLMCC meeting. I then extended an invitation to NECA's District Six and Nine Vice Presidents along with their respective Field Representatives and NECA's Western Regional Director.

At the pre-WRLMCC meeting in Reno, I addressed the group as follows.

“As individual electricians and individual contractors, we are good. Best trained. Best educated. None better. And when we join into our respective groups, you into your IBEW union, and we into our NECA association, we are superior. And when we join together through our agreement, we are unbeatable. Or are we? We have lost or are losing market share everyday. We are getting beat up pretty good all over the country. We have an enormous adversarial relationship, brought about over the years of failure of communication, lack of trust and understanding.

“I would like to propose that we, on the Vice-Presidential level with our respective IO and field reps, form a partnership to

reestablish communication, trust and understanding in an effort to gain market share in our industry. After all, if we don't have market share, then all else is irrelevant. A good relationship is like a good wine, you have to experience it to appreciate it. We must find a way to make it great for each other, and at no one's expense. We must find a way to always put the other side first in all cases. We must give up the notion of 'we and them' to concentrate on 'us'. We must find a way to travel together, arm in arm, along the path to increased market share."

After a long silent pause, IBEW Vice President Mowery stated that he heartily endorsed the idea. Vice President Walters concurred. There was general consensus among all who spoke that this is the time to act. Some of the ones, who did not speak, probably thought, "No way is this going to work!" Others privately wondered if I had any idea of how simplistic my approach was to such complex and complicated issues of eliminating all adversarial conflict and start working together.

The group agreed, somewhat reluctantly, to meet again in a two day partnering session in Reno in June. As stated in the Partners for the 21st Century, partnership is a shared vision, has common objectives, is shared risk taking, has a mutual respect, trust, and a team approach. Partnership does not mean only reducing conditions that create conflict. More importantly, it means promotion of conditions that create cooperative and mutually beneficial relationships. It is problem-solving designed to assist parties to understand one another and accurately assess the consequences of present behavior. It is based on political and economic realism. If a partnership is to work, it must be based on respect for all employees. There must be a willingness to share in decision making. Identified problems need to be solved jointly to gain market share.

At the meeting in Reno, Jerry Bruce, retired business agent from Local Union 48, Portland, OR, acted as the facilitator. Mr. Bruce was suggested by the IBEW and was acceptable to NECA because of the track record he and the Portland NECA chapter had in capturing reportedly

upwards of 85% of the commercial and industrial market. Vision and mission statements were formulated by the end of the partnering sessions.

The Vision Statement is: "*The Western Region of the National Electrical Contractors Association and the Eight and Ninth Districts of the International Brotherhood of Electrical Workers in cooperation and partnership, commit to strengthen and lead our Local Unions and Chapters to be the providers in the Electrical Industry.*"

The Mission Statement is: "*To educate the NECA Chapters and IBEW Local Unions, that by developing the highest degree of partnership with each other, they can become the dominant providers in the Electrical Industry.*"

At the conclusion of the partnering sessions, the group divided into two committees. The first committee was the Education Committee consisting of the two IBEW Vice Presidents, the three NECA Vice Presidents and the NECA Western Regional Director. The second committee was the Conflict Identification and Resolution Committee (CIR) staffed by all of the IBEW and NECA Representatives.

Two members of the CIR Committee, one from NECA and one from IBEW, will present an Industry Awareness program that has been developed in the Eighth District. The program is an orientation to NECA/IBEW. The first presentation was made to an apprenticeship class in Casper, WY. Additional presentations included journeymen. Later on, under the sponsorship of the Local LMCC, an Industry Night was developed to include contractors and their key personnel.

The Industry Awareness Agenda consists of:

- Introductions
- IBEW Structure and Services
- NECA Structure and Services
- Lou Holtz Video "Teamwork"
- Understanding Costs
- IBEW/NECA – Partners for Success Video
- NECA/IBEW A Unique Relationship (CIR, LMCC, JATC, NEBF, Etc.)
- Improving Communications
- Improving Attitudes – The Fish Video
- Working With other Generations

- Customer Service
- I'll Be Back Video
- Effective Partnering/Leadership
- IBEW/NECA – “Our Contract for Success”
- Where Do We Go From Here?

All Local Unions/Chapters will be interviewed by the area CIR Team, consisting of the responsible IBEW Representative and his corresponding NECA Field Representative. The duty of the CIR Team is to identify and submit conflicts to the Education Committee. The Education Committee shall prescribe a series of solutions utilizing resources from the “Tool Box.”

The contents of the Tool Box are:

- Apprenticeship
- Area Wide Meetings
- Comet/CSE
- Contractor Organizing and NECA Member Organizing
- Electrical Project Supervision (EPS)
- Funded LMCC
- Industry Awareness Program
- Government Affairs
- Joint Leadership Meetings
- Leadership Certification Program
- Leadership and Partnership Issues
- Management Education Institute (MEI)
- Market Recovery
- Market Surveys
- Marketing
- Mission 2000
- Partnering Programs
- Supervision Training
- Steward Training
- Win – Win Bargaining

The CIR team in turn, presents the prescribed solutions to the Local Union/Chapter, and recommends a course of action.

We do not want to leave out those Local Unions and Chapters that are doing an outstanding job of working together, in what can be considered best practices. These best practices shall be identified and added to the Tool Box.

The conclusion of the initial phase of the Western Regional initiative occurred at a follow up meeting in Sacramento, CA, where the Industry Awareness Program was reviewed and approved by the Education Committee.

The Industry Awareness Program has been conducted for all Local Unions, except one, in the Eight District, four Locals in Alaska, three in California, and two in Washington. A scheduled presentation will be conducted for two non-union contractors and their employees in an effort to help the IBEW to organize.

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