

LIFE AND DEATH INDUSTRY CHOICE

A BREAKTHROUGH OR THE BUCKET

BY MARK BRESLIN


THE TIME HAS come for labor and management to get real. Across this country union construction has lost most of its marketshare and still some contractors yawn and some business managers just count votes. As a partial cure and strategy I would like to suggest we all take a new look at that blessed institution; the collective bargaining process and its by-product, the union agreement.

Now seeing as I have negotiated more than 100 Master Construction Agreements (that currently cover in excess of 120,000 local union craft workers) I may sound a bit jaded when I say that from a competitive standpoint, they are generally more worthless than a bucket of cow piss. That colorful description accurately portrays most all collective bargaining agreements that usually read as an amalgamation of "sins of the past." They are filled with language and provisions that run from "gotchas" to "never-agains" to "we've always had it in there but never paid any attention to it." Frankly I cannot think of any other business contractual relationships governed by documents so generally complex, outdated or irrelevant to the competitive market...always reactive versus proactive. They reflect a time when the threat was an exploitive union employer who had the market sewn up. Now, decades later, they often just look old and tired. And the market threat is more savage and consuming than ever before.

Up until now, all the thousands of us going to the bargaining table across the United States and Canada have been in denial about this reality. Frustrated and often indignant, we still go to the table

with our little wish lists and play the posturing game for several dollars and work rule changes. It's an age-old game of trading our something (as small as possible) for their something (as big as possible). And while we have been trading in each of our local "feudal kingdoms," the empire of union construction has fallen. The walls have come down. What we had has been taken and pillaged. The hordes have prevailed. And yet we play at it like nothing has changed. And all the construction owners and end-users are simply confounded and ask, "Don't they get it?"

The future of bargaining cannot be about trading anymore. It has to be about competitive relevance. It has to be about productivity and market share. Every negotiation has to be focused on the new



Do we do what is necessary and strategic or do we just fill that bucket one more time?

Golden Rule, "How do we compete most effectively to expand our mutual economic interests?" Anything that stands in the way of this must be eliminated. Anything that must be done to improve our economic interests must be done. A union agreement should be a document of mutual opportunity and strategy. If you disagree, then give me a better alternative. The current broken system governing our contractual and operational relations has directly resulted in a loss of more than 80 percent marketshare.

Contractors cannot think that marginal work rule changes are going to get it done. There is not time enough to incrementally



THE AMERICAN GROUP
OF CONSTRUCTORS

Phone 219-937-1508

Fax 219-937-1512

www.tagconstructors.com

Provider of Industrial Contracting Services

Piping Group
Civil Group
Concrete Specialties Group

Crane Repair Group
Boilermaker Group
Mechanical/Structural Group

Stud Welding Services Group

Prime & General Contracting
Maintenance • Repair • Construction

ASME-ICRI-MCA

TAUC (Governing Member)

recover the market by trading for a competitive position a dollar at a time. If they wait for this they will eventually be put out of business or eventually go non-union. Union leaders also have to realistically assess how they are going to a) meet the ever increasing financial obligations and expectations of their members b) maintain the very last of the nation's defined benefit plans and c) keep their golden geese (the union contractor) alive to lay those golden eggs. Stonewalling on the basis of tradition is how we got here. If union leaders think the status quo will do it, they are betting their personal union pension on a proven losing model (and will be at risk for the next 20 years). Simply put, how we've been doing it, simply won't get it done.

There are many labor and management people as tired as you and I of this transparent game that consumes much and delivers little. The new strategies that I am seeing at a best practices level include:

- interest based bargaining
- facilitated bargaining
- union strategic planning
- joint labor-management strategic planning
- adoption of business principles rather than politics to manage union enterprises
- joint organizing/market development for union employer density
- market focused rather than contract focused bargaining
- direct rank & file involvement or heavy communication concurrent with necessary contract change
- contractors not bringing micro items or single contractor issues to the table

- elimination of the wish list/"strike-off one at a time" process
- creation of national model bargaining agreement templates
- creation of mandatory nationwide value-added policies (i.e. Codes of Conduct/Excellence)
- incentive/productivity bonus programs replacing targeting funds (to incentivize versus subsidize)

And these are just a few. In low union density areas the ideas are nothing less than shocking in their embracing of innovation and risk (mainly because there are few union political obstacles). I am now, at 47, starting to hear from many business managers and contractors younger than I. And they are much more practical and aggressive. They are a lot less concerned about what was done way back when. They are aggressively courting new ideas because they are being handed the reality of a broken business model, a decimated marketshare and 20 more years of the business staring them in the face. Most of them have mentors who have guided them to this progressive vision. Many of these mentors are you readers. If the market rewards of embracing change are to be fully realized, it is time for all of us responsible for tens of thousands of union businesses and millions of lives and families to take a deep breath and decide; do we do what is necessary and strategic or do we just fill that bucket one more time? ■



Mark Breslin is a strategist and author specializing in labor-management challenges. He is the author of *Survival of the Fittest*, *Organize or Die*, *Million Dollar Blue Collar* and, most-recently, *Alpha Dog*. He addresses more than 50,000 labor and business leaders each year in North America. For details, visit www.breslin.biz.

**PSEG Power is proudly building a better
future with The Association of
Union Constructors working hand in hand
to build a better tomorrow.**

TAUC
The Association of
Union Constructors

PSEG
Power LLC

PSEG Power LLC, 80 Park Plaza, Newark, NJ 07102