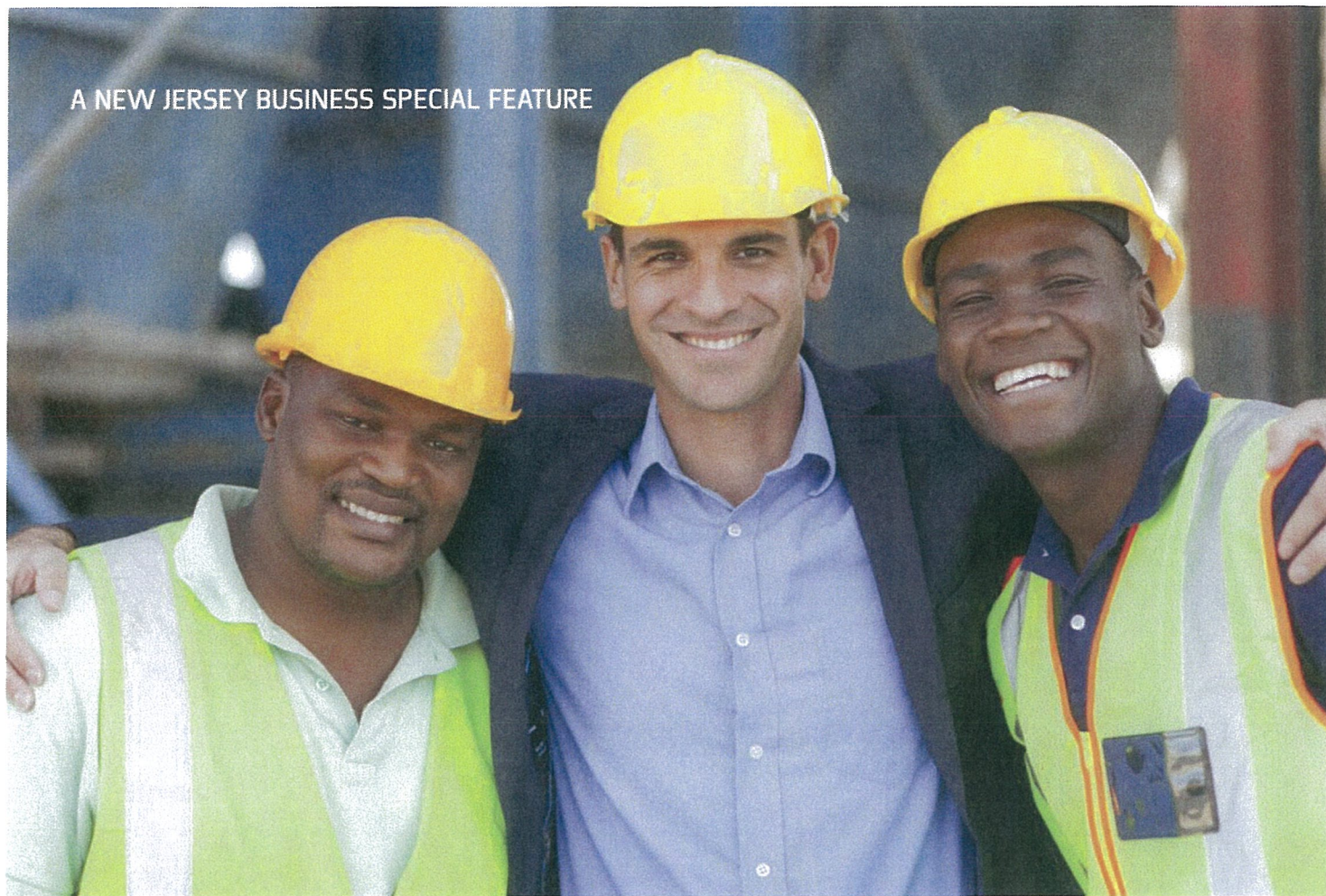


A NEW JERSEY BUSINESS SPECIAL FEATURE



# Unions and Businesses: Partnering for Excellence

Emerging from the Great Recession gives rise to stronger relationships.

By Anthony Buccì, Assistant Editor

**W**hen looking at negotiations between labor unions and the companies that hire them (i.e. contractors and real estate developers) today, “most parties involved can say that it is not the ‘table-pounding’ and ‘screaming-match’ that it once was,” according to Jack Kocsis, CEO of the Associated Construction Contractors of New Jersey (ACCNJ), an organization that represents contractors who hire union laborers in collective bargaining. What Kocsis means is that the relationships between labor unions and the businesses that employ them, “are much healthier than they once were 10 to 15 years ago,” he says, especially in coming out of the recession.

“I believe relationships have evolved well as we have climbed out of the abyss that was the Great Recession,” adds Patrick Delle Cava, business manager for IBEW Local 102, a Parsippany-based organization of more than 3,000 electricians. “For us, understanding the needs of the end users and our partners in the construction



industry is the foundation from where we build. Both realtors and construction firms meet with local building trade groups prior to putting projects out to bid, to discuss the economic issues concerning the end users and developers."

Delle Cava says, today, both the unions and contractors have "sharpened their pencils to work together and strive to provide a high quality product that comes at a fair rate and offers great flexibility to all parties involved." (i.e.

labor unions, contractors, real estate developers and owners of a project).

One of the main aspects of the relationship between labor unions and the companies who hire them is that contractors, for example, win work from project owners and provide employment opportunities to union members who are referred to them by their respective unions under the terms contained within collective bargaining agreements. Collective bargaining agreements are legal contracts between labor unions and the entities who hire them, which define conditions of employment, including wages, working hours, overtime pay, holidays, benefits and more. Leaders of the two sides negotiate (usually yearly) to discuss the conditions they think are beneficial and fair to their parties.

"Contractors and union leaders work together in a number of important ways," says Eric J. Sivertsen, executive director of the Northern New Jersey chapter of the National Electrical Contractors Association (NECA), a trade association comprised of IBEW-signatory electrical construction and Voice-Data-Video (VDV) contractors. "Both have their ears to the ground to identify and promote upcoming construction opportunities. This includes working with real estate developers and construction users of all types to provide political and grassroots support to ensure that projects move from the conceptual and planning phases to actual construction.

"The building trades also work together with construction users and developers to promote and negotiate Project Labor Agreements (PLAs) that are site or job specific collective bargaining agreements," Sivertsen continues. "Contractors and local unions also partner in the administration of Taft-Hartley Funds for healthcare and retirement benefits as well as the apprenticeship training programs, in which they take great pride. Contractors and union leaders also work

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together to identify ways to compete effectively for projects that are being bid. The contractors and their counterparts in the IBEW, for instance, know that if either one is not effective in performing its tasks – from winning the bid to successfully completing the project – both will suffer from the lost work opportunities.”

Greg Lavee, who is both the business manager of the International Union of Operating Engineers Local 825 and the chairman of the Engineers Labor-Employer Cooperative (ELEC), which is “a labor-employer trust that brings Local 825 operating engineers together with participating employers to secure building projects, create jobs, maintain a credentialed work force and promote the benefits of union labor,” says that the relationship between his union and the contractors they work

**Greg Lavee:**

**“... when things get done and issues get resolved in a timely and fair manner, it helps contractors win jobs and puts laborers to work ...**

with is extremely healthy and is continually improving. “We don’t agree all the time, and we never will, but that’s just the nature of it,” he says.

“At the same time, when we disagree on things, we are not fighting and acting unprofessionally in regards to it, because that poses the risk of negatively impacting the relationship,” he says. “That used to be the way it was, but not anymore. Of course, however, we have bumps in the road like any employer/employee re-

lationship. But in general, our relationships are extremely positive.”

In addition to the union/employer relationship, Joe McNamara, director of the New Jersey Laborers-Employers Cooperation and Education Trust (LECET), which brings the Laborers’ International Union of North America (LIUNA) and its signatory contractors together to address issues of importance to both, says that working with the development community in trying to support policies and programs that create a better climate for business investment in New Jersey, is vital in assisting with the overall picture.

“What we do at the NJ LECET is work with the businesses, community and government groups to promote investment in economic development in the state,” McNamara says. “We have

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a good relationship with the development community in helping move their projects forward. And when that is happening, it helps create job opportunities for our members and contractors. More opportunities mean more people in the

industry who will be working. That is the key to keep labor unions and contractors happy and prosperous, while improving the economy in New Jersey."

The overall consensus among most labor unions and contractors is that

the New Jersey economy is continually improving coming out of the Great Recession, albeit at a slower pace than it once was. However, not all sectors are seeing a positive upswing.


"The climate in our industry is one of optimism," says IBEW Local 102's Delle Cava. "With the price of fuel and copper down, quantitative easing coming to a close, interest rates remaining low and the stock market appearing stable (all as of press time), if businesses don't feel confident in investing in themselves now, I don't know when they will. In addition, New Jersey politicians all now realize they need to improve our business climate and foster private sector growth."

Delle Cava notes that among the construction sectors he sees growing in the state are "data center, green energy, higher education, pharmaceutical and bio-medical projects and housing. Sluggish sectors are communications, retail, commercial and industrial buildings."


Additionally, NECA's Sivertsen says, "the overall picture of the construction industry in New Jersey is expecting to see sharp growth over the next two years with as much as \$40 billion in construction being performed over that time. This includes everything from infrastructure and utility projects, to school construction, especially for higher education facilities, entertainment and mixed-use facilities."

And as LECET's McNamara mentioned, industry growth means more projects will be available for contractors to bid on. That, in turn, means more work for union workers. Thus, contractors will be looking for the most highly skilled workers to employ on their jobs. And, providing training to workers to give them the necessary skills is an additional key to the union/contractor relationship and is something both parties strive to maintain.

For instance, the IBEW and NECA



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share the responsibility of administering apprentice training programs, which include a comprehensive five-year curriculum featuring hundreds of hours of classroom instruction at state-of-the-art training facilities and thousands of hours of on-the-job training under the supervision of journeyman electricians.

"The union construction model is reliant on a workforce comprised mainly of highly-skilled journeyman electricians and foremen who are able to work safely and efficiently without intensive supervision on all facets of an electrical construction," Sivertsen says. "This means that the apprenticeship programs must produce well-rounded electricians or VDV technicians who have received extensive training in the most up-to-date con-

struction methods as well as the most cutting-edge technology."

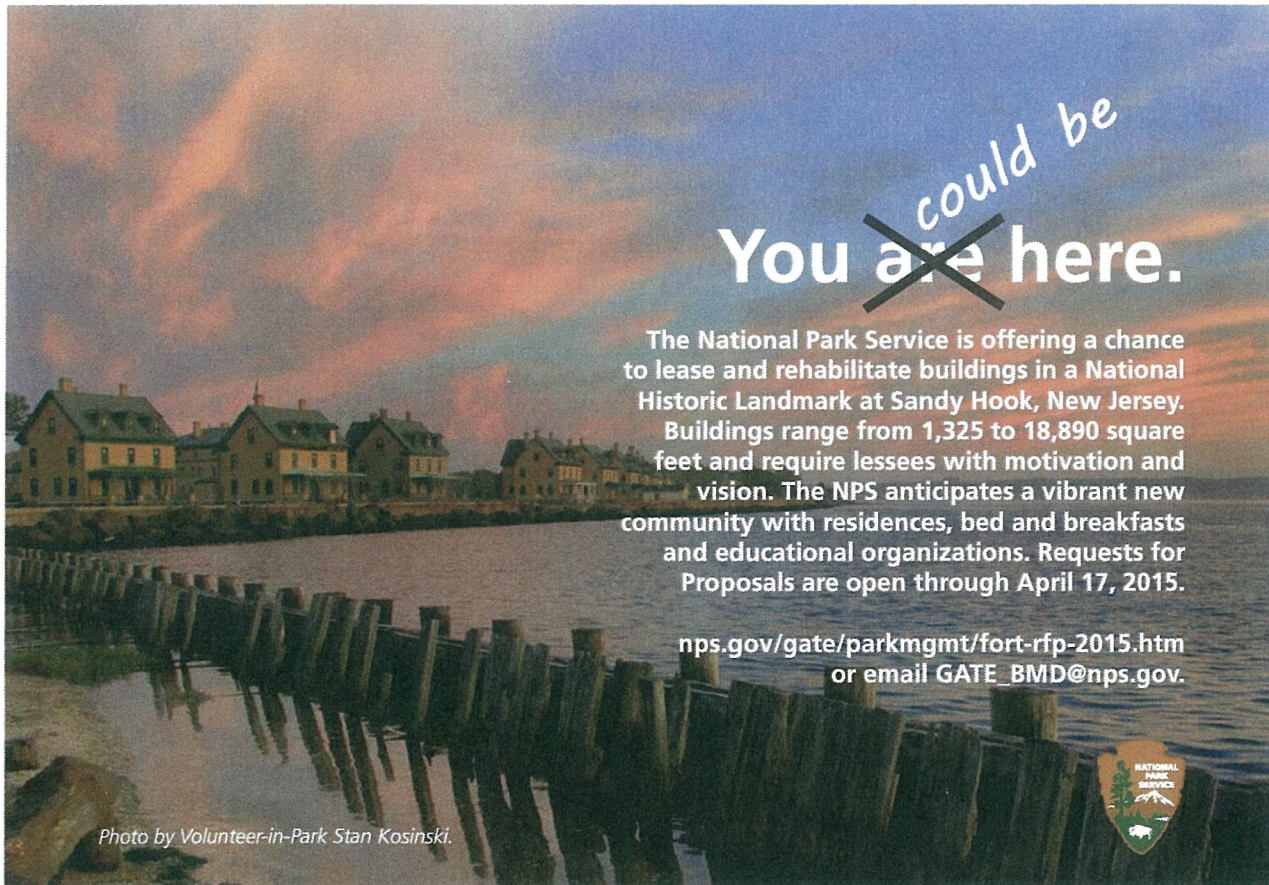
And with newer technologies, the need for labor unions and contractors to work together to train workers to properly utilize and operate advanced machinery becomes even more crucial.

"New technology is coming every day, so we have to continue to stay on the edge of these new developments," ELEC's and Local 825's Lavee says. "So, we at Local 825 not only have our own equipment, but contractors also supply us with their equipment, as well. The contractors don't have to do that, but they want highly-trained professionals to be able to call on when needed and we want to be able to supply them with that. Finding highly-skilled workers has always been a challenge in the industry.

And, in working together, we can better help to solve that problem."

Lavee says that "when it comes down to it, it is all about having a collaborative effort in all aspects," from training and labor negotiations, to the way workers, contractors and other businesses interact with each other on a daily basis.

"We think our relationships are solid and that is vital to support and benefit everyone, not only in our sector, but in most sectors of the industry," Lavee concludes. "It took a while for people to see that working together helps get things done. And, when things get done and issues get resolved in a timely and fair matter, it helps contractors win more jobs and puts laborers to work to help boost economic development in the state." **NJB**



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