

January 24, 2007

Michigan Construction News

WMCA Seminar Urges New Strategies



Consultant Richard Barnes (standing) urges seminar participants to abandon old practices and focus on customer needs in the construction industry.

**Photo & Story By Marty Mulcahy
Managing Editor, *The Building Tradesman***

"We have to change the way we do business," says Richard Barnes.

Is the unionized construction industry - and really, much of organized labor in the U.S. - stuck in a mindset from the early 1960s?

That's when American industrial might was unchallenged, consumers were in a buying mood, unions and management controlled their own destiny, and Japan and Europe were still getting their economic acts together after World War II. Many workers and their employers continue to operate as if those days of unparalleled American might are still here today.

Barnes, president of an organizational consultant firm that mediates labor-management disputes, did his part on January 24th to pull and prod 80 seminar participants away from that old mindset. The participants came from construction labor and employer groups from across the state.

"Habits are barriers to change," he said. "People resist change. They don't want

to work outside of their comfort zones."

Barnes was the headline speaker at a labor-management conference sponsored by the West Michigan Construction Alliance. A Laborers International Union representative for 16 years, Barnes has morphed into a dispute resolution consultant and mediator who has negotiated more than 300 labor agreements in 35 separate industries. He is a former director Federal Mediation and Conciliation Service.

He said the era of working under "your father's social contract" is "absolutely gone." That informal but socially ingrained contract said workers traded loyalty and good performance to their employer in exchange for a secure job and upward sloping pay. To illustrate his point about the disappearing contract, Barnes said that his 32 year old son has already had five jobs.

What was the agent of change for that contract, and the gradual ebbing of American economic dominance? "The Boss told American manufacturers that he wasn't satisfied with their products, with their price, or with their quality," Barnes said. "And the Boss is the American consumer."

He said a "little-bitty" foreign car, the Volkswagen Beetle, appeared on the American scene in the early 1960s, and Barnes said that opened the floodgates for the importation of a spectrum of foreign goods. And how did American management and labor respond?

"By pointing fingers at each other," Barnes said. "Instead of problem-solving, we had management telling labor they had to take a pay cut. Then the unions said we're not taking a pay cut, we didn't design this junk. Both sides didn't acknowledge that there was enough blame to go around."

Barnes' used a significant portion of his presentation at the day-long seminar to talk about changing and improving the mechanics of labor-management communication, including: the proper use of language, both verbal and non-verbal. The need to communicate between contract negotiation periods, and the proper verbal and nonverbal communication to use during those times. Identifying the various types of managers and employees (there are six categories). Plus the value and opportunities presented by conflict.

The history of employer-employee relationships "gets in the way of our communication," Barnes said. "You have to get rid of the way you did things in the past. What good does it do to raise your voice at the people who are employing you?" On the other hand, he questioned the thinking of a manager, who, during negotiations, questioned a union representative if unions still had a role in society.

For too long, Barnes said, conflict has been avoided, and the focus has been put on the employer's needs, or the union's needs, instead of the customer's needs.

Barnes' presentation made a full circle around unions and management, but came back to winning over the people who wield the checkbook.

"Forget about the nonunion, folks," Barnes said. "You need to focus your efforts on your customers' needs. If you want your customers to employ union labor, you're not going to win them over by telling them not to work nonunion. You're going to win them over by being proactive, by selling your skills, and your safety record. Give customers a reason to re-think their perception of you."

Then Barnes brought up one of the biggest buzzwords in corporate America: branding. Unions and contractors, he reminded his audience, need to promote their brand. Decide what sets union labor and their contractors apart from the nonunion. Then market the positives. And in order to maintain their brand, they need cooperation from workers and management. There must be a focus on improving attitudes, work ethic, cooperation, reducing absenteeism, embracing technology, and maintaining an awareness of owners' needs.

One example Barnes used: "Why would you feel the responsibility to defend the actions of a sorry-ass drunk on the job?" he asked. "You need to defend your brand."

He said many in union labor, which now controls only about 15 percent of the U.S. marketplace, have been slow to realize that it is in a very weak position. He said labor and management can only improve market share by taking care of their own house, and then focusing on the customer's needs.

"We can no longer make the demand, 'use us or else,' " Barnes said. "We can not continue to do what we have been doing."

Commenting on the conference, Bruce Hawley, president, West Michigan Construction Alliance, explained: "This is a labor management effort through the West Michigan Construction Alliance and today is the first in a series of events to educate and get more information to you so that we can go back and better educate our members."

"The construction industry is tough to work in, we're all so decentralized," said Bart Carrigan, executive president of the Michigan Association of Constructors, "So it's important to hold meetings like this, and learn how labor and management can do a better job of working together."

Carrigan cited a recent statement by Service Employees International Union President Andy Stern in the Wall Street Journal, who pointed out that there are simple tenets to follow in such relationships, like not placing blame and "learning to disagree without being disagreeable."

"I think we need to do a better job of pointing out our common characteristics to owners and the rest of the public," noted Patrick "Shorty" Gleason, president of the Michigan Building and Construction Trades Council. "People don't realize that we don't rely on anything from the government. In the building trades we have the best training anywhere, and collectively we spend about \$25 million a year on training, and turn out about 4,600 apprentices a year. We can do a lot better job of talking about that."

Gleason also pointed out that Michigan is well ahead of the nation in terms of producing for owners a "well-qualified, drug-free workforce."

January 26, 2007