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Construction Organizing: A Case Study of Success

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Construction Organizing: A Case Study of Success

Abstract
[Excerpt] This chapter examines how IBEW Local 611, based in Albuquerque, New Mexico, reversed its decline and between 1988 and 1994 reemerged as a dominant force in its jurisdiction. What the local did, how it did it, and what other building trade unions can learn from 611’s success are the central points of the discussion.

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International Brotherhood of Electrical Workers, IBEW, construction, trade unions, organizing, labor movement

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This chapter examines how IBEW Local 611, based in Albuquerque, New Mexico, reversed its decline and between 1988 and 1994 reemerged as a dominant force in its jurisdiction. What the local did, how it did it, and what other building trade unions can learn from 611's success are the central points of the discussion.

IBEW Local 611's experience is instructive for several reasons. Its situation during the 1970s was typical of most crafts unions, and its first response to a crisis that gripped unionized construction in the 1980s was similar to that of many locals within and outside the IBEW: it made concessions and developed market recovery programs. What was remarkable about Local 611 was the way its leadership, at the urging of the international, embraced workforce organizing, developed a dynamic strategy, and mobilized the membership to support and activate it.

Staff organizers analyzed market data and developed this comprehensive strategy by examining the strengths and weaknesses of various players in the market. They creatively used a wide range of tactics, including salting, stripping, market recovery, and legal action, applying different degrees and kinds of pressure, depending on the circumstances, to different contractors. Moreover, they developed broad membership support for the local's organizing program through COMET; once the local had this support, it could identify and mobilize activists, fund full-time organizers, and, quite critically, "open the door" by welcoming new members and revising longstanding internal procedures and practices that were impeding workforce organizing. The local increased its membership by more than four hundred,
or about 35 percent, from 1988 to 1995, and organized DKD Electric, the largest open-shop contractor, as well as fifteen other nonunion firms, in its jurisdiction. Further, according to internal documents from 1988 to 1994, the local dramatically diminished the threat from some particularly troublesome contractors, such as the Gardner-Zemke Company.

Background on Local 611

Local 611's jurisdiction is immense. It covers more than 120,000 square miles—most of the state of New Mexico—and encompasses about 1.7 million people, including approximately twenty-five hundred licensed electricians.

Through the 1960s and 1970s, the local maintained a strong presence in the construction market by relying primarily on large industrial projects that employed large numbers of crafts workers. During the 1970s, the union estimated that its share of the construction market was about 45 percent, on the strength of relatively high levels of unionization in industrial construction (internal documents 1988–94).

The demand for skilled electricians during the 1970s exceeded the local's labor supply so that "travelers" from other jurisdictions, as well as non-union "permit workers," were invited to work on the area's mega-projects. When the large industrial jobs began to wind down in the 1980s, Local 611 reacted as did many building trades locals throughout the country: the travelers were sent home and the permit workers were returned to the jurisdiction's nonunion labor pool with new skills in industrial construction and a taste for union wages and conditions but resentful because they had been denied union membership.

Members of Local 611 who had enjoyed many years of uninterrupted employment saw work opportunities dwindle. The local soon reported a decline of almost 50 percent in its "man hours" worked. Many members facing the prospects of prolonged unemployment in the union sector traveled to the few remaining unionized jurisdictions across the United States, left the IBEW temporarily (with their "tickets in their shoes"), left permanently to work nonunion, or deserted the industry altogether (internal documents 1988–94).

Like the reactions of its counterparts throughout the industry, the early response by Local 611's leadership to the decline in employment was concessionary: job targeting and market recovery programs. Ferdie Martinez, Local 611's business manager from 1981 to 1987, negotiated a memorandum of understanding with signatory employers that gave him the authority to grant a concessionary wage on targeted projects. This agreement was drawn up with the hope of securing additional work for union contractors and jobs for unemployed members.

Unlike some building trade unions, Local 611 resisted across-the-board concessions in wages as members employed market recovery, excess of $1 million in signatory, but share. In fact, an effective or ward spiral in interview, T. L. In 1988, the jurisdiction w DKD Electric employer that ws 94, That same — all part of union campaign Tucson and I even in units agreements.

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concessions in its collective bargaining agreements. But the concessionary wages authorized by the business manager engendered resentment among members employed at lower rates. Between 1986 and 1992, Local 611's market recovery program dispensed cash grants to signatory contractors in excess of $1 million. This enabled the local to keep select union contractors signatory, but it did not lead to signing new contractors or regaining market share. In fact, in many jurisdictions throughout the building trades, absent an effective organizing effort, market recovery plans contributed to a downward spiral in industry standards (Local 611 internal document, 1988–94; interview, T. Davis 1996).

In 1988, almost every major electrical construction project in Local 611's jurisdiction was being done by one of two principal nonunion contractors: DKD Electric or its chief rival, Gardner-Zemke, a former signatory employer that went open shop in 1986 (Local 611 internal documents 1988–94). That same year, Local 611, along with Locals 570, 640, 602, and 583—all part of the IBEW's southwestern district—participated in an election campaign to organize Gardner-Zemke. Although the IBEW won in Tucson and Phoenix, it lost in Albuquerque, Amarillo, and El Paso. But even in units where majorities were won, negotiations never led to signed agreements.

Local 611 organizer Brian Condit soon recognized the limitation of Board elections in the construction industry, a lesson many building trade unionists still do not understand. Victory in a certification election meant that the union had won the right to bargain, a right it already enjoyed under section 8(f) of the National Labor Relations Act.

Winning the right to bargain is, as typified by the IBEW's post-election experience, hardly equal to winning a contract. For Condit, building the power to win a contract was more important than reaffirming the union's legal right to bargain. As he noted: “The fundamental source of union power in construction is control of the skilled labor supply. We believed that if we organized the workers, the contractors would come. That belief drove our organizing program from the start” (interview, 1996).

Although the immediate outcome of the certification election was disappointing, it represented an important step in union outreach to unrepresented workers and afforded valuable lessons. “We learned how to make contact with nonunion workers,” notes Condit, “[and] discovered they were a lot like us. We learned about workers’ rights under the Act, but we also learned not to confuse justice with the law” (interview, 1996).

**Reaching Out to Unrepresented Workers**

Following the election setback, local organizers pursued other approaches. Key among these was salting—sending union members to work for non-
union employers for the express purpose of organizing. An important element of a nonelection strategy, salting revives one of the tactics used by founders of the building trade unions a century ago who supported themselves by working in their trade while they organized their coworkers. Through salting and direct recruitment of unrepresented workers, early organizers built a loose monopoly of an area's skilled labor pool. Contractors signed contracts to gain access to the union-controlled labor supply, and unions enacted internal rules prohibiting members from working for nonsignatory contractors. This strategy provided unions with effective leverage to expand the contractor base and maintain market dominance.

Local union bylaws, including those of the IBEW, continued this prohibition long past the time when many locals had high rates of union density. The IBEW recognized and advised that it was therefore necessary for locals to pass special salting resolutions enabling job-site organizing to proceed without compromising the integrity of local bylaws. This was an important policy adaptation at the international level to vastly changed circumstances within the industry.

Local 611's salting resolution, which it passed in 1988, was one of the first internal policy changes aimed at facilitating organizing. Staff organizers provided key leadership by becoming the first salts, and soon rank and file followed suit. The union's salts were instrumental in identifying the most skilled nonunion electricians and recruiting them into the local, thereby "stripping" open-shop contractors of their most skilled labor.

Recruiting new members into an IBEW local took political courage in 1988. When Brian Condit initiated his first recruit, a former union member and Gardner-Zemke employee named Rick Howe, a near riot erupted at the local union meeting and police had to be called to restore order (interviews, Condit 1996 and Davis 1996). As was the case in virtually every IBEW jurisdiction, the ranks of Local 611 opposed organizing new members because they feared a growing membership would increase unemployment and insecurity. "I just kept organizing," asserts Condit. "I was going to do it or we were going to die." In the long-run, Condit won out. In the short-run, however, his boss, business manager DuB Baker, was voted out of office. Although he retained his position as local president, Condit was subsequently replaced as organizer by Ben Sandoval, who kept the spirit alive. "I felt good about organizing," he remembers. "We continued organizing good hands who couldn't get in when the local was a country club in the late seventies and early eighties" (interviews, Condit 1996 and Sandoval 1996).

The kind of rank-and-file resistance witnessed in Local 611 and throughout the Brotherhood threatened to derail the IBEW's organizing program. The international union implemented COMET, its membership education...
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training program, in 1990 to overcome that problem (Grabelsky 1995). “COMET dramatically changed attitudes,” reports Chris Frentzel, Local 611 current business manager.

Before COMET was started, organizing was regarded as a politically volatile issue only a few leaders were willing to support; after only 150 Local 611 members had been “COMETized,” organizing new members became a more viable enterprise. Membership support grew, so that by 1992 the rank and file voted for a new assessment to enable the local to hire another full-time organizer and Tom Davis joined the staff in June of that year. “That was not an administration motion,” explains Davis. “It came from the heart of the membership.” As we shall see, by 1994, the deployment of COMET-trained activists proved to be decisive in successfully organizing DKD Electric (interview, Davis 1996; Grabelsky 1995).

After Tom Davis came on staff, he spent several months collecting data on Local 611’s jurisdiction. He found that small and medium-sized nonunion employers were thriving because they had access to an abundant supply of about three hundred electricians who routinely worked for $10 to $12 an hour less than the union wage package. Union employers operating in the same commercial market were struggling to compete with these lower-cost contractors. Davis concluded that if Local 611 could recruit a significant percentage of the unrepresented electricians, he could cripple the ability of nonunion employers to operate open shop while simultaneously enabling signatory contractors with five to ten employees to expand their operations.

Local 611 then began identifying and communicating with unrepresented electricians in a systematic and ongoing way. Given the transient nature of the workforce in construction, this can be a difficult challenge, especially when a local has a vast geographic jurisdiction. But New Mexico’s state licensing law facilitated Local 611’s efforts to contact nonunion electricians. The local organizers began publishing the Electrical Workers of N.M. Newsletter, without revealing the IBEW’s direct involvement. The newsletter addressed issues of concern to all working electricians and was distributed to nonunion workers by mail. The response to the newsletter was promising. A typical letter to the editor from 1992 read: “It’s about time! . . . Electricians need to be heard in reference to the conditions [under] which we are forced to work. Your newsletter is a breath of fresh air to myself (sic) and the others on our crew.”

Davis and other organizers often found that open-shop electricians, especially the “best hands,” were reluctant to leave their current employers to join a union in which employment prospects were uncertain. This problem was exacerbated by the local’s referral procedure, which placed newly organized workers on a lower-priority referral list than current members. So the referral rules were adjusted to allow new members who had worked for any
contractor in the jurisdiction for one of the last three years to be included in the top-priority referral category. This represented another significant internal change to support organizing.

Once the referral procedures were altered, Local 611 recruited nonunion electricians more effectively. Each new recruit who passed the local's journey-level examination was inducted into the local and placed in the top priority for future referral to a union contractor, but, in the meantime, he remained with his current employer as a salt to gather information and enlist other electricians.

An improving economic climate aided the local's organizing activities. As construction picked up, union members on Book I were referred out to jobs, and small signatories began to call for additional electricians. On the one hand, many of these calls were for jobs old-time union members shunned: service assignments and projects at targeted market recovery rates of only $14.35 an hour, well below union scale. On the other hand, the newly organized members who had remained with their nonunion employers waiting for the hiring hall to clear were pleased to obtain union employment. The local then began strategically placing these electricians with signatory contractors, who were delighted with the new members' skills and productivity.

As the local replenished its labor pool with newly organized electricians, signatory contractors who had been reluctant to expand their operations became increasingly confident as they successfully bid on work in the expanding commercial market. Their success heightened the demand for union electricians, which in turn facilitated the local's ongoing efforts to recruit more new members.

Through stripping, Local 611 brought in as members about fifty of two hundred to three hundred electricians working in open shops—enough to disrupt nonunion business significantly. Following their basic credo—"Top-down efforts begin after the employer feels our bottom-up pressure"—organizers approached those contractors most severely hurt by the local's stripping activities and persuaded many of them to sign collective bargaining agreements. In doing so, these contractors regained access to a skilled labor pool, which they required to continue operations.

The growing number of newly unionized electricians and newly organized employers produced the perception that employment prospects were more favorable in the unionized sector of the industry. That perception helped generate momentum just as a boom in industrial construction blessed Local 611's jurisdiction. The local's success in constraining the open-shop labor market created a favorable environment to pressure industrial contractors, and IBEW organizers turned their attention to vital targets, including DKD Electric (interview, Davis 1996).
Organizing DKD Electric

DKD Electric opened for business in 1978 and within ten years established itself as one of the key players in electrical construction, earning about $5 million gross annually. On a 1988 DKD project employing sixty electricians, a significant but undetermined number were union members. DKD president Dee Dennis speculates that “some may have been salts. But others were just looking to support their family. . . . The union guys were more qualified than the guys off the street. That was the first place we noticed how poorly trained and skilled the open-shop labor market was.” That the local had systematically stripped as much as one-fourth of the most qualified non-union electricians had clearly affected DKD’s plans and capacity to expand (interview, 1996).

DKD retained a relatively stable workforce of about seventy electricians. That number was sufficient until MyCorp Corp., a computer chip giant, commenced an enormous expansion of its New Mexico operations. As one of the successful bidders, DKD looked forward to doing some of MyCorp’s $1.5 billion construction project.

In early 1993, when MyCorp began its new construction, IBEW Local 611 was poised to organize as never before. It had stripped a significant portion of the skilled open-shop labor pool. It had trained several hundred COMET activists. It had acquired the organizational skills and strategic acumen to tackle a major target. The local just needed to get a foothold on the MyCorp site.

Hughes Electric was the only union signatory to be awarded any part of the project. DKD won the lion’s share of the electrical work at MyCorp, and other open-shop electrical contractors were assigned smaller portions. When the local sent nearly one hundred members to work for Hughes Electric on the MyCorp project, it instructed them to do two things: perform their work in an exemplary fashion to demonstrate the quality and character of the union labor pool and build a good relationship with DKD employees. This second instruction represented a dramatic departure from recent experience on “mixed” job sites in the construction industry, where the relationships between union and nonunion workers have often been acrimonious. The union activists sent to Hughes Electric understood and appreciated their instructions because of the COMET program (interview, Davis 1996).

At the same time that Local 611’s activists commenced their “bottom-up” efforts among DKD employees, Ben Sandoval and Tom Davis initiated their “top-down” strategy by visiting DKD’s office. Dee Dennis, president of

1. To maintain confidentiality, a fictitious name is used here and throughout.
DKD, remembers the meeting and appreciated their approach. "They were straightforward with us," Dennis recalls, "When they came to us, we knew they had a recruiting plan for DKD. They said, 'We like how you treat your people and manage your business' " (interviews, Davis 1996 and Dennis 1996).

That meeting came at an auspicious time for DKD. The demand for labor on the MyCorp project greatly exceeded the capacity of DKD's eighty-employee workforce and the contractor had gone into a feverish hiring mode, employing a full-time personnel manager to locate and recruit electricians, spending $2,500 a week advertising across the country, and running ads in the local papers every day for almost a year. It was not a pleasant time for Dennis. "We had contractors on the same site competing for the same manpower, and we got into a bidding war," he remembers. "One contractor offered $200 for electricians just to sign up. Wages jumped from $11.50 to $14.50 an hour with full benefits!" Out of necessity, DKD employed lesser-skilled electricians at higher wages than Dennis would have countenanced just a year before. "We lost the advantage that operating open shop gives a contractor who can pay lesser-skilled workers less wages" (interview, 1996).

The new circumstances created turmoil in DKD's ordinarily smoothly run business. DKD crew leaders were confounded by the challenge of meeting production schedules with an underqualified workforce. That was about the time Local 611 organizers came into the picture. Dennis met with Davis and Condit over a period of several months to address how the IBEW could solve DKD's need for skilled labor (interview, Dennis 1996). The extraordinary demand for skilled labor and the impact of Local 611's drive to recruit area electricians combined to make Dennis especially receptive to the union's top-down pitch.

At the same time that IBEW Local 611 was making inroads with DKD, Gardner-Zemke's workforce was gradually reduced from nearly three hundred electricians in 1991 to about fifty journey-level electricians by 1994 through salting, stripping, strikes, and unfair labor practice charges. By contrast, DKD instructed the salts on its payroll to avoid confrontational and disruptive concerted activities so that DKD's steady employees would not be alienated from the union.

As DKD and other newly organized contractors expanded their share of the construction market, the threat of nonunion competition from employers like Gardner-Zemke was dramatically diminished. "Fellow open-shop contractors were being hammered by direct union organizing," concedes Dennis. "We were aware of that." (interview, 1996).

The union's claim of having an available pool of highly qualified workers was reaffirmed by the obvious productivity of the Local 611 members and
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IBEW travelers Dennis employed. This led Dennis to believe that it would be "a good business decision . . . [to] arrange an accommodation with the IBEW." On Friday, March 21, 1994, Dennis left the following message for Chris Frentzel, Local 611's business manager: "Tell him to get his ass over here with a pen" (interviews, Dennis 1996 and Davis 1996).

During contract negotiations, Local 611 also had to make certain accommodations to DKD. A six-month trial period was granted before DKD would become signatory to the union's standard agreement. Projects already bid would be "grandfathered" in so that DKD would not be unfairly saddled with higher labor costs on jobs estimated at open-shop rates. Revealing the effectiveness of 611's organizing strategy, when agreement was finally reached, Dennis shook hands with the union's negotiators and asked, "Can you send me five electricians tomorrow?" (interviews, Dennis 1996 and Davis 1996).

The signing of DKD required adjustments in the way the union handled its affairs. One question was how to deal with the sudden influx of workers whose skill levels varied widely. In response, the Joint Apprenticeship and Training Committee (JATC) adjusted its program to meet the needs of organizing. This included developing placement tests, setting up special classes, and training new instructors to deal with the large numbers of new journey-level and apprentice members. DKD had about twenty indentured apprentices who had been enrolled in the state-approved Independent Electrical Contractors' four-year apprenticeship program. Local 611's JATC reviewed these apprentices' records and slotted them into the IBEW's five-year apprenticeship program, asking most to move back a year.

DKD, like other open-shop contractors, also employed unindentured helpers. The use of such semi-skilled workers presents a competitive advantage to nonunion employers, reflects the ways in which electrical construction has been deskilled in the last twenty-five years, and posed another administrative challenge to the local. The JATC agreed to admit ten of DKD's twenty-two best helpers into the local's rigorous apprenticeship training program. Four subsequently dropped out.

Becoming a union signatory has had a dramatic impact on DKD. On the MyCorp project, Dee Dennis gained access to the skilled labor supply his business required. His company now employs more than five hundred union electricians. And according to Dennis, "We wouldn't be a $25 to $30 million contractor and we wouldn't be in markets we're in today without having become a union contractor. The manpower just wasn't there in the open shop." The down side for DKD is that it can no longer compete in markets that are still dominated by open shops. Dennis would welcome unionization of those markets (interview, 1996).
Lessons Learned from 611’s Experiences

The circumstances presented and the resources available to IBEW 611 are similar to those of locals throughout the construction industry. The crucial factor in Local 611’s success is leadership skill. That skill was exhibited in the following ways:

• The local’s leaders retained confidence in the membership to understand and rally behind the goals, strategy, and tactics of workforce organizing.
• Staff organizers provided role models for member-activists by being among the first to salt nonunion jobs.
• Organizers didn’t get discouraged but learned and applied valuable lessons from unsuccessful NLRB elections.
• Organizers stayed focused on recapturing control of the skilled labor pool by organizing workers into the union. It was clearly understood that the measure of organizing effectiveness and success is not just signing contractors to collective bargaining agreements but, more important, increasing membership and market share. Membership increased by more than four hundred members, or 35 percent, between 1988 and 1995.
• A market-wide strategy was developed after thoughtful analysis of the strengths and weaknesses of key players within the jurisdiction. The strategy avoided targeting individual contractors in isolation from others and considered the relationships among various players in the market.
• Tactics served that strategy because they were applied dynamically. Although the local used a wide range of tactics, including stripping, salting, work site concerted activities, unfair labor practice charges, and top-down pressure, it never embraced any single tactic inflexibly. It carefully selected the right tools for each target.
• Having significantly dried up the skilled labor supply during leaner times through its solid organizing, the local was able to take full advantage of improved economic circumstances when they arose.

IBEW Local 611’s leaders, most fundamentally, understand power: how to build it and how to use it. The ultimate aim for all building trade unions is to achieve sufficient power to determine the terms and conditions of every construction worker in his respective trade and jurisdiction. With such power, unions can negotiate better and better contracts, winning for members growing prosperity, a rising standard of living, a better quality of life, and more democratic control over their work lives. With such power,
unions can organize a growing contractor base, expanding employment opportunities and enhancing job security. And with such power, unions can stabilize the industry and tame its most destructive competitive tendencies.

The obstacles to building such power are not insurmountable. With persistence, courage, and a lot of hard work, the leaders and members of IBEW Local 611 have demonstrated how this power can be achieved.