The Advance on Productivity

In This Second Part of the Productivity Series, the CICE Recommendations for Improvement Gain Industry Support and Promotion

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AWCI has played an active role in advocating union mergers, which will go far in reducing jurisdictional disputes in the future. And finally, while the CICE Project notes that a contractor’s insurance is a major cost factor, AWCI has recently approved its off-shore captive insurance company to offer its members even lower rates.

Following the Salt Lake meeting, the task force requested that five AWCI committees (education, technical, labor, apprentice, and merit shop) review selected CICE reports which made recommendations in their areas. The members of the task force then jointly prioritized the 23 CICE booklets for further review.

Following this initial conferral, Dan McGlone, Steve Watkins and Steve Wilders represented AWCI at the Roundtable’s Conference in Tucson. The conference was essentially a “how to” outline for construction users given by other construction users. The opening address was presented by Mr. John Bookout, Chairman and CEO of Shell Oil, who

Industry Audits Itself...

Also at the Salt Lake City meeting, many of the current AWCI programs which addressed specific recommendations made by the Roundtable were identified. For example, the CICE Project calls for a centralized source of industry information and research. Already meeting this need is the Foundation of the Wall and Ceiling Industry’s John H. Hampshire Research and Reference Library. Under Gene Erwin’s direction, it is without question the largest and most comprehensive collection of wall and ceiling technical literature and managerial information of its kind anywhere. This goes right to the heart of the Business Roundtable Study Area B, Construction Technology.

In another study area, the Roundtable cites jurisdictional problems as a hindrance to construction productivity. As any AWCI member knows,
gave his full support to the project. The AWCI representatives acquired an insider’s view of the progress made by the CICE Team, and developed a broader understanding of the problems addressed by the project.

**Input from AWCI . . .**

Meanwhile, AWCI’s Continuing Study Council, chaired by Ken Hampshire, completed in December an extensive review of each of the 23 booklets during its tour of projects in the Orient. In keeping with their role as AWCI’s premier “think-tank,” the CSC outlined possible AWCI approaches to each Roundtable recommendation. This review, the product of over twelve hours of study, was generally accepted by the CICE Liaison Committee.

These CSC comments were evaluated at the next meeting of the AWCI-CICE Liaison Committee, held on January 9th in St. Louis, along with many other items of importance. During this meeting, which was also attended by AWCI’s President Bob Whittle and Executive Vice President Joe Baker, Jr., the group outlined the final steps to be taken before presenting a formal response to the Business Roundtable this June.

Groundwork was laid for the CICE session at last month’s 67th Annual Convention which featured presentations by the Business Roundtable and by AWCI-CICE Liaison Committee members.

Following the receipt of any written comments on these presentations after the convention, the task force will then complete its mission and...
submit a response to the Roundtable. The final response to the Roundtable will come in the form of an implementation handbook which will be distributed to all AWCI members and published in this magazine in July.

Implementation Handbook . . .

The booklet will contain a series of steps you can take to make your own company more productive and cost-efficient, and thus improve the industry’s productivity, in five key areas: labor, technology, education, apprentice-training and open shop operations. For example, one recommendation will be that your firm negotiate compensation for any design-build work it is involved in, if you are not subsequently awarded the job.

Another recommendation will be that when you promote an employee to the rank of superintendent, ask that employee to drop his union affiliation. Finally, AWCI will recommend that those member contractors on apprentice boards across the nation demand that the apprentices receive some basic education in construction economics: i.e., if the contractor doesn’t profit, the employee will no longer work for him. These recommendations to members are just a sample of what your implementation handbook contains.

The implementation handbook will also include many of the comments made by the Continuing Study Council on specific Roundtable recommendations, including those that we, as an industry, do not agree with. It will also include several specific recommendations from AWCI to the Business Roundtable, designed to expand the level of contact between our groups.

Conclusions

The Roundtable argues that “the shortcomings of construction are bad news for the entire U.S. economy, since the cost of every factory, office building, warehouse, hotel or power plant must be built into the price charged for goods and services. Falling productivity, by driving up the costs of doing business, injures both the national and international economy. The U.S., having lost its one-time domination of the western industrial world, can no longer afford the luxury of a needlessly inefficient construction industry.”

The CICE Project, and the recommendations made by the Business Roundtable for improving our industry’s productivity, was not a one-time shot in the dark. The problems didn’t arise overnight, and it will take time and a cooperative effort by contractors, owners, and labor to solve them. The AWCI-CICE Liaison Committee, in issuing its final report to the Roundtable this June, will only be beginning its long-term implementation of the project. Success will depend on each individual’s realization of the significance of the project, both for their own company’s continued profitability and the long term health and viability of our profession. The owners hold the cards and they have the economic muscle to demand changes. It is up to each of us, along with our counterparts, to meet the challenges that our largest users have presented. The stakes are large, for an industry able to deliver more construction for the money will give the entire U.S. economy an important lift.