Getting it Together in California

In the Far West, the Unionized Segments of the Drywall Industry Have Discovered That Mutual Cooperation Works, and Now California Has Joined AWCI to Strengthen Further Its Membership Services.

(A funny thing happened on the way to the California bargaining table: union contractors and union leaders discovered they needed each other in order to survive.)

That helps explain why—with the help of a troika of capable wall and ceiling industry leaders in the state—California’s union sector is staging a splendid comeback in its struggle with open shop building.

The troika consists of Robert N. Gulick, Executive Director of the California Drywall Contractors’ Association; Homer Bartles, Executive Director of the Southern California Drywall Contractors’ Association; and Ron Becht, Executive Director of the Northern California Drywall Contractors’ Association.

Battles and Becht negotiate agreements with their respective unions and due to their efforts, union construction has remained competitive with non-union activities.

The Association leaders’ goal now isn’t just to conserve union markets, but to win back large portions of commercial and residential markets that have been done by non-union contractors. In many areas of the market today union contractors are winning.

The California Drywall Contractors’ Association is an organization made up of two regional associations. The regional associations, on a basis of per capita, name the directors of the California Drywall Contractors’ Association who will represent them for the following year. The members of the California Drywall Contractors’ Association are also trustees of a statewide promotional activity which is charged with increasing the contract opportunities for the contractors who are signed to the state Drywall Master Agreement and creating more work for the members of the Carpenters’ Union.

The Board of Directors of the California Drywall Contractors’ Association voted for chapter affiliation with AWCI so that all members of CDCA are now AWCI members.

Gulick is a native Californian, born in Los Angeles. After World War II, during which he served as a flight instructor, he worked for H.P. Fuller and then for 14 years was manager of the sales department for a painting and drywall contractor. Twenty years ago he accepted the job as Executive Director of the Drywall Information Trust Fund.

Bartles is also an Army Corps veteran, serving in the military police from 1940-1945. Born in Los Angeles, he is a former painting contractor who started as an organizer for the Southern California drywall group. Three years later, he became the Executive Director and has been carrying out his multi-task job for 140 members ever since.

Becht is originally from Buffalo, NY, where he received a business degree from Canisius College. An army veteran, his job with National Gypsum Company took him to Phoenix where he ultimately joined the Pete King Corporation as an operations manager in Northern California.

His next career step came as the Northern California Area Representative for the Drywall Information Trust Fund. In 1974, Ron became the Executive Director for the Northern California Drywall Contractors’ Association.

For Gulick, Bartles and Becht and their California contractors, the ring is now complete. California was a major factor in the establishment of the Gypsum Drywall Contractors International (GDCI) because contractors needed a direct line to the national scene. With the consolidation between
GDCI and the then international association of Wall & Ceiling Contractors, the line of demarcation became somewhat blurred. Now their group is a full fledged member of the national association.

Because the affiliation represents a significant step both for AWCI and California contractors, CONSTRUCTION DIMENSIONS interviewed all three association leaders, not only to get their attitudes on the move, but also to report on conditions in the nation’s most populous state.

DIMENSIONS: The relationship has always been friendly between AWCI and the California drywall groups, but why have you picked this time to affiliate? Has the union vs. non-union controversy played a prominent role?

GULICK: If that was the case, we could have affiliated a long time ago. No, the real reason is that if you’re going to be involved in this industry then things on a national level must boil down to the local contractor. That’s where policies are developed for the good of the industry.

BARTLES: Keep in mind this was a contractor decision.

GULICK: That’s right. From an association viewpoint, we’ll encourage our members to be more aware of the national association. But in the last analysis, being involved determines policy—and we simply haven’t been involved in the recent past.

DIMENSIONS: Essentially, this is similar to the arrangement that the California contractors had with the old GDCI, isn’t it?

GULICK: Precisely. If you belong to the local association, you should belong to the national organization . . . that’s the way it worked with GDCI.

DIMENSIONS: Let’s move quickly to the core. The non-union sector has been ripping up traditional union markets all over North America in the last few years. Has the trend cooled off in California—or have the unions found an acceptable counter?

GULICK: I think it’s safe to say that over the past four years we’ve had a complete reversal of the trend toward non-unionism.

I’m not saying it’s over, just a reversal. Recent negotiations leading to reduction of costs which have been achieved by our local negotiators reflect an increased awareness of the problem by both labor and management. This has lead to a resumption of business, especially in the housing market.

BARTLES: Once upon a time a Southern California union contractor could compete in the housing market. Today, it’s 90% non-union, even the big tracts, but we’re getting closer to a competitive stance.

The non-union penetration was bound to continue as long as cost differentials were as wide as they were. It was only a matter of time until these differentials grew close enough that a true competitive position on both sides was attained.

In the past two years, both wages and lowering of fringe benefit payments have produced more competitiveness by union contractors. They still have a long way to go, but a good, successful start has been made.

BECHT: The Northern California market is a bit different from the Southern experience. Here in the Bay Area, it’s still strongly union and whatever effective penetration has occurred is on the perimeter—

DIMENSIONS: The reports are? that the penetration has been rather substantial on the, as you say, perimeter—

BECHT: —yes, the non-union involvement now in the housing market is extensive. Furthermore, they’ve moved into the commercial market, too—but the Bay Area remains union.

But the attitude between labor and management here has undergone a true change. The unions have discovered
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the contractor as their ally and if the contractor can compete and make a decent profit the unions strengthen their own hand.

**DIMENSIONS:** And this attitude has reflected itself at the bargaining table?

**BECHT:** Of course. Unions have awakened in time and are determined to stem the tide. They saw the disastrous switch in Southern California where union housing is virtually down the drain.

A great deal of effort and leadership has been provided by the unions in California in order to help us increase our contract opportunities.

**DIMENSIONS:** Have the union contractor and union leaders written off Southern California’s housing markets?

**GULICK:** No! There’s a matter of definition involved in that question. The single house market is primarily non-union, but other markets—apartment houses, condominiums, etc.—are residential, but union contractors remain competitive.

**DIMENSIONS:** What is going on right now to continue the leveling out competitive process?

**GULICK:** There have been modifications to our agreement which is up this year. The unions want negotiations now so no problems occur when contract time arrives. We just want to avoid any problems beyond the ability of the negotiating committees to handle.

In Southern California, they’ve extended the agreement on wages, hours, and working conditions. This is a good step in the right direction.

**BARTLES:** The unions are being very cooperative. They’re trying to adjust and we’re all getting somewhere. The wages have been lowered a bit in housing and frozen in commercial.

For example, on any 3-story wood frame building the work may be done under reduced rates. That’s a considerable help because a lot of commercial work falls in that category.

**DIMENSIONS:** And work practices? What about them? Has there been much of a change?

**BECHT:** So many of the work practice problems take care of themselves with a fundamental change in attitude. Truth is, work practice problems haven’t been all that onerous, but there has been a reduction. The more conciliatory attitude of unions toward the contractor shows up in the work practice area quickly.

**BARTLES:** The same would hold true of Southern California. The contractor is policing his jobs more, getting more control over costly practices—and the unions are helping. Because both sides are in a competitive situation, the extremes are taking care of themselves pretty much. It’s always been in the contractors’ hands.

To see the result of the new attitude you need only to review the total hours of reporting for 1984 and 1985. It’s not up to what it was fifteen years ago, but total union working hours have bounced back commendably.

**DIMENSIONS:** With the entire state as well organized as it is, you can really get a good grip on training, can’t you? I understand you’re approaching training with the idea of creating multi-talented people?

**GULICK:** Our program is indeed state wide. The drywall-lathing coordinating committee is made up of labor and management members from the local Joint Apprentice Training
“Construction markets are strong throughout Southern California, and I don’t see that this will change all that much for the coming year.”

Committees. This is a requirement of the statewide Drywall Agreement.

I serve on that committee and I can assure you that the members are extremely proud of the progress that these committees have developed for the training of drywall/lathing journeymen.

DIMENSIONS: What about the multi-talent approach, though? Are you truly going after a so-called “construction journeyman” in the sense that the Carpenter Union’s former president, Bill Sidell, once suggested?

BECHT: We’ve just recently opened up the Northern California drywall/lather apprentice program’s new training facility in Hayward, California, and this facility will allow us the privilege of fulltime daytime training.

As for your “construction journeyman” question, yes, we’re seeking to turn out well-rounded construction people rather than mere specialists. The facilities here mean we can train apprentices in welding, erection of steel frames, door frames, radius—we can do it all here.

You could say that we’re trying to avoid the “I can’t do that” type of journeyman. The journeyman of tomorrow can uphold the better productivity claim that union craftsmen have made for decades: that’s our commitment.

DIMENSIONS: You spoke of tomorrow, Ron. What do you see as the emerging trends here in California?

BECHT: I think we can look forward to a continuation of good business. There’s been no recession in the commercial markets in the Bay Area for the past 8-10 years.

DIMENSIONS: They were talking like that in Houston just a short time ago, too?

BECHT: —oh, I can see it coming. In office buildings and speculative R&D buildings the saturation point has just about been reached. What’s holding up the commercial market today is the amount of hotel construction. They seem to be throwing up hotels all over the place.

DIMENSIONS: How about residential?

BECHT: We had a strong housing market in 1985 and this year should also be strong. Drywall contractors who are essentially in housing expect
a good market in the woodframe nail-on.

DIMENSIONS: And Southern California, Homer? Do you see any trends emerging?

BARTLES: Construction markets are strong throughout the Southern California, and I don’t see that this will change all that much for the coming year.

As for specific changes, steel studs seem to be making a strong comeback. A few years ago it was all aluminum.

And then the exterior insulated wall system has really taken a good grip on the market.

BECHT: Those types of exterior walls are a major element in the marketplace. The architects have discovered the systems and they’re using them.

DIMENSIONS: Bob, am I correct in stating that the load associations get involved in the actual negotiating and day-to-day contractor matters while the state association involves itself more with government affairs, legislation, code bodies . . . that sort of thing?

GULICK: We break off our responsibilities cleanly. I haven’t been involved in the union versus non-union controversy directly so I’m reluctant to comment on it except as an observer.

As for contracts, we just don’t get into that and avoid any suggestion of imposing ourselves on the local associations. We do serve as advisors to their boards of directors, but that’s about the extent of it.

The state association is concerned with the administrative portions of our statewide master agreement and is charged with governmental affairs, codes and standards which get us involved with ASTM Committee C-11 and the International Conference of Building Officials. We have devoted a great deal of time and effort in these
areas in order to help the contractors in California and we are proud of the determination of the Trustees as they have instructed our activities.

DIMENSIONS: In the meantime, of course, the whole way of running a contracting business changes, doesn’t it? The merging of drywall and plastering contractors was a latecomer in the California experience, wasn’t it?

GULICK: In the beginning, the plasterers simply didn’t want drywall and the carpenters took over the material’s installation. Prior to the advent of the drywall contractor, the general contractors installed the board and the painters finished it.

In order to maintain surfaces it is necessary to have quality and capability and under the system where the general contractor installed the board and the painter finished it, the quality just wasn’t there. This was when the California Drywall Contractors’ Association came together and decided that they needed training, not only for drywall carpenters, but also special training for tapers and finishers. That’s the background for the manner in which the California Drywall Industry developed.

DIMENSIONS: Aside from the contractor specialty developing, what were some of the other breakthroughs that brought drywall to the front?

BARTLES: Most of the improvements would be of the nail popping problem variety—

BECHT: —and for increasing productivity, the ability to finish off a wall faster and better.

GULICK: Probably the most significant development was the AMES Taping Tool, followed by lightweight steel stud framing.

The taping tool increased productivity and completely revolutionized the finishing process. Then once the concept of steel studs was accepted the industry really took off by leaps and bounds.

DIMENSIONS: Where does each of you see the wall and ceiling industry going in the next five years . . . or perhaps the next decade? Can the contractor and the journeyman expect my important changes?

GULICK: The major element will be, I think, a more responsible labor relations involvement. Labor and management now see that they need each other. On that score, we’re rather lucky in California because we have a young group of labor representatives who are proud of the industry they helped develop and they want it maintained.

There could be some problems between the traditional and non-traditional forms of training—

DIMENSIONS: Such as the Associated Builders and Contractors’ Wheel of Learning program?

GULICK: I’m not all that familiar with the ABC’s program, but I’m not totally convinced you can train one individual to be competent in drywall, painting, carpentry, etc.—and expect him to compete effectively. Drywall and lathing go hand-in-hand in a limited fashion, but you’re really stretching it when you try to build in too much.

Besides, in California a training program simply isn’t recognized when it’s not endorsed by the California Apprenticeship Council, an arm of the Department of Industrial Relations. The non-union people are pushing hard to get their program certified, something that hasn’t happened.

DIMENSIONS: —and you, Ron? What do you see coming up?

BECHT: My frame of reference is a bit shorter. For the immediate future, I see good business conditions continuing. In a few years there may be an adjustment period for overbuilding.

But I see the exterior insulated systems coming along faster—there must be something to them or ICBO wouldn’t have approved them in the West—and the improvement of labor and management attitudes towards each other. We have a lot to do yet, but a good start is already underway.

BARTLES: The cost differentials between the union and non-union sectors are narrowing so there’ll be a better competitive situation in Southern California.

Without a cost advantage, the greater skill and productivity level of the union workforce will exert itself and I see some of the markets coming back.

DIMENSIONS: —the housing market?

BARTLES: That may be asking too much. But I don’t think you’re going to see the non-union penetration continue much farther. The cost advantage is being addressed, labor and management see the importance of cooperating, new products and systems are coming on stream—all in all, it looks like a good immediate future ahead.

GULICK: I think contractors all over North America—with a few known exceptions—can look forward to a good business year in 1986.