

Labor-Management Cooperation and Customer Satisfaction

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Abstract: The satisfaction that a customer has with the construction product and construction services provided by a contractor has a direct influence on the customer's willingness to select that contractor for future work. Labor and management working together have the opportunity to influence customer satisfaction. Activities at the contractor/craft worker level, the contractor/local union level, and the contractor association/local union level have the greatest potential to influence customer satisfaction. A precisely defined plan incorporating labor-management activities targeted at specific satisfaction factors will have the greatest likelihood of creating high customer satisfaction.

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Introduction

The 1950s and 1960s were the golden age for organized labor in the construction industry in the United States. The economy was expanding and the few downturns that did occur were mild. Because of the expansion, there was abundant work for contractors and full employment for craft workers. From labor's perspective, the conditions were good for collective bargaining. Wage and benefit increases were readily secured in each round of negotiations and, because of the lack of nonunion competition, were easily passed on to the customer. The relationship between labor and management during this period could only be described as adversarial. They shared no mutual concerns; each pursued its own agenda, labor wanting more and more in the way of wages and benefits, and management resisting, with little or no consideration of the customer by either side.

During this period, labor engaged in a series of counterproductive actions in the belief that the excellent economic conditions of the period would continue into the future (AFL-CIO 1993). Unions employed restrictive membership practices to limit the pool of labor available through the unions. In those times when the demand for labor exceeded the supply of labor in a specific trade, the union in that trade would grant temporary work permits to nonmembers to meet the demand. While employed, these nonmembers were able to obtain training as part of their work. Upon application, these workers were denied membership in the union to prevent competition for work when the demand for labor was lower. Consequently, a pool of trained people was created that was available to nonunion firms. Although not fully trained in a trade because they were denied access to apprenticeship pro-

grams, these workers acquired sufficient skills to perform many basic tasks.

Labor adopted a "country club" attitude, using its bargaining strength to increase the wages and benefits of current members rather than advancing the interests of all construction workers. As a result, a significant disparity developed between union and nonunion compensation packages. At the same time that labor was securing significant compensation increases, it was negotiating lower production standards, that is, performing less work in a day, under the guise of improving working conditions. The creation of a pool of trained workers available to nonunion contractors, an increasing disparity in wages and benefits between union and nonunion workers, and declining union worker productivity greatly reduced the ability of union contractors to compete for work against nonunion contractors.

Labor, and to a certain extent contractors, became selective in the work performed by focusing on large jobs and relinquishing small work to nonunion firms. This allowed nonunion firms to enter and capture market, gain experience, and grow, which allowed them to enter more and larger markets. Last of all, labor became very complacent in thinking that declining productivity and the loss of market share would have no long-term consequences.

A common thread running through labor's actions is an internal focus, with a total disregard for the contractors' customers, that is, the individuals or firms paying to obtain the contractors' services. In addition to the factors discussed above, labor, through its use of strikes and work stoppages to support jurisdictional and collective bargaining positions, greatly antagonized customers. Although labor appeared to ignore the customers, the customers did not ignore labor's actions. Customers increasingly turned to nonunion contractors for their construction services. In addition, customers began to take a more aggressive position relative to organized labor in the construction industry. After several years of double-digit wage increases resulting from the drain on the manpower supply by the Vietnam War and strong demand in the industrial construction sector, Roger Blough, chief executive officer of United States Steel, led the establishment of the Construction Users Anti-Inflation Roundtable, which eventually became the Business Roundtable. The Roundtable, believing that contractors were overmatched in negotiations by their labor counterparts, offered the services of the Roundtable's member companies' full-

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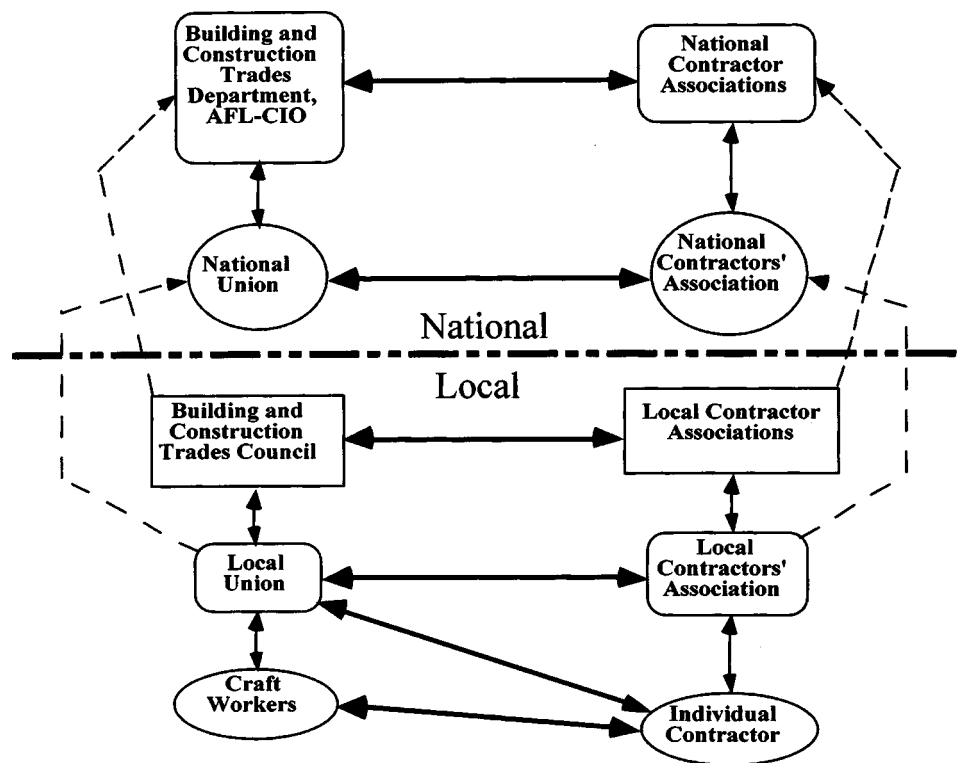


Fig. 1. Levels of labor-management activities

time labor relations personnel to assist the contractors during negotiations.

As a consequence of the actions described above, the market share of unionized construction dropped from approximately 75% in the early 1970s to 25% today. To regain some or all of its previous market share, organized labor must overcome its alienation of much of the former customer base of unionized contractors. This will require labor to become partners with its contractors to address the concerns and needs of the customer and to demonstrate convincingly that the customer's satisfaction is of paramount importance to labor and management.

Labor-Management Interaction

Addressing customer satisfaction requires labor and management to interact as partners and cooperate. Labor and management in the construction industry may interact at several different levels, which are depicted in Fig. 1.

The basic level for labor and management interaction is at the individual contractor level, where the contractor interacts with the craft workers employed by his or her firm. Collective bargaining is normally not conducted at this level, but rather at the next level. At the individual contractor level, labor and management interaction would include consideration of such issues as work processes, customer requirements, jobsite procedures, and so on. This is the level at which construction work is performed, and there is direct contact between the contractor and the contractor's personnel and the customer. Thus, it is at this level that the performance and actions of labor have a direct impact on the customer's satisfaction. Labor and management, at this level, have the opportunity to identify the needs and concerns of their customers and to engage in the behaviors that address those concerns and satisfy

those needs. There is a direct relationship at this level between the contractor and his or her personnel and the customer.

In addition to interaction with his or her own employees, the individual contractor may interact with the local union representing his or her employees. Interaction at this level would address specific issues of concern to the contractor and how they can be addressed within the collective bargaining agreement. In addition, there may be issues that are not matters of collective bargaining, such as help in securing a contract award, for which the individual contractor wants assistance from the local union. The relationship between the contractor and his or her personnel and the customer at this level is less direct, and thus the ability to impact customer satisfaction is lower.

The primary level of interaction between labor and management in the construction industry has been the level between the local union representing craft workers and the contractors' association representing the contractors employing those craft workers. Collective bargaining is typically conducted at this level. Any issue of concern to the workers, union, and contractors is subject to discussion at this level. Beginning in the 1980s and continuing at an increasing pace in the 1990s, labor-management cooperative committees have been formed at this level to overcome the historical adversarial relationship between labor and management.

These committees have attempted to identify issues of mutual importance and concern and work to address those issues for the benefit of both parties. There are numerous examples of such committees with the Barnes Labor-Management Cooperative Committee in Portland, Oregon, being the prime example. This committee is an activity of the Oregon-Columbia chapter of the National Electrical Contractors' Association (NECA) and Local 48 of the International Brotherhood of Electrical Workers (IBEW). The Barnes committee is well on its way to establishing a true partnership between labor and management. The committee

was organized into six task forces, each with its own objective:

1. Increase IBEW/NECA contractors' share of the small commercial electrical market;
2. Bring about universal compliance with licensing laws, safety laws, permits, and ratio;
3. Design an educational program to include professionalism, conduct, appearance, attitude, image, equal employment opportunity, and harassment;
4. Provide an adequate labor supply through organizing, immigration, and apprenticeship;
5. Devise a plan for flexibility and portability to meet the needs of the customer; and
6. Provide an education and orientation for traveling contractors and electricians on the type and quality of the labor-management relationship with the NECA/IBEW in Portland. The mutual-gains philosophy is guiding the parties in their activities.

The third level of interaction between labor and management is between the local building and construction trades council, which is a federation of local unions, and a federation of local contractor associations. It was at this level that the first major efforts at labor-management cooperation began. In the mid-1970s, organized labor and management in the construction industry awoke to find themselves minority players in the industry. They began to recognize that adversarial relationships only worsened the unionized sector's competitive position. From this developed a desire to create a more cooperative relationship. Programs such as PRIDE in St. Louis, Top Notch in Indianapolis, and Operation MOST in Columbus, Ohio, were created. PRIDE was the first of these programs and recently celebrated its 25th anniversary. These programs are very similar. The Columbus agreement was examined previously (Maloney and Jones 1984).

By most criteria, the operation of the Central Ohio Council of Organized Construction (COCOC) and Operation MOST must be considered a success. Communication and cooperation between labor and management improved, the jurisdictional problems and strikes were greatly reduced, and unionized contractors were able to capture a larger share of the construction market. The greatest success has been in the change in attitudes.

Despite examples such as the Columbus experience, labor-management cooperation at the local level has been difficult to achieve. A study, somewhat dated but still relevant, by the Contractors Mutual Association (CMA) concludes that "Despite...penetration of the construction market by nonunion contractors, it does not appear that union construction workers have been sufficiently aroused to take significant steps to meet the nonunion competition and protect their jobs" (CMA 1977). The CMA lists several reasons for the lack of definite action, particularly at the local level. These are cited not to justify but rather to explain the lack of local action:

1. Some local unions or their members show inertia or unwillingness to face the facts;
2. Workers are not likely to view open shop work as a threat to their jobs as long as they are employed. In some cases, where the volume of union shop work cannot provide employment to local union members, the potentially unemployed members are working on open shop projects;
3. It is possible that, in some localities at least, the unemployment of union construction workers is regarded as resulting from a low volume of work (rather than from open shop competition), and it is expected that economic recovery will eventually restore the balance;

4. Some local contractors or their representatives have not engaged in sufficiently hard bargaining or have not brought sufficient evidence to the bargaining table;
5. In some local areas, the union shop is still firmly entrenched and the need for local action is not yet apparent; and
6. Some owners, accustomed to union contractor work, have been reluctant to shift to open shop, although their attitudes are changing and they are issuing warnings that spiraling costs may lead them to use either open shop contractors or their own work force.

In the 20 years since publication of this report, the competitive conditions for union construction have worsened significantly. However, labor-management cooperation in many areas is given little more than lip service. The CMA study still provides guidance for furthering labor-management cooperation.

As labor-management interaction moves above the local level and the strength of the relationship with the customer is further reduced, it shifts to interaction between a national contractors' association such as NECA and the union representing the craft workers of its member contractors, in this case, the IBEW. At this level, the parties are involved in a variety of activities that address specific concerns in their industry. For example, NECA and the IBEW have worked together to create a National Labor-Management Cooperative Committee that works to create a mechanism for labor-management cooperation at the local level.

The top level of labor-management interaction is that involving the Building and Construction Trades Department of the AFL-CIO and individual contractor associations or groups of them. Actions at this level include negotiation of special agreements such as the General Presidents' Maintenance Agreement or the agreement that covered the construction of the Alaskan oil pipeline.

Of the potential levels of interaction between labor and management, the one with the greatest potential to impact the customer and the customer's satisfaction is the level of the contractor and his or her craft workers. This has also been the level with the least amount of formal interaction or activity. There are significant opportunities for labor and management to work together to influence customer satisfaction. These opportunities and specific activities in which labor and management may engage will now be examined.

Labor-Management Activities and Customer Satisfaction

Labor-management activities at the contractor-workforce, contractor-local union, and contractor association-local union levels may influence customer satisfaction. The determinants of customer satisfaction were examined previously (Maloney 2002). The influence may occur in two areas: the creation of expectations, and the confirmation/disconfirmation of those expectations. Labor-management activities may influence the formulation of the customer's expectations. For example, the state-of-the-art training programs conducted jointly by contractor chapters and local unions have created a highly skilled workforce. The fact that the unionized workforce is highly skilled creates the expectation that that skill will be translated into high levels of performance, which can be expressed in a variety of ways, such as productivity, schedule, quality, safety, and so on.

Historically, labor-management activities have not been specifically focused on customer satisfaction. To increase their competitive advantage, organized labor and management must develop a customer focus and identify opportunities to influence

customer satisfaction. Customer satisfaction results in customer loyalty, which results in repeat business. Marketing experts assert that it costs 10 times as much to secure a new customer than it does to keep an existing customer. Before regaining work and customers that it has lost, labor must work with management to secure its current customer base. It can then move on to attracting former customers and new customers, thereby improving market share and job opportunities.

Before examining the relationships between specific labor-management activities and their potential influence on customer satisfaction, it is necessary to identify and examine labor-management activities that may potentially influence customer satisfaction.

Labor-Management Activities

As shown in Fig. 1, labor-management interaction or activities can be conducted at several levels. Activities at two levels have the greatest potential impact on customer satisfaction: the local contractor chapter/local union level and the individual contractor/craft worker level. Labor-management activities that have the potential to influence customer satisfaction are examined below and are organized into those that are to be undertaken at the contractor chapter/local union level and those that are to be undertaken at the contractor/craft worker level. Many of the activities at the chapter/union level are required to educate and/or train workers to perform or behave in particular ways at the jobsite. They will be examined at both levels to develop an understanding of education/training and workplace behavior. Other activities at the chapter/union level are designed to influence customer expectations, which have been examined earlier in the context of customer satisfaction.

Activities at Chapter/Local Union Level

Training

One of the long-term strengths of unionized construction has been its jointly administered training programs: These programs must be broadened. Training in general is either technical or attitudinal, that is, training someone to do a job or a task, or training someone to approach the job or task in a positive way. With the growing interest in total quality management (TQM), attitudinal training has received greater attention than ever before, but a comprehensive approach to training at all levels is essential. Elements of the training program should include

- *Apprenticeship orientation course:* The course provides the new apprentice with the understanding of the desired attitudes and image of the professional craft worker. It should address image, appearance, and behavior. The focus of the course should be on the perceptions of the customer, how these perceptions influence the customer's decisions, and how the contractor and his or her personnel influence the customer's perceptions. The course should be focused at the industry level on a generic customer and should be jointly taught by a contractor and a union official to reinforce the idea that labor and management are in a partnership with the objective of satisfying the customer.
- *People-handling skills for supervisors:* Supervisors need to be able to train workers themselves, coach workers, communicate, delegate, motivate, and set goals. This is a course that should be developed and offered at the industry level as part of a supervisory training program.

- *Quality service for supervisors:* Supervisors managing employees providing a service need to know how to provide a quality service themselves and how to handle dissatisfied customers positively. This is a course that should be developed and offered at the industry level as part of a supervisory training program.
- *Quality service concepts for managers and executives:* If customer focus and concepts such as TQM are fairly new concepts to an organization, it is likely that managers and executives will not be familiar with them. Managers and executives need to know what the concepts of customer focus and of a quality service culture are all about. The course must also educate managers and executives in the role of labor and labor-management activities in providing quality service and satisfying customers. This is a course that should be developed and offered at the industry level.
- *Management development programs:* Even if managers and executives are familiar with the concepts, they may find it difficult to adapt or change long-established working practices to fit in with the new corporate culture. They therefore need to learn and practice how to manage successfully within a quality service culture. This is a course that should be developed and offered at the industry level.
- *Interpersonal and communications skills:* Construction workers are not hired on the basis of their interpersonal and communication skills. However, with an increasing use of teams, cross-jurisdictional interaction, and interaction with customer representatives, there is a need to improve the interpersonal and communication skills of construction workers.
- *Technical training:* Alongside attitudinal training goes skill training at all levels of the organization. Apprenticeship programs must be current, and journeyman upgrade programs must cover state-of-the-art technologies. In addition, craft workers and supervisors must be provided with training programs that cover such topics as job management skills.
- *Safety and hazard recognition:* Safety training programs for craft workers must be designed to provide workers with the skills to inspect a work site, identify hazards, and develop mitigation plans for the hazards. Accidents and injuries on construction sites are a negative influence on customer satisfaction. Workers must be provided with the skills to work safely and to create and maintain a safe work environment for fellow workers. An example of a cooperative effort in this area is the publication of the *Electrical Workers' Safety Handbook* by the Electrical Labor-Management Cooperation Committee in Pittsburgh, a cooperative endeavor of IBEW Local Union No. 5 and the Western Pennsylvania NECA chapter. A handbook such as this could become the basis for a training program.
- *Economics of the construction industry:* The average construction worker understands little of the economics of the construction industry and the contracting business. Workers need to have an understanding of such topics as the factors that influence the demand for construction; the customer's decision to purchase construction as well as the customer's objectives in the use of the facility; the relationship between productivity and unit costs; the development of a loaded wage rate; the costs of bidding; the elements of a bid; nonunion versus union costs; and so on. The objectives of the program are to develop the worker's understanding of the factors that influence the contractors' ability to compete against nonunion firms and an understanding of the role of costs in the customer's purchase decision.

- *Continuous process improvement:* Quality experts indicate that every process in an organization is characterized by a minimum of 30% waste. A program should be developed to provide labor and management with the skills to eliminate process waste and undertake efforts to continuously improve all processes in an organization.
- *Marketing, customer service, and customer satisfaction:* Labor and management personnel must understand the concepts of marketing, customer service, and customer satisfaction. Traditionally, management has viewed marketing and customer activities as its responsibility. This is too narrow an understanding of this important area. The answer to the question of who is responsible for marketing and customer service is everyone in the organization, from the apprentice to the company president. Thus it is important for craft workers to have an understanding of marketing and their role in it. The educational program must stress the role of the craft worker. An initial effort at this is the publication *Marketing Tools for Electrical Workers*, a program developed by the National Joint Apprenticeship and Training Committee of the IBEW and NECA.

Professional Craft Worker

As discussed earlier, the customer's perception of the contractor's personnel influences the customer's perceptions of the competence of the contractor and his or her personnel. Labor and management need to develop a consensus on the image of a craft worker they wish to present to the customer. This would involve labor and management in developing an image of the professional craft worker, including dress, grooming, behavior, and conditions under which specific dress, grooming, and behavior are appropriate. A worker installing a new lighting fixture in a bank should be expected to dress and behave differently than a worker installing an underground duct bank for a chemical processing plant.

The issue of dress, grooming, and behavior is a highly emotional one. Many workers believe that any effort to regulate their dress, grooming, or behavior is an infringement on their constitutional rights to free speech. Because of this, labor and management must be sensitive to the emotions of the issue. It might be too restrictive to call what is developed a dress code; guidelines might be a more appropriate term. In addition to developing these guidelines, labor and management must also develop the rationale for the creation and implementation of the guidelines and educate the rank and file in the necessity for the guidelines.

Fitness for Duty Program

Substance abuse has been and continues to be a problem in the construction industry. It results in accidents, injuries, absenteeism, and lowered productivity, all of which add to the cost of construction. A fitness-for-duty program, which includes drug testing, should be developed and implemented. Customers need the assurance that the workers employed on their projects are fit to perform the work in an efficient and effective manner.

In addition, a fitness-for-duty program may identify individuals with a substance abuse problem that treatment may help overcome. From a humanitarian standpoint, an individual may become clean and sober and eliminate many of the problems caused by the substance abuse, such as family and financial problems. From an industry perspective, the worker, with the substance abuse problem eliminated, returns to the workforce as a contributing, productive craft worker. In a period of shortages of skilled workers, saving trained, experienced workers is important.

Service Product

In the discussion of the service product (Maloney 2002), reference was made to warranties. A warranty adds confidence for the customer making a purchase decision. In addition to the physical system that the customer purchases, he or she receives a warranty or guarantee that the system will work for a period of time. The quality of the work performed by the highly trained workers in the union electrical industry should be of such a level that there will be little reason for callbacks for warranty work; thus a warranty could be offered to the customer at little cost. IBEW Local Union No. 1 and the St. Louis NECA chapter developed a warranty program that they called the Homeowners Electrical Protection Plan, or +5. This program provides a five-year warranty for homeowners purchasing a house constructed in accordance with the requirements of the program.

Expectations

Labor and management attempt to influence customer expectations. This can be done through advertising, demonstration projects, tours of training facilities, and so on IBEW Local Union 48 and the Oregon-Columbia NECA chapter have produced a videotape oriented to customers that identifies what the customer can expect in using union electrical contractors and workers in that area.

Activities at Contractor/Craft Worker Level

Training

Training must be conducted at the contractor level as well as at the chapter/union level because training at the contractor level will have different objectives and be more specific to the individual contractor. Contractors need to develop and offer training courses in the following areas:

- *New employee induction course:* The induction course presents the employer with an ideal opportunity to emphasize the company's commitment to quality service and its expectations of new employees. This course would be specific to the contractor and should be conducted by the contractor. A labor representative, most likely the steward on the project on which the worker is being hired, should be involved to reinforce what the contractor and/or his or her representative is saying and to emphasize labor's commitment to quality service.
- *Organization awareness training:* Everyone within the organization should know and understand the company's business, its purposes and plans, and where it stands within the market. Also important are passing on the traditions, values, and norms of the organization and communicating the aims and direction of the company in the future. The course should be developed and offered to all the employees and would complement the new employee induction course.

Customer Intelligence

Periodic meetings should be held with former, current, and potential customers to discuss their needs and expectations. In those meetings, the contractor should be represented by a management representative and a labor representative. The objectives of the meetings are for labor and management to learn of upcoming project opportunities and to hear the voice of the customer to learn more about the customer's expectations. Unless labor and management have a complete understanding of these, they will be unable to respond in a way that will allow their performance to confirm the expectations, thereby creating customer satisfaction. A variety of formats can be used to do this: there can be meetings

at the customer's office, or the customer could be invited to tour the joint training facility, with a discussion following.

These meetings should be viewed as opportunities for two-way communication. Management and labor have the opportunity to learn more about the customer and the customer's concerns, needs, and expectations. At the same time, the customer has the opportunity to learn about management and labor. This information may be used in the solicitation of bidders or in the selection process to award work. It may also be used by the customer in the formulation of expectations by which satisfaction is determined.

For example, customers are asking contractors when they bid what kind of quality program the contractors have implemented. A seat-of-the-pants answer is no longer acceptable; the customers want to see a serious, formal program. The meeting between the customer and labor and management representatives provides an opportunity to educate the customer in the contractor's capabilities. A benefit of including labor in these meetings is that it demonstrates labor's commitment to the customer and the customer's satisfaction.

Customer Feedback

To ensure the greatest likelihood of customer satisfaction, it is critical that project personnel obtain timely feedback. Customer feedback on performance must be obtained during the project, not just at the end of the project. The feedback must be obtained by labor and management from the customer. It is important that labor have every opportunity to hear the voice of the customer; too often, only management hears the customer's voice. Labor must also hear and understand the customer. With the feedback obtained, labor and management must formulate action plans to address the customer's concerns.

The mechanism for obtaining the feedback may vary, depending upon the nature, size, and complexity of the project being worked on. Informal means such as discussions during the workday are available all the time. A formal mechanism could involve establishing a weekly meeting between the customer and the contractor's representative on the job, who could be a project manager, superintendent, general foreman, or foreman, and a craft worker who would vary, depending upon the particular part of the project being addressed. The customer may be a general contractor, construction manager, or the facility owner if the contractor has a prime contract.

The objective of obtaining the feedback is to develop an understanding of the customer's concerns so that they can be addressed in a timely manner, thus allowing the contractor to meet or exceed the customer's expectations.

Customer Liaison

Customer liaison is similar to the customer intelligence and feedback described above, except that it is conducted after the completion of the customer's project. The objective of this effort is to identify opportunities for improvement in meeting and exceeding the customer's expectations. At some point after completion of the project, a meeting should be scheduled with the customer to discuss the project. A two-person team representing the contractor should consist of a management representative and a union member who worked on the project; the union member would be paid by the contractor. Depending on the job, there might be a need for two visits:

1. If the contract is with a general contractor (GC), there should be a visit with the GC upon completion of the subcontract; and

2. A visit with the owner/user of the facility should occur after it has been put into use.

The purpose of the meeting is to conduct a quality audit of both the process used to perform the work and the product or output of that process. A secondary purpose of the meeting is to build on and stress the idea of a labor-management partnership. The contractor's team should be posing the following questions:

- How can we improve?
- What could we have done better?
- What should we do differently next time?

In addition, the team should be attempting to identify things that, even though accepted, are of concern to the customer and can be corrected with minimal effort. If this can be done, there will be a positive impact on customer satisfaction.

A major goal of this effort is to communicate to the customer the commitment by management and labor to understand the customer's concerns and needs and to develop a better understanding of the customer's expectations and how they can met or exceeded.

Continuous Process Improvement Program

The training program developed and offered at the chapter/union level will provide craft workers with the skills to participate in a contractor- and project-level continuous process or quality improvement program. Once the craft workers have the knowledge, skills, and ability to participate in such a program, contractors need to give the workers the opportunity to participate. The key to the program is to integrate quality and participation, which is done by

1. Bringing customer needs into every possible part of the organization: Craft workers are told of warranty claims relevant to their work, a broad range of employees are informed how customers use products and services, and as many employees as possible are educated on what the customer wants. This is the so-called "market-in" principle (anticipating future demand and customer needs and expectations).
2. Using quality as an overall theme for change: This theme is less threatening than, for example, cost reduction or productivity improvement.
3. Seeing better quality as the result of less waste and rework: This contrasts with the traditional approach in the United States of having more inspections, which increase cost.
4. Involving all employees and departments—and not simply the site—in the quest for better quality.
5. Recognizing that upstream prevention activities, particularly in the design phase, have a key quality-improvement role. The workers that are to perform the work should be involved in reviewing the design to identify constructability issues and problems before the work is taken to the field.
6. Defining a simple problem-solving method based on the plan-do-check-act cycle, backed up with training in various problem-solving tools.
7. Including quality improvement in company plans, then having each level, from managers to worker quality circles, formulate quality improvement objectives that tie into these plans. This makes middle managers and workers central to executing quality improvement and implicitly tells them that what they are doing is important.
8. Sharing information about customer needs and expectations as widely as possible throughout the company, and bringing members of different departments such as estimating, purchasing, and the field together regularly to solve problems.

Professional Image Program

The concept of a professional image was discussed under labor-management activities at the chapter/union level. Labor and management, at that level, develop a consensus on guidelines to apply to dress, grooming, and behavior. The guidelines will be implemented at the contractor/craft worker level in a variety of ways.

Service firms have provided uniforms that are cleaned at the contractor's expense, and construction firms have provided or shared in the cost of T-shirts. What is important is that the contractor determine the image that he or she wants to present and then work with the firm's craft workers to decide how to present the image within the guidelines developed at the chapter/union level.

It is important that apprentices, who have been educated in the apprentice orientation course described above, be assigned to work with journeymen who will reinforce the ideas taught in the apprentice orientation course rather than detract from them.

Customer and Project Profile

The craft workers performing the work on a project need to have an understanding of the customer and the project. Contractors should develop a customer and project profile for each project undertaken by the firm. The profile would identify specific customer expectations and requirements for the project, with the information being shared with the craft supervisory personnel and craft workers at the beginning of their work on the project. This information would be periodically updated; supervisory personnel would hold periodic meetings with the craft workers to reinforce the profile and discuss performance relative to the customer's expectations and requirements.

Daily Project Briefing

It is important that craft workers understand the work that is to be done on a project as well as issues that are of particular concern to the customer. This understanding needs to be reinforced daily;

contractors need to develop and implement a daily project briefing that would be conducted by the craft supervisor. The briefing would include

- Work to be performed that day;
- Objectives for the day in terms of work to be completed;
- Specific concerns about customer expectations and requirements for the day's work;
- Safety issues for today's work; and
- The firm's commitment to customer service and what that means on this project.

Measure Customer Satisfaction

If the focus of a firm's activities is on customer satisfaction, the firm must develop and implement a system for measuring customer satisfaction. The criteria for customer satisfaction may vary, depending upon the specific customers and projects undertaken. A means is needed for measuring the satisfaction of a customer on a particular project; information gathered would be fed into the firm's continuous improvement program.

Recognize and Reward Customer Service

It is a fact of psychology that people do what they are rewarded for doing; conversely, they do not do what they are not rewarded for doing. If contractors want to focus worker activities on customer satisfaction, they must work with their craft workers to develop a system for recognizing and rewarding individuals, teams, and projects for providing outstanding customer service. If you want customer service that leads to satisfied customers, the individuals providing that service must be recognized and rewarded.

Health and Safety Committee

A safety training program was discussed previously under chapter/union activities. As with other training programs, workers are provided with knowledge, skills, and abilities, which in this

Table 1. Satisfaction Factors and Labor-Management Activities

Satisfaction factor	Labor-Management Activities					
	A	B	C	Customer liaison	Health and safety com.	Professional image program
Formulation of expectations				X		
Service product						
Service environment						
Service delivery						
Access						
Communication						
Competence					X	
Courtesy						
Credibility						
Reliability						
Responsiveness						
Security						
Tangibles						X
Understanding/knowing the customer				X		
Customer specific factor 1						X
Customer specific factor 2					X	
...						
...						
Customer specific factor <i>n</i>						

case are in safety. Workers with knowledge, skills, and abilities must be given the opportunity to use them. Contractors and their craft workers should develop a joint health and safety committee on each project that is charged with a work environment that will be accident and injury free.

Plan for Customer Satisfaction through Labor-Management Partnership

To develop an effective and efficient plan to improve customer satisfaction through a labor-management partnership, it is necessary to link specific customer satisfaction factors with specific labor-management activities. A shotgun approach to improving customer satisfaction will not work, and neither will one approach fit all situations. A rifle approach is necessary: while some people have been accused of adopting an approach of "Ready! Fire! Aim!" what is necessary is "Ready! Aim! Fire!"

The labor-management activities available for use in a particular situation will vary, depending upon the maturity of the relationship between labor and management in a geographic area. In some areas, labor and management are just beginning the process of establishing a partnership and have not reached the levels of openness, honesty, and trust that allow the development of a partnership. Others have progressed on this journey and have reached the point of conducting activities at both the chapter/union and contractor/craft worker levels that influence customer satisfaction.

Table 1 presents a list of customer satisfaction factors and labor-management activities. To be successful, it is important to identify the specific customer satisfaction factors that may be influenced by a labor-management activity. For example, the customer liaison team influences the customer's perception of the contractor's understanding and knowing the customer.

In developing a plan, labor and management must work together to identify those customer satisfaction factors that are generic—that is, apply to all customers and all projects—as well as those factors that may be specific to a customer or a project. Table 1 presents a matrix in which customer satisfaction factors and labor-management activities may be identified. The factors impacted by each activity can be identified by placing an X or other mark in the matrix. Once the matrix has been developed for a specific customer and project, the actions for labor and management to undertake for the project can be identified and imple-

mented. This results in a precisely defined program that should result in high customer satisfaction

Conclusion

Labor-management activities have historically been carried out at the contractor association/local union level and above. These activities, though, have rarely been focused on issues that have a direct impact on customer satisfaction. Few labor-management activities at the contractor/craft worker level were designed specifically to influence customer satisfaction, but this is the level at which labor-management activities have the greatest potential to influence customer satisfaction.

The physical product and service component elements of construction were examined. Customer satisfaction and its determinants were also examined (Maloney 2002). Labor-management activities were identified that may be conducted at the contractor chapter/local union level and at the individual contractor/craft worker level that will influence customer satisfaction.

Contractors and their managerial personnel working by themselves have a limited ability to influence customer satisfaction. Establishing a partnership between labor and management that focuses on customer satisfaction unleashes the tremendous talents of a highly skilled workforce to create a synergy that will significantly impact customer satisfaction.

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