
A Guide to SMACNA National Labor Relations Services, Practices & Objectives



**Sheet Metal and Air Conditioning Contractors'
National Association, Inc.**

www.smacna.org

A GUIDE TO SMACNA NATIONAL LABOR RELATIONS SERVICES, PRACTICES & OBJECTIVES

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INTRODUCTION – *OUR MISSION & DELIVERABLES!*

SMACNA's mission is to create a competitive advantage for SMACNA members. To do so, SMACNA provides industry leadership and works to create a better business climate for our members. SMACNA National's labor relations committees, task forces and staff collaborate to do just that. They anticipate the labor relations needs of our local chapters and members and respond quickly to their requests to provide realistic, practical and valuable advice, programs and services. This document is intended to provide an overview of the objectives of SMACNA National's Labor Relations Policy and a guide to the programs and services that are available to assist our chapters and members in achieving peaceful and productive labor-management relations.

“ Labor relations is not for the faint of heart. It doesn't convey a warm and fuzzy feeling. Rather it is one of those topics that will always be emotional, and at times controversial. Negotiation and arbitration at the local and national level always require some level of compromise of individual interests to reach a common agreement. That is the nature of the beast we know as labor-management relations. ”

BACKGROUND – *LABOR RELATIONS: A KEY ROLE IN FORMATION OF SMACNA!*

Addressing labor concerns has been a core SMACNA responsibility since the formation of the National Association of Sheet Metal Contractors in 1910. Historical accounts indicate that the National Association was seeking solutions to a skilled sheet metal worker challenge during its first decade in existence.

In 1946, after a quarter of a century in which labor unilaterally prepared labor agreements with no consultation by employers, the Sheet Metal Contractors' National Association (SMCNA) held a landmark meeting with the Sheet Metal Workers' International Association (SMWIA was the predecessor to the International Association of Sheet Metal, Air, Rail and Transportation Workers or SMART) to discuss pressing industry problems and to consider if joint labor-management cooperation could resolve those problems. These meetings led to the establishment of the first formal SMCNA and SMWIA joint labor

BACKGROUND – LABOR RELATIONS: A KEY ROLE

IN FORMATION OF SMACNA!

relations committee and an agreement that after 1946, the Standard Form of Union Agreement (SFUA) should be a document drafted by both parties.

During discussions for the first joint SFUA, SMCNA recognized a need to identify terms of labor agreements that members had previously agreed to in local negotiations.

Those early actions paved the way for the wide array of current outstanding labor relations services, programs and representation that SMACNA provides to its members and chapters.

SMACNA LABOR RELATIONS POLICY AND STRATEGY

SMACNA is a national association, a collection of 102 chapters and nearly 2000 individual sheet metal and air conditioning contracting firms. Each of these entities may have differing labor relations philosophies, policies and priorities. SMACNA's goal in labor relations is to provide these entities with resources and support to achieve outcomes that support growth for both individual contractors and the unionized sheet metal industry as a whole.

This approach requires a balance between, on the one hand, a cooperative and constructive relationship with SMART, and, on the other, firm support for strategies that enhance the ability of contractors to compete in the marketplace, and opposition to those that do not.

There are often times competing visions between SMACNA and SMART. Finding common ground, exploring compromises, and cooperative problem solving have historically been SMACNA's priorities when these differing views arise. However, SMACNA must also confront initiatives and strategies which it views as detrimental to the ability to compete with non-union contractors and impeding expansion of the unionized sheet metal industry.

SMACNA's labor relations policy is guided by the following:

- Advocating contractor, customer and industry needs to SMART on important issues including competitiveness, productivity, flexibility, industry stability, training and manpower needs;
- Giving strong consideration to the impact on SMACNA contractors' customers when formulating SMACNA labor relations policies and strategies;
- Maintaining a continuous dialogue with SMART to foster open communication, mutual understanding, joint problem-solving and avoid surprises; and
- Actively engaging with chapters and members to provide the resources, information and education to manage labor relations on the local level with their local unions and their employees.

This strategy is flexible, and by its very nature must be, in order to adjust to changes in SMART's leadership and its priorities and initiatives, technology, market conditions, legislative and regulatory

SMACNA LABOR RELATIONS TEAMS – AT YOUR SERVICE

areas, among others. But the overarching framework never changes: in approaching any labor relations issue, SMACNA aims to serve the best interest of the largest majority of its members that will be impacted by the issue.

SMACNA's Labor Committee and labor relations staff are tasked with carrying out this policy. SMACNA's Board of Directors ensures that it is executed accordingly, and evaluates and applies this strategy to issues as they arise.

SMACNA LABOR RELATIONS TEAMS – AT YOUR SERVICE

SMACNA is a contractor-driven association. Contractors actively participate in the planning and delivery of all labor relations services for SMACNA members. Key labor relations committees are the SMACNA Labor Committee, National Joint Adjustment Board (NJAB), Article X SFUA Panelists, the Best Practices Market Expansion Task Force and the Labor Management Cooperation Fund (LMCF) Trustees. Their charges are as follows:

Labor Committee and National Joint Adjustment Board (NJAB)

SMACNA's Labor Committee and NJAB are comprised of SMACNA contractors and chapter executives with significant labor relations expertise at the local and Panel level. SMACNA's executive director of labor relations chairs and guides the committees.

In January 2010, SMACNA's Board of Directors set forth the role of SMACNA's Labor Committee as follows:

SMACNA's Labor Committee recommends and implements the labor relations policies and programs of the Association. The Committee interacts with all SMACNA committees, task forces and SMACNA-sponsored trusts that interact with the Sheet Metal Workers' International Association (SMWIA) to advance SMACNA's labor relations objectives. The Labor Committee has responsibility for:

- Providing to and seeking appropriate input from all SMACNA committees, task forces and SMACNA-sponsored trusts that interact with the SMWIA regarding SMACNA labor relations direction, strategy and objectives;
- Functioning as SMACNA's representative and spokesperson with regard to all labor relations matters which are national in scope;
- Negotiating the Standard Form of Union Agreement (SFUA) and any specialty agreements and addenda with the SMWIA;
- In its role as management representative to the National Joint Adjustment Board (NJAB), promotes, improves and maintains industry stability and constructive labor relations through the settlement of locally unresolved grievances and contract renewal disputes; and

SMACNA LABOR RELATIONS TEAMS *Continued*

- Planning and conducting labor relations educational programs for SMACNA members and chapters.

Labor Committee/NJAB members are typically recruited from the pool of the most effective SMACNA panelist arbitrators. Committee appointments (as is the case for all SMACNA committees and task forces) are made by the incoming SMACNA president.

SMACNA strives to appoint Labor Committee/NJAB members who possess two key characteristics: (1) The individuals must be strong contractor advocates and (2) possess the ability to develop a constructive working relationship with SMART representatives to resolve grievances and contract renewal disputes in a fair and equitable manner.

The SMACNA Leadership has believed it is beneficial, when appropriate, to augment the Labor Committee with contractors who have specific industry knowledge or expertise for meetings with SMART on labor relations topics including specialty agreements, wage equalization, etc.

SFUA Article X Panelists

SMACNA contractors and chapter executives with significant labor relations experience at the local level volunteer and are appointed by the SMACNA incoming president to serve as management panelists. Panelists hear grievances unresolved at the Local Joint Adjustment Board (LJAB) step of the industry grievance procedure. The management co-chairman of the National Joint Adjustment Board (NJAB) appoints the panelist representing SMACNA and the labor co-chairman of the NJAB appoints the panelist representing SMART.

SMACNA panelists, acting in the capacity of arbitrators, meet with the union-appointed panelists to hear and resolve grievances that have either been deadlocked at the local level or remain unresolved due to the failure of the Local Joint Adjustment Board to meet. In addition, local grievances involving “out-of-town” contractors may be appealed to a Panel regardless of the decision of the local board. Except in the case of a deadlock, the decision of the Panel is final and binding.

Best Practices Market Expansion Task Force

Contractor and chapter executive members of the SMACNA/SMART Best Practices Market Expansion Task Force identify, promote and communicate industry best practices that create a cooperative environment where local labor and management collaborate to implement practices to grow market share. Key programs of the task force include the Partners in Progress Conference, Partners in Progress Magazine, Expertise websites and branding and local partnership programs.

SMACNA/SMART Labor Management Cooperation Fund (LMCF) Trustees

SMACNA officers and staff serve as trustees that allocate the LMCF funds to carry out the programs and services assigned to the Best Practices Market Expansion Task Force and other jointly agreed to industry research and projects.

SMACNA LABOR RELATIONS TEAMS *Continued*

The LMCF is funded through matching annual grants by SMACNA National and National SMART of up to \$500,000 each in non-Partners in Progress Conference years and up to \$1 million each in years in which the Partners in Progress Conference is held. Note however, that **actual grants have been significantly less than the maximum** and have ranged from \$42,000 to \$415,00 per year for each organization.

The commitment is a rolling 4-year commitment. That is, unless either party requests a change in the funding mechanism or amount, another year is automatically added to the term. If either party wishes to change, terminate or adjust the commitment, the change would not be effective for four years, unless mutually agreed by the parties to shorten the effective date of any change.

SMACNA staff provides all administrative and accounting support for the LMCF.

Staff Support

SMACNA's labor relations staff includes the executive director of labor relations & human resources, director of labor relations, director of labor services & human resource management and two labor relations assistants. The staff has frequent interaction with SMACNA's outside labor counsel on matters involving labor law, arbitration, negotiations and trust fund issues.

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LABOR RELATIONS AT THE CONTRACTOR, CHAPTER & NATIONAL LEVELS – ALIGNED BUT NOT IDENTICAL!

An examination of the Labor Relations Policy of SMACNA requires an overview of the structure of SMACNA. SMACNA is not a single entity with a single labor relations philosophy or policy, but comprises a diverse combination of entities. SMACNA is a national association, a collection of 102 chapters and nearly 2000 individual sheet metal and air conditioning contracting firms. Each of these entities has a labor relations approach that may be aligned with the others, but is not necessarily identical.

LABOR RELATIONS AT THE CONTRACTOR, CHAPTER & NATIONAL LEVELS *Continued*

SMACNA members and chapters are spread over a wide geographic area in North America. As we would expect, economic, market and specialty niches vary dramatically among our members and chapters. Those types of differences translate into differing labor relations philosophies, policies and priorities. Such differences can lead to a confusion over the role that SMACNA serves in labor relations at the national level and can create tension between National SMACNA, its chapters and members.

Contractor Labor Relations

An individual SMACNA contractor has the benefit of the most focused view of their labor needs which include access to qualified manpower, labor productivity and stability. The geographic market and their company's chosen line of work (HVAC, architectural, industrial, residential, service, custom fabrication, etc.) drive their labor needs and priorities. Individual contractors can determine how they choose to interact with their local union leadership and the consequences of their interactions most likely impact only that firm.

Chapter Labor Relations – The Lead Role in Labor Relations

SMACNA acknowledges and supports the premise that the clear majority of all labor-management relations activity occurs at the chapter level and that makes perfect sense. SMACNA chapters know their individual contractors, local conditions, economics, customers and the local union leadership and are by far in the best position to assume the lead role in negotiating and administering local collective bargaining agreements (CBAs). SMACNA National is respectful and supportive of the chapter's lead role in the conduct of labor negotiations.

The SMACNA chapter must take a broader view than individual contractors. Chapter members operate in a similar geographic and economic market, but will vary in size and scope of work that will influence their individual labor relations needs.

Contracts that are not resolved locally can advance to arbitration before the NJAB in two-thirds of SMACNA chapters and grievances that are not resolved by the Local Joint Adjustment Board (LJAB) can be appealed to the national level, but these important industry issues are always best settled locally by the labor and management parties that know the industry and must live and operate under the terms of their agreements.

LABOR RELATIONS AT THE CONTRACTOR, CHAPTER & NATIONAL LEVELS *Continued*

The longer contract negotiations are stalled by resorting to interest arbitration and the longer that grievances fester between labor and management, the more detrimental the impact on the relationship between the local parties who must work together continually on many levels and issues to advance or preserve their market share.

Advantages of a Chapter's Multi-Employer Approach to Labor Relations

Negotiations in the sheet metal industry are normally and best conducted on a multi-employer basis.

A united employer bargaining group leads to greater influence and stability in the local area. It impedes the union's ability to divide and conquer by extracting significant concessions, exploiting an individual employer's vulnerability.

SMACNA chapters strive to obtain bargaining rights for all union signatory contractors to further their bargaining objectives. Multi-employer arrangements allow for the standardization of benefits packages and ensure the necessary employer input into the workforce manpower and training requirements.

SMACNA NATIONAL LABOR RELATIONS – UNDERSTANDING HOW IT WORKS

SMACNA National exists to improve the overall conditions of unionized sheet metal contractors and the industry as a whole. As such, labor relations at the national level is conducted with the broadest view in mind to serve the best interest of the largest possible majority of SMACNA chapters and members.

This structure in which labor relations occur at the contractor, chapter and national level is a common one among the various national construction industry associations, but it is one that can leave SMACNA National in a position that may be at odds with the philosophies or beliefs of an individual chapter or member. If favoring one chapter or contractor's views or preferences would negatively impact the members of a vast majority of the other SMACNA chapters, National SMACNA acts in support of the "greater good".

To further the labor relations goals of the Association, SMACNA's Board of Directors has made it clear that they expect the National Association and all those involved in labor-management relations activities to work in a constructive, cooperative and respectful manner, rather than a confrontational, adversarial

SMACNA NATIONAL LABOR RELATIONS – UNDERSTANDING HOW IT WORKS

manner with the International Union. Concrete examples are the NJAB, the national LMCC, the Best Practices Market Expansion Task Force and the joint trusts, including iTi, NEMI, SMOHIT, NPF, SASMI, SSP, etc. Each of these entities are bipartite, comprised of labor and management representatives who have different member constituents and priorities, yet must agree on important industry actions and issues.

Some SMACNA members and chapters may favor a more confrontational approach to labor relations issues. Being constructive and respectful does not equate with being complicit, nor soft on principles.

At the national level, SMACNA committees and trustees work diligently to advocate contractor customer and industry needs to SMART on important issues including competitiveness, productivity, flexibility, training and manpower needs.

It is the SMACNA Board's view that a constructive approach to problem-solving is far less costly in economic terms, less damaging to the long-term labor-management relationship and more efficient than resorting to litigation, arbitration or economic warfare.

KEY NATIONAL LABOR RELATIONS SERVICES – UNDERSTANDING HOW IT WORKS

SMACNA National's Labor Relations Resources for Chapters & Members

Labor Relations Consultation and Advice

One of SMACNA National's important charges is to provide our chapters and members with the tools, information and education to manage their relationship with their local unions and their employees. The level and quality of labor relations services provided by SMACNA National exceeds those offered by any construction trade association.

SMACNA's labor relations staff field an average of 300 inquiries per month from SMACNA chapter executives and members on matters including labor and employment law, conduct of local negotiations and arbitration proceedings, industry fund management, and trust fund issues. Over 85 percent of all inquiries are from SMACNA chapter executives who find the labor relations staff to be a good sounding board and source of information on all aspects of labor-management relations.

SMACNA also regularly reaches out to SMART leadership and senior staff to investigate issues that contractors and chapters have been unable to resolve at the local level. The International Union has

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

been willing to investigate problems called to their attention. In many instances, the efforts of SMACNA National and the International Union lead to a resolution of the matter.

Support for Local Management Bargainers

Another important objective is making sure that SMACNA chapters have access to all the necessary resources to support their local collective bargaining. Among those services are:

- Conducting monthly bargainers' conference calls for those areas negotiating;
- Conducting an annual Collective Bargaining Orientation for local SMACNA bargainers that provides information and guidance on preparing for bargaining, bargaining strategies and the legal framework for collective bargaining;
- Disseminating information on:
 - bargaining trends,
 - industry settlements,
 - union employment share data by chapter,
 - contract language, and
 - industry developments that will impact negotiations;
- Hosting a Bargainers' List Serve enabling industry bargainers to communicate with each other and the National Association.

Inquiries to and consultation with the labor relations staff increase dramatically during the collective bargaining cycle. Because collective bargaining and other interactions with labor unions are constrained by a series of laws, SMACNA provides guidance to chapters and members on matters involving federal labor, employment and benefit laws. It is often frustrating to chapters and members that under laws like the National Labor Relations Act, unions seem to have more rights than employers. Such laws were written to encourage the formation of unions and that is frequently the case.

Chapters and contractors who need information on state or local regulations affecting the bargaining or employer/employee relationship should contact competent local counsel that is familiar with construction labor and employment law and multi-employer benefit plans to advise on issues that are purely local in scope.

Chapter leaders are encouraged to make sure that their chapters and their local management bargainers are taking advantage of the wide range of SMACNA's labor educational programs and services to enhance labor relations effectiveness locally.

Standard Form of Union Agreement (SFUA) and Specialty Agreements

A key responsibility of SMACNA's Labor Committee at the national level is negotiating the Standard Form of Union Agreement with SMART. SMACNA has been involved in negotiating the provisions of the SFUA with SMWIA/SMART since 1946.

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

The SFUA is NOT a collective bargaining agreement (CBA) or contract between SMACNA National and SMART. SMACNA does not employ any sheet metal workers performing covered work, nor does SMACNA hold bargaining rights representing employers as it engages in SFUA discussions with the International Union.

Rather, the SFUA is a model form of agreement negotiated by SMACNA and SMART containing language that can be incorporated in LOCAL area building trades' collective bargaining agreements if the local SMACNA chapter and the SMART local union agree to its inclusion.

As such, the inclusion of a new provision in the SFUA does not bind or force local bargaining parties to include that provision in their local agreement. The provisions of the SFUA become contractual only when they are adopted by local bargaining parties or included as the result of an NJAB interest arbitration decision. SMACNA is fully supportive of the chapters' role in collective bargaining and believes the local bargainers who know the local market conditions are best able to determine the provisions that need to be incorporated in the local bargaining agreement.

The SFUA is key in funding the services provided by SMACNA and its chapters. In 1963, an addendum to the SFUA was negotiated which established the legitimacy of local bargaining to provide for industry funds to support industry programs. It provided for contributions to the Industry Fund of the United States (IFUS) and to local industry funds. By 1966, the addendum was eliminated and local and national industry funds have been in the SFUA ever since.

Industry fund contributions were brought to the table by SMACNA National and have provided the funds necessary to fund labor relations, industry educational programs, technical research and services, and other important industry promotional efforts carried out by SMACNA and its chapters.

The SFUA has a tremendous impact on industry bargaining. SFUA changes are ratified by SMACNA's Board of Directors and SMACNA recommends the SFUA language to its chapters for inclusion.

SMART recommends the language to its local unions as well, but goes one step further. SMART advises that it reviews and approves all local union CBAs and has specified that to gain approval certain "basic minimum provisions" must be set forth in CBAs signed by the local unions. The basic provisions appear to be derived from the SMART Constitution (Article 28), as well as SMART internal policy.

Examples of language SMART has deemed mandatory to date (Dec. 2016) include: SFUA scope, subcontracting, classifications of workers, wage equalization, requirements for traveling contractors, definition of wage scale, health coverage when working temporarily outside of the local union, requirement that employers employ at least one journeyman who is not a member of the firm, iTi, NEMIC and SMOHIT contributions, reopener language for SFUA amendments, and recognition language.

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

Local unions are under tremendous pressure from SMART to negotiate the “basic minimum provisions”. While many of these topics are mandatory subjects of bargaining under the National Labor Relations Act, chapters are not required by SMACNA to agree to those provisions. If a provision that SMART has deemed a “basic minimum provision” comes up in local bargaining, the SMACNA labor relations staff can advise chapters on whether it is a mandatory subject of bargaining and discuss potential negotiation strategies.

If language incorporated in the current SFUA is submitted as an unresolved issue in bargaining in a contract renewal case before the NJAB, the language will most likely be incorporated into the successor CBA by the NJAB that is comprised of arbitrators from the parent organizations (SMACNA National and SMART), the same organizations that agreed to include it in the SFUA.

The National Joint Adjustment Board (NJAB)

Stability in the labor-management relationship is necessary to help contractors pursue work. Strikes and other work stoppages delay the completion of jobs, destroy the reputation of the union sheet metal industry with the general public and more importantly with our current and potential customers. Strikes also provide non-union competition with an opportunity to meet customers’ needs while struck contractors are unable to perform work.

SMACNA has always been a strong proponent of industry stability. SMACNA was the moving party in the establishment of the NJAB. SMACNA’s efforts enabled the NJAB to hear grievances that were deadlocked at the Panel stage of the grievance procedure. This afforded an additional measure to settle industry grievances and preclude costly work stoppages. Concerned with frequent strikes and inflationary settlements in the 1960’s, SMACNA pursued the concept of interest arbitration to settle contract renewal disputes.

Contract settlements or grievance resolutions achieved through economic warfare are seldom fully accepted by the parties and bitterness over the fallout from strikes doesn’t end when the strike does. The damage to the labor-management relationship can impede the local parties from working constructively to serve customers and to prevent the non-union from expanding for decades following a strike.

Arbitration allows the industry to keep working. It allows contractors to continue to meet customer needs, allay customer concerns regarding contract expirations and grievances and precludes the non-union from making inroads while disputes are pending.

The grievance and interest arbitration decisions have not always pleased the local parties, but there is no dispute that the NJAB has allowed local areas to avoid many costly strikes. It can also be demonstrated that the economic results of interest arbitration decisions have seldom committed sheet metal contractors to wage and fringe packages that exceed those of comparable skilled trades in the local area.

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

Local areas are free to negotiate alternate grievance procedures but only few have done so. Interest arbitration is a permissive (non-mandatory) subject of bargaining, meaning that either the employers or the union can refuse to include the process in their local agreement and it cannot be forced upon them in bargaining or through the arbitration process. Approximately two-thirds of all SMACNA chapters have interest arbitration in their local CBAs. Some areas that removed it previously negotiated it back in a subsequent CBA.

Having contract conditions imposed by others rather than mutually agreed upon and ratified locally will always be less satisfying to local parties. The NJAB, and interest arbitration in particular, will likely always be controversial. It is, however, a tool that can be used by those areas who believe it is in their best interest.

SMACNA National Fulfills Several Important roles in the NJAB Industry Arbitration System.

- **Administration of the Arbitration System**

First, SMACNA labor relations staff administer the NJAB. They receive and distribute all applications for Panel and NJAB hearings and coordinate all aspects of hearings with SMART. All applications are carefully reviewed by staff to make sure they comply with the Procedural Rules of the NJAB.

- **Assignment and Training of Arbitrators**

SMACNA's executive director of labor relations assigns volunteer arbitrators to serve as management panelists for grievances at the Panel level and assigns management NJAB representatives to handle each grievance or contract renewal case that progresses to the NJAB. In making those assignments, a key consideration is to assign management arbitrators that have knowledge of the scope of work under the applicable labor agreement.

The labor relations staff also is responsible for advising the management arbitrators on the issues raised in the grievance and providing advice on any legal or procedural issues that may be encountered at the hearing. The SMACNA staff and labor counsel train arbitrators in conducting hearings in compliance with the Procedural Rules of the NJAB and with applicable labor laws. Arbitrators also receive on-the-job training by observing experienced panelists and NJAB members at work.

When appropriate, SMACNA panelists and NJAB arbitrators may try to mediate a settlement by the parties prior to a grievance or interest arbitration hearing. If mediation attempts do not result in an agreement by the local labor and management parties to the matter, the ultimate role of the SMACNA panelist or NJAB member is that of an arbitrator to decide the case.

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

Panelist and arbitrators do not serve as spokespersons for the contractor or chapter's position but they approach their decision from a contractor's perspective. In addition, neither SMACNA staff nor a local party may instruct an arbitrator on how they must rule in a grievance or contract renewal dispute. SMACNA arbitrators must make an independent determination on grievances and contract renewals after reviewing the case file, considering the testimony of both parties at the hearing and attempting to reach agreement with the assigned labor panelist.

- **Arbitration Training and Services for Contractors and Chapters**

Other construction trade associations with industry arbitration proceedings take more of a “hands-off”, neutral approach to working with contractors and chapter representatives who are grieved or are parties to an interest arbitration contract renewal case. SMACNA, however, provides a full complement of services to make sure that local contractors and chapters are fully prepared to submit their positions relative to arbitration disputes and to testify at arbitration proceedings.

SMACNA has an excellent webinar, “[Everything You Need to Know Before an NJAB Appearance](#)” that is available to our members and chapters free of charge on www.smacna.org. All contractors and chapter executives who are attending an NJAB hearing are strongly encouraged to take advantage of the information and tips set forth in that webinar prior to attending an NJAB hearing.

In addition, SMACNA staff and outside labor counsel review all NJAB submissions in advance of the hearing and reach out to each chapter or contractor to offer to schedule a conference call in advance of the hearing. During that conference call, staff, labor counsel and the panelist assigned to the case provide advice on who should attend the hearing and what important aspects of the contractor's or chapter's position to emphasize during the hearing. Another meeting is scheduled on-site at the NJAB hearing with all the SMACNA arbitrators, labor relations staff and counsel to respond to any contractor or chapter questions and provide last minute advice prior to the hearing.

SMACNA labor relations staff will review contractor or chapter NJAB briefs and offer suggested revisions. Of course, staff provides guidance and background information to contractors or chapters who are determining whether to submit a matter to arbitration or to settle it locally.

The labor relations staff also offers valuable assistance related to Local Joint Adjustment Board hearings. They provide strategic and legal advice to contractors who are grieved or are grieving parties and to chapters and management LJOB arbitrators on the conduct of hearings at the LJOB level.

SUMMARY: THINGS EVERY CHAPTER AND CONTRACTOR NEED TO KNOW ABOUT THE NJAB AND LABOR RELATIONS IN GENERAL AT THE NATIONAL LEVEL

- Grievances and contract renewals are ALWAYS best settled locally. Local parties know the issues, the market and the parties better than any national representative. And...local parties are the ones who must live with the outcome and any fallout from those matters.
 - A member or chapter appearing before a Panel or the NJAB is strongly encouraged to take advantage of the numerous SMACNA labor relations services to help prepare. If a party is not prepared, it is not due to a lack of resources or support from SMACNA National.
 - SMACNA panelists and NJAB members are arbitrators, sometimes mediators, but are not spokespersons for the contractor or chapter position and are not instructable.
- **Before coming to the NJAB for a contract renewal, realistically assess the local contractors' ability to withstand a strike in the event of an NJAB deadlock. SMACNA NJAB members need to know if local contractors can stick together and handle a work stoppage in the event of an NJAB deadlock or if a significant number of contractors will have to break from the multi-employer group and sign "street agreements" with the local union because of project and customer demands. Know that historically, few areas have indicated they could keep the employers together cohesively to maintain strength during a strike. When struck employers individually sign contracts with a local union to end a strike, the multi-employer unit loses leverage to negotiate a reasonable settlement. If a SMACNA chapter cannot withstand a strike, the bargaining ability of the management members of the NJAB is severely compromised. There have been some instances when chapters that indicated they could withstand a strike settled quickly at home for an amount more than what the NJAB management arbitrators could have settled the matter for at the Board level.**
 - Because of the bipartite nature of our arbitration system (equal number of arbitrators from management and labor), after a case is heard, it is resolved in a process that resembles local negotiations. Although some level of local, personal politics and personalities are removed from the process, the SMART leadership and business managers who serve on the Board are still labor representatives.
 - If a contractor or chapter is contemplating bringing a contract renewal dispute to the NJAB, ask the labor relations staff or Labor Committee for advice, however, please realize that you will receive realistic advice and feedback based on years of experience attending and participating

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

in NJAB hearings. The guidance relayed may not always be what a local party wants to hear, but SMACNA believes that parties are best able to make an informed determination if they have realistic information and expectations.

- SMACNA NJAB representatives unfortunately cannot guarantee any particular outcome. They must seek agreement with SMART representatives who have a different membership and different perspective on many industry issues.
- What SMACNA WILL guarantee is that contractors and chapter representatives appearing before the NJAB will be treated with the utmost respect, will be given all the tools and attention to be fully prepared for the process and that SMACNA arbitrators with significant labor relations experience can approach discussions and negotiations with the SMART arbitrators from a strong contractor perspective.
- SMACNA appreciates the efforts of our volunteer arbitrators and encourages members and chapters to be respectful to the contractors and chapter executives that take time away from their businesses and chapters with no compensation, to volunteer for a challenging, sometimes thankless, and yet a very important job. The only objective of the volunteer arbitrators is to promote industry stability and contractor competitiveness.
- Labor relations is not for the faint of heart. It doesn't convey a warm and fuzzy feeling. Rather it is one of those topics that will always be emotional, and at times controversial. Negotiation and arbitration at the local and national level always require some level of compromise of individual interests to reach a common agreement. That is the nature of the beast we know as labor-management relations.
- While it is tempting to recall war stories - the negative aspects of labor-management relations, there are some very positive things to reflect upon:
 - By far, SMACNA provides the best hands-on labor relations service to members and chapters offered by any construction industry association.
 - The management members of the NJAB have steadfastly and successfully insisted that settlements agreed to by local labor and management negotiators, but rejected and not ratified by the local union membership, should be imposed at the NJAB level.
 - The majority of NJAB contract renewal cases are successfully mediated on-site and agreed to by the local parties. That is possible because of the skills and efforts of the NJAB members in the process and because the hearing gives the parties a forum removed from some of the local politics.
 - NJAB contract settlements are consistent with those settlements for similar trades in the jurisdiction and consistent with those that are locally negotiated in our industry.

KEY NATIONAL LABOR RELATIONS SERVICES *Continued*

- The NJAB continues to meet its important objective of maintaining stability and keeping the industry working, while also providing parties an additional avenue to mediate their own solutions.
- SMACNA is firmly committed to the principles of promoting competitiveness and industry stability for its members. SMACNA's labor relations efforts are critical to maintaining these objectives.