



Comité Fronterizo de Obrer@s CFO

**For the labor rights and all human
rights of the maquiladora workers**



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Alcoa: a system that punishes, not rewards

CFOmaquiladoras.org

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Production line workers are being offered the position of "coordinators". Mechanics work at high responsibility jobs even though they are formally classified as operators. But those Alcoa workers in Piedras Negras earn wages below their classification. In addition, it is almost impossible for them to get a promotion to formalize their actual jobs. The merit-based promotion system of the company is based on points that are impossible to keep. The workers can easily lose those points if they need to visit the doctor. A pregnant worker taking maternity leave also loses her points.

The Alcoa division that owns the maquiladora operation in Piedras Negras, Coahuila is Alcoa Automotive. In the city itself it is known as AFL (after its old name Alcoa Fujikura Ltd.) and by its legal name in Mexico: Maquiladora de Componentes Eléctricos de México, S.A. de C.V., or **Macoelmex**

Macoelmex currently employs approximately 1,300 people, of which 1,100 are production line workers working on two shifts. The workers make wire harnesses for Harley-Davidson motorcycles, and for the 2007 model year Hummer, PT-Cruiser and other vehicles. At a one-hour driving distance from Piedras Negras, in Ciudad Acuña, Alcoa has 10000 more workers in several wholly-owned maquiladoras that have no union.



The cost of this Harley-Davidson of the Touring line is \$20,195; The Dyna model, on the right, costs almost \$17,000. Mexican Alcoa workers make wire harnesses for Harley.

The use of rumors to provoke job insecurity

Last July 2006 there was another round of job cuts in Alcoa's Mexican maquiladoras. This time, 570 workers were laid off at four locations. The job cuts resulted from a reduction in orders under a contract that AFL has with Ford Motor Company. Sixty-one of the 570 workers lost jobs at the Piedras Negras operation.

Alcoa management at the plant had continually spread rumors that Macoelmex would move to Honduras at the end of the year. But the company rejected these rumors in the end of September during meetings with workers. The same workers, with the help of the Comité Fronterizo de Obrer@s (CFO), had brought the issue to the attention of religious shareholders who in turn addressed it with Alcoa management in the United States. Today workers feel a relative sense of security with respect to the future of their employment.

Stagnant wages, no possibility of promotion, and more work responsibility

One of the principal problems that Macoelmex workers face is with respect to wages. Not only have they received just minimal increases in recent years (the average wage for a production line operator continues to be about \$500 pesos a week or US \$47 for a 48-hour week), but the opportunities for promotion have diminished even as the duties and responsibilities of the job have expanded.

More and more, workers are performing operations above their classification: skillful and intelligent line operators are offered the position of "coordinator," but they do not receive the wage that full-fledged coordinators are paid. Sometimes they are promised future promotions or the chance to be evaluated for promotions, but only when they agree in advance to accept and perform their new responsibilities. There are workers who have been classified as new hires, in Assembly N1, but who should be ten steps higher, in Assembly E3, owing to their job duties as coordinators.

Other operators are given the jobs of welders or even welder coordinators. The responsibilities of these welders correspond to salaried employees, who earn slightly more than operators. Warehousemen and mechanics are in the same situation, working at high responsibility jobs even though they are formally classified as operators. Alcoa has promised to review the situation of inconsistency between wages and job functions.

A failed system of evaluations that punishes, rather than rewards

The system for promotions and wage increases based on seniority, which had existed for many years at Macoelmex, was eliminated in 2002 without consultation with workers. This provoked a struggle among rank-and-file workers that led to the creation of an independent union, which the government did not permit to survive.

What replaced the seniority-based system was an experiment based on merit evaluations. Today, after four years, the workers have fully experienced the futility of this system. Even from the beginning, the promised evaluations were skipped or delayed by months. Now workers wait years to receive an evaluation. As a practical matter, Alcoa not only succeeded in putting an end to raises and freezing salaries, it now squeezes more work out of its employees.

The merit-based system is premised on all workers starting each July with a certain number of points. The challenge is to not lose points during the year in order to earn a skills evaluation, and with it a potential chance of getting a promotion to a higher classification. The trick is that a single missed day of work, even if the absence is excused, or a single instance of tardiness, if only by seconds, results in a loss of points. According to workers, it is humanly impossible to maintain all the points.

One worker, for example, was pregnant and took her legally authorized leave of absence to have baby. When she came back she learned she had lost 12 points for having taken maternity leave.

Instead of motivating workers, this system demoralizes them. In fact, it renders them less productive owing to the fact that there is no way to recuperate points once they are lost, nor to get a raise without them. Nor does Alcoa offer any other incentive. To the contrary, discipline is direct and harsh. In the past, if an operator committed a mistake in her work, she would receive a warning, and only afterwards could she receive discipline. Now Alcoa discharges workers immediately if they commit any mistakes.

From 16 mechanics for 32 machines to 4 mechanics for the same machines

The savage cost reduction programs that Alcoa has put into place in the last ten years to sustain its profit margins have increasingly put the squeeze on workers. The reduction in the number of mechanics provides a good example. During the space of just a few years, Maccoelmex went from having 16 mechanics servicing 32 machines in a certain area, to 4 mechanics servicing the same 32 machines. Twelve mechanic jobs were cut.

But the remaining workers who are now given more work do not ascend in their job classifications. In fact, there is no place for them to go. Alcoa eliminated two classifications of unionized mechanics, the M1 and M2. The workers in this category earned as much as \$1,200 pesos. Other mechanics are considered confidential employees, but although these workers earn a bit more, they receive raises less frequently than even the union workers.

Another detail is that Alcoa now wants line operators to assume the responsibilities of mechanics and to fix certain problems with their machines. They are also required to keep time of themselves as they perform their work, a task that was formerly performed by engineers.

As if this was not enough, mechanics are working without the necessary tools to fix machines. Sometimes they even have to borrow them from the line operators. They have gone so far as to make formal requests for tools from their supervisors. They tell them "I asked the boss for tools, but they don't want to fork over the dough."

Where did the priority on health and safety go?

One recently discovered problem is that workers in the Harley lines are working with a harness that uses a hose containing a fiberglass cover to protect the wires. Several workers on this line have developed skin rashes on their face because the health risk has not been eliminated and workers have not received adequate protection against fiber glass exposure.

Another problem that has come to light is that workers as much five months pregnant are required to stand on the assembly lines. These workers do not want to be seated the whole time, but the problem in this case is that the lines where they are standing are located in the area where other workers move the harnesses, creating a potential risk.

Exaggerated surveillance

Another aspect of the working conditions that bothers workers is the harassment of guards and the presence of video cameras everywhere. Alcoa contends the reason for this surveillance is that in other maquiladoras in the city (and in Alcoa itself) work material has been stolen, especially metal; moreover, in Maccoelmex, tools have disappeared.

Workers argue that none of this justifies the security system that the company has enforced to an extreme, one which makes workers feel like they are inmates in a prison. This is particularly so because the video cameras cover every corner of the plant, including the bathrooms. Some are mounted on the lights and film while spinning all day.

The number of guards has also increased, and they walk around the shop floor, acting like they were supervisors. The guards used to be contract employees from a private company, but now they are Alcoa employees. The company's position is that they want to foster a good relationship between supervisors and operators. This implies that the guards will now be performing the function of looking for mistakes or irregularities committed by operators. However, many times the guards consider themselves to have great power, and they abuse it.

The guards have neither clear job duties nor training. For example, they search the cars of many employees leaving the factory, but owing to favoritism, some employees whom the guards know never have their cars searched. At other times, workers are searched when they *enter* the plant. Isn't the purpose of the search to ensure that workers don't take anything *out* of the plant?

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