Emerson Electric in Mexico

Emerson Electric Co. is the largest manufacturer of electric motors in the world. Its headquarters are located in St. Louis, MO. One of its five business segments alone, Emerson Motor Technologies makes more than 330000 motors every day in 26 factories in nine countries. In total, Emerson operates 275 manufacturing locations and has more than 115000 employees worldwide. Its products are marketing in 150 countries. Emerson's sales in 2006 topped 20 billion, and in 2005 the company was number 372 in the Fortune Global list of biggest companies. Sales and profits in 2006 were just excellent. That is a result not only of bigger sales but also of cost-reduction initiatives that include labor costs of its Mexican maquiladora workers.

Mexican Carlos Fernández G., Executive President of Grupo Modelo (owner of Corona, Modelo and Victoria beer brands), is a member of Emerson Electric's Board of Directors.

Two of a number of maquiladoras wholly-owned by Emerson in the city of Reynosa, Mexico are Motores Reynosa and Motores Herméticos. Emerson has more than 10 years of presence in that city. In Motores Reynosa, the approximately 1200 workers make motors for Maytag and Whirlpool laundry machines. These two corporations also own maquiladoras in Reynosa.

In 2002, Motores Reynosa won Emerson's "Operational Excellence Award", which means the maquiladora is among the "best of the best Emerson Facilities."

A new Emerson plant in Reynosa is expected to be fully operational by the second half of 2007. That maquiladora will make compressors for the North American residential air-conditioning market.

Emerson and its workers

Approximately 80 per cent of the Emerson workforce in Motores Reynosa are men, and 20 per cent female. That is due to the heavy materials and work involved in the manufacturing of motors. Those workers earn an average of $750 pesos ($70 US) for a 50-hour week, an income slightly higher than the average in most maquiladoras. However, the working conditions in Emerson are very unsafe and hazardous to workers' health, and labor right abuses are common. Those $750 pesos include all bonuses, and often the take-home pay is less because of different deductions.

Emerson Business Ethics Program. This program affirms that all employees have "obligations to comply with the highest ethical standards." The standards include:

- "The company is strongly committed to conducting its business affairs with honesty, integrity and in full compliance with all applicable laws." (page 8).
- "there shall be no discrimination or harassment against an employee or applicant on the grounds of race, color, religion, sex, sexual orientation, age, disability, national origin, or any other factor made unlawful by applicable laws and regulations. Sexual harassment is specifically prohibited. These policies cover all personnel actions in all job categories at all levels." (page 10).
- "Emerson is committed to compliance with all federal, state and local laws and regulations that apply to its operations, including those concerning health, safety and environment anywhere in the world . A healthy and safe workplace and environment is not just the responsibility of the Company or management. It also demands the attention of every employee." (page 17).
- Ethics Compliance Hotline. This is a phone number to report violations to the standards. Emerson assures the phone number is posted at every Company location, and calls to the hotline can be made on an anonymous basis. Emerson says: "No matter how reported, there shall be no retaliation or harassment of employees who report possible violations. " (page 22).
- "No retaliation. There shall be no retaliation or harassment of employees who report possible violations or other concerns. Any employee who engages in such retaliation or harassment will be subject to serious disciplinary action, including possible termination of employment" (page 23)

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