



Leather from GST in Mexico covers the limited-edition Ram Laramie Longhorn from the Chrysler group.

CREDIT: FIAT CHRYSLER AUTOMOBILES



GST AutoLeather, Mexico

Global automotive leather group GST AutoLeather traces its presence in Mexico to the 1990s when it opened a cutting plant in Saltillo, in the northern state of Coahuila. It is three hours by road from the border with Texas, with the city of Laredo the closest major crossing point. This happened just as the North American Free Trade Agreement (NAFTA), which came into force at the start of 1994, began to make an impact on manufacturing in the US and goods were able to move between the US and its neighbour to the south without restriction. The automotive industry, so often at the cutting edge of supply chain efficiency, was quick to take advantage of Mexico's offering of a lower-cost workforce and proximity.

Rise of the automotive industry

In 1993, Mexican autoworkers earned, on average, \$3.98 per hour, while their counterparts across the border earned \$25.52. This has affected jobs in the US, although arguably not as much as two other factors: automation and the arrival on the global trading scene of China in the early years of current century. Nevertheless, the value of the US's manufacturing output has continued to grow, by 38% between 1997 and 2015. In parallel, there is no question that NAFTA

Automotive leather supplier GST has had a presence in Mexico for almost 25 years and, for almost the last 15 years, has concentrated all its North American production at three different sites there. Together, these facilities constitute an efficient and effective automotive leather supply chain, and at the same time there is something special about the way it treats its people, as this report makes clear.

has benefited Mexico, as a trade surplus with the US of more than \$35 billion for the first half of 2017 shows. In 1993, Mexico had 10 factories producing cars and engines representing five original equipment manufacturers (OEMs). By the start of 2017, there were 20 factories being run by ten OEMs, with further projects planned. Major US-based players Chrysler, General Motors and Ford are there, as are Asian OEMs Toyota, Honda, Kia, Nissan and Mazda. The



remaining two manufacturers are Audi and Volkswagen.

The automotive industry's contribution to Mexico's gross domestic product (GDP) is higher now than ever, with a 3% share in 2014, compared to 1.9% when NAFTA came in. Since the substantial hit the car industry took at the start of the global economic downturn in 2007, growth has been steady. In the five years after the low-point share of 1.7% of GDP in 2009, the automotive industry's importance to Mexico's economy almost doubled, given the 2014 GDP share mentioned. The Mexican federal government put the automotive industry's share of manufacturing output at 18.5% in 2015 (worth more than \$30 billion), and its share of manufacturing employment at almost 21% of the national total. It put the number of people directly employed in Mexico's automotive sector at almost 730,000. Last year, the country produced 3.5 million vehicles, with 2.8 million of them going for export, making it the seventh-biggest producer of cars in the world and the fourth biggest exporter.

Up for negotiation

NAFTA, of course, has been generating headlines all over the world this year and is now up for renegotiation. Opinions from north of the border have been well publicised. And the automotive industry has played its part in this because Ford announced in January 2017 that it will not now complete its plan to open a new small car plant at San Luis Potosí. Construction of the site began in the summer of 2016 and the first cars were to roll off the production line in 2018. Total investment was said to be \$1.6 billion. On making the announcement, Ford said it wanted to invest instead in expansion in Michigan. It still produces cars in Mexico, of course, and has said it will still make one of the cars planned for the proposed San Luis Potosí factory, a new-generation Focus model, at its existing facility in Hermosillo.

Speaking on behalf of the Mexican government, secretary of state for the economy, Ildefonso Guajardo, has said: "We have to appreciate what has worked well until now, because we have all won from this deal [NAFTA]. But it's a 23-year-old agreement and there are many things that can improve and modernise it." Nevertheless, Dr Guajardo, an economist and academic before entering politics, is firmly of the view that the collapse of NAFTA, which would mean cross-border trade under the rules of the World Trade Organization, would represent no improvement, and certainly none for the automotive industry. In March 2017, he said: "Our main export to the US is cars. Without NAFTA, the tariff on exports of cars would be 2.5%, but exports of pick-up trucks would be subject to 25% and that would be highly damaging because the value of our exports of pick-up trucks to the US is \$18 billion per year. We should not risk losing the value chain integration that we have today in North America." Talks about the renegotiation of NAFTA were scheduled to begin in Washington DC on August 16.

León's advantage

By 2003, GST had taken the decision to move more of its business into Mexico, closing operations in its home country, the US, at the same time. It established a strategic alliance with León-based automotive leather producer Cueros Industrializados del Bajío (Cuinba) in 2005 and formally acquired the Mexican company at the start of 2007. Now it has a leather value chain in Mexico comprising retanning, finishing and cutting in León, long the principal leather-



The GST AutoLeather tannery and cutting plant in León.



The finishing and cutting plant in Nuevo Laredo.



The cutting plant in Saltillo. CREDITS: GST AUTOLEATHER

producing part of the country, and another finishing and cutting plant at Nuevo Laredo in Tamaulipas; hides that are finished at Nuevo Laredo are sent as crust from the tannery in León. Added to this, the original cutting and packaging operation in Saltillo is now much expanded compared to the early days.

Hides arrive at the León plant as wet blue; the city has a large number of tanners that supply wet blue under contract, mostly using hides that originally come from the US or from Mexico, although it uses South American hides too. Strategy manager, Pedro Mendoza, who was a member of the management team that joined GST as part of the Cuinba acquisition, explains that one of the main



Tadeo Carrizales at an outreach project to help local people with special needs.

CREDIT: GST AUTOLEATHER

advantages of processing hides in León is the breadth of the provision the city can offer: if the supplier of automotive leather needs material quickly, to respond to a sudden surge in customer demand, for example, it knows it has a range of partners in the tanning community there who will respond. It's also the case that León, whose footwear-producing heritage dates back centuries, has now built up substantial expertise in producing leather specifically for car interiors. "Cuinba was an important part of that," Mr Mendoza says. "It was a much smaller company than GST, but it did good work and built up a substantial level of expertise. That's why an important international company such as GST set up the partnership with, and later acquired, Cuinba. And because that worked well, it helped attract other automotive leather players to León, including Bader and Eagle Ottawa. It's clear, then, that the technical expertise is there; León is producing top-quality automotive leather."

With cutting plants at all three Mexican sites now, he explains that the auto leather company moves hides along two loops, north and south, depending on where the sets of cut parts have to go next. Saltillo still takes the bulk, with between 20,000 and 22,000 of the total number of hides the tannery in León finishes every week (between 40,000 and 50,000, depending on OEM programme releases) arriving there. Around two-thirds of the total number of finished hides go into the north loop and one-third remains in León for cutting and shipment to customers in the south loop. Since the 1990s, Saltillo has been and still is today a strategic location for tier-one suppliers which assemble seats for OEMs and tier-two sewing companies that put the leather on the seats for them (this is why GST set up here as a tier-three supplier of cut leather upholstery

parts in the first place). Current models for which GST AutoLeather Mexico makes and cuts the leather for seating upholstery range from sedan cars such as the Kia Optima to the pick-up trucks the secretary of state for economy is so concerned about, such as the Ram from the Chrysler group, and the Toyota group's Luxor and Sovereign vehicles. Around 30% of the sets it produces go to these locally-based companies today, with the other 70% going for export. Of the sets it ships outside Mexico, 30% go to Asia and the rest to the US.

It is Mr Mendoza's view that the current review of NAFTA is unlikely to mean major changes for the way things work for GST AutoLeather at the moment. "All three partner countries will decide together what's going to happen," he says, "and after more than 20 years there are lots of industries, not just ours, that would be affected by any change. There will probably be adjustments, but my belief is that there is no reason why they should be drastic ones, at least in the short term. And as far as the automotive industry is concerned, its whole conception in these three countries, Mexico, the US and Canada, is within the legal framework of NAFTA and, over the years, this has worked out well for all three, despite economic crises. If there were to be drastic changes, we'd be presented with a new framework and that would have major cost implications, and nobody wants that."

Leather means 'class'

This is a time in which many industry observers have begun to talk about a slow-down in the recent growth in the automotive leather segment. In 2013, just as mainstream footwear's use of leather began to decline, automotive's picked up substantially, leading to informed predictions that by 2020 automotive's use of the hides available worldwide for tanning would reach a 25% share of the total. Current thinking is that there continues to be an increase in the consumption of leather used in automotive, mostly thanks to the increase in sales of sports utility vehicles (SUVs), which are taking a greater share of the light vehicle market, coupled with growth in China. We are continuing to see growth in the luxury car market, too, with positive results month after month for Mercedes, BMW, Audi, Lexus and so on. This suggests to expert observers of the automotive leather sector that between 18% and 20% of all the hides available for tanning throughout the world are going into car interiors at the moment. However, over the past couple of years cattle slaughter numbers, particularly in the US, have been going up by between 5% and 7% in volume, which will add between 1.5 and 2 million extra hides to the annual total. With more hides coming onto the market, automotive is unlikely now to reach a 25% share, but it ought to maintain levels of between 18% and 20% of the total until 2020, with between 48 and 50 million hides a year going into vehicles, including those used for aftermarket upholstery projects.

It's certainly true that many mainstream cars have seats covered in textiles or plastic now, but those ongoing increases in sales of SUVs and luxury cars, segments that have been committed users of leather, have given the leather industry reason to remain optimistic. Even here, however, there have been recent signs of a change in the mood, best illustrated by specialist high-end electric vehicle brand Tesla making "non-animal seating material" the only option available for the upholstery on the seats in its cars from mid-2017 onwards (although it will continue to put leather covers on its steering-wheels). This has found echoes in statements coming



recently from previously stalwart leather users Audi (for the E-Tron programme) and Jaguar Land Rover (for the Velar).

"I'm not worried about that," insists GST AutoLeather Mexico senior vice-president for operations, César Hugo Escobedo. "Our use of materials is always evolving. We have 3D printing now and we've already seen that shoes, for example, can be printed. That's a trend and trends are always attractive; people in design always want whatever is flashy. That's good; it's how things evolve. But it's also clear that some things are classic and don't go out of fashion. They last for ever. Nobody slaughters cattle for clothing. Animals go to slaughter because people want to eat protein and once the slaughter has taken place, a share of 8% or 9% of the economic value of the animal is the hide. At that stage, though, the hide is, potentially at least, an environmental problem. Human beings have the right to decide what protein sources they want to have in their diets and if, throughout history, huge numbers of people have decided to consume animal protein it must mean that this is the best way for us to get the protein we need. And because that still leaves you with a by-product, the hide, that could become an environmental problem, there will always be opportunities for companies like GST AutoLeather."

At one with nature

Mr Escobedo goes on to explain that, while he has a background in business administration rather than the technical side of tanning, he counts among his best work experiences coming into contact with people who have come from the technical side of the leather industry and seeing their passion for the product. "I'm thinking especially of a person who was in his early thirties when I met him," he recounts, "someone with a doctorate in leather science. It was like talking to someone with a passion for dance or for music. You could feel the energy coming off him, see the spark in his eyes. And he told me that he can't think of anything more exciting than taking a by-product that could, potentially, be a health-threat to human beings and transforming it into something so beautiful, something that you can use to clothe your loved ones. To come into contact with leather is something that gives people pleasure, something natural. When you wear clothes made from synthetic fibres, which I have nothing against because that, too, is part of the evolution we talked about, your body sweats and becomes uncomfortable. But when you wear leather, it suits the human body well and you're at one with nature."

He says naturalness is like energy, which never dies but just takes on a new form; the naturalness of a hide can be transformed into the naturalness of leather. Mr Escobedo says he has no objection if car companies decide they want to use synthetic materials to cover their seats; all he asks is that they keep in mind that there is a classic, natural material available to them, too, one that people have used since the start of human history. "Leather is something we have always used and always will and it will always have a place in the market," he concludes, "even more so when cars become self-driving. We will want to be even more relaxed and comfortable in those cars, in the same way as we are when we use a service like Uber's. You're sitting in the back of the car, in your own world, really. You talk to your family, you take part in a conference call, you read and you want to be comfortable. If you reach your destination and you feel sweaty and uncomfortable, you're going to say you'd prefer not to travel in those conditions again in future. What we're



The closely integrated North American automotive supply chain includes the export of \$18 billion worth of pick-up trucks from Mexico to the US every year.

CREDIT: FIAT CHRYSLER AUTOMOBILES

going to see in the end is that people are going to buy fewer things, but spend their money on things of real quality and leather is real quality. Class is class. Style, taste and class are what sets something apart, and it takes time to achieve those qualities. Fortunately, in this industry, we've had 100 generations of tanners to lead the way."

The point of the lance

Of course, no industry and no company can secure a successful future without good people. César Hugo Escobedo makes it clear that GST AutoLeather Mexico is where it is today because it cares about its people more than anything. "I'd like to think more companies will take this approach in future," he says. "It's also possible to make money working in this way. We've had times when we've stumbled a little bit, financially speaking, but that's been due to other things. Our customer care is the best in the world. I don't care if people say it's because Mexico is still cheap while in China costs have gone up, it's not that. I'm talking about productivity, about hides per hour. We're better."

Strategy manager, Pedro Mendoza, agrees. His view is that the role of the company, and of the whole industry, has to be that of developing its people. It's by developing its people that GST AutoLeather will make the best use of the hides it tans and cuts. "But none of that activity would make any sense if we are not treating our people well," he adds.

Mr Mendoza explains that the full support of GST AutoLeather corporate headquarters, in Southfield, Michigan, has been essential in allowing the Mexican operation to put in place a far-reaching set of people initiatives. He adds that one person in particular in the organisation has understood the importance of this programme and



Retanning drums at GST AutoLeather's tannery in León, Guanajuato.



A hide is stretched on a toggling frame at the company's León facility.



Hides drying at the tannery in León.

put that understanding into action. He is talking about Tadeo Carrizales, human resources manager at the cutting plant in Saltillo. "We have a whole series of projects in place as part of our social impact programme," Mr Mendoza says, "and, without question, the point of the lance is the plant at Saltillo. This extends out to the wider community whenever it's possible for us to do that, but the idea is to make sure that our own people, at least, are all right. This is the only strategy we have for making sure this business will continue for the next 100 years. If we treat our people well, their children are going to show interest in coming to work here, because they will know this is a place in which the employees are important." This is already happening, as we shall see.

He accepts that most businesses focus a large part of their attention on economic performance and that there are some that appear only to care about this aspect of business and nothing more. "We're in business, so of course we have to make money," he says, "and sometimes businesses, once they have made their money, look at ways of giving back to their people. We have another way of looking at it: make the people you work with your partners and not just employees, and that produces its own economic results. We try to make sure our people feel very well looked after and feel at ease here, feel part of a community and part of the business. This has enabled us, when it comes to hard figures, to achieve the best economic results we can, through delivering cut parts for leather seats in cars on time, at a fair cost and keeping all the needs of the customer in mind. We've only been able to do that because our people are in love with what they do; they put care and passion into their work. We are far from perfect and we know we still have plenty of screws to tighten, but we have a very clear vision of what we want to do with our people."

Challenges of life

It's difficult to do justice, even in a lengthy report, to all the initiatives Tadeo Carrizales has been able to introduce to the company. With the complete support of his senior management team right across GST AutoLeather Mexico, he has helped a whole string of individuals among the 900 people who work with him in Saltillo, and their families, face up to illness, disability,



rehabilitation after imprisonment or addiction, domestic abuse, exile and countless other challenges. The Saltillo plant has been named as one of the best employers in Mexico in a competition called 'Great Place to Work', run by the same consultancy that carries out a better known exercise of the same name in the US. It has also won recognition for its gender equality programme, its healthy eating and fitness initiatives (this includes a fully equipped on-site gym), its commitment to family-friendly policies and to inclusiveness of people with disabilities, for an initiative encouraging employees to give blood, all this in addition to ISO 14001, ISO 9000 and TS1949 certification.

"What we do here is look after people," Mr Carrizales says. "After that, we carry out our work with leather, but people come first because people are the most valuable resource we have." The Saltillo plant is located in an industrial zone about 12 kilometres from the centre of the city and many of the employees work six days a week. With medical appointments often difficult to arrange or attend, the human resources manager set up a medical centre on site, with two doctors and two nurses on the books. There is also a team of psychologists to help people work out mental health issues and cope with the stress family or work problems can cause. Twice a year, specialist teams come to the plant to carry out cancer screening tests on site. Not everyone has walked away from those checks with good news. "With this set-up in place though," Mr Carrizales says, "what we have been able to offer them is an earlier diagnosis than they probably would have had otherwise, which means a better chance of their making a full recovery. As a result, we have people working today in the plant who were tested here, were diagnosed with cancer, have gone for treatment and, after receiving the all-clear, have come back to work. So, I can say that this is a campaign that is allowing us to save lives." To demonstrate that this is "real", he introduces Doralice Padilla, who works as part of a specialist team using laser to cut design motifs into the leather for specific parts of the car interior. Ten years ago, she was diagnosed with breast cancer, but is in remission and returned to full-time work at the factory three years ago. Graciela Escalante's battle is against uterine cancer; with her early diagnosis, her doctors have said she has an 85% chance of overcoming



Grading finished leather.



Hide thickness matters in automotive leather production.



Die-cutting at GST AutoLeather Mexico.

CREDITS: GST AUTOLEATHER



A highlight of the year at GST AutoLeather's cutting plant in Saltillo is an outing to a local fair for workers and their families.

CREDIT: GST AUTOLEATHER

it. Her treatment is in the nearby city of Monterrey, for which GST is providing transport to save her time and money, as well as plentiful support during worktime.

Maternity benefits

Mr Carrizales has worked at GST since 2006 and describes the work he and his colleagues have done as moving the automotive leather company's human resources strategy away from the traditional and finding ways to provide real support to its workers. Women make up more than 50% of the workforce at the Saltillo factory and, as can happen anywhere, women in the workplace in Mexico sometimes feel insecure about their jobs when they go on maternity leave. GST's non-traditional thinking has led it to the conviction that taking women on as new employees in the late stages of pregnancy is a good idea. "We've had women start working with us in the eighth month of pregnancy," Mr Carrizales says. "We bring them in because we need them, although we know, of course that women in this situation will leave soon to give birth. They need us too because they need to work to make sure the baby has a good environment to come into. In Mexico, the state will cover maternity leave of 40 days before the baby's birth and for 40 days afterwards, but only in situations in which the mother has been with her employer for at least 40 weeks. We haven't looked for a way round that; we pay the maternity leave ourselves because we know that when those women return to work, they are going to feel happy to be here because they have received an unusually high level of support from the day they started with us." When they come back to work, the new mothers at the GST factory have their own private area to sit for a time during the working day and express milk, which they can store in a company refrigerator and take home at the end of the working day to feed to their little ones.

A first chance for ex-prisoners

If the automotive leather supplier has earned a reputation for going out of its way to help expectant mothers, it's become arguably even more famous for the help it gives to people who have been released from prison. This is something unheard of in this part of the world. Candidates for jobs usually have to state on their application forms if they have a criminal record and few prospective employers respond well to answers in the affirmative. "We have people here who have been working for GST now for more than ten years and who came to us after completing a prison sentence," Mr Carrizales continues. "It's not that we are giving them a second chance. I prefer to say that we are giving them a first chance. I don't like talking about second chances because it's my experience that no one had ever given any of those people the chance they deserved in life by treating them with dignity, offering them a job with a fair salary for the work they did. That has never happened to them. But thanks to the programme we've set up here, I can tell you something remarkable. Prisoners completing their sentences at the prison in Saltillo used to have a reoffending rate of 76% and that figure has now fallen to 6%. Any time former prisoners tried to find a job, they were asked about criminal records, were turned down time after time and eventually turned to crime again."

He's now a frequent visitor to the prison to talk to people about life outside, offering to employ as many of them as he can, depending on the vacancies GST has at any particular time and the sincerity with which, looking him in the eye, they tell the human resources manager that they want to change. Mexican jails can be intimidating places, but Tadeo Carrizales insists he never feels afraid. "Look at the size of me," he laughs. He is a former American football player, starting from the age of six, he explains, because his parents wanted to find ways to help him use up a seemingly endless supply



of energy and tire him out a little. After excelling at the sport at university, he played for the Mexican national team for a number of years. "I get on well with everyone at the prison," he says, "and I like to stay close to the people we bring from there to work at the factory. For example, when they arrive, I take the same drug-test as they do to accompany them, and if they test positive for drug use, which everyone knows is a major problem in prisons, I put them on a special rehabilitation programme. These are usually men who have been something of a burden to their families but once they have their freedom, I tell them: 'This is a first chance for you; make the most of it, because if you do it will transform your life.' This job helps them reintegrate themselves into society and rebuild their lives with their families."

Safety first

Families of the workers at the Saltillo plant have even become involved in the company's safety campaigns, a subject to which it devotes specific week-long training programmes twice a year. During one visit of the workers' families, the human resources team gathered a large group of children and recorded a series of video messages with them. The company's idea was that even the smallest temptation to cut corners or for workers to allow themselves to become distracted while operating machinery would be dispelled if the messengers reinforcing the safety policy were the employees' own children. The video has been a great success, showing regularly during ongoing awareness sessions, playing regularly in the canteen and converted, using stills from the video, into a prominent display on the factory floor. The biggest impact comes from the children urging their parents to follow the safety guidelines because their families need them to come home safely at the end of the working day.

Another member of the management team, Lucio Solís, is one of a number of long-serving GST AutoLeather people who now have children working at the plant, in his case a daughter who works as a nutritionist, managing the menus in the works canteen and giving dietary advice to any employee who needs it. "There are a number of us who have brought our children to work here," he says. "It shows that, when they were younger, we went home and said good things about this factory. If it were otherwise, a person might say, 'I work there and will have to keep going because we need the salary, but I don't want my children to work there.' But in our case it's exactly the opposite. Our children have heard from us that this is a good place to work; they've wanted to come here too and we've wanted to have them here with us. My daughter, for one, is really happy. She likes the atmosphere because it's friendly, like a family. And it's wonderful for the company to have this new generation come in, with their energy and new ideas."

Range of abilities

GST AutoLeather's reputation as an inclusive employer extends also to people with disabilities. The first person visitors meet on entering the Saltillo plant, María Eugenia Díaz, lost her sight at the age of 22. According to Mr Carrizales, it often comes as a surprise to people that the receptionist is blind, but he says it works exceptionally well. Ms Díaz finds her way around effortlessly, knows everyone's name and extension number and recognises any member of the GST team that comes into the reception area not just by their voices but even by the sound of their footsteps. There



Interior of the Kia Optima Sportswagon.

CREDIT: KIA MOTORS

are currently nine visually impaired people on the payroll, a number of them working in production. There's even a sports team, the GST Toros, that plays in a local goalball league. Goalball, the first sport invented specifically for people with visual impairment, consists of teams of three players at a time throwing a heavy (1.25 kilos) rubber ball with a rattle inside across the floor. The aim is to get the ball past the opposing team and into the goal. One of the players, Fernando Vega, works as a psychologist at the plant. He has peripheral vision but cannot focus on anything; he explains that during a match, all players must wear an eye-mask to even up the different levels of visual impairment.

In the case of Carlos Rodolfo, who has worked in the human resources department for four years now, the disability that he and GST AutoLeather in Saltillo have had to adapt to is autism. "When I arrived here, I couldn't lift my head up," he says, "because I lacked confidence. Now, when visitors come from an English-speaking country, as some did recently from India, I act as the translator; I feel much more confident in myself and I can look people in the eye and it's all thanks to my colleagues and the work environment here." This, too, was a question of giving someone "a first chance", says Mr Carrizales, whose other projects include bringing on board people who are past retirement age, people with hearing and speech impairments, people who've had polio and people with HIV. "Some of these people only have a short time left to live," he says, "and GST as a company is determined to give them some quality of life, with as much human dignity as possible, in the time they have left. We're on this earth to serve, to help each other, and you don't need to go through a difficult time in your own life to know that."

There are plenty of examples, often involving the children of colleagues as well as employees themselves. Mr Carrizales recounts



a phone call on a Sunday morning from one of the union representatives at the plant, whose son had been rushed to hospital. The young man had been out with friends the night before, got into an argument with a truck driver and received a potentially life-threatening blow to the head. His friends took him to hospital and alerted his mother. She was beside herself because she hadn't had time to renew her son's health insurance and couldn't do anything about that immediately because the insurance company's offices were closed. Her human resources manager made some phone calls and arranged for the boy to be transferred to a specialist hospital in Monterrey.

This is far from a one-off case. A worker called Lola is one of quite a number of single mothers and says she will be forever grateful to her colleagues for raising money for her son to have specialist treatment for congenital talipes equinovarus, which affected his ability to walk. This was after her own doctors had said they had done all they could to help him. Now five, he's made a full recovery. "He's my pride and my all," his mother says, "and I'll never be able to thank my work colleagues enough for their tremendous support. This was a difficult situation for me and I didn't have anyone else to turn to. Tadeo is at the centre of that and everybody here knows they can turn to him when they need to. He has an enormous heart."

Education programme

An extensive education programme, the GST Institute, is open to all employees and the company calculates that around 30% of its

total workforce is currently engaged at one level or another. Courses range from helping people finish their primary or secondary education to undergraduate and postgraduate university courses. Senior vice-president César Hugo Escobedo pays great tribute to the support GST AutoLeather Mexico has received in this initiative from leather chemicals manufacturer Stahl, singling out its group director for automotive leather chemicals, Mark Chatwood, and chief executive, Huub van Beijeren, for particular praise. "Huub is a great believer in education," Mr Escobedo says, "and Mark has brought experts from all over to speak to our people about machinery, chemicals, finishing, everything. They've both been tremendous supporters of ours, which is great because education is the only real treasure you can give people. Once they have it they can't lose it, it can't be stolen from them and it will make their lives richer. That's why we have the GST Institute, and I don't mind who comes to see it. If it's helpful, anyone can come, even our rivals."

Because the GST Institute is open to all, it's open to people with disabilities too, of course, including relatively recent recruits such as Verónica López, another person who is blind. She works on the cutting-room floor at the moment but is preparing to start university studies in industrial processes, which she will pursue over the course of three-and-a-half years in her time away from work. Support from the company will include a specially adapted laptop computer to help her in her studies. She asked if the company had one it could lend her; Tadeo Carrizales told her just to share the specification of the computer she needs so that the company could buy it for her.



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In terms of social outreach, the Saltillo plant supports the work of two children's homes in the city. The children, whom the authorities have decided to house away from their parents because of concerns about neglect, usually as a result of addiction, have members of the GST team as godparents and they come to the plant each year in December for the national feast of Our Lady of Guadalupe to receive presents from the company, spend time with their godparents and take part in the celebrations, religious and secular. There are plenty of other celebrations throughout the year, ranging from a party on the last Friday of each month for everyone who has celebrated a recent birthday to annual events for mother's day, father's day and an outing for families in July. Music accompanies many of these celebrations, much of it supplied by the company's own band and choir. The band's leader and the choir's conductor, Mario Valdivia, plays guitar, harmonica and the traditional double bass-like Mexican instrument, the tololoche. He chooses the songs, arranges the vocal parts, tunes the instruments and runs the whole operation. He also has the difficult day job of managing shipments to the plant's biggest customer by volume, Toyota. His disability is that his right hand is missing.

Managing shipments at Saltillo means driving a forklift, which means changing gears, which, in Mexico, means operating a gear-stick with the right hand. "When we offered Mario the job, nine years ago, he thought at first we were making fun of him," the human resources manager recalls. "He said he couldn't do it because he couldn't drive a forklift and I told him he could, that he

would find a way. And look at him now. I'm very proud of him. He's come with me several times to speak at conferences and that has always gone very well." His co-speaker says it's true that he had doubts at first because he had never worked in an industrial environment before, never driven a forklift, never used a scanner. "I'm very proud of the way things have gone too," he says. "The help for everyone here with any sort of disability is incredible and I'm grateful; Tadeo knows that. He is a massive figure in what happens here, and I'm not talking about his physique."

Customer targets

Amidst all this, the core activity remains the processing of wet blue hides in León and delivery from there and from Nuevo Laredo to the cutting plants. In total, around 40 of the 900 people who work at the Saltillo plant have one sort of disability or another and in typical GST AutoLeather Mexico style, the company has concluded that this level of inclusivity makes it easier rather than harder for it to comply with the strict demands of its customers in the challenging automotive supply chain, in which the need for continuous improvement and increased efficiency year on year is paramount. "It's easier with our people because they will try twice as hard for a company that has given them their first real chance in life," Tadeo Carrizales explains. "They become great ambassadors for the company. It's not through machines that you can give your customers the quality and service they are looking for; it's through people." 🌐

Fleshing machine
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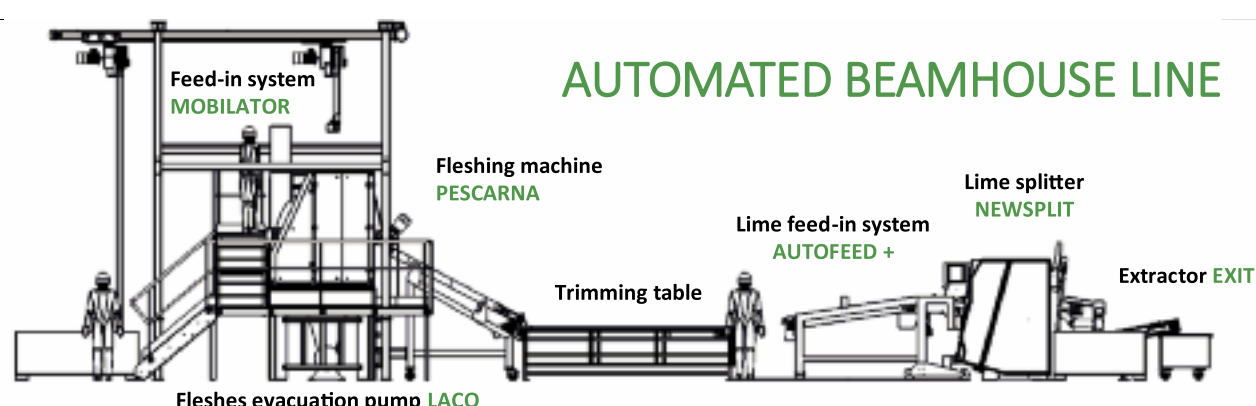
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