

Mind the gap: Mexico: Employee perspective

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MIND THE GAP *Mexico*



EMPLOYEE PERSPECTIVE

Laura Ruiz Pérez and Ricardo Massa Roldán

INTRODUCTION

In this paper, we examine the cultural perception and preferences of young, midlife and older employees on their working conditions in Mexico. We use 7 dimensions of quality of employment framework as the structure to analyze and discuss the working environment involving cultural elements towards employment experiences. The information presented has been drawn from the Mexican National Occupation and Labor Survey of 2009 and the World Value Survey 2005-2008.

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies, and programs. Globalization and changes in the age composition of the workforce—two important 21st-century trends that affect today's businesses—make it important for managers to consider:

- How does age affect employees' preferences for an idealized job and their assessments of their employment experiences?
- Do employees' perceptions of their employment experiences vary from country to country?

What does "mind the gap" mean?

Train stations across England play recorded messages to remind passengers that they should "Mind the Gap." These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phrase, "Mind the Gap." The Mind the Gap series aim to remind employers to pay attention to any gaps that might exist between employees' priorities and need and employers' allocation of workplace-based resources. Our Mind the Gap papers also aim to help our readers to such gaps in quality of employment in other country contexts.

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The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question: *Does age affect employees' preferences for an idealized job and their assessments of their employment experiences?*

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent-management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question: *How does the availability of human resource policies and programs in the targeted country compare with other countries?*

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees' perceptions of their employment experiences vary from country to country.



Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that good jobs are a good thing. High-quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and well-being of employees. Research confirms that poor-quality jobs (such as jobs requiring extreme work hours or jobs that are very demanding—particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions, like cardio-vascular problems.¹
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. *Fortune* reports positive relationships between being recognized as a “great place to work” and stock indices.^{4, 5}

In this paper, we focus on seven important dimensions of the quality of employment:

- Fair, Attractive, and Competitive Compensation & Benefits
 - Opportunities for Development, Learning & Advancement
 - Wellness, Health & Safety Protections
 - Opportunities for Meaningful Work
 - Provisions for Employment Security & Predictabilities
 - Workplace Flexibility
 - Culture of Respect, Inclusion & Equity
 - Promotion of Constructive Relationships at the Workplace*
- * (This dimension is omitted due to lack of data availability).

The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.

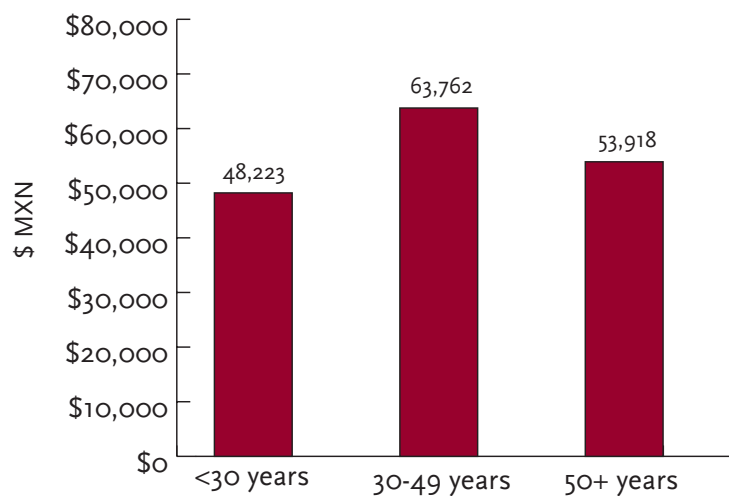
QUALITY EMPLOYMENT IN MEXICO:

I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits

- *Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.*
- The average employee's yearly income in 2009 was \$57,383 MXN (\$4,248 USD). As indicated in Figure 1, the average yearly income for midlife employees was \$63,762 MXN, (\$4,720 USD) which was higher than that of both older employees \$53,918 MXN, (\$3,992 USD) and younger employees \$48,223 MXN, (\$3,570 USD).⁶

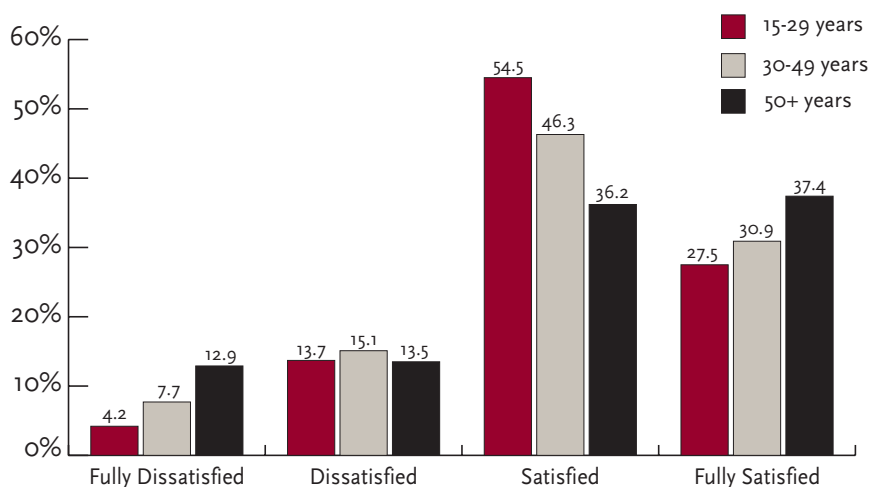


Figure 1: Yearly Income by Age Group



Source: Mexican National Occupation and Labor Survey (2009)⁶

Figure 2: Satisfaction with Financial Situation of Household



Source: World Value Survey (2005)⁷

As suggested in Figure 2, about 78% of employees are either “satisfied” or “fully satisfied” with the financial situation of their household. 73.6% of older employees are “satisfied” or “fully satisfied” with the financial situation of their household, which still represents the lowest percentage of the three age groups.



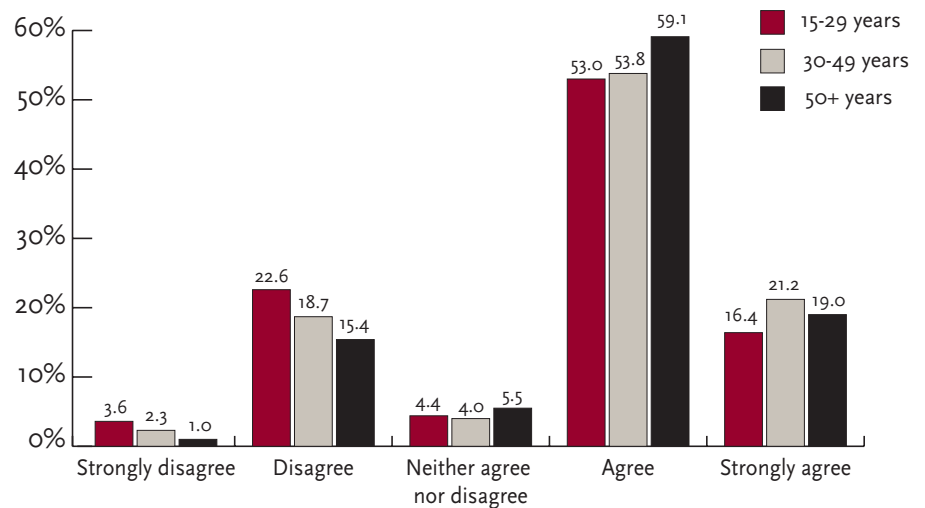
Mexican employees believe that a job is important to the personal and professional development process.

II. Indicators of Opportunities for Development, Learning & Advancement

- *Opportunities for the development of expanded skills and responsibilities are available.*

- Across all age groups, 74% of Mexican employees, considering their current employment situations, either “agree” or “strongly agree” with the idea that talents are developed through employment. As seen in Figure 3, older employees (78.1%) and younger workers (69.4%) report that they “agree” or “strongly agree” with the idea.⁷

Figure 3: Perception of Whether Talents Are Developed Through Employment



Source: World Value Survey (2005)⁷

III. Indicators of Wellness, Health & Safety Protections

- ▶ *Well-being is promoted through workplace policies, and social protections are offered in case of illness.*

- Public health care is provided by the Mexican State via the Mexican Social Security Institute (IMSS) for employees in the private sector, or the Institute for Social Security and Services for State Workers (ISSSTE) for employees in the public sector.
- In December 2009 a total of 16,732,448 employees were registered in the health care system, from which 2,726,044 were registered by the ISSSTE and 14,006,404 by the IMSS. Midlife employees register the highest number of workers in the Mexican health care system which includes both IMSS and ISSSTE.^{8,9}



Figure 4: Percent Public and Private Employees Registered for Health Care

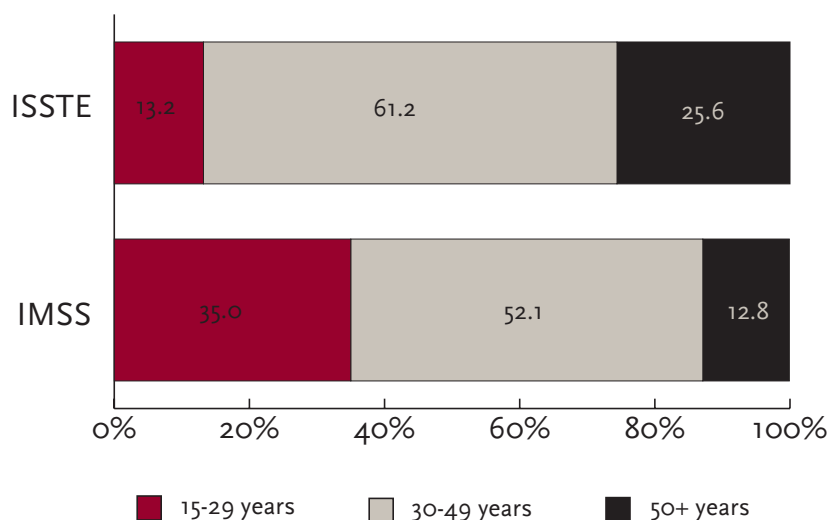


Figure 4 shows that 61.2 % of midlife employees are registered for health care through ISSSTE, for public sector employers. 52.1% of midlife employees are registered with the IMSS for private sector employees

Source: ISSSTE (2010)⁸ and IMSS(2010)⁹

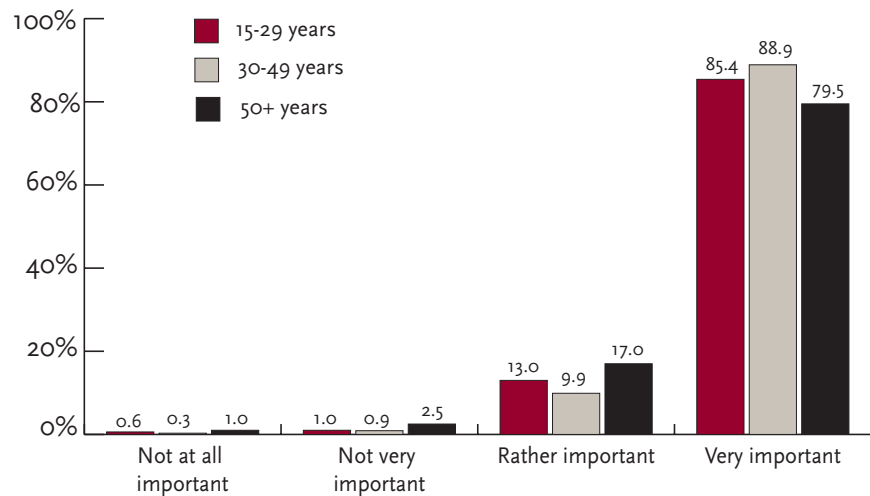
IV. Indicators of Opportunities for Meaningful Work

► *Opportunities for meaningful and fulfilling work are available.*



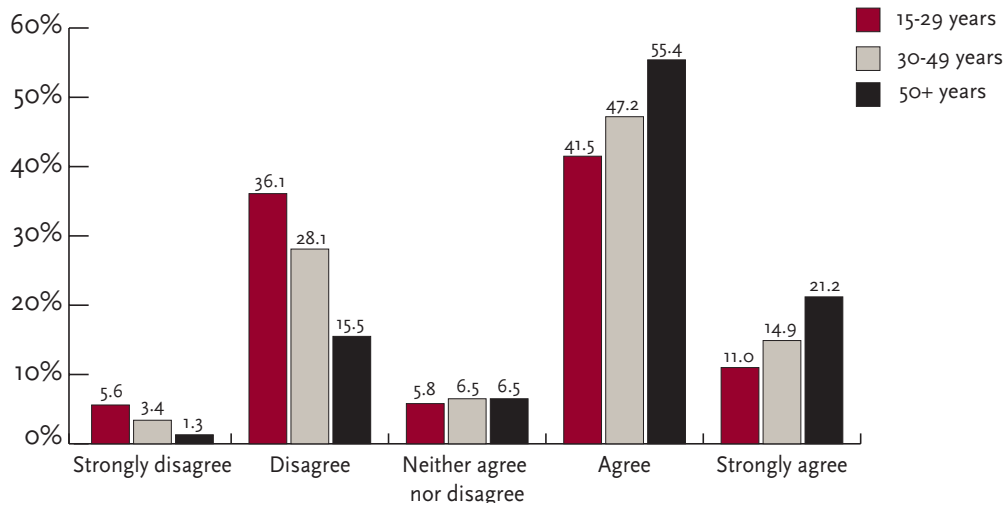
- Across the age groups, 85.4% of Mexican employees report that work is a “very important” aspect in life. Older employees (79.5%), midlife employees (88.9%) and younger employees (85.4%) feel that work is “very important.” Also 3.5% of older employees consider work either “not very important” or “not important at all” in their lives (see Figure 5).⁷
- Complementing the importance of work in life, as suggested by the findings presented in Figure 6, older employees (76.6%) either “agree” or “strongly agree” with the argument that “work should come first even if it means less spare time.” This result was also reported by midlife (62.1%) and young employees (52.5%).⁷
- Figure 5 and Figure 6 suggest that, work is not only an important aspect in the lives of older workers, but that older employees also have a strong commitment to work. This outcome mainly contrasts with the perspective of young employees. Even though 85.4% of younger workers report work is “very important” in their lives, only 52.5% of them “agree” or “strongly agree” with the idea that work should come first, if it implies less spare time.⁷

Figure 5: Importance of Work in Life



Source: World Value Survey (2005)⁷

Figure 6: Responsible Perspective Toward Work



Source: World Value Survey (2005)⁷

V. Indicators of Provisions for Employment Security & Predictabilities

- *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

- Mexican employees consider that having a high level of job security is the most important aspect when looking for a job. About 39% of employees think that it is their first consideration, while for 28.6% of employees it is their second consideration.⁷
- Midlife employees (41.9 %) are more likely to report that a high level of job security is the most important aspect to consider when looking for a job, as compared to older employees (37.9%) or young employees (36.1%). However, about 26.1 % of midlife employees report that a high level of job security is the second most important aspect when looking for a job, compared to 31.9% for older employees and 29.4% for younger employees.⁷



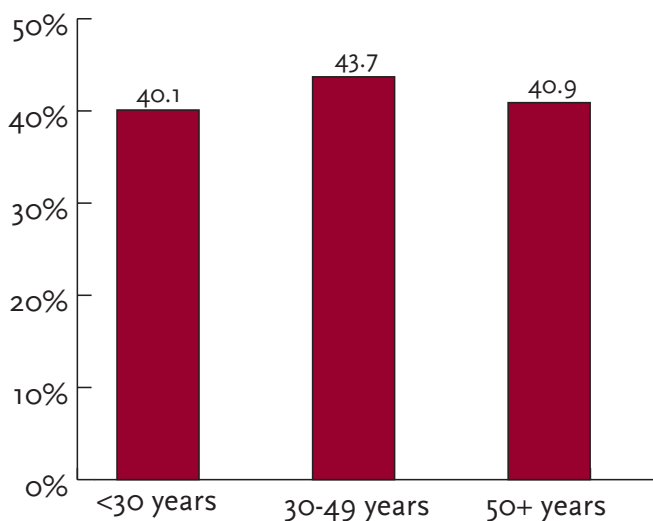
VI. Indicators of Workplace Flexibility

- *Options, choice, and control over work conditions and hours are available.*

- Mexican employees on average work 42.6 hours per week. As indicated in Figure 7, midlife employees work an average of 43.7 hours per week, 2.8 more hours than older employees, and 3.6 more hours than young employees.⁶



Figure 7: Average Hours Worked Per Week in Mexico



Source: Mexican National Occupation and Labor Survey (2009)⁶

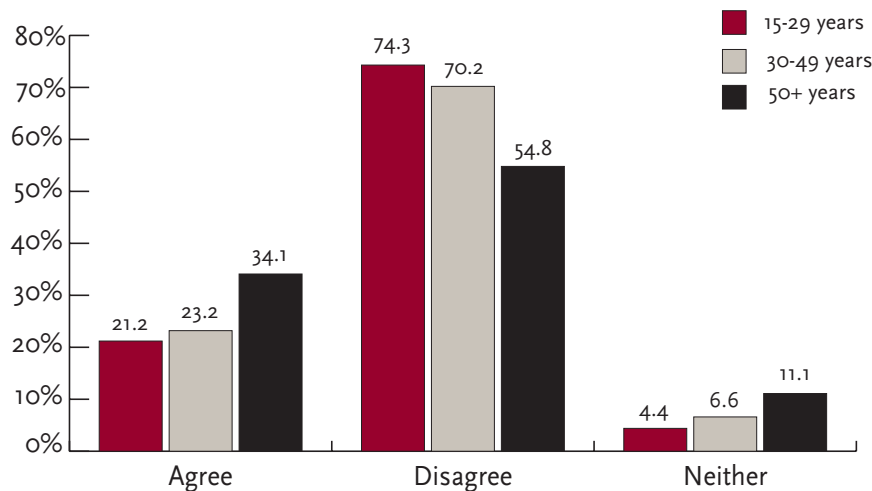
VII. Indicators of Culture of Respect, Inclusion & Equity

► Diversity, inclusion, and employee personal growth are valued.

- Employees disagreed with the argument that “men should have more right to a job than women,” by 67.6%. Younger employees (74.3%) and midlife employees (70.2%) also disagree. On the other hand, older employees (54.8%) disagreed, but 34.1% agreed with the argument. (see Figure 8).⁷



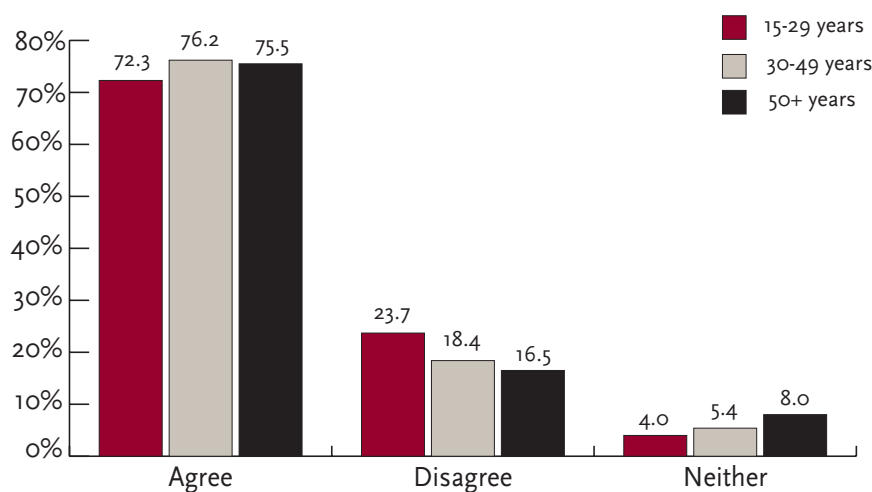
Figure 8: Gender equity



Source: World Value Survey (2005)⁷

As suggested by the findings presented in Figure 8, older employees show the least consideration for gender equity in the work environment.

Figure 9: Consideration of foreign employees



Source: World Value Survey (2005)⁷

When asked whether employers should give greater priority to Mexicans than to immigrants, 74.8% of the employees agree with the idea that a Mexican should be hired first rather than a foreign worker. Midlife employees (76.2%) show the greatest agreement, followed closely by older employees (75.5%) and young employees (72.3%).

VIII. Indicators of Promotion of Constructive Relationships at the Workplace

► *Interactions with supervisors and coworkers are professional and respectful.*

- *This dimension is omitted due to lack of data availability*



SUMMARY AND CONCLUSION: MINDING THE GAP

Given the information presented in this paper:

- About 78% of the employees in Mexico are either satisfied or fully satisfied with the financial situation of their household;
- Across all age groups, 74% of Mexican employees agree with the idea that “employment helps in the development of talents;”
- Well-being is promoted through workplace policies, and social protections are offered in case of illness; these services are provided in the private sector by the Mexican Social Security Institute and for public officials by the Institute of Social Security and Services;
- Most employees in Mexico report that work is a very important aspect in life and that “stability of employment” (job security) is the most important aspect of a job;
- Mexican employees average 42.6 hours of work per week;
- 67.6% of employees disagreed with the argument: “men should have more right to a job than a women;”
- Combining the results by age groups, this paper suggests that, in general, satisfaction of employment among older workers in Mexico is relatively lower than any other age group;
- The average employee’s yearly income in 2009 was \$57,383 MXN (\$4,248 USD); and,
- Unemployed job seekers who do not have access to paper or internet based employment market information must make gaining and maintaining employment with a high level of job security a priority.

The Great Places to Work Institute, which has carried out surveys in Mexico in 2008, 2009 and 2010,¹⁰ ranks companies domestically and countries internationally on various issues, such as ‘best companies’ to work for in each country and international competitiveness. A global high rating by the Great Places to Work Institute may suggest a positive global employment policy. The top 50 companies listed in the Best Companies to work for in Mexico are not representative of the Mexican employment market as a whole.

Due to the lack of information and access to employment market information, Mexican workers make employment decisions based on informal personal communication with family and friends. In our survey we used the World Values Survey⁷ for data on employees’ perspectives in Mexico. As job security is an important factor in determining choice of employers for Mexican workers, companies have attempted to communicate to potential employees the image that their firms offer secure employment, thus drawing a greater applicant pool and in turn, allowing employers to be more selective during the recruitment process. However, as Table 1 shows, employer selectiveness in Mexico does not lead to greater labor market efficiency or global competitiveness.¹¹

Table 1: Mexico's competitiveness at-a-glance according to the GCI 2008–2009

Pillars of competitiveness	Mexico's rank (out of 134 economies)
Labor market efficiency	110
Institutions	97
Innovation	90
Higher education and training	74
Goods market efficiency	73
Technological readiness	71
Infrastructure	68
Financial market sophistication	66
Health and primary education	65
Business sophistication	58
Macroeconomic stability	48
Market size	11

Source: World Economic Forum (2008)¹¹

According to the OECD (2009),¹² Mexico's low growth is primarily due to lower labor productivity. In order to generate greater labor market efficiency and global competitiveness, the OECD has recommended utilizing a multi-prong approach via reforming the education sector, judicial reforms, and structural and financial reforms with an emphasis on opening the economy to more private investment.

ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers of choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, high quality employment.

In addition to the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries and a Global Policy Series that focuses on selected workforce policy in certain country contexts.

For more information on SCAW publications, please visit us online at:
www.bc.edu/agingandwork

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Laura Ruiz Perez, Ph.D., Dean of Social Programs, the Virtual University

Dr. Ruiz's work has recently focused on the development of capacity building strategies for agents of change. The main objective of her work is to achieve growth and development by empowering social leaders through the creation of educational programs and strategies for innovation and sharing best practices through social networks, using the potential of multimedia learning, Internet and other information and communication technologies.

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5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.

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Mind the Gap Series:

MTG01:	United States, Employee
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MTG02:	Japan, Employee
MTG02:	Japan, Employer
MTG03:	South Korea, Employee
MTG03:	South Korea, Employer
MTG04:	United Kingdom, Employee
MTG04:	United Kingdom, Employer
MTG05:	China, Employee
MTG06:	Singapore, Employer
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MTG08:	Denmark, Employee
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