

## INTRODUCTION

### LATIN AMERICA: CRITICAL TO THE GLOBAL ECONOMY<sup>1</sup>

Globalization is today's economic reality and will be the context for virtually all of tomorrow's business.

SIDEBAR: Nearly one-third of United States gross domestic product (GDP) comes from exports and imports of goods and services around the world (Eienstat, 1998).

During the past decade, the economic and social well-being of different regions of the world have become increasingly intertwined. As we move into the next century, we will need to expand our understanding about life in parts of the world that are critical to the global economy, such as Latin America.

The United States has unique relationships with its Latin American neighbors, relationships that are framed by important political alliances such as the Organization of American States (OAS) and economic agreements such as the North American Free Trade Act (NAFTA). These agreements have contributed to economic growth experienced in North and South America. For example, according to the U.S. Department of Commerce, gains in the sale of exported goods and services from the U.S. can be attributed to increased foreign sales to countries in Latin America (U.S. Trade with Latin America Continues to Grow, 1998). Some experts have speculated that existing economic and political agreements may provide the foundations for building a North and South American union, similar to that established in Europe (see Moller, 1999).

Already there is a South America Common Market agreement, Mercosur, created in 1991 among Argentina, Paraguay, Uruguay and Brazil. Bolivia, Chile, Venezuela, Colombia and Peru have also expressed interest in joining Mercosur. Mercosur initially focussed on the creation of free-trade zones, then customs unification and, finally, a common market, where in addition to customs unification, the free movement of manpower and capital across the member nations' international frontiers is possible. Mercosur currently represents a total population of 190 million individuals, living in an area larger than the total surface of the European continent. In 1993, the Gross Domestic Products (GDP) of the four member nations combined was approximately US\$ 715 billion. ([www.americasnet.com](http://www.americasnet.com))

TABLE 1 FRAMES FOR THE ALLIANCES	
ORGANIZATION OF AMERICAN STATES	NORTH AMERICAN FREE TRADE AGREEMENT
<p>The OAS recently celebrated its 50th anniversary. Founded in 1948, this regional association of 35 nations promotes collaborative approaches to regional security and fosters cooperation around economic, social and cultural development. Mexico, Brazil, and the United States are active members of the OAS.</p>	<p>NAFTA, which became effective in 1994, created the second largest free trade zone in the world (next to the European Union) and includes Canada, Mexico and the United States.</p> <p>During the past five years, policy discussions have considered the possibility of expanding NAFTA to include other countries in the Western hemisphere.</p>

<sup>1</sup> Latin America is a generic term often used to refer to all countries located to the south of the United States in the Western Hemisphere and is inclusive of Mexico, countries in Central America and those in South America. It should be noted, however, that this term is often considered to be less than precise for countries that have heritage other than Spanish, French or Portuguese.

Jeffrey Garten, a former United States undersecretary of commerce for international trade and currently Dean of the Yale School of Management, includes Brazil and Mexico among what he calls the “Big Ten” emerging markets. Garten notes several points pertaining to the importance of these markets:

- i High rates of current and potential economic growth:* Countries like Mexico and Brazil have the potential to become economic engines of the global economy. These nations have tremendous growth potential due to low per capita consumption, abundant raw materials, natural resources and labor supply, and increasing sales of high value added products.
- i Current and future growth in market for foreign products and services:* Brazil is the fastest growing market for U.S. products and services (Associated Press, 1999b). U.S. multinationals make more money in Brazil (US\$4.55 billion in 1997) than in any other emerging market (Fox, 1998). Mexico is in 2<sup>nd</sup> place at US\$3.97 billion. Healthy economies combined with high rates of population growth imply that the consumer population will generate more demand for products and services. As technology spreads throughout these countries, the potential for increasing the consumer base is impressive. Currently, seven-eighths of all electronic commerce conducted in Latin America takes place in Brazil (Rohter, 1999). America On Line recently announced that they will begin a Portuguese-language service there (Romero, 1999). Competition among Japanese, American and European companies for these attractive markets will be fierce, especially as Latin American dictators, hyper-inflation, and poverty disappear or diminish (*Latin Trade Magazine*, 1997).
- i Plentiful supply of labor market participants and potential labor market entrants:* Mexican and Brazilian laborers earn a fraction of what U.S. workers earn. The minimum wage for Mexican *maquiladora* workers is US\$6 per day.<sup>2</sup> The Brazilian minimum wage is currently about US\$3.40 a day or US\$68 per month.<sup>3</sup> In the industrial sector, Brazilian labor costs, including wages and benefits, run about 20% of labor costs for a U.S. worker (Faquim, 1996b).
- i Economic and political interdependence:* Important economic or political events in these countries will have a strong impact elsewhere. For example, just as the Asian and Russian crises reverberated around the world, economic or political occurrences in Latin America have global repercussions.
- i Global issues:* These countries are key players with regard to the environment and other issues that have global impacts on quality of life. Latin America has a huge pool of natural resources in its lush rain forests, water supply and biodiversity. Organizations such as Greenpeace are active in the region. Brazil and Mexico have collaborated with other world leaders to address environmental problems and social priorities that affect quality of life.

Garten (1998) concluded that in the future, barriers to trade could continue to fall and capitalism, democracy and peace could flourish around the world. On the other hand, many emerging economies have neither the political experience nor the infrastructure to support the development of stable democracies. Economic, political and cultural interactions among global economies may contribute to which of these outcomes prevails.

In summary, Latin America plays a significant role in global experiences. Globalization offers opportunities for business, political, and social leaders from different countries to learn from one another and to develop business frameworks that support cultural diversity.

## **WORK/LIFE IN THE INTERNATIONAL ARENA**

---

<sup>2</sup> *Maquiladora* is a Spanish word referring to assembly, manufacturing, or processing facilities, usually wholly owned by a foreign corporation.

<sup>3</sup> Because of currency fluctuations, salary conversions are subject to frequent variation.

Forward-thinking business leaders -- from the CEOs of large corporations to savvy entrepreneurs who own small companies -- have developed business strategies that reflect the global environment. Still, most companies have been slower to consider the implications of these business strategies for human resources, in general, and for work/life initiatives in particular.

In a study of international diversity initiatives at eight multinationals headquartered in the State of Illinois, typical efforts included marketing plans for an international customer base, worldwide diversity conferences, educational and training programs pertinent to global issues, and programs designed to increase the number of women in international leadership positions. Although the companies that participated in this study did have domestic work/life programs such as flexible work arrangements, on-site child care, and resource and referral, these programs were not yet evident in the international arena (Wentling and Palma-Rivas, 1997).

Not surprisingly, the visibility of international work/life issues has increased as the numbers of employees with international assignments has grown. Multinational companies headquartered in the United States employ almost 18 million people globally (Laabs, 1995). According to the U.S. Consulate, there are nearly 40,000 American citizens in residence in Brazil and close to one million in Mexico (travel.state.gov/amcit\_numbers, 1998). Many of these individuals are U.S. workers and their families. Globalization also means that there is an increased presence of foreign multinationals conducting business in the United States and other countries. It has been estimated that there are over 37,000 multinational businesses with headquarters in countries around the world. In aggregate, these companies employ more than 73 million people (Laabs, 1995).

Many companies have learned that preparation and other types of support provided to the employee's family members directly affect their satisfaction with life abroad, thereby influencing the success of an overseas placement ("Gracious Hosts," 1998). For example, Shell Internationale conducted a survey of 17,000 employees and their spouses (including current, former and possible future expatriates) to determine obstacles in international relocation (Solomon, 1996). The reluctance of spouses to move because of possible negative consequences on their careers and uncertainties about their children's education were cited as the primary concerns. In response to the survey findings, Shell established relocation policies and established assistance programs for family members. As Lewis has noted (1997), relocation assistance programs typically offer services such as spousal career assistance, pre-location orientation for family members, and international child-care and elder care resource and referral.

Much of the existing work/life global literature and press coverage highlights European and Japanese business (e.g., Davidson & Cooper, 1993; Miller, 1991; Moen & Forest, 1990; Shimomura & Herrstrom, 1990). Several resources have been published for work/life decision makers that focus on the European experience (see Lewis, 1997 and the Families and Work Institute, 1992). These resources include cross-country comparisons of policies for family leave and other workplace supports, as well as public and private provisions for dependent care.

Despite these important efforts to frame work/life issues in the global context, international work/life is still a fledgling field and business leaders lack adequate knowledge about how work/life issues are experienced in different parts of the world.

## **PAPER OVERVIEW**

This paper introduces business leaders to the complex dimensions of work/life experiences in Brazil and Mexico, two Latin American countries that have very different social, economic and political

circumstances.<sup>4</sup> The information details the work/life issues in these countries, and offers decision makers the opportunity to reflect on contrasting and shared work/life assumptions, beliefs and priorities.

There are many important lessons that can result from explorations such as these. One “learning” is that strategies, which have been successful in one country, may be inappropriate for and/or ineffective in another. While it is recognized that some corporations have provided significant leadership for the development of work/life policies and programs in their own countries, it is clear that this corporate model may not be successful in other cultures and economies. Furthermore, it is both limiting and inappropriate to begin with an assumption that specific work/life experiences are universally shared. Clearly, the range and diversity of life situations -- including but not limited to family, community, religious, economic and political realities -- can fundamentally change work/life priorities. Whereas work/life leaders in the United States and elsewhere have focused on particular sets of issues (e.g., work-family conflicts, business strategies, and workplace culture), different work/life concerns (e.g., transportation, environmental pollution, safety, and health care) have emerged in other areas of the world.

It is hoped that the framework presented in this paper will broaden the reader’s appreciation of the diversity of work and family issues. The compelling, holistic focus on “quality of life” that has developed in Brazil and Mexico serves as an innovative example of how employers build relationships with employees, their families, and their communities— using approaches that effectively support business strategy.

This paper has two primary chapters, one focused on Brazil and the other on Mexico, followed by a summary conclusion. The following analytic framework has been used to organize the information in the two main chapters:

- ii **The Economic, Political and Social Context** – Includes demographic statistics and a review of selected historical events and trends
- ii **Culture and Values** - Examines aspects of culture that shape work/life experiences
- ii **Shaping the Work/Life Agenda**– Highlights current work/life issues and the factors that drive and restrain the work/life agenda
- ii **Public and Private Employment and Human Resource Policies** - Reviews labor legislation and private sector trends
- ii **Employer-Sponsored Programs and Practices** - Provides examples of employer-sponsored work/life initiatives

INSERT MAP: Western Hemisphere (e.g. Canada, US, Mexico, Central America and South America) with all country borders.

---

<sup>4</sup> It is anticipated that most of the readers of this paper will be affiliated with U.S. businesses; therefore, the term “work/life” will be used. It should be noted, however, that the work/life concept is depicted in different ways in Mexico and Brazil, such as “quality of life.”

# I. BRAZIL

## INTRODUCTION

Brazil, a federated nation with 26 states, is the fifth largest country in the world and the largest country in South America, with a population of 172,000,000 people and a labor force of 71,000,000 (Inter-American Development Bank, 1995; [www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999). Its economy is ranked as one of the largest in the world. Although Brazil has much in common with other Latin American countries, life in Brazil is unique in many ways. For example, Brazil is a Portuguese-speaking nation.

During the past decade, Brazil has experienced high rates of inflation, an economic recession, huge trade deficits, and political turmoil. In response to concerns about the long-term stability of the economy, Brazilian leadership has partnered with the International Monetary Fund (IMF) and the World Bank to ensure that the country maintains its role as a major player in the global market. Now in its fourth year of economic restructuring, Brazil has made progress in its privatization efforts, reduced market barriers, and encouraged foreign investments. Through privatization programs, Europeans are increasing their participation in Brazil, in the banking sector (HSBC, Banco Santander, Banco Bilbao Vizcaya), telecommunications sector (Telefonica de Espana, Portugal Telecom, France Telecom), and in water supply (Vivendi Utilities) (Peres, 1999). Imports from and exports to the European Union countries exceed that of trade with the United States ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br)).

This chapter explores how the economic, political and social context of Brazilian life shapes work/life issues. For example, an employer's work/life agenda may include addressing low rates of educational attainment among some employees, while at the same time developing policies and programs that will help them recruit and retain the highly skilled members of their workforce. The chapter provides an overview of current Brazilian work/life experiences and describes some of the opportunities for continued progress.

INSERT MAP: Brazil shaded with adjacent countries noted

## THE ECONOMIC, POLITICAL AND SOCIAL CONTEXT

### Overview

Economic uncertainty and fiscal crises have been an unfortunate aspect of the Brazilian economic landscape. The country entered the 1990s with runaway inflation at 40% monthly, declining growth, unserviceable foreign debt, and a lack of clear policies to move Brazil out of this economic turmoil. The economy was highly regulated with many formal barriers to foreign trade and investment. In response, many corporations chose to pursue short-term investments and overnight funds, rather than engage in long-term planning and development.

The Collor government (1990-1992) initiated significant economic reform and policy changes. These entailed opening the Brazilian market to foreign trade and investment by lowering tariffs and removing a number of legal provisions that restricted the ability of foreign enterprises to do business in Brazil. The Brazilian government also enacted special legislation to spur privatization of companies, such as those in transport and utilities. Despite these bold moves, Brazil's first elected President also engaged in significant corruption. The power of the new democratic process was clearly evident when Collor was impeached.

The current President, Fernando Henrique Cardoso, launched a plan to stem hyperinflation, which was at 2700% in 1993. By early 1998, the economy looked healthy, with inflation controlled at 1.5%, increasing foreign investments, and improved prospects for steady, long-term growth (Moffett, 1999). Following the collapse of the Asian and Russian economies, however, the Brazilian economy started to suffer.<sup>5</sup> The

---

<sup>5</sup> At the time of the Russian and Asian crises, Eisenstat (1998) observed that foreign investors began to see developing economies as high risk, and they tended to overlook the progress that had been made in Latin America.

international crises precipitated a plunge in the Brazilian stock index; and the flight of capital out of the country drained currency reserves by 30% in one month. Acknowledging that a collapse of the region's largest economy could have broad repercussions in Latin and North America, the IMF came through in December, 1998 with a rescue package valued at US\$41.5 billion.

The future strength of Brazil's economy will depend on the success of Cardoso's efforts to reduce the government debt of US\$290 billion through spending cuts and tax increases. Unfortunately, "belt tightening" is unpopular with the Brazilian Congress and lobbying groups. For example, in 1997, Cardoso was pressured into rescinding a public sector pay freeze and US\$18 billion in proposed spending cuts; and in July of 1998, he extended a military pay raise, costing US\$1 billion per year. Similarly, the Brazilian Congress has stalled in carrying through on an already approved plan making it easier to fire government employees (Templeman, 1998). Despite the government's commitment to accelerate the sales of government-owned businesses, the National Privatization Program has been implemented slowly. The IMF has put fiscal reform as a condition of its US\$41.5 billion loan. This has bolstered Cardoso's ability to win some victories with the Brazilian Congress, including Senate approval of measures to increase financial transaction taxes and to raise civil servant contributions to the bankrupt pension system.

TABLE 2 ECONOMIC HIGHLIGHTS
<ul style="list-style-type: none"> <li>• Economy primarily shaped by manufacturing, financial services, agriculture and trade.</li> <li>• Industrial production accounts for 34% of Brazil's gross domestic product.</li> <li>• Brazil's major trading partners are: the United States, Germany, Japan, Argentina, and Italy.</li> <li>ï Major industries include: textiles and consumer goods, shoes, chemicals, cement, iron ore, steel, motor vehicles and auto parts, metalworking, capital goods, tin.</li> <li>ï 42% of labor force works in the service industry, 31% in agriculture, and 27% in manufacturing.</li> <li>ï Small businesses employ the majority of Brazilian workers, with almost half the labor force working for businesses that employ 5 or fewer people.</li> <li>ï Brazil has an enormous base of natural resources including oil, natural gas, steel and gold.</li> </ul>
<p>www.ibge.gov.br www.odci.gov/cia/publications/factbook/br www.eb.com</p>

**Productivity and Projected Recovery**

In 1997, a McKinsey Global Institute study found overall productivity in Brazil to be 27% of that in the United States, and in the most advanced sectors of the economy, such as automobile manufacturing, 30%. The report blamed factors such as the protectionist economy and corporate lack of reinvestment, but also noted that the low educational levels of the average Brazilian worker have had a significant impact (Schemo, 1998). Because of the recent economic downturn and the fallout from Russia and Asia, some analysts projected 6% shrinkage in Brazil's GDP for 1999 (Romero, 1999a).

Devaluation of the *real* in January 1999 relieved some of the economic pressure.<sup>6</sup> Although Cardoso had hoped to defend the value of the *real*, he had to do so by using monetary controls to keep its value artificially high. With the *real* floating at market rates, its value declined sharply, making Brazilian exports more attractive to international buyers.

Historically, Brazil has demonstrated a capacity to respond in flexible and innovative ways to changes in the business environment. For example, with the oil crises in the 1970s and 1980s, Brazilians developed the sugarcane-alcohol industry that currently fuels many of the automobiles in circulation. The country remains committed to a competitive capitalist philosophy. There is hope that Brazil will survive the current economic challenges and emerge with increasing growth and stability in the future. Indeed, by the end of 1999, Brazil's credit rating changed from negative to stable (Romero, 1999b) and the economy had actually grown slightly during the year, despite earlier predictions of shrinkage (Milverton, 1999).

### **Labor Force Highlights**

Competition for highly skilled professionals is evident in rising compensation. Base salaries are higher than in the U.S. for senior professionals and middle managers. Companies need to offer attractive benefits packages in order to recruit and retain the best talent (Peres, 1999).

Among less skilled workers, unemployment is a significant challenge for Brazil. The unemployment rate is at 8.3% at the end of 1999 (New York Times, 1999), up from 5.5% in 1997 (Malkin, 1998c; Schemo, 1999). In greater Sao Paulo, unemployment for November, 1999 was at 18.6%, the highest unemployment rate for the month since 1985, when data collection began (O Globo, 1999a).<sup>7</sup>

As in many countries, corporate re-engineering resulted in downsizing and growth in number of contractors. For example, the VW plant in Resende has 8 major subcontractors and VW employs only 200 of the 1000 workers at the plant. VW saves on wages, which are set by suppliers as a group (US\$374 per month). Down time on the assembly line is charged to workers who must make it up without overtime. Local union leaders admit that the web of employers perplexes them and frustrates attempts to unionize the workforce. In 1996, VW employees in Sao Paulo accepted management's first offer on a new contract, because they understand that they could lose their jobs to subcontractors (Schemo, 1996).

*Child Labor:* Children are legally permitted to work in Brazil after the age of 12.5 years.<sup>8</sup> 11.6% of the Brazilian workforce is under the age of 18, with about 3 million working children between the ages of 5 and 14 (Franca & deCarvalho, 1995; O Globo, 1999c).<sup>9</sup> The Brazilian child labor laws are difficult to enforce, because families often count on the contributions of children to family income and companies save labor costs when they employ children. According to Francisco Urbano, president of the National Confederation of Agricultural Workers, some companies hire children, while leaving their parents unemployed, to avoid paying expensive wages and benefits (Franca & deCarvalho, 1995). The youngest child laborers tend to be employed in the agricultural sector, while in adolescence, the majority of child laborers work in business, as service contractors, and in industry (Jornal do Brasil, 1999). Seventy percent of children who work earn only half the minimum wage, currently at US\$68 a month.

In 1997, the government announced that it planned to change the minimum work age to 15 years, but corresponding legislation has not yet been enacted. In 1996, the Ministry of Labor established a fund to

---

<sup>6</sup> The real is the Brazilian monetary unit. In December 1999, there were approximately 2 reals to the U.S. dollar.

<sup>7</sup> These figures compare to unemployment rates of 10.5% in the European Union (OECD, 1999), 12% in Argentina, and 30% in South Africa ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999).

<sup>8</sup> It is legal for children between 12 and 14 to work if they are learning a skill.

<sup>9</sup> These figures compare to 41.3% of children between the ages of 10 and 14 working in Kenya, 9.9% in Nicaragua, and 10.6% in the Philippines (U.S. Department of Labor, 1998).

curb the use of child labor in cane cultivation ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999). Some companies have explicitly refused to engage in business with suppliers that use child labor. For example, Shell and PetrobrasBR recently announced that they are not going to buy alcohol from sugarcane producers that use child labor (Peres, 1999).

## Social Trends

The Brazilian GDP per capita is less than US\$6,100 ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999). According to the World Bank's World Development Report, 28.7% of the Brazilian population lives on less than US\$1 per person per day (World Bank, 1997). In certain sections of the country, such as the Northeast, poverty is particularly evident. The Brazilian census organization (IBGE), in conjunction with UNICEF, recently issued a report stating that 24,000,000 Brazilian children and adolescents live in families with average monthly per capita income of less than ½ the minimum salary. In a family of four, this would equate to a family income of less than 272 *reais* or US\$136 a month (Jornal do Brasil, 1999). Somewhat more than a third of infants and preschoolers, and of elementary school aged children, live in poverty (O Tempo, 1999a).

Life expectancy is 64 years (compared to an average of 76 years in the United States). Life expectancy for men in Brazil (59 years) is significantly shorter than for women (69 years). Infant mortality remains high at 35.37 per 1,000 births compared to the world average of 25 per 1,000 ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999).

Urbanization has increased tremendously from 1960 to the present, and many of the country's poor have migrated from rural areas to urban centers. The two largest cities are Sao Paulo, with 10,000,000 and Rio de Janeiro with 5.5 million ([www.ibge.gov](http://www.ibge.gov)). As a result of this rapid urbanization, the country's infrastructure – affordable housing, water, garbage disposal, and sewage – has not kept pace with demand. Sixty million people lack sanitation, adequate housing, and clean water. For example in the Southeast, home to Rio and Sao Paulo, 15% of households lack indoor plumbing and 26% have neither public sewers nor septic tanks. About 15% of homes in the Southeast have no garbage disposal and rely on burning or burying garbage, or throwing it in empty lots, rivers, or the sea. These indicators are even worse in other parts of the country.

The minimum salary in December, 1999 is equivalent to approximately US\$ 68 per month. Certainly, many Brazilians are able to live more comfortably. The average monthly salary in the private sector is 680 *reais*, or approximately US\$ 340 monthly. There are regional variations, with Sao Paulo state reporting the highest average monthly salary of 900 *reais* (O Globo, 1999b). According to the 1997 National Survey of Households, among the population of Brazilians 10 years of age and older, about 21% live on incomes of greater than US\$ 204 per month ([www.ibge.gov.br/estatistica/populacao/trabalhorendimento](http://www.ibge.gov.br/estatistica/populacao/trabalhorendimento)).

As in many countries around the world, social inequality is sharply pronounced, with striking disparities in the distribution of wealth. For example, in Mexico the richest 20% control 54% of the nation's wealth; and in the U.S., the richest 20% control 42% of nation's wealth, and the poorest 20% have 5% (Cohen, 1998). The richest 10% of Brazilians control 54% of the nation's wealth; the poorest 10% have just 0.6%. According to Oded Grajew, President of the Brazilian Instituto Ethos de Empresas e Responsabilidade Social<sup>10</sup>, if 8% of income were redistributed from the richest 10% of Brazilians to the 30% below poverty level, poverty measured as per capita minimum salary income could theoretically be eliminated from the Brazilian population (O Globo, 1999d).

From a pure marketing standpoint, the poor represent a large group of untapped consumers. With improvement in the economy, 30 million Brazilians have entered the "consumer class" in recent years (Katz, 1998a). They join the population of middle and upper class Brazilians who represent an important market for any company wanting to expand its business.

---

<sup>10</sup> Brazilian Business Institute for Ethics and Social Responsibility

## **Education**

The lack of education is considered to be a “hidden charge” of doing business in Brazil according to the president of the National Council of Industries. The average Brazilian worker has only 6 years of education (Schemo, 1998). Twenty percent of children aged 15 to 19 have less than 4 years of education (Jornal do Brasil, 1999). Of 100 students who enter the first grade, just 28 complete the second grade (Sanches, 1996). Twenty-five per cent of the poorest children are still not attending school ([www.ibge.gov.br](http://www.ibge.gov.br)).

As of 1997, only 17% of the population had at least some high school, compared to 43.5% in Mexico, and 91.3% in the U.S. Even in a major urban center, such as Sao Paulo, the average worker has only a 4th grade education (Schemo, 1998). The national illiteracy rate is about 20%, but is anticipated to decline to 16% by the year 2000 ([www.ibge.gov.br](http://www.ibge.gov.br)).

Brazil is a global leader in the level of resources devoted to education. The government spends about 20% of the federal budget on education, one of the highest levels in the world. In an effort to ensure that increasing percentages of today’s young adults are ready to enter the job market, 30% percent of the education budget goes to public universities. In Brazil, the best universities are public and competition for entry is fierce. Those who can afford to send their children to private primary and secondary schools have a better chance of obtaining entry to free public universities. Therefore, the private and public sector have a clear mandate to increase investment and support for public primary and secondary schools to prevent perpetuating income and educational disparities between the haves and the have-nots. Indeed, beginning in February, 2000, the Ministry of Education will invest US\$ 300 million in training of middle school teachers and improvements in middle school facilities. This is the first installment of a 1 billion dollar loan from the Interamerican Development Bank designated for the educational sector. According to the Minister of Education, the government’s investment in primary education during the last five years is responsible for a 57% increase in middle school enrollments (O Tempo, 1999b).

Educational reform champions around the world have long advocated increasing the competencies of teachers to improve the quality of primary and secondary education. In 1998, public school teachers in Northeast Brazil were earning US\$50 a month, half of the legal minimum salary at that time. In many schools, the teachers have only a second grade education themselves (Schemo, 1998). The American Chamber of Commerce in Sao Paulo tested newly qualified primary school teachers and reported that 90% of them had mastered only 10% of the curriculum they were teaching. These dire findings spurred the American Chamber of Commerce to sponsor remedial classes for teachers at 5 primary and secondary schools in Sao Paulo.

## **Summary**

The economic forces that have gripped this nation in the past decade directly affect the everyday lives of today’s working families in Brazil. The poorest Brazilians are hardest hit. Unemployment, low educational levels, poverty and child labor are significant problems that need to be addressed. Still, there are many reasons for optimism. Brazilians have proven again and again their resilience and resourcefulness in the face of economic challenges. The government has demonstrated its commitment to improving the standard of living and literacy rates. Most important, growth in the number of Brazilians who are not poor is evidence of a nation on the path of continued progress.

A work/life practitioner in Brazil must take these factors into consideration when thinking about work and family priorities and appropriate policies and programs to meet those needs.

## **CULTURE AND VALUES**

Cultural values have powerful impacts on the work/life experiences of Brazilian employees and their families. This section outlines some of the salient factors in this arena.

### **Family and Other Relationships**

The family is an important institution in Brazil. The extended family is often the basis of get-togethers that occupy non-working hours. Brazilians feel strong bonds with their relatives. Adult single children often live with parents, and married adult children may live nearby. Adult children typically care for aging relatives in their homes. Placing an elder in an institution is still quite rare.

Brazilians also focus attention on the personal relationships that they establish at work. Brazilians place a high value on maintaining strong social relationships, and they are known for being gregarious and warm. The social values adopted by many Brazilians underline the importance of affiliation with others and activities that promote harmony in family and work units (Bontempo, Lobel & Triandis, 1990).

### **Gender**

As in many parts of the world, Brazilian women have traditionally worked in a small number of occupations, characterized by low prestige and low pay. Forty percent of the labor force is female (www.stats.gov, 1997). Half of women work in the informal sector, primarily as maids. Many jobs are highly segregated by gender. For example, half of women are working in jobs that have only 5% men, while half of men work in occupations that employ less than 5% of the female labor force (UNDP, 1996).

Educational attainment for women generally exceeds that of men, with 25.8% of employed women having graduated from high school, relative to only 16.1% of employed men. Despite this advantage, the earnings of many Brazilian women remain low. For example, female heads of household earn, on average, 47% less than men (UNDP, 1996).

A minority of Brazilian women, usually those with higher education, work in less traditional, better paying jobs. In the executive suite, women have been remarkably successful according to studies conducted by Grupo Catho in the early 1990s. Catho's surveys of 67,000 firms show that female executives earn 10% more than men and reach their positions at a younger age than their male colleagues (Faquim, 1996a).

Expectations about appropriate gender roles may vary across social classes and geographical locations; also, certain families may be more traditional than others. Moreover, values and expectations related to gender are changing in Brazil. According to one cultural observer:

More and more women have college degrees and work outside the home. They are involved in politics (several large cities, including some in northeastern Brazil, have been run by women in recent years), banking and big business; daughters are taking over their father's businesses; there are large numbers of doctors and scientists; the general attitude among my friends' daughters is one of "there's nothing I can't do." New divorce laws, changing attitudes towards single or separated women, and extended maternity and paternity leaves, were very positive steps in the last two decades. Of course, we all wish Brazilian men had changed along...I see too many women trying to do it all, just like in the US. (www.maria-brazil.org)

### **Summary**

Values and expectations relating to the roles of women and men are changing in Brazil, as in many other countries. Extended family life is an important source of satisfaction and support, and it is often important to Brazilian employees to be able to integrate family priorities with work responsibilities.

## **SHAPING THE WORK/LIFE AGENDA**

Three of the most salient factors that have precipitated increased attention to work/life issues in Brazil are similar to the driving forces in the United States:

- changes in the labor force participation rates of women;
- increases in stress levels that can affect the quality of employees' lives at home and at work; and
- concerns about child care resources needed by working families.

### **Women in the Labor Force**

The female employment rate grew from 37% in 1981 to 44.8% in 1990, relative to 86.7% for men at both time periods. The percentage of married women who work has increased from 20 to 38% between 1980 and 1991 (UNDP, 1996). Employment rates for women between the ages of 21 and 54 tend to be around 50%.

The decrease in fertility rate and increase in educational attainment are partially responsible for the increasing participation of women in the labor force ([www.ibge.gov.br](http://www.ibge.gov.br)). The higher the level of education, the more likely for married women to work, with 64% of those who have 9 or more years of education working. Meanwhile, the fertility rate has been declining, from an average of 4.4 children in 1980 to 2.3 children in 1991 ([www.odci.gov/cia/publications/factbook/br](http://www.odci.gov/cia/publications/factbook/br), 1999).

In the past, the availability of inexpensive domestic workers--who can assume responsibility for housecleaning, cooking, care of clothing, and child care--has enabled many middle and upper class women to participate in the laborforce and has been a means for working men and women to balance their work and family demands. As the wages of domestic workers rise, middle class families may no longer be able to afford this option on a regular, daily basis.

### **Work/Family Conflicts, Stress, and Other Challenges to the Quality of Life**

Brazilian employers are aware that work/life conflicts, left unresolved, can create stress that poses threats to productivity. One research study (Meleis, Hilfinger and Neves, 1996) examined stress at the workplace by gathering information from female clerical workers in a Brazilian public university. The research found that the physical working environment was the worst stressor, specifically crowded, dirty and ill-repaired building conditions. Other frequently mentioned stressors included public transportation to and from work, a sense of powerlessness, inflexible work schedules and economic constraints. In addition, the study participants identified two resources as being helpful in dealing with work stress: transportation and living in close proximity to work. Because traffic congestion adds to commute time, living close to work can reduce stress. The workers responded positively to suggestions for flexibility in scheduling work, participation in decision-making, and challenging tasks.

In 1997, Motorola gathered information from 4,559 employees in selected sites located in North and South America about their stress levels. Ninety percent of employees at Motorola in Sao Paulo indicated that stress sometimes interferes with their health, personal happiness, or ability to be productive at work. One question asked employees to indicate whether stress sometimes interferes with their health, personal happiness, or ability to be productive at work. Among the 10 sites that participated in the survey, the Sao Paulo site had the second highest percentage (90.0%) of employees who indicated an "unfavorable" rating (e.g., stress does interfere), after the site located in Chile where 100.0% responded with an unfavorable rating. In addition, over two-thirds (69.0%) of the employees in Sao Paulo reported that their jobs are often emotionally stressful (Motorola, 1997).

The emergence of the quality of life movement in Brazil has placed a new focus on preventive health and stress reduction. Exercise promotion, cholesterol reduction, and smoking cessation are emphasized. Interest

in preventive health has been awakened paves the way to promote work/life policies and programs as contributing to employee health and well being.

## **Child Care**

In 1999, IBM conducted a Global Dependent Care Needs Assessment. The assessment included a high level “country” view of dependent care issues in 21 countries (including Mexico and Brazil), and an in-depth community review of 12 countries (also including Mexico and Brazil). As is the case in many countries around the globe, there is growing concern in Brazil about the availability of accessible and affordable quality child care.

Parents, grandparents, and domestic workers are the most common providers of child care in Brazil. (This is true in the United States as well.) A recent survey conducted by IBM found that about half of their female employees with children under the age of 13 use in-home care or care in another’s home, presumably a relative, whereas only 17% use a child care facility. Among male employees with children under the age of 13 years, only 4% reported that they used a child care facility for the care of their children (IBM, 1998). Employees cited concerns about the safety of their children in day care centers and fears about whether children were being adequately challenged and developed when in the care of domestic workers.

IBM employees, however, reported growing interest in using private child care centers (creches) that provide high quality, reliable care. There is high demand for creches with extended hours, opportunities for educational enrichment and socialization, and affordable tuition. Many employees, however, are currently unable to use creches because they are not aligned with employees’ long working hours. For example, 44% of IBM employees report that they work 20% more than the regular 40 hour work week (Peres, 1999). Private care costs about US\$800/month for half-day care and US\$1200/month for full-day care. Therefore, many employees report that the cost of private centers, at 40-60% of salary, is also prohibitive. Private creches have high vacancy rates due to the current economy and some undoubtedly will not survive without developing contractual relationships with companies to serve their employees’ needs (IBM, 1999).

Municipalities operate public day care centers that are supported by government funds. Public care is used almost exclusively by lower-income parents who often have a long wait for a slot. Though some parents are eligible for free care from the government, an average working class parent will pay between US\$50 and US\$150 a month for public child care. Private care is provided by charitable organizations (for families with very low incomes).

There are no national requirements or guidelines for public or private child care facilities, and quality varies significantly from center to center. Consequently, companies offering or otherwise supporting high quality daycare that might be affordable to lower income employees would make a considerable contribution to the quality of life of working families.

Employers committed to quality child care might want to consider the advantages of two alternative strategies: investing in on-site facilities that would be available only to their own employees or supporting the development of quality community-based care that would be available to employees as well as non-employees. Employers may choose to invest in existing creches that will serve their needs by offering features such as extended hours, high quality programming with enrichments, and corporate-sponsor rates.

## **PUBLIC AND PRIVATE EMPLOYMENT AND HUMAN RESOURCE POLICIES**

### **Legislative Mandates**

The Brazilian federal government has mandated more extensive employment practices related to work/life issues than has the United States. Most of the Brazilian labor laws currently in use were enacted in 1943,

and many of the provisions of the existing labor legislation are quite progressive. For example, the 1988 Constitution provides for 120 maternity days and 5 paternity days.

Although the specific provisions of the Brazilian laws are complex, highlights are presented in Table 3 below.

TABLE 3 LEGISLATIVE HIGHLIGHTS	
Wages & Bonuses	All employees must be paid a mandatory additional month's salary each year. This is called the 13 <sup>th</sup> month salary.
Profit Sharing	Since 1995, companies are required to distribute part of their annual net income to employees.
Work Hours	The workweek is 44 hours, with no more than 8 hours daily. Commercial offices typically operate from 8:30 or 9:00 to 5:30 or 6:00. Some factories operate on Saturday morning. Unions are working to reduce the workweek to 40 hours. Managers and employees in positions of "trust and responsibility" are exempt employees. Work hours may be reduced, but salary cannot be prorated downwards except in extraordinary circumstances for which salary may be reduced up to 25%.
Shift Work	Night shift workers must receive 20% more than equivalent day shift workers.
Holidays	There are 11 national holidays and 3 local holidays which can be decreed by the municipality. If a holiday falls on a weekend, it is not moved to a weekday.
Vacation	Employees are entitled to 30 vacation days for one year of service. Vacation time is paid with a 33% premium and employees may receive half of their 13 <sup>th</sup> -month salary at the beginning of their vacation.
Social Security	Employers contribute 20% of payroll to Social Security and an additional 16% for government training and education programs, severance pay fund, and accident insurance. Employees contribute about 10% of income to Social Security, on a progressive scale. Employees who need to take a leave due to illness receive an allowance from Social Security and may return to their prior position with all accrued benefits once they are well. Social Security covers maternity, bereavement, and leaves due to illness, as well as pensions, health care costs, and accident insurance. Many companies supplement Social Security through contributions to private health insurance plans.
Retirement	The Constitution prohibits age discrimination. Retirement is based on a combination of time of service and age. <sup>11</sup>
(continued on the next page)	

<sup>11</sup> These are spelled out in the section below on retirement options under Driving and Restraining Forces.

TABLE 3  
LEGISLATIVE HIGHLIGHTS  
(continued)

Severance Pay	Employers contribute to a severance pay fund at 8% of the employee's salary. Employees receive severance pay when they are involuntarily terminated. This fund is transferred from job to job in the case of voluntary resignation. The fund can also be used to purchase a home under a government plan.
Relocation and Transfers	If an employee is transferred because of employer requirements and the transfer involves a change in residence, the employee must receive an increase of 25% in compensation. Employer pays transfer expenses.
Vouchers	Benefits required by law include transportation vouchers, which entitle employees to transportation to and from work. Employees contribute up to 6% of their monthly pay. Meal vouchers may be used at some restaurants.
Training	One percent of gross payroll goes to fund two national government-sponsored training programs (SENAI and SENAC). Employers may be exempt if they provide appropriate vocational and educational in-house training.
Family Allowance	Social Security pays a small supplementary monthly allowance for each employee's child under the age of 14, amounting to about US\$6.50 for employees earning up to US\$240 monthly, and US\$1 for those earning above this amount.
Parental Leave	Mothers are entitled to one month prior to delivery and three months after birth at full pay up to a maximum of about US\$600. Fathers are entitled to 5 days. Nursing mothers can take two half-hour nursing breaks during the day until their child is 6 months old.
Health Care	Companies are required to have an occupational health program managed by a physician. Company physicians perform required exams on entrance and exit from jobs with the company, as well as annual exams for employees in at-risk occupations, for those under the age of 18 or over the age of 45, and biannual exams for those in between 18 and 45. In addition, medical exams are required for employees who change jobs or who are returning to work after an absence of 30 days or more, due to illness, work accident, or maternity).

Sources: Faquim, 1995; New York Times, 1998; Price Waterhouse, 1994; 1995a;

The government passed a law in 1995 that prohibits employers from seeking sterilization certificates or discriminating against women of childbearing age because there were indications that, in some companies, the provisions of maternity legislation acted as a disincentive to hiring women. Although progressive labor laws are "on the books," access to the full range of mandated supports can vary. During a recent interview, Mario Sergio Navas, the human resources consultant for the Brazilian firm Mangels, commented, "Many

companies still do not offer benefits as required by law and they are not penalized for lack of compliance” (www.quattro.com.br/rhsintese/benef3). There have been anecdotal reports that other companies engage in questionable practices such as withholding payroll and investing it in overnight markets during periods of high inflation.

### Human Resource Policies and Practices

Brazilian business decision-makers have adopted many of the same business perspectives and practices as their counterparts around the globe. Human resource management trends -- such as re-engineering, total quality management, succession planning, team building, and outsourcing aspects of the human resource function -- are evident in many Brazilian businesses and multinationals operating in Brazil.

Multinationals, with up to 20 years of experience in strategic human resource management, serve as a stimulus and resource for some Brazilian subsidiaries and Brazilian firms. CPH Tecnologia, a consulting firm, coordinates site visits to large corporations in the U.S. and Canada so that Brazilian managers can learn about their practices. Human resource professionals have visited Coca-Cola, Ford, Xerox, Mount Sinai Hospital, Champion and others.

In Brazil, there has also been a growing realization that progressive benefits can help reduce costs associated with absenteeism, turnover, health insurance premiums and medical care, as well as improve corporate reputation and employee morale and performance. Ricardo De Marchi, director of CPH Tecnologia em Saude, estimates that investments in preventive health care and quality of life return two to five dollars for every dollar invested. The trend is for the company to share benefit costs with employees (www.quattro.com.br/rhsintese/benef1.html). According to a 1996 Towers Perrin study (the XVI Survey of Corporate Benefits) cited by Carmen Peres, Director of Human Resources at IBM Brazil, 95% out of the 300 companies that they surveyed report having medical plan coverage, 56% had a dental plan, 88% had group life insurance, 73% had short-term disability, 95% had meal allowances, and 52% have a pension plan to complement Social Security.

The *qualidade de vida* movement reflects a transition from paternalistic to preventive benefits and human capital investment strategies. Proponents emphasize the employee as a whole person, with professional, physical, psychological, and spiritual capacities for development. Opportunities for advancement, training, and competitive salaries are some of the aspects of *qualidade de vida*. Related policies and programs include exercise centers, low calorie meals in the company cafeteria, entertainment ticket discounts, discounts for continuing education, food vouchers, and medical benefits. These trends began fairly recently in Brazil, and many companies are still trying to adapt to the new norms. According to Carlos Eduardo de Oliveira, Manager of Human Resources at Hewlett Packard, the dialogue about work/life balance, more generally, is just beginning to surface in Brazil (Lobel, 1999).

Still, there are numerous examples of employer sponsored actions that focus on the well-being of children, education, wellness, retirement, and community life.

TABLE 4 THE JOHNSON & JOHNSON EXAMPLE
<p>Johnson &amp; Johnson has been in Brazil since 1933 and currently has 4500 employees. The corporation, known for being family-friendly, has pursued these strategies in Brazil. According to the director of Public Affairs, Luiz Carlos Dutra, Johnson &amp; Johnson’s family-friendly programs predate those currently being adopted by other corporations in Brazil. Johnson &amp; Johnson offers a number of benefits beyond those that are required by law.</p> <p>i J&amp;J offers educational assistance for special needs children, day camps, clubs, day care</p>

- ï Employees can receive tuition assistance for undergraduate and graduate education and participate in a credit union
  - ï The Chemical Dependency Program, initiated in 1980, provides medical and psychological treatment for employees and their dependents with drug or alcohol addictions. The company covers all the costs associated with this program for employees and partially subsidizes treatment for dependents of employees. Between 1980 and 1995, 270 employees and 172 dependents received treatment under this program. The program boasts a 72% success rate with employees
- (Alvares, 1996)

**Supports for Children**

Private and public funding has been used to address the problems of child labor and enhance education of children. For example, between 1991 and 1993, in the city of Campos, 300 families received US\$1 per day for sending children to school instead of the cane fields. Unfortunately, when the program ran out of funds, the children returned to work. The local government in Catanduva (located in central Brazil) gives needy parents stipends of US\$45 a month per child for children who maintain good school attendance records. After this program was introduced, truancy dropped to 1% from 18% (Moffett, 1998).

To underscore government efforts to reduce child labor, the Brazilian Embassy’s website highlights a successful partnership formed between the Mato Grosso do Sul state government and the National Forum to Prevent and Eradicate Child Labor. The partnership identified 685 children working in 13 cities. Federal funds were provided to give families 50 *reais* monthly to enroll the children in school. The Federal Government financed construction of social centers and provided support for transportation to school ([brasilemb.org/humanrights](http://brasilemb.org/humanrights)).

TABLE 5 OPTIONS FOR ACTION
<p>Fundacao Abrinq, an advocacy group for children suggests that private sector organizations become more involved in promoting the quality of children’s lives. Companies that participate in Abrinq’s program receive the right to use the Foundation’s seal “Child-Friendly Firm” on their products, services, and advertising. The Foundation recommends that businesses consider the following strategies:</p> <ul style="list-style-type: none"> <li>ï Become a preschool or daycare partner. Support construction of facilities like a playground or gym. Purchase lab and technological equipment.</li> <li>ï Build schools or daycare centers. Donate the facilities to the public sector and help maintain them.</li> <li>ï Offer mentorships and internships for children over the age of 14.</li> <li>ï Contribute to the Municipal Fund for Children’s Rights. Donations are tax deductible.</li> <li>ï Sponsor activities like sports, cultural or art education.</li> </ul> <p style="text-align: right;">(<a href="http://www.fundabrinq.org.br">www.fundabrinq.org.br</a>)</p>

A small number of firms have developed on-site day care centers or are sponsoring public centers for impoverished children. Copas, a manufacturer of fertilizers, manages the Luiz Boccalato daycare in Santo Andre. The center cares for 120 impoverished children between the ages of 3 and 6 from the nearby low-income neighborhoods. Agabe, a shoe manufacturer headquartered in France, received the "Child-Friendly" seal from Fundacao Abrinq as well as recognition from the Instituto Pro Crianca (Institute in Support of Children). Unlike other shoe manufacturers, they do not use child labor. Their on-site child care center cares for 65 children between the ages of 3 months and 6 years. The child care center has six rooms, including an art room, and a recreation room, a nursery and a kitchen. There is an outdoor playground. Meals and medical care are provided to the children.

Avon has 3200 employees in Brazil, about 55% of whom are women. The firm has an on-site day care with 30 slots, 20 of which are being used for children up to 1 year old (Faquim, 1996a).

### **Educational Initiatives for Employees**

The federal government subsidizes educational programs to reduce illiteracy and supports apprenticeship training programs to develop manpower for industrial and commercial sectors. The Brazilian Ministry of Science and Technology offers financing for companies to develop educational programs for employees. Loans are interest free for companies that enter into agreements with public schools (Sanches, 1996).

Some companies teach basic math and language skills to workers. For example, a subsidiary of the Westvaco Paper Corporation based in New York (Rigesa), offers voluntary classes five nights a week in reading, geography, and mathematics. Thirty employees, including some supervisors, attend the classes. After 18 months, the attendees will have the equivalent of an 8<sup>th</sup> grade education (Schemo, 1998). Plavinil, a Sao Paulo plastics firm, started an on-site school in 1989 after discovering that many employees were illiterate. In 1994, Plavinil created the Centro Cultural de Apoio as Empresas (Cultural Center for Employer Support), a consortium of 13 participating firms that share educational costs. Today, the Center has 400 students and the curriculum goes through the second grade (Sanches, 1996).

### **Flexible Work Arrangements**

Flexible work arrangements are not yet widespread in Brazil, although some firms are experimenting with flexible schedules. For example, at Avon on Fridays, the manufacturing sector, which employs 440 women, shuts down at 1:30 and administrative workers go home at 2:30 (Faquim, 1996a). According to Jorge Oscar de Mello Flores, President of Fundacao Getulio Vargas, flexible schedules can help employers upgrade worker skills. Firms could offer training in areas such as technology during part of the workday. Flexible schedules could be an important factor in stemming unemployment and addressing workers' educational and training needs.

In a 1998 survey, IBM asked employees about their interest in using flexible work options, if they were made formally available. 48% of IBMers in Brazil said they would likely use daily flexibility, 45% weekly flexibility, 42% work at home, and 34% personal leaves of absence. In July 1999, IBM announced, or formalized in some cases, flexible work options in Latin America that give employees more freedom in determining how they will deliver results and, at the same time, help them better manage their work/life demands. Prior to the announcement, managers participated in training where senior management demonstrated their commitment to the initiatives and encouraged managers to ask questions, express concerns, and work as a team to problem solve. In Brazil, more than 200 managers attended this training in Rio, Sumare, and Sao Paulo. The flexible work options include flexible work schedules (daily and weekly) and leaves of absence such as personal, educational, and post maternity. In making this announcement, IBM wanted to be responsive to employee needs, demonstrate its leadership as a company, and improve its ability to attract and retain the best talent in Latin America.

At some firms, large-scale re-organization may result in increased workplace receptivity to work/life options. For instance, 3000 workers recently showed up for work at Ford Motor Company after being laid off and requested that the company discuss alternatives such as a shorter work week, wage cuts and lower production costs (Associated Press, 1999a). According to the head of labor relations at Ford, a shortened work week reduces overtime, gives employees a greater sense of security, and avoids frequent fluctuations in number of employees stemming from changes in the economy. Federal labor law stipulates that work hours may be reduced, but salary cannot be prorated downwards except in extraordinary circumstances. (In those cases, an employee's salary may be reduced up to 25%.) Economic pressures provide an opportunity for firms to experiment with flexible work arrangements and lobby for legislation changes in the interests of workers' job security.

## **Health and Wellness**

Employers committed to promoting the well-being of their employees often use needs assessment data to guide the development of policies and programs. Shell and Motorola are two companies which have conducted needs assessments in Latin America and have gathered information about the status of employees' health.

Shell found that 96% of their employees have diets that contain excessive fat and sugar, 80% are sedentary, 71% are overweight, 17% are hypertensive, and 30% self-medicate. (In Brazil, it is possible to purchase many medicines "over-the-counter" that are prescription-only in the U.S.) The manager of occupational health at Shell says, "The development of a health project is not paternalism. Companies have discovered that quality of life means an increase in productivity and is a sensible investment." ([www.quattro.com.br/rhsintese/ed03\\_a](http://www.quattro.com.br/rhsintese/ed03_a))

Health educational programs, medical exams and exercise have helped reduce the number of employees who smoke. At Bayer, a cardiologist from the health center oversees the development and use of equipment and activities in the employee exercise facility (Faquim, 1995).

## **Retirement**

Current Brazilian law allows women to retire after 30 years of work and men after 35 years. Under the new law that is being articulated, women who have not completed 30 years of work by age 48 and men who have not completed 35 years of work by age 53 must work 20% of the number of years remaining. For example, a 48 year old women who has worked 27 years needs to work an additional 20% of 3 years, or 0.6 years. She can retire at age 48.6. Women at the age of 60 and men at the age of 65 are eligible to retire, independent of years of service. Evidently, the years of service aspect of retirement law means a relatively young class of retirees.

Retirees have financial incentives to return to work because their retirement benefits are small. In 1995, the rate ranged from a minimum of US\$70 a month to a maximum of US\$580 a month ([www.quattro.com.br/rhsintese/ed03\\_06a](http://www.quattro.com.br/rhsintese/ed03_06a)). Should retirees choose to work, they may face barriers to employment because of their age, even though the Federal Constitution prohibits age discrimination.

There is considerable room for growth in policies and programs for retirees. McDonald's, for example, has piloted a program in one franchise in Brasilia where five employees over the age of 65 are working. Retirees at Bayer are eligible to participate in the company's health insurance plan. OBC Associados, a consulting firm, offers its clients a Retirement Planning package for individuals close to retirement. The program helps participants examine their options for retirement, learn about opening and managing a small business, understand how to enter into a contractor relationship with companies, and pass on their knowledge to successors (Campos, 1995).

## Community Life

Most business leaders in the United States are just beginning to explore the linkages between work, family and community issues (c.f., Pitt-Catsouphes et al., 1998). However, these connections have been visible for some time in many Latin American countries, and the quality of life movement in Brazil reflects an awareness of the importance of the relationships among these domains of life.

Volunteer employees of Schering-Plough, a chemical and pharmaceutical company, have developed and delivered talks on basic health issues in poor communities. In 18 months, they developed modules on topics such as “Body, Food And Environmental Hygiene,” “Diarrhea, Worms And Rehydration,” and “Prevention Of Accidents In Infancy.” The program has involved 600 families with 1700 children between the ages of 0 and 6 ([www.splough.com.br/crianca](http://www.splough.com.br/crianca)).

TABLE 6  
THE XEROX EXAMPLE

Xerox is one firm that actively engages in support for the communities within which it operates. Xerox began operations in Brazil in 1965 and now has 53 branch offices and six regional headquarters there. The Brazilian operations are the third largest for Xerox globally, after the United States and Japan.

- ï In 1986, Xerox donated a collection of 12,500 doctorate theses and 14,640 rolls of microfilm of technical, scientific journals and periodicals relevant to the Latin American continent to the University of Brasilia.
- ï Xerox constructed an emergency hospital which it then donated to the city of Resende in the state of Rio de Janeiro.<sup>12</sup> Xerox also donated a school, Colegio Ana Elisa Gregori, to the city of Resende. The two projects cost Xerox approximately US\$1 billion.
- ï Xerox has chosen “children living in poverty” to be the focus of their concentrated investment. The Olimpico da Mangabeira project in Rio de Janeiro offers education and incentives to practice Olympic sports for 1000 children between the ages of 8 and 17. The program provides the children with food, uniforms and psychological assessment. The juvenile justice system for the region reports that there has been a significant reduction in crimes committed by juveniles. The Fabrica de Esperanca (Hope Factory) opened in 1995, with retirees teaching electromechanics for children between the ages of 14 and 18 who live in nearby slums.

(Alvares, 1996)

## Connecting Business Goals with a Social Vision

A survey recently sent to a small sample of companies in Brazil gathered information about employer-sponsored policies and program (Lobel, 1999). The respondent companies included BankBoston, Hewlett-Packard, IBM and Unisys. In general, these companies reported that they are beginning to elaborate the strategic connections between work/life initiatives and core business strategies. For example, IBM found that a little more than one-third of their employees in Brazil reported difficulties managing work and

---

<sup>12</sup> The local municipal government is responsible for installing equipment and staffing the hospital.

personal life demands (IBM, 1998). Employees who reported that they are able to manage work/life demands also reported greater job satisfaction, view IBM more positively, and are more likely to say they would stay with IBM. IBM employees rank flexible schedules and telecommuting ahead of part-time work as options they would be likely to use, if they were available. Nonetheless, these programs still rank behind compensation and benefits and opportunities for advancement as factors that would contribute to a decision to seek work with another employer. The following table highlights some of the information collected.

TABLE 7  
HIGHLIGHTS OF CORPORATE INITIATIVES

- **BankBoston** has two goals that have framed the development of its Quality of Life Program in Brazil:

- 1) To promote commitment, satisfaction, and motivation among employees.
- 2) To make BankBoston the best place to work.

BankBoston has received recognition for its Quality of Life Program, such as the National Award for Quality of Life, given by the Brazilian Association for Quality of Life and the TOP HR award from the Brazilian Association of Directors of Sales and Marketing.

BankBoston was named one of the best 50 companies to work for in Brazil by *Exame* magazine in 1998. The supports offered to employees include: an employee assistance program, work/life and wellness seminars, financial assistance for child care, and financial assistance for community schools. BankBoston also participates in collaborations developed to address social problems.

In support of its objectives, BankBoston has conducted surveys that show greater employee commitment, a growing rate of employee participation in programs, and positive feedback about the Quality of Life programs.

- **Hewlett-Packard** states that its work/life initiatives support the firm's desire "to demonstrate our belief in people, who make a difference in a competitive environment." The company has conducted a needs assessment that gathered information about employees' work and family experiences. An on-site child care center has been established for employees. Employees can participate in academic courses at the primary, high school, or college levels. Policies for flexible schedules, part-time positions and reduced work hours have been established. Wellness information is disseminated to employees. Hewlett-Packard provides financial assistance to community schools.

- **IBM** has been in Brazil since 1917 and has 4,200 employees. In the U.S., IBM is well recognized as a leader in work/life. Since 1986 IBM has conducted Work/Life surveys every 5 years in the U.S. Taking its experience to Latin America, IBM conducted its first Work/Life Issues Survey in 1998. The results of IBM's Brazil Survey indicate the following:

- Many Brazilian employees have significant responsibilities
  - 60% have responsibility for either children, elders or both
  - Men are more likely than women to have dependents
- Men are just as likely as women to report difficulty in managing work/life

- demands (close to 40% in both groups)  
35% of Brazilian employees are single (compared to 18% in IBM U.S. and 13% in IBM Europe) and Brazilian employees are younger than employees in the U.S. and Europe. Seventy-three percent are under age 40, compared to 44% in the U.S. and 46% in IBM Europe. These demographics signal the growing need for work/life programs as the employee population begins having families.

**IBM** was named one of the best 50 companies to work for in Brazil by *Exame* magazine in 1998. IBM offers tuition reimbursement for graduate study (6% of employees) and English and Spanish classes (20% of employees). They have had pre-retirement programs in place for employees since the 1980's.

- **Unisys** began developing its work/life programs in 1997 with a flextime initiative, as part of its goal to become an "Employer of Choice, ". Since that time, a telecommuting policy has been developed. The company currently has an on-site child care center. The company's wellness initiative includes the dissemination of health-related information.

(Lobel, 1999)

## CHAPTER SUMMARY

Brazil is a global player on the economic front. It is a vibrant country, and business leaders and elected officials are interested in addressing the country's social, economic and political problems.

There are numerous leadership opportunities for companies that want to be known for progressive employee policies and programs, and for initiatives that promote community well-being. The private sector can champion advocacy for children, offer flexible work arrangements for job security, provide and encourage healthy environments and lifestyles, or invest in education to help current and future workers escape poverty and its negative consequences for well-being. Given the importance of the extended family, work/life practitioners should adopt a broad and flexible definition of "family" when corporate policies and benefits are written.

### FOR THE CORPORATE READER

- Does your company have a market presence in Brazil? How might the current economic, social and political situations affect your marketing strategies?
- Does your company have expatriates living in Brazil? To what extent could their work/life experiences affect the success of the assignment?
- Does your company have any operation sites in Brazil? What plans has your company made to promote the quality of life of employees working at those sites?

## II. MEXICO

### INTRODUCTION

Mexico is a federal republic of 31 states and a federal district (Mexico City). With a population of 100,000,000 people, Mexico is the second largest country in Latin America. The social and economic circumstances of Mexico and its northern neighbor, the U.S., are deeply interrelated because of their physical proximity, their history, their economic relationships under NAFTA, and the movement of people across a common border. It is estimated that there are more than 250,000 U.S. employees and their dependents living in Mexico. According to the U.S. government, exports to Mexico support nearly one million jobs in the United States ([www.whitehouse.gov](http://www.whitehouse.gov)).

This chapter provides information about the political, economic, and social context of Mexican life at the end of the twentieth century. Information about employer-sponsored policies and programs is highlighted.

INSERT MAP: Mexico shaded with adjacent countries noted.

### THE ECONOMIC, POLITICAL AND SOCIAL CONTEXT

#### Overview

The economy of Mexico is a mixture of industrial and agricultural production. For thirty-five years following World War II, Mexico was a country of increasing prosperity. During those years, the Mexican government had borrowed heavily to support modernization efforts. By 1980, the government owed US\$80 billion and when the price of oil dropped, the country was unable to service its loans. Throughout the 1980s, the country faced further setbacks including unemployment, rising inflation, a decline in the *peso*, border problems with the United States, and natural disasters (including an earthquake that killed 7,000 people).

Beginning in 1988, President de Gotari initiated government reforms and negotiated the North American Free Trade Act (NAFTA) in 1993. In December 1994, President Zedillo assumed office, and ordered the devaluation of the *peso* to address the US\$29 billion deficit. The economic crisis of 1994, which was preceded by consumer frenzy, was particularly pronounced. Between 1994 and 1996, Mexico faced its worst recession in history. The *peso* was devalued by 110% (Price Waterhouse, 1995b; 1996) and real wages fell by 40%. In 1995, Mexicans witnessed a political crisis and inflation soared at about 52%. With devaluation, Mexican workers lost a quarter of their purchasing power.

Strong export growth, domestic consumption and investment spending have contributed to an economic recovery. The government made a deal with employers to hold minimum wage increases for 1999 to 14%, a level that may equal but might fall short of the expected inflation for the year. Mexican economic activity, which had fallen by 6% in 1995, rebounded to 7.3% in 1997 ([www.odci.gov/cia/publications/factbook/mx](http://www.odci.gov/cia/publications/factbook/mx), 1999) and 4.6% in 1998 ([www.whitehouse.gov](http://www.whitehouse.gov)). President Zedillo is credited with privatizing and expanding competition in basic services such as telecommunications, electricity, natural gas, and transportation services.

Mexico remained fairly insulated from the global economic crisis, involving Russia, Asia and, more recently, Brazil. Still, the economy has slowed due to a drop in international oil prices. President Zedillo has proposed and implemented tax increases and subsidy cuts, including an end to subsidized price controls for tortillas, Mexico's staple food. Prices of gasoline, telephone service, food and transportation will likely increase. The focus of economic reform in 1999 is to continue privatization and encourage foreign investment, particularly in the development of the country's electricity ([www.whitehouse.gov](http://www.whitehouse.gov)).

TABLE 8  
ECONOMIC HIGHLIGHTS

- Mexican economic activity (GDP) derives 68% from the service sector, 26% from industry and 6% agriculture.
- ï The major Mexican industries are food and beverages, tobacco, chemicals, iron and steel, petroleum, mining, textiles, clothing, motor vehicles, consumer durables, and tourism.
- ï Mexican exports include crude oil and oil products (10% of exports and 40% of government revenues), coffee, silver, engines, motor vehicles, cotton, and consumer electronics.

[www.odci.gov/cia/publications/factbook/mx](http://www.odci.gov/cia/publications/factbook/mx)

## International Trade

In 1994, the U.S., Canada, and Mexico inaugurated the North American Free Trade Agreement. NAFTA reduced barriers to trade among the three countries. For example, tariffs on automobiles and auto parts declined from 20% to the current 6% and will be eliminated in 2004. NAFTA also provided for the establishment of a National Administrative Office in each country that has the power to review labor laws of other member countries and make non-binding recommendations (Greer & Stephens, 1996).

Strong export growth drives the economy in Mexico. Mexican international trade is highly concentrated on the U.S. market, with 75% of exports going to the United States. Motor vehicles are the major export to the U.S., with almost 1,000,000 vehicles exported annually (Malkin, 1998b, 1998d). The U.S. accounts for about 75% of products imported to Mexico. In fact, Mexico is now the second largest market for U.S. exports and amounted to US\$79 billion in 1998 ([www.whitehouse.gov](http://www.whitehouse.gov)).

Many U.S. companies have set up operations in border towns in Mexico (Mexicali, Monterrey and Tijuana) because of their proximity to the U.S., lower labor and transportation costs, and high levels of productivity. Furthermore, repair parts and technicians for expensive data processing equipment are close by (Millman, 1998a).

The assembly, manufacturing, or processing facilities, known as *maquiladoras*, provide jobs for 10% of the Mexican labor force (Butler & Teagarden, 1993). The drop in real wages in 1994 stimulated a rush to set up *maquiladoras* at the border. Total wage, rent and electricity costs were running at 24% of U.S. equivalents. *Maquiladoras*, usually wholly owned by a foreign corporation, enjoy special Mexican customs and immigration treatment. *Maquiladoras* typically assemble products, such as electronic equipment and automobiles, for shipment to the foreign company. The assembly industry is adding about 100,000 jobs annually in Mexican border towns (Millman, 1998b). The growth in jobs generates an equivalent growth in demand for low-cost housing. In the border towns, houses sell for about US\$15,000 each. This region also boasts the fastest growing savings pool in the country.

The foreign company affiliated with the *maquiladora* supplies duty free machinery, equipment, replacement parts, raw materials and other items needed for the assembly or manufacture of finished goods for subsequent export. As a result of NAFTA, *maquiladoras* are permitted to sell increasingly higher proportions of the amount of the prior year's exports into domestic markets (Baker & McKenzie, 1996). As of 2001, all of the *maquiladora*'s production may be sold in the domestic market. Three thousand *maquiladoras* export goods, worth US\$41 billion, mostly to the U.S. *Maquiladoras* produce 80% of Mexico's manufactured exports and 40% of total exports to the U.S. (Butler & Teagarden, 1993).

Formerly, *maquiladora* workers were involved only in low technology production. Now, these companies produce high technology components for cars, such as airbags, brake systems and instrument panels.

### Labor Force Highlights

Approximately 35% of Mexico's labor force is employed in the "formal" sector, meaning that they are covered by Social Security and employer-sponsored benefits packages. Another 25% work in the informal economy, where they receive limited benefits. The remaining 40% are marginally employed or are underemployed in the informal sector (U.S. Department of Labor, 1997).

TABLE 9 LABOR FORCE BY INDUSTRY SECTORS	
21.8%	in agriculture, forestry, hunting and fishing
17.1%	in commerce
28.8%	in services
16.1%	in manufacturing
5.2%	in construction
4.4%	in administration and defense
4.1%	in transportation and communications

*Country Listing, 1998*

*Maquiladora* workers earn an average of US\$5 to US\$7 per day plus benefits (Smith & Malkin, 1997). Along with rent and administrative expenses, it costs US\$4 an hour per worker to run a plant in Tijuana, compared to US\$18 to US\$25 in San Diego. The average Mexican, English-speaking data worker who processes U.S. credit card and checking transactions makes less than US\$70 a week. In practice, *maquiladora* wages vary widely. For example, the Kenworth truck plant in Mexicali boasts the highest hourly wages in the state of Baja California Norte. In contrast to Kenworth's philosophy of cultivating a long-term, committed work force, a nearby electronics manufacturer pays much lower wages and adheres to a short-term perspective (Brown, 1994).

As the Mexican economy began to improve in 1996, collective bargaining agreements kept up with inflation (25%) and the government continued to reiterate its commitment to improve wages once the economy stabilizes ([www.stat.usa.gov](http://www.stat.usa.gov)).

At the end of 1997, real wages began to recover, but Mexicans still were earning 20% less than they did in 1994 (Malkin, 1998b). "Worker productivity has increased enormously but salaries are dropping in real terms," according to the head of the second largest labor union (Friedland, 1998). The Confederation of Mexican workers is responding to recent price increases by urging its affiliates to push for increases of no less than 22% in contract bargaining (Millman, 1999).

Even with benefits, Mexican direct labor wages are much less than in the U.S. For example, one company's labor costs might be 20% of those in a sister plant in the U.S. (Brown, 1994). With this initial disparity, even if wages were to increase at a rate double that of the U.S., it could take as many as 36 years for Mexican wage earners to catch up to their U.S. colleagues. At the same time, it is worth noting that some highly skilled Mexican managers and executives earn more than their U.S. counterparts (Stephens & Greer, 1995).

*Child Labor:* The Economic Commission for Latin America (CEPAL) estimates that approximately 20% of Mexican school children (4 million) are child laborers who are often recruited, particularly by the agriculture industry ([www.igc.apc.org](http://www.igc.apc.org)). The National Program of Agricultural Workers estimates that 12 million children are field laborers ([www.mexconnect.com](http://www.mexconnect.com)). Child labor laws have been passed, but enforcement of these mandates appears to be directed toward large and medium sized companies. Many children under the age of 14 work in the informal sector (which includes street vendors) in Mexico City ([www.mexconnect.com](http://www.mexconnect.com)).

## **Social Highlights**

The average life expectancy is 71.9 years (69 years for males and 75 for females). Of the country's 100 million residents, 35% are under the age of 14 ([www.odci.gov/cia/publications/factbook/mx](http://www.odci.gov/cia/publications/factbook/mx), 1999).

*Education:* Mexico has a 90% literacy rate, 92% for men and 87% for women. Most middle and upper class students attend private schools. Grades 10-12 prepare students to enter directly into professional schools to study fields such as engineering, law, and dentistry.

SIDEBAR: Approximately 24% of the Mexican government's budget goes to education.

The growth of Mexican border towns and industry has spurred the need for skilled labor. Each day, 1,300 Mexican students cross the border to attend college at the University of Texas in El Paso. The Texas legislature voted to allow low-income Mexican students to pay the same tuition as Texas residents. These students may find work in Texas, usually cleaning homes, washing dishes, or tutoring American students in Spanish. Three other branches of UT have similar programs, as does New Mexico State University. Texas University supplies the multinational factories in the Mexican border towns with industrial engineers, computer operators, electronics experts and business managers. More than half of these students are the first in their families to attend college (Valbrun, 1998).

## **CULTURE AND VALUES**

Values and attitudes about the importance of work and family, and the appropriate roles for men and women within these arenas, help define work/life experiences in Mexico. Family and personal relationships are integrated into business interactions. While Mexico is a Spanish-speaking country, there are many different regional dialects and traditions.

### **Work**

The Mexican work ethic may appear contradictory to outside observers. On the one hand, many Mexicans work long hours at hard physical labor under difficult conditions. On the other hand, some Mexican workers may appear to resist work demands that compromise their quality of life at the workplace. As in other parts of the world, in well-managed companies, and especially among middle and upper level management, Mexicans exhibit high levels of work motivation (Stephens & Greer, 1995). Bilingual, highly educated and skilled workers "often log remarkably long work hours and assume extraordinary responsibilities at significantly younger ages than their U.S. counterparts" (p. 49). Hiring well-trained engineers who are willing to work 60 hour weeks is easier in Mexico than in the U.S., according to Luis Berrondo Avalos, President of Mabe, an appliance manufacturer (Lane, Brehm Brechu, & Wesley, 1999).

On a survey of 500 men and women from Mexico City, respondents were asked, "If you had enough money to live as comfortably as you'd like, would you prefer to work full-time, part time, do volunteer-type work, or work at home caring for the family?" Thirty percent of both Mexican and U.S. women indicated a preference for part-time work. More Mexican (29%) than U.S. (15%) women indicated a preference for full-time work. A lower percentage of Mexican men (8%) than U.S. men (21%) expressed a preference for working at home to care for the family. When respondents were asked what one change would really

improve their life, 70% of both Mexican men and women stated “more money,” as compared to 50% of U.S. women and men. Only 12% of Mexican women and 15% of Mexican men stated “more time” relative to almost half of U.S. women and men. The authors speculate that the “time famine” experience may be more peculiar to U.S. culture (Families and Work Institute, 1995). Unfortunately the researchers did not provide information about the Mexican sample’s income, employment status, or age, so it is difficult to interpret how representative these views are of the broader Mexican population.

Mexican managers and professionals agree that, in general, Mexicans place more emphasis on non-work interests than do Americans. Mexicans view their investments of time and energy in non-work activities as providing them breadth as persons with multiple interests in family, religion, personal relationships, and leisure (Stephens & Greer, 1995). In the future, increasing work load may result in more Mexicans adopting the workaholic lifestyle typical of managers in some other parts of the world.

### **Family and Other Relationships**

To many living in the United States, the concept of “family” is defined as a group of individuals who live together, whereas for Mexicans “the family” implies a closer bond and a subordination of individual interests to those of the group. In a survey of men and women from Mexico City, about a third in each group indicated that family values mean “loving each other.” About a fifth of the sample said family values mean “spending time together” (Families and Work Institute, 1995).

The Mexican family involves an extended network of relationships. Family is the center of the universe and the family’s purpose is the nurturing and raising of children. The parent-child relationship is a central axis of the family and is affectionate and emotional. Mexicans respect their parents, especially their mothers.

### **Gender**

In 1917, the Constitution guaranteed women many rights including equal pay for equal work, paid leaves and job security during pregnancy. Up until 1974 women were not legally allowed to work at night or to perform what was traditionally men’s work (Muller & Rowell, 1997). In 1974, under President Luis Echeverria, many of the laws and practices that perpetuated discrimination against women in employment were eliminated. For example, employers could no longer designate occupations as specifically male. Women remain concentrated in sex segregated jobs, such as education, cleaning, nursing, and administrative support (Muller & Rowell, 1997). The National Women’s Program in Mexico estimates that women receive 10 - 30% less in wages than men with comparable education and job descriptions ([www.igc.apc.org](http://www.igc.apc.org)).

Traditionally, Mexican women have abandoned their careers once they are married to take care of the children and do housekeeping. For example, of 2,500 women interviewed in 1969, 59% worked before marriage and only 14% continued doing so after marriage (Elu de Lenero, 1969). These patterns are evident today. For example, at IBM in Mexico City and Guadalajara, the number of single women is twice the number of married women, while the trend is reversed for men. In a census of households in cities with more than 50,000 people, housewives had jobs outside of the home in only 24.5% of all the households surveyed (American Chamber, 1997).

According to one female Mexican executive:

“Women in business is not a problem in the big cities , but men are much more sexist in smaller cities...The problem is not being a woman, but rather being married! There are also generational differences in attitudes toward women. Younger women are more progressive, more proactive, more career-oriented” (Stephens & Greer, 1995, p. 50).

The percent of medium and large businesses with more than 100 employees, owned by women, is the same in Mexico as in the U.S., namely 4% (Zabludovsky, 1998). The ILO estimates that women make up 20% of the managerial labor force and 43% of the professional labor force (Stephens & Greer, 1995).

In dual earner families, husbands still expect wives to be primary caretakers of the children. Relative to Anglo-American couples, Mexican couples report less sharing in the physical care of children. Both Mexican and Anglo-American women perceive their husbands to be less involved in housework than their mates perceive themselves to be. Mexican women, like Anglo-American women, wish that the husband would participate more in these tasks. Men are generally satisfied with the wife's involvement in housework and do not indicate any preference for changes. As in U.S. households, Mexican males are more involved in the non-physical care of children than in housework. Eighty two percent of Mexican nationals (the same percentage of U.S. nationals) agree that a wife should have an equal part in making decisions (Herrera, 1993). There are signs that men are beginning to increase participation in child care and decision making about children's education.

The Mexican divorce rate is 10% that of the U.S. rate, namely 0.4 per 1000. The low divorce rate reflects the high value (secular and religious) placed on the family, as well as the economic dependence of married women who do not participate in the labor force (Vargas, 1998).

Education is a key to changing attitudes towards women's roles. Higher levels of education expand the opportunity structure, erode women's images of subservience, and contribute to change in men's attitudes (Brinkerhoff, 1982). The new generation of women, who are interested in their growth as persons and professionals, seeks more liberty at home and work.

A recent study suggests that as women move into positions of greater responsibility, they will likely be catalysts for changes in gender roles, human resource policies and work/life practices (Zabludovsky, 1998). The study of women entrepreneurs found that they own about 14% of businesses in Mexico, 80% of which employ fewer than 15 people. A majority of these businesses are in educational services (36%), personal services (22%), and retail trade (19%), but women are also expanding into areas such as durable manufacturing (13%) and nondurable manufacturing (7%). When compared with Mexican male entrepreneurs, women give more priority to support services for the care of their children (56% of women vs. 31% of men). Among these entrepreneurs, the majority (56%) are married and 90% have children. When compared to male owned businesses, more female owned businesses offer their workers flexibility in work hours, additional health benefits beyond legal mandates, additional maternity leave time, additional retirement plan options, educational support for children, and dental services.

## **SHAPING THE WORK/LIFE AGENDA**

The work/life agenda in Mexico reflects the social, political and economic circumstances in this country. As a consequence, some issues such as environmental concerns and the level of earnings are important priorities. Other aspects of the quality of life agenda echo priorities that have emerged worldwide, such as the need for increasing the supply of quality, affordable child care. Catalysts or barriers to progress also mirror those found elsewhere. For example, employees need to meet aggressive business goals and face increasing workload. Customers may not care about the work/life challenges employees face, and, consequently, flexible work arrangements may seem impossible to implement.

### **Better wages or better benefits?**

Even though companies may offer excellent work/life benefits to employees, they will risk criticism as long as wages are perceived as too low. For example, GM is the largest private employer in Mexico, with 70,000 employees. In 1992, GM's highest quality plant in the world was at Ramos Arizpe and had achieved record-setting quality and work force flexibility through the use of work teams (Baker, Woodruff, & Weiner, 1992). GM plans to build 7,000 homes for their employees by the end of 1999. The typical

house price is US\$13,000 and GM will match the employee's down payment of 13% or US\$1,500. Workers who buy houses must remain working for GM for 5 years, or else repay the down payment. Nonetheless, GM has come under attack for not paying employees higher wages. Labor costs for a new line worker are US\$1.33 per hour as compared to US\$44 for UAW line workers in the U.S. (Blumenstein & Solis, 1997). As education and skill levels of Mexicans improve, they will exert more pressure for wages that are more in line with comparable workers elsewhere.

### Work Conditions and Other Sources of Stress

Health and safety concerns loom large for Mexicans, especially for those *maquiladora* employees who work with toxic elements, inadequate protection, poor sanitation and noise inside plants (Butler & Teagarden, 1993).

In Mexico City, because of high levels of pollution, people can only drive their cars on certain days of the week, as determined by the numbers on their license plate. Therefore, transportation to and from work can be difficult to arrange. Throughout Mexico, providing reliable company services, like a company bus, can help with absenteeism and tardiness.

Managers should understand that Mexican workers may require more time to handle personal affairs. For example, it can take a full day to get license plates in Mexico. Where feasible, employers may decide to offer workplace-based services and supports that could help employees to take care of their personal and family responsibilities. For example, many employees do not have bank accounts. Consequently payment is usually in cash. Some higher paying companies pay employees with checks and then may allow employees time off and transportation to go to the bank (deForest, 1994).

TABLE 10 CUSTOMARY WORKPLACE PRACTICES
<p>Employers doing business in Mexico should keep apprised of issues that, on the surface, may seem unimportant but have been sources of complaints to the Conciliation and Arbitration Board. For example, employees have complained about poor quality cafeteria food and poor employer transportation services.</p> <p>In another case, <i>maquiladora</i> employees complained to the Board when their employer discontinued the practice of providing Halloween candy (Greer &amp; Stephens, 1996).</p>

### Labor Force Participation of Married Women

The labor force participation of women in Mexico is among the lowest in the world, and is especially low among married women. In 1970, 8.5% of married women worked for pay (INEGI, 1995). In a recent survey of IBM employees in Mexico, married women with children under the age of 13 represent 6.5% of all employees in non-manufacturing and manufacturing jobs. On the flip side, 84% of men in manufacturing jobs and 77% of men in non-manufacturing jobs indicate that their spouse takes care of the children (IBM, 1998).

In general, female labor force participation increases with higher levels of education and SES. INEGI (1995) reports that 50% of highly educated women work outside the home compared to 24% of women with an incomplete primary education. As would be expected, female labor participation is higher in the more developed regions, such as Mexico City.

In Mexico, as in Brazil, middle and upper class women often have domestic help that enables them to pursue professional work. Most of the married women managers in Muller & Rowell's (1997) study, even those without children, do not cook or clean. The use of domestic help is also a reflection of social status in Mexico.

For female workers with children, the ability to manage work and personal life demands will no doubt be a key factor in determining whether they remain in the workforce. Among female IBM employees, work/life supports rank above compensation and benefits and opportunities for advancement as the most important reason that might cause them to consider leaving their job. For men, work/life ranks after the other two reasons (IBM, 1998).

### **The Supply and Demand for Child Care**

Traditionally, child care has been provided in the child's home rather than in a day care center (Brinkerhoff, 1982). In some situations, extended family systems assist with the child care needs of working parents. Data recently gathered by IBM found that 16% of those who use child care for their youngest child under the age of 13, used a child care center. Among female employees, child care center use is the most common arrangement: 33% of female IBM employees in Mexico City and 40% of those in Guadalajara reporting using a child care center. In-home child care is often provided by live-in or day-time "nanas." In a recent survey, 13% of the women with children under 13 employed by IBM in Mexico report using in-home care, presumably of this nature (IBM, 1998).

In Mexico, there is increasing public concern about the availability of quality child care. Female domestic workers, who may come from far away towns, generally do not have much education and charge US\$5.00 U.S. dollars a day for 10-12 hours of work. The use of in-home domestic workers as child care providers is generally due to the lack of alternatives for high quality, accessible care elsewhere. The heightened awareness about the importance of high quality, accessible child care as a priority has resulted from several factors:

- ï Women who use in-home care are expressing concerns about the quality of care their children receive.
- ï Many grandmothers who used to help with child care are now either returning to the workforce themselves, or seeking other forms of personal enrichment.
- ï The expense of quality child care is beyond the reach of many families. Good child care can cost one third of a working mother's salary for one child. If the family has more than one child, it is difficult for women to justify working when so much of income goes to child care (Galve, 1999).

Therefore, there is a pent up demand for quality child care centers that receive some financial supports from either the public and/or the private sectors.

Employers pay 1% of payroll to Social Security for child care centers, built and managed by Social Security. The service is free for working mothers. Working fathers may only use these child care centers if they are widowed or divorced and have custody of the children. The child care facilities are well equipped and well-trained professionals contribute to the development of curriculum. The teachers, however, are often less skilled than those who develop the curriculum and quality may suffer as a result.

Public sector child care workers belong to one of the strongest unions in Mexico. Many of them are working parents, and they are entitled to 5 paid personal days per month, as well as additional days to care for their sick children up to age 7, with full pay. These employees of Social Security are also entitled to 30 days of vacation per year, a year end bonus of 3 months of salary, and a 15 day paid leave per year. Because these benefits may be exercised at any time, personnel planning can be difficult.

In addition to these staffing challenges, the number of centers is not growing and demand exceeds supply. As in the U.S., the wait for a slot can be as long as a year. Public centers currently represent 90% of available child care facilities.

IBM employees reported that they would not consider using public centers due to the poor quality. On the other hand, private care is totally unregulated and quality is very variable. There is very little training available to support quality improvement in child care settings (IBM, 1998).

The Social Security administration wants to enter into agreements with private day care centers that will need to meet general standards for eligibility. This option has not been well publicized due to potential objections from the union regarding privatizing jobs in child care centers. Where development of new centers is not an option due to scarcity of land, e.g., Mexico City, companies may create new opportunities for child care by partnering with an existing high-quality private center that receives subsidized funding from Social Security to offset high tuition. Private day care centers, however, are reluctant to contract with Social Security because of concerns about reliable payments and regulations that might involve fines and penalties if they do not comply. To date, Social Security has no plans to subsidize or reimburse day care costs of providers not associated with Social Security.

## **PUBLIC AND PRIVATE EMPLOYMENT AND HUMAN RESOURCE POLICIES**

### **The Management-Labor Balance**

Overall, Mexico has comprehensive and progressive labor legislation. This country has ratified most of the International Labor Organization (ILO) Conventions, but Mexico's financial crises have resulted in uneven enforcement. Mexico is considered to be highly unionized, since 30% of its workers belong to a union compared to 13.9% of the U.S. workforce (Bureau of Labor Statistics, 1998).

The federal government is the arbiter of disputes concerning which unions represent which workers. For many years, the Confederation of Mexican Workers (CTM) has been the most powerful union with strong ties to the PRI (Institutional Revolutionary Party) government. In 1998, the PRI suffered a major blow to its 70-year grip on power and ceded control of Congress to the opposition. With the PRI weakened, instead of negotiations between the government and the union, individual unions now need to bargain with companies. Since these unions do not have a lot of experience in negotiations, the companies tend to have the upper hand, according to political scientists. Bargaining issues include productivity, innovation and quality control, as well as wages and hours worked (Friedland, 1998). U.S. and Canadian unions are providing technical assistance to the independent unions, because they are fearful of the low wage competition from Mexican labor (Malkin, 1998a).

### **Labor Legislation**

Article 3 of 1970 Labor Law states that employment is a right and duty of each individual and should afford liberty and dignity for those that toil. The law requires that the nature of the work must insure life, health and economic improvement for the worker and his or her family. In return, the worker's obligation is to do what he/she is expected to do (Urbina, 1972). Highlights of Mexican labor law are presented below.

TABLE 11 LEGISLATIVE HIGHLIGHTS	
Wages	The minimum wage is established for 3 zones in Mexico. At the end of 1999, it ranges from \$29.70 to \$34.45 <i>pesos</i> per day. Many occupations, such as typist, registered nurse, and drugstore clerk, have their own minimum, which

	can be 50-200% higher.
Workweek and Overtime	Employees can work for 48 hours per week on the day shift, 45 hours per week on “mixed” shift, or 42 hours per week on the night shift without having to receive overtime pay. Forty hour work weeks are now common. At least one day of rest per week must be observed. Work hours may be distributed throughout the week, so that workers can work 9.5 hours per day for 5 days on the day shift. Workers cannot work more than 3 hours of overtime per day, or more than 9 hours of overtime per week. Overtime is double pay. Work on Sunday, carries a 25% premium, even if the worker has another day off during the week.
Housing Loans	Mexican employers pay a 5% tax to a state-housing agency, Infonavit, which finances low cost housing. Together with a federal government sponsored agency, Fovi, these two agencies finance about 80% of the country’s total for low-income housing.
Vacation and Christmas Bonus	The legal minimum is 6 days after 1 year, increasing by 2 days per year to 12 days. After the 4 <sup>th</sup> year, vacation days increase by 2 days every 5 years. Employers must pay employees a 25% bonus during paid vacation periods. At Christmas time, employers pay a bonus equal to at least 15 days’ wages, usually 30 days, payable before December 20.
Holidays	There are 7 paid holidays with an additional one for inauguration of a new president. Workers are paid triple for work on a legal holiday.
Social Security	Employer contribution is about 17% of payroll. Employee contribution is 5%. Social Security provides medical and hospitalization insurance for any illness, accident or maternity; insurance for disability, old age, unemployment and death; and child care centers.
Retirement	The employer pays a contribution of 2%.
Profit Sharing	Employers reporting profits must give employees a 10% share. Fifty percent of the amount is distributed in proportion to the number of days worked by each employee during the year and the remainder according to the wages received by each employee. Companies, such as <i>maquiladoras</i> , are exempt if their parent companies abroad account for profits at headquarters. Some <i>maquiladoras</i> voluntarily offer an annual bonus of two or more weeks of pay to substitute for profit sharing.
(continued on next page)	

TABLE 11 LEGISLATIVE HIGHLIGHTS (continued)	
Severance Pay	Employees who are terminated after a 30 day probation period are entitled to a large sum in severance pay equal to three months pay plus 20 additional days per year worked. After 12 years of service, workers receive an extra 12 days per year. Seniority premiums are also payable to employees if they voluntarily leave the company and have at least 15 years of service.
Maternity Leave	Federal government allows a mother 6 weeks of paid leave prior to her approximate delivery date and 6 paid weeks thereafter. After 12 weeks,

	employers must offer such employees their former positions back, with their previously accrued seniority and vacation pay. Jobs should be held for up to a year. Mothers get 2 daily breaks to breastfeed babies on the job. Employers must pay a tax to help finance public day care or provide their own centers. Only the largest private employers provide on-site centers. Public sector employees have on-site child care.
Training	Training is required by Mexican Labor Law and should allow workers to improve skills, prepare for higher positions, improve productivity and general welfare, and minimize accidents. No minimum number of hours of training is specified. Companies are allowed to take a tax deduction for program expenses. High technology companies participate most actively in these kinds of programs.
Miscellaneous	Low-interest loans, medical care, food vouchers and matching savings plans are tax-exempt, thereby increasing their attractiveness to employers, when compared to taxable wage increases. Companies can offer employees low interest loans of between 0 and 3%, compared to 30% at the bank. Company cafeterias supply employees with one or two meals a day. Employees may receive medical care from an on-site physician who can do routine exams. Doctors on site are required for companies with more than 300 employees. Eighty percent of companies offer food vouchers for use in supermarket purchases. The amount is usually 10% of salary. For example, L-N Safety Glass in Mexicali gives US\$30 vouchers per week. Employees have the option to pay for food and get reimbursed or get food coupons.
Sources: Baker & McKenzie, 1996; Brown, 1994; Economist Intelligence Unit, 1996; Price Waterhouse, 1995b;1996; Siegel, 1993;.	

There are no laws against gender discrimination in the workplace. According to one Mexican female executive, in the absence of such protection, Mexican employers prefer to hire married men first, then single men, single women, and rarely, married women (Stephens & Greer, 1995).

Benefits add 70%-100% to income derived from wages (Price Waterhouse, 1995b;1996). In addition to mandated benefits, some employers provide bus or van transportation to and from work. This service reduces absenteeism and helps employees who do not own cars. Although turnover in many Mexican firms is reported to be “moderate” to “high,” especially in labor-intensive industries (Price Waterhouse, 1995b;1996), few companies use private pension plans and they are not yet recognized as a potential factor in retaining employees. Many companies offer medical and life insurance to white-collar employees and executives. These policies enable insured employees to bypass the public health systems. About 2/3 of companies offer bonuses for punctuality and attendance (Flynn, 1994).

The importance of families in Mexico is reflected in its social-economic policies. However, globalization may be pressuring the country to consider adopting policies and practices that are more consistent with those established in other countries. For example, the government recently voted to eliminate the midday breaks of 1.5 million government workers, and enforce a new 8-hour work schedule to be completed between 7 a.m. and 6 p.m., with one hour for lunch (Garza, 1999). Government officials argue that this measure places Mexico in tandem with its other NAFTA partners, but many critics wonder if the policy contradicts the commitment of many Mexican workers to leave work so they can spend time with their families.

## **Human Resource Policies and Practices**

According to one human resource executive, the human resource function in Mexico is accorded more respect than it receives in the U.S. (Greer & Stephens, 1996). For Mexicans, the management of relationships is a core competency and of vital importance to the business. Based on interviews with many Mexican managers, executives, and

professionals, Stephens and Greer (1995) observed that “Mexicans are far less tolerant of abrasiveness and insensitivity in managerial styles than are Americans. This style is antithetical to gaining subordinates’ support and compliance” (p. 42). Employee recognition programs may reward individuals who demonstrate special skill in building the relationships that are necessary to achieve business goals.

The characteristics of “ideal” work relationships may be different for Mexican workers in comparison to workers in the United States. For example, Mexican workers prefer to be closely supervised (deForest, 1994), rather than be left alone. Mexicans value working conditions where supervisors show understanding within a somewhat formal relationship. This does not, however, mean that managers keep out of employees’ personal lives. Indeed, there is an expectation that, as appropriate, managers should be familiar with and supportive of the life of employees outside of work.

Family and friends are often considered in hiring and promotion decisions. An executive stated, "An advantage of Mexicans is that they care for and about each other. Team spirit is real; they will help people in trouble. If a supervisor is in trouble, they will help him. They are high communicators in their group" (Stephens & Greer, 1995, p. 47).

Human resource practices that appear to work in other countries may fail in Mexico because the policies fly in the face of cultural norms. For example, Mexicans value social harmony among workers, and social interaction is an important motivator at work. Therefore, pay for performance systems that emphasize financial distinctions among peers may be less successful than rewarding an individual’s performance with employee of the month recognition or a team leader role (Flynn, 1994). Similarly, formal grievance systems may not be effective since having an individual confront a supervisor with complaints would be less desirable than having a group of employees going on strike. In the United States, selection focuses primarily on achievement, individual motivation, and distinctive competencies. In Mexico, the ability to work well with others is also a key factor in evaluating an individual’s suitability for a job or performance in that job (deForest, 1994). Because of these aspects of Mexican culture, work/life policies and benefits need to be scrutinized for their effects on workplace harmony.

Mexicans view work rules as guidelines, namely an ideal vision of what ought to be, which may be different from reality (deForest, 1994). Similarly, Mexican culture places more emphasis on verbal agreements than on written contracts. Says one executive, “If we agree that we are going to do something and you put a contract in front of that agreement, it’s like you are insulting me” (Greer & Stephens, 1996:134). Because of this flexibility, work structure may be changed more easily:

Such new work technologies as employee empowerment, self-managed work teams, cross-training, re-engineering, and total quality management programs can have a substantial impact on employee relations. We found wide agreement among the participants of our study that Mexican workers seem to be much more flexible and willing to adapt to emerging technologies than American (U.S.) workers (Greer & Stephens, 1996:129; Stephens & Greer, 1995).

Work/life practitioners could expect, then, that flexible work arrangements, which have obvious benefits for both employee and employer, will be welcomed and implemented without undue resistance to change. Indeed, in a survey of Motorola employees in Mexico, flexible work arrangements were rated as the most desired work/life program at two sites and as the second most desired program at a third site (Motorola, 1997). At IBM Mexico, employees indicated in a survey that flexibility in work schedules and work location are the preferred flexible work options. Eighty-six percent of employees said they would likely use daily flexibility, 81% weekly flexibility, 82% work at home, and 82% leaves of absence (IBM, 1998). Because employees face serious traffic congestion and are restricted in car usage to control pollution, companies which offer flexible work arrangements can be more effective in helping employees cope with transportation challenges.

## **EMPLOYER-SPONSORED PROGRAMS AND POLICIES**

### **Overview**

The material in this section was obtained from telephone interviews conducted with company professionals in January 1999. Celina Pagani-Tousignant, a work/life consultant with experience in Latin America, conducted interviews in Spanish with HR managers from CEMEX, Compaq, Hewlett-Packard, IBM, KPMG, Nike, Procter & Gamble, Unisys and Xerox and with an independent Employee Assistance Program consultant. Findings and excerpts from the interviews are presented below.

## **Connecting Business Goals with a Social Vision**

Increasing numbers of employers in Mexico are interested in developing policies and programs to enhance the well-being of employees and their families at work, home, and in the community. At this time, however, there are few formal written policies pertaining to specific social policies. As the EAP consultant observed, "In Mexico, it is very difficult to find a national company with a social policy that talks specifically about how to enhance the quality of life of employees and their families. That *doesn't* mean that companies are not concerned about their employees."

The mission statements developed by some companies provide a meaningful framework for the firm's social vision. Multinationals, such as Compaq, Hewlett-Packard, IBM and Procter & Gamble (P&G), often have a global social policy that drives efforts at a local level. For example,

"The Social Policy is part of P&G's mission, principles and values, expressed in written documents. These documents explicitly show the company's concern for employees and the communities where they live and work. Each country has to incorporate these [guidelines] into their operations and they are non-negotiable."  
(P&G)

The representative from Xerox explained the depth of the company's commitment to employees' work/life priorities.

"Xerox Mexicana is 100% concerned about the welfare of its employees. The company's philosophy is to create a healthy environment that makes employees happy. Their message to employees is: 'Don't worry about your social situation. We are going to help you. You need to concentrate on your job.' They want to align themselves with the employees and support them during times of currency devaluation and economic crisis. They unite work and social issues very strongly as a message and a philosophy (this is their value added to employees), but they don't put it in writing in the company mission or vision." (Xerox)

At IBM de Mexico, the company's social policy derives from the corporate Beliefs and Principles, which underscore IBM's commitment to its employees and the communities in which it operates. The core beliefs and principles emphasize respect, sensitivity to the needs of others, and diversity policy.

Certainly, not all Mexican companies share a focus on employee welfare. The Human Resources Manager from Nike noted, "It is common for companies in Mexico to have some kind of guidelines for their human resources, but they don't follow them."

## **Work/Life Goals and Objectives**

Work/life initiatives have evolved within the rubric of Quality of Life. Important work/life priorities include transportation, personal safety and security, and environmental health. According to Servando Rocha, Human Resources Director at KPMG Mexico, "In Mexico City, commuting to and from work can take a person up to 3 hours a day, not leaving time for other activities or to spend time with the family. Fear for one's personal safety and the consequences of smog on one's health affect people too." In this context, Xerox' global policy to connect quality of life priorities with ecological objectives becomes especially meaningful:

"A main objective is to align the communication program for social issues with the '3Rs' initiative that Xerox has. The 3Rs stand for 'reduce, reuse and recycle.' Xerox has won many awards at an international level for this program that benefits the communities in which it operates. The program emphasizes care of the earth and its

resources, and is supported by the fact that Xerox products are biodegradable. Our manufacturing plants are ecologically oriented; everything we make supports the environment. At Xerox Mexicana, we want to translate this program to the employees' personal lives.

We understand that as a business we have to create earnings but we want to do it with a philosophy. Our aim is to create a culture where employees are aligned with the philosophy of protecting the environment. To accomplish this objective we believe we have to help employees learn how to take good care of themselves. We want to provide information on topics of interest so employees can develop a preventive attitude towards personal issues. These people initiatives at Xerox Mexicana support the global Xerox philosophy that you can make money and at the same time support the environment. Only approximately 20% of companies in Mexico are concerned about helping employees develop a proactive attitude regarding health, childcare, drugs, AIDS, etc.” (Xerox)

At IBM de Mexico, the quality of life programs and policies are developed to meet business objectives, to afford safety and security for employees, and to help individuals manage their work and life issues by providing appropriate programs. In accordance with the requirements of the ISO14001 Standard, the IBM Guadalajara Manufacturing Plant obtained certification in 1998 of its Environmental Management System for continuous improvement in preventing pollution and protecting the environment. The certification recognizes progress in reducing energy consumption, environmental risk and industrial waste. This certificate is valid for three years with follow-up audits every six months.

Hewlett Packard depicts their work/life goals as being resonant with a philosophy of balance and harmony, although they too highlight the pressing problems of environment, transportation, and personal safety:

“The program objectives are to make HP the best workplace for employees in Mexico. It is within the HP philosophy that there should be a balance between work and family for employees. We are convinced that people that have harmony in their personal and professional lives are more productive. There are other important reasons that contribute to HP having Quality of Life programs. Mexico City is a huge and complex metropolis, with traffic problems, safety issues, high levels of noise and pollution, etc. HP worries about these issues. One of our core values on Citizenship supports the creation of numerous activities that benefit employees and society at large. For example, we have a transportation service that is available for employees for a very modest fee. The company absorbs most of the cost. There are buses that go through the different neighborhoods and pick up HP employees on the way. This service is not mandatory, but a lot of people use it because it not only helps reduce their level of stress, but it enhances their feeling of personal safety. In addition, it helps the city reduce pollution because there are less cars on the road.”(HP)

The work/life philosophy at CEMEX, a cement company, reflects their belief in the importance of employees to the business' success.

“For CEMEX, having a competitive advantage is to have the best human element. That is why we are always looking at developing programs and strategies that help people develop professionally. Currently, we are looking for a new perspective that will bring personal, family and social enrichment.” (CEMEX)

The Mexican focus on the importance of family can drive the work/life agenda. According to Eduardo Sauret, Human Resources Manager at Unisys, “The family is seen as a very important unit for individuals, so work should support the family so employees have time to spend with their loved ones and the family should support the person to be productive on the job.”

TABLE 12 SUMMARY OF SELECTED WORK/LIFE GOALS AND OBJECTIVES	
CEMEX	Supporting personal and professional development.
Compaq	Making Compaq the best computer company in the world and one of the ten

	best places to work.
Hewlett Packard	Being the best workplace. Promoting work and family balance.
IBM	Achieve an environment which eliminates barriers and supports employees' needs to manage business and personal commitments as a competitive advantage.
KPMG	Following what is mandated by the law.
Nike	Following global guidelines from Nike USA.
Proctor & Gamble	Promoting social responsibility.
Unisys	Becoming an 'Employer of Choice.'
Xerox	Connecting to overall environmental goals: reduce, reuse and recycle.

### Factors in the Design and Implementation of Work/Life Initiatives

According to the EAP consultant, catalysts in the development of Quality of Life initiatives typically have social, rather than economic, roots:

“Downsizing, reorganization or job rotations occur all the time, due to the country’s on-going economic crisis and the devaluation of the Mexican *peso*. These factors have not been responsible for Quality of Life initiatives. Instead, these programs are a direct result of:

- Demographic changes in the workforce with more single mothers working who are the main supports of the family;
- The amount of stress experienced by people as a result of living and working in the biggest city in the world;
- A lack of personal safety which can affect employees and businesses;
- The belief that families are very important pillars in Mexican homes;
- The fact that employees who have emotional, alcohol, or drug problems are not as productive.”

Business decisions that have an obvious impact on employees may catalyze a process of information gathering. For example, Compaq’s merger with Tandem and Digital has been difficult for employees, according to their Organizational Development Manager, Salvador Nocetti:

“Management realized that employees didn’t know each other; they were located in different buildings and there was no unified Compaq culture. They decided to do something about it, so they asked employees for feedback on how the company could improve their family and work lives. Employees responded by saying that they wanted opportunities for development within Compaq, more balance between their personal and work lives and more time for other activities.”

Benchmarking and needs assessments may be used in the development phase. Several of the companies that participated in these interviews indicated that they periodically survey employees about their work and family issues. At HP, for example, a survey is sent to employees globally. The HP respondent commented, “This is a highly visible survey that is monitored by Lou Platt, CEO of HP. The Director of HP de Mexico, is responsible for addressing the issues that surface in Mexico.” Like many other firms, HP supplements the formal surveys with informal communication processes such as: an open door policy that encourages face-to-face interactions; evaluations of managers by team members; feedback sessions facilitated by the HR manager; and exit interviews.

Similarly, IBM has many communication channels including an open door policy, a “speak up” program, executive interviews, exit interviews, a global survey, a work and life survey, focus groups, and roundtables with executives. Data from IBM’s 1998 Work/Life Issues survey indicates that their population of employees tend to be young (78% under age 40) and have dependent care responsibility (66% with child or elder care responsibility). More Mexican IBMers are single (28%), relative to their U.S. (18%) or European (13%) counterparts. An inability to manage work/life demands was cited as one of the top three reasons for potentially leaving IBM, ranking behind compensation/benefits and opportunity to advance. As noted earlier, female employees ranked work/life first. The survey found that ability to manage work/life demands is related to valued employee attitudes such as job satisfaction, a positive view of IBM, greater effort, and retention. IBMers in Mexico indicated that they would be most likely to use flexibility in work schedules, work location, and personal leaves of absence, among various work/life options (IBM, 1998).

In the multinationals, the person responsible for development and implementation of work/life initiatives is typically an HR manager with other responsibilities or the responsibilities are shared among several people within the HR department, all of whom have other responsibilities as well. At CEMEX, the only Mexican company in this small sample of interviews, Marelisa Zuniga Noel holds the title of Coordinator of Quality of Working Life Programs. There are 5 committees involved in the identification of Quality of Work Life issues and the development of appropriate programs and policies. One of the committees is an intact department, charged with analyzing information and suggesting improvements in business processes that are related to Quality of Life issues, as well as aspects of interpersonal relationships.

In the multinationals, new programs need to align with corporate policies and procedures. For example, at Xerox, after conducting a benchmarking study of how other Mexican companies respond to the social needs of their employees, a new program was designed to provide information to employees from guest speakers on topics such as Down syndrome, AIDS, cancer and childcare. The program was submitted for an internal audit:

“This is a common procedure done at Xerox globally to ensure that the program deliverables are what they are supposed to be. The auditors are Xerox employees at the Director level who are external to the business unit that requested the audit.” (Xerox)

At Hewlett-Packard:

“We try to follow certain criteria when looking at a new program. The program should have a positive impact on the:

- i business (the person gives more and is more productive);
- i individual (the person feels comfortable and experiences freedom in a company that respects and understands him or her);
- i society (the program reduces societal problems and benefits the community).” (HP)

**TABLE 13**  
**SUMMARY OF PROCESSES USED TO IDENTIFY WORK/LIFE PRIORITIES**

CEMEX	Employee survey
Compaq	Employee survey
Hewlett Packard	Global and local employee surveys
IBM	Work Life Survey

KPMG	Employee survey
Proctor & Gamble	Global survey
Unisys	Annual global survey
Xerox	Needs assessments

**Work/Life Priorities**

CEMEX shared the findings of a July 1998 employee survey entitled, “Quality of Life Diagnostics.” In general, employees have positive feelings about working for CEMEX. One concern that emerged was the amount of time that employees were able to dedicate to the family. The following is a list of the priorities identified by the survey:

- i Time with the family.
- i Relationships with supervisor.
- i Professional development.
- i Opportunities for growth.
- i Application of knowledge on the job.
- i Relationships with coworkers.

Relative to other groups of employees, supervisors at CEMEX reported the highest degree of stress in their work environment. (CEMEX)

As mentioned earlier, these issues need to be considered as priorities by the work/life practitioner. The Organizational Development Manager at Compaq adds, “The issues of work and family balance and lack of time for oneself are top priorities for most Mexican workers.”

Other companies have found that employees express concerns about community services and environmental quality. According to Karen Aerenlund, Medical Manager of Latin America North for P&G:

“Mexico City, with a population of 20 million inhabitants, has serious problems that affect employees’ quality of life: transportation, commute time, violence and crime, and pollution.”

In regards to identifying child care priorities, IBM has asked a U.S. vendor to perform a study to evaluate employees’ needs and the available alternatives for meeting those needs. They have determined that child care should be an important aspect of their Work/Life Balance programs. While IBM continues to evaluate employee priorities and the existing options, they have identified a local child care vendor who offers high quality care and a discount for services.

**Employer-Supported Work/Life Initiatives**

Many Mexican companies have made significant progress in the work/life arena. It is important to note that many companies offer identical benefits to all employees. For example, Xerox and HP de Mexico noted that their benefits are the same for management, administrative personnel, non-management staff, and production employees.

The following tables provide highlights about the comprehensive work/life initiatives that have been established by HP de Mexico and IBM de Mexico.

TABLE 14 HP DE MEXICO: HIGHLIGHTS	
Employee	i EAPs are not commonly offered by Mexican companies.

Assistance Program	<ul style="list-style-type: none"> <li>ï At HP, the EAP is available to employees and family members.</li> <li>ï It provides psychological assistance for problems such as divorce, drug addiction, alcohol abuse, death in the family, domestic violence, etc.</li> <li>ï HP de Mexico uses an external EAP which has a phone number for employees and family members to call at any time.</li> <li>ï EAP clients can use up to 5 visits to resolve the problem, but if they require more in depth treatment, they have to go to Social Security.</li> <li>ï There are no additional mental health benefits paid by the company.</li> <li>ï HP de Mexico purchased a separate contract with a clinic for Alcohol and Drug Rehabilitation. Employees and their families can receive benefits worth up to \$10,000 per person in a lifetime. Access to the substance abuse benefits is usually done through the Human Resources Department instead of the EAP.</li> <li>ï To date, the EAP utilization rate per year has been very low.</li> </ul>
On-Site Medical Services	<ul style="list-style-type: none"> <li>ï A doctor works in the Human Resources department and deals with routine health issues as well as health crises that occur at the workplace such as accidents, heart attacks, etc.</li> <li>ï The doctor organizes presentations on health topics in response to employee needs.</li> </ul>
Health Benefits	<ul style="list-style-type: none"> <li>ï In addition to mandated Social Security, HP has a health plan available for employees and their families to cover major medical illnesses up to 2,000,000 pesos per event/per person.</li> <li>ï The plan reimburses 85% of total expenses. Employees can go to any doctor or clinic.</li> <li>ï Dental coverage and treatment for AIDS and schizophrenia are excluded.</li> </ul>
Education Assistance	<ul style="list-style-type: none"> <li>ï Employees with good job performance receive financial assistance from the company when they enroll in classes related to their job and the business.</li> <li>ï The employee needs to successfully complete grade 8 or above to be reimbursed 85% of the class expenses.</li> <li>ï Seniority is not a factor in receiving this benefit.</li> </ul>
Environment, Health and Safety	<ul style="list-style-type: none"> <li>ï The focus of this program is to have all HP de Mexico facilities free of occupational hazards that can cause accidents or injuries to workers.</li> <li>ï Program elements include how to handle contaminants, computer ergonomics, how to evacuate the office in case of an emergency, how to avoid personal risks while traveling, how to avoid kidnapping.</li> </ul>
Food Coupons	<ul style="list-style-type: none"> <li>ï Once a month, each employee receives tax-free food coupons for a value of 850 pesos (US\$85). The employee pays 25% of this amount and the company pays 75%. If employees choose to double the amount they receive on food coupons (1700 pesos = US\$170), the employee pays 75% and the company pays 25%.</li> </ul>

(continued on the next page)

## HP DE MEXICO: HIGHLIGHTS

(continued)

Fitness Center	<ul style="list-style-type: none"> <li>ï For US\$7.00 per month, employees can enjoy a membership to a Fitness Center with courts for different sports and a complete line of exercise equipment. This type of membership would normally cost employees US\$100.00 per month. The company pays the initiation fee of</li> </ul>
----------------	---

	US\$200.00.
Employee Cafeteria	<ul style="list-style-type: none"> <li>ï Employees can eat their lunch at the company cafeteria. Prices are usually lower than in outside restaurants, and they can use the food coupons.</li> </ul>
Travel Agency	<ul style="list-style-type: none"> <li>ï A travel agency serves employees with their business and personal needs and also gives them discounts. All employees carry an American Express card.</li> </ul>
Employee Loan Fund	<ul style="list-style-type: none"> <li>ï Employees can borrow up to 3 months of their salary from this fund.</li> </ul>
Flexible Work Arrangements	<p>FWAs include:</p> <ul style="list-style-type: none"> <li>ï Compressed work schedules where employees can work from Monday to Thursday 10 hours each day</li> <li>ï Flextime with start-up times as early as 7.00 AM, telecommuting</li> <li>ï Part-time work (4 hours per day) for mothers or students</li> </ul>
Maternity Leave	<ul style="list-style-type: none"> <li>ï In addition to mandated paid leave of 45 days before and 45 days after delivery, HP gives an additional 20 days and allows a mother to accumulate up to 40 vacation days, so in total paid leave can amount to 150 work days, equivalent to 6 months.</li> <li>ï When mothers return to work, they can choose any flexible work arrangement that falls under the company policies described above, as long as it does not interfere with the business.</li> </ul>
Community Initiatives	<p>The company gives monetary and in kind donations to social institutions that support indigenous groups, disabled children. etc. They also play a strong role in the community when there is a natural disaster or catastrophe, like the Chiapas floods of 1998. When requests come in, they are routed to the Community and Government Relations Department.</p>

In July 1999, IBM announced, or formalized in some cases, flexible work options in Latin America that give employees more freedom in determining how they will deliver results and, at the same time, help them better manage their work/life demands. Prior to the announcement, managers participated in training where senior management demonstrated their commitment to the initiatives and encouraged managers to ask questions, express concerns, and work as a team to resolve questions. In Mexico, more than 200 managers attended this training in Mexico City and Guadalajara. The flexible work options include flexible work schedules (daily and weekly), regular part-time, and leaves of absence such as personal, educational, and post maternity. In making this announcement, IBM wanted to be responsive to employee needs, demonstrate its leadership as a company, and improve its ability to attract and retain the best talent in Latin America. These options have been received very favorably. Both men and women, managers and nonmanagers are now taking advantage of these new ways to balance their personal and business demands.

**TABLE 13**  
**IBM MEXICO: HIGHLIGHTS**

Flexible Work Arrangements	<p>Flexible work arrangements include:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Up to 3 year unpaid leave of absence with job guarantee. Medical Expense Reimbursement (see below) and group life insurance continue; Employees maintain seniority.</li> <li><input type="checkbox"/> 3 workday options (8:00-4:45, 9:00-5:45, 10:00-6:45) are under consideration</li> <li><input type="checkbox"/> Regular Part-time (4 or 6 hours per day)</li> <li><input type="checkbox"/> Compressed work week (40 hours in 4.5 days)</li> </ul>
Employee Assistance Program	<p>Employee Relations Manager handles drug, alcohol, and smoking problems, on a case-by-case basis</p>
Training	<p>Career development for upward advancement Training for new managers Annual managerial training</p>

On-Site Medical Services	A doctor works in IBM installations and deals with any health crises that occur at the workplace such as accidents or heart attacks. The doctor helps with general advice about health and safety such as ensuring the nutritional value of meals in the cafeteria.
Health Benefits	<input type="checkbox"/> Beyond the mandated Social Security benefits, the Medical Expense Reimbursement covers 80% of medical expense for employees and their direct families (spouse and children). Optical, dental and cosmetic expenses are not covered. <input type="checkbox"/> Checkup at hospital for employees based on age, beginning at age 35, then at 40 and every two years until 50, then annually <input type="checkbox"/> Special medical/legal assistance in the event of an onsite medical emergency
Employee Cafeteria	<input type="checkbox"/> Nutritional content of meals offered in cafeteria is monitored appropriately. Prices are usually lower than in outside restaurants, and employees can use additional facilities (microwave, self-service vending machines, etc). <input type="checkbox"/> Coffee and treated water available to employees
Maternity Leave	<input type="checkbox"/> Covered in Flexible Work Arrangements (leave of absence, see above)
Community Initiatives	<input type="checkbox"/> External Relations Director who manages relationships with government and external entities <input type="checkbox"/> Special budget and committee (comprised of executives and directors) to evaluate specific community needs <input type="checkbox"/> Contribute to United Way (Fondo Unido) and encourage employee involvement <input type="checkbox"/> Monetary and in kind donations to social institutions that support disabled children, social needs, etc. <input type="checkbox"/> In the event of a disaster, such as the Chiapas floods of 1998, IBM plays a strong role in the community recovery process.
Permanent Disability	Employees will receive 70% of last salary during first 18 months, and 40% after that time, although they can no longer work for IBM
Short-Term Disability	Employees receive salary for 52 weeks of disability. Beyond this period, they can either receive Permanent Disability or return to their jobs.
Life Insurance and Survivors Income	Group life insurance increases with years of service Immediate family members receive Survivors Income of 26 months of salary distributed over a period of 78 months
Travel	<input type="checkbox"/> A travel agency serves employees' business and personal needs and also gives them discounts. All employees carry an American Express Corporate card. <input type="checkbox"/> In event of death, dismemberment or loss of sight while employee is traveling on company business, employees are covered by Travel Accident Insurance
Savings and Loan Plans	<input type="checkbox"/> Employees save 13% of salaries up to a maximum of the monthly minimum salary that is established by the government and IBM contributes an additional 13%. This money is invested by the company on behalf of the employees for maximum income and growth. <input type="checkbox"/> Employees participate in a credit union, an external entity that encourages savings with attractive interest and provides lower interest loans than are generally available for amounts up to 3 months salary
Vacation and Holiday	12 days vacation during first 4 years of service, 15 days for 4-8 years service, and 18 days after more than 9 years of service. 13 holidays.
Education Assistance	Employees with good job performance receive financial assistance from the company when they enroll in classes related to their job and the business. Tuition is reimbursed at 100% for all levels (primary, secondary, high school, bachelor, masters, English). Students must receive a grade of 8 out of 10 and the school must be accredited by the government. Managerial authorization is required to certify no impact on business performance.
Environment, Health and Safety	The focus of this program is to have IBM facilities free of occupational hazards that can cause accidents or injuries to workers. Program elements include how to handle contaminants, computer ergonomics, how to evacuate the office in case of an emergency, how to avoid personal risks while traveling, and so on. Professional assistance was offered to employees to quit smoking when the non-smoking policy was first implemented 8 years ago. Parking lot provides security for employees and their property
Retirement	Pension for employees who are 60 and have a minimum of 10 years of service; Retired employees eligible for medical expense reimbursement (see above), life insurance for retirees, and educational expense bonus to develop new abilities and interests
Bonus	Year-end bonus of 30 days of salary, 15 days more than the legal requirement

Tax Saving Reimbursement Plan	Employees can set aside up to one minimum monthly salary amount (established by the government) and be reimbursed for medical and educational expenses upon presentation of receipts. The money can also be set aside and requested for other expenses (Vales de Despensa).
Employee Associations	Club de Empleados supports employees in exchanging products and services via an electronic bulletin and advertising good values from other suppliers. IBM serves as an intermediary between the vendors and the employees to communicate the information, but all business is managed by employees

The following table offers a summary of some of the work/life policies, program, and practices that have been established at other companies in Mexico.

**TABLE 14**  
**SUMMARY OF SELECTED WORK/LIFE POLICIES, PROGRAMS, AND PRACTICES<sup>13</sup>**

CEMEX	Five committees currently working to identify Quality of Life priorities and develop appropriate programs.
Compaq	Doctor on site and Wellness Program. Flexible Program with 5 schedules. Half-day for new mothers for 6 months. Employer paid graduate education.
KPMG	Doctor at the worksite. Five hour days for new mothers. No additional benefits beyond those mandated by Social Security.
NIKE	Food coupons. Medical and Life insurance.
Proctor & Gamble	Doctor at the worksite. Travel agency. Flexible work schedule for new mothers (half day) for a 2 year period. Additional month of unpaid maternity leave . Private medical benefits. Flextime for administrative employees. Numerous training programs and information vehicles available on a 24 hour schedule EAP hotline.
Unisys	Compressed work week. Flexible schedules for new mothers. Tuition reimbursement for managers and above. Doctor on site.
Xerox	The following benefits are provided, with no employee co-pay: life insurance additional medical benefits that cover major and minor expenses, dental care, and mental health services. Resource & referral for child care. Doctor at the worksite. Pregnant women visit the gynecologist regularly.

### **Measurement of Impacts of Programs and Policies**

None of the firms that participated in the interviews for this paper reported that they have instituted formal processes for measuring the outcomes of work/life policies and programs. Mexican companies face the same measurement challenges as have businesses operating in the United States. As the EAP consultant observed, “One of the problems encountered when trying to use quantitative measures is that companies are not too strict with regards to tardiness and accidents and the HR Department is reluctant to publicize exact data.”

<sup>13</sup> Other companies indicated by those interviewed as having innovative programs or policies in the quality of life or work/life arena included Danone, BIMBO (a Mexican bank), Dupont, Grupo Alfa, Vidriera Monterrey, and Grupo Femsa.

CEMEX is pursuing a strategy of linking its accomplishments in work/life to employee satisfaction measures. The CEMEX representative explained:

“CEMEX has just begun the process in the Quality of Life area, and we haven’t done any measurements yet. The Needs Assessment from 1998 is a tool that has some Quality of Life indicators. Currently we are in the process of defining other Quality of Life indicators related to employee satisfaction. In addition, we have created business indicators directly related to Quality of Life issues in some departments, so that if the business indicators improve we can see the direct relationship between work and Quality of Life. We are also in the process of implementing a communication plan. The purpose is to survey employee satisfaction and to measure the results of the actions taken.” (CEMEX)

At IBM, progress has been assessed by observing percentage changes over time in employee responses to questions on the Work/Life and Work Group Surveys. For example, in 1998, 51% of Latin American employees felt their commitment would be questioned if they used work/life options. In 1999, only 31% percent answered that their commitment would be questioned, and the gap narrowed between women and men. These patterns were also specifically evident in Brazil and Mexico. Said Irma Martinez, ER/IR and Diversity Programs Manager for HR Operations in Latin America, “I attribute these results to the work we completed in training our managers prior to the announcement, the announcement/communications from senior management to all employees, and the communication of the guidelines on the Latin America intranet.”

TABLE 15 MEASURES OF PROGRESS	
Compaq	Measurement of Quality of Life programs under consideration for future.
Hewlett Packard	Focus is currently placed on implementation. Uses statistics such as turnover (HP turnover is approximately 4% compared to 200% at some Mexican companies).
IBM	Global and work group surveys
KPMG	No measurement at this time.
Proctor & Gamble	Utilization rates for Quality of Life and EAP programs. Good measurement systems for occupational health programs.
Unisys	No measurement at this time.
Xerox	No formal evaluation. At Xerox, the Communications department is responsible for the quality of life initiative. Assessments of this department indicate high levels of employee satisfaction with this aspect of the planning and feedback processes.

## Summary

In Mexico, a small number of married women with children work for pay. As in Brazil, values and expectations about gender roles are changing. The desire and ability of working mothers to enter the labor force will be affected by the frustrations they encounter in integrating personal and work life. Mexican workers face long delays and other obstacles in undertaking the tasks of day-to-day life, such as commuting to work and cashing checks. These issues form the core of quality of life concerns, along with supply of quality child care for those who choose not to use in-home care. Flexible work arrangements, including telecommuting options, have great potential in Mexico, although they are not yet common. The problems of the world’s largest city, and effective workplace solutions, may serve as

models for the future of other cities around the globe. As in Brazil, the private sector has no shortage of options to assume a leadership role.

FOR THE CORPORATE READER

- Does NAFTA have any implications for your operations, markets or business alliances in Mexico?
- Is Mexico the country of origin for a significant percentage of your workforce? What percentage of your employees are on an overseas assignment in Mexico?
- Does your company have any operation sites in Brazil? What plans has your company made to promote the quality of life of employees working at those sites?

## IV. CONCLUSION

This review of the context for work/life in Brazil and Mexico has demonstrated a range of issues that are important to consider when planning work/life initiatives in these countries.

- On the economic front, both economies are significant global forces, although they are subject to periodic crises and rebounds.
- Important sources of stress at work are working conditions and challenges of commuting.
- Social interaction and harmony are important facilitators of a positive work climate.
- Quality of life programs have begun to take a foothold.
- Child care is often done by relatives or, for middle and upper class families, by domestic workers who may not offer a high enough level of quality care. Employees express concerns about quality and affordability of child care. Elder care has not emerged as a key issue.
- Benefits mandated by law and other voluntary programs contribute to workers' basic needs for food and health care in both countries and housing in Mexico.
- Work/life policies and programs have not yet made their way into the mainstream, although a number of companies are setting clear examples of appropriate employer responses. There are good opportunities for companies that want to be leaders in this arena.

Some issues appear to be unique:

- In Mexico, married women with children are still, by and large, staying home, although these traditions may be changing.
- The *maquiladora* industry has created a need for skilled workers along the U.S./Mexico border.
- In Brazil, poverty and inadequate education are serious challenges; the private sector can play a critical role in advocacy for children.
- Many Brazilians retire at a relatively young age. Although grandparents are an important child care resource, other forms of supporting and engaging retirees ought to be explored as well.

Business leaders in Latin America recognize the importance of articulating the connections between business strategies and quality of life initiatives. Effective work/life policies and programs will help meet the challenges of attracting, motivating, and retaining skilled workers. Nonetheless, these practices cannot be directly imported from elsewhere. Work/life practitioners need to design policies and programs responsive to the local culture, legal climate, and priority social and economic concerns.

As a representative from CEMEX observed, "CEMEX still needs to find arguments that link personal and family problems and the impact on the business. We need clear examples of other companies that have shown this linkage." Cooperative efforts and information sharing among practitioners will help build the needed data base about which practices have the most benefit for companies, employees, and communities to thrive in these countries. In the absence of abundant resources, inter-organizational associations might be successful to help the work/life movement gain an increasing foothold. This chapter has presented a number of excellent role models for those wishing to pursue policies and programs to better the quality of life of their employees, while achieving business objectives.

**APPENDIX A**

**SUMMARY OF INTERVIEWS CONDUCTED WITH HUMAN RESOURCE PRACTITIONERS IN BRAZIL**

What specific programs have you adopted to improve the quality of life or work/life of employees? Which ones are you thinking of adopting in the next 2 or 3 years?

NEEDS ANALYSIS IN QUALITY OF LIFE AND WORK/LIFE		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard	√	
IBM	√	
Unisys		

ON-SITE CHILD CARE		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard	√	
IBM		
Unisys	√	

EMPLOYEE ASSISTANCE PROGRAMS		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard		√
IBM	√	
Unisys		

EDUCATIONAL COURSES (PRIMARY, HIGH SCHOOL AND/OR COLLEGE LEVEL)		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard	√	
IBM	√	
Unisys		

HEALTH BENEFITS BEYOND LEGISLATED MANDATES		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard	√	
IBM	√	
Unisys		

PROGRAMS FOR EXPECTANT MOTHERS		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard		
IBM		
Unisys		

WORK/LIFE SEMINARS		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard		√
IBM	√	
Unisys		

FLEXIBLE SCHEDULES		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard	√	
IBM	√	
Unisys		√

TELECOMMUTING		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard	√	
IBM	√	
Unisys	√	

PART-TIME/REDUCED HOURS		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard	√	
IBM	√	
Unisys		

PARENTAL LEAVE BEYOND LEGISLATED MANDATES		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard		
IBM	√	

COMPRESSED WORK WEEKS		
	“Have”	“Thinking About”
BankBoston		
Hewlett Packard	√	
IBM	√	
Unisys		

TRAINING FOR MANAGERS IN HELPING EMPLOYEES WITH WORK/LIFE OR QWL ISSUES		
	“Have”	“Thinking About”
BankBoston		√
Hewlett Packard		√
IBM	√	
Unisys		

MEMBERSHIP IN ASSOCIATIONS FOR COMMUNITY ISSUES		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard		√
IBM	√	
Unisys		

FINANCIAL ASSISTANCE FOR COMMUNITY DAYCARE CENTERS		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard		
IBM		√
Unisys		

FINANCIAL ASSISTANCE FOR COMMUNITY SCHOOLS		
	“Have”	“Thinking About”
BankBoston	√	
Hewlett Packard	√	
IBM	√	
Unisys		

## APPENDIX B

### SUMMARY OF INTERVIEWS CONDUCTED WITH HUMAN RESOURCE PRACTITIONERS IN MEXICO

What specific programs have you adopted to improve the quality of life or work/life of employees? Which ones are you thinking of adopting in the next 2 or 3 years?<sup>14</sup>

NEEDS ANALYSIS IN QUALITY OF LIFE AND WORK/LIFE		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Motorola	√	
Unisys	√	

FLEXIBLE SCHEDULES		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Procter & Gamble	√	
Unisys	√	

EMPLOYEE ASSISTANCE PROGRAMS		
	“Have”	“Thinking About”
IBM		√
Procter & Gamble	√	

PART-TIME OR REDUCED HOURS		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
KPMG	√	

EXERCISE AND RECREATION		
	“Have”	“Thinking About”
IBM	√	
Motorola	√	

COMPRESSED WORKWEEKS		
	“Have”	“Thinking About”

<sup>14</sup> Motorola’s data comes from an independent survey. Therefore, only a subset of the items was assessed.

	“Have”	“Thinking About”
IBM	√	
Unisys	√	

TRAINING FOR MANAGERS IN HELPING EMPLOYEES WITH WORK/LIFE OR QWL ISSUES		
	“Have”	“Thinking About”
IBM	√	
Procter & Gamble	√	

PARENTAL LEAVES BEYOND THOSE MANDATED BY LAW		
	“Have”	“Thinking About”
IBM	√	
Procter & Gamble	√	

ON-SITE CHILD CARE		
	“Have”	“Thinking About”
Compaq		√
IBM		
Motorola		√
Xerox		

CHILD CARE RESOURCE & REFERRAL OR OFF-SITE VENDOR SUBSIDIES		
	“Have”	“Thinking About”
Compaq		
IBM		
Motorola		
Xerox	√	

EDUCATIONAL SEMINARS ON HEALTH TOPICS		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Motorola	√	
Unisys	√	

EDUCATION ASSISTANCE		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Unisys	√	

HEALTH BENEFITS BEYOND THOSE REQUIRED BY LAW		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Motorola	√	
Nike	√	
Proctor & Gamble	√	
Unisys	√	
Xerox	√	

PROGRAMS FOR EXPECTANT MOTHERS		
	“Have”	“Thinking About”
Compaq	√	
IBM	√	
Motorola	√	

Contacts/Resources: Brazil

Associacao Brasileira de Recursos Humanos  
(Brazilian Association of Human Resources)  
President: Luiz Antonio Ciocchi (Sao Paulo)  
Tel.: (011) 256-0455  
<http://www.rhol.com.br>

Associacao de Mulheres de Negocios e Profissionais de Sao Paulo  
(Association of Business and Professional Women of Sao Paulo)  
(011) 240-5702

Fundacao Abrinq  
Rua Alberto Faria, 473  
05459-000 Sao Paulo, SP  
(011) 814-9500  
(011) 816-5634  
[www.fundabring.org.br](http://www.fundabring.org.br)

Camara do Comercio do Mercosul  
(Mercosul Chamber of Commerce)  
(011) 246-9199

Grupo Quattro  
[www.quattro.com.br](http://www.quattro.com.br)

Grupo Catho  
(011) 284-7033  
[www.catho.com.br](http://www.catho.com.br)

Iberoamerican Academy of Management  
[www.uc3m.es/iam](http://www.uc3m.es/iam)

Contacts/Resources: Mexico

INEGI Instituto Nacional de Estadistica Geografia e Informatica  
National Institute of Statistics, Geography and Informatics  
[www.inegi.gob.mx](http://www.inegi.gob.mx)

IMSS Instituto Mexicano de Seguro Social  
Social Security Institute  
[www.imss.gob.mx](http://www.imss.gob.mx)

STPS Secretaria del Trabajo y Prevision Social  
Secretariat of Labor and Social Welfare  
[www.stps.gob.mx](http://www.stps.gob.mx)

SEDESOL Secretaria de Desarrollo Social  
Secretariat of Social Development  
[www.sedesol.gob.mx](http://www.sedesol.gob.mx)

SEP Secretaria de Educacion Publica  
Secretariat of Public Education

[www.sep.gob.mx](http://www.sep.gob.mx)

American Chamber of Commerce of Mexico

[www.amcham.com.mx](http://www.amcham.com.mx)

Coparmex -- Confederacion Patronal de la Republica Mexicana

Mexican Confederation of Employers

[www.albec.net.mx/coparmex](http://www.albec.net.mx/coparmex)

Coparmex represents 25,000 companies. It focuses mainly on labor-management relations, training, and national economic issues.

U.S. Department of State

Bureau of Inter-American Affairs

21<sup>st</sup> and C Streets, N.W., Rm. 4258

Washington, DC 20520

(202) 647-9894

Iberoamerican Academy of Management

[www.uc3m.es/iam](http://www.uc3m.es/iam)

- Alvares, H. (1996, July/August). A força dos benefícios. RH em Sintese, Number 11. ([www.quattro.com/rhsintese](http://www.quattro.com/rhsintese)).
- American Chamber of Commerce of Mexico. (1997). The guide to Mexico for business, 6<sup>th</sup> edition. Mexico, D.F.: Author.
- Associated Press (1999a, January 6). Ford workers in Brazil force company to reconsider layoffs. The Wall Street Journal, (interactive.wsj.com).
- Associated Press (1999b, January 13). U.S. markets shrug off signs of Brazilian instability. The New York Times, interactive edition.
- Baker, S., Woodruff, D., & Weiner, E. (March 16, 1992). Detroit South, Mexico's auto boom: Who wins, who loses. Business Week, 98-103.
- Baker & McKenzie (1996). Maquiladoras in the new environment. Document from the Law Offices of Baker & McKenzie, Monterrey, Mexico.
- Blumenstein, R. & Solis, D. (June 20, 1997). GM's Mexican houses on shaky ground. The Wall Street Journal, A15.
- Bontempo, R., Lobel, S., & Triandis, H.C. (1990). Compliance and value internalization in Brazil and the U.S. Journal of Cross-Cultural Psychology, 21(2): 39-48.
- Brazil, The economy. Britannica Online. 1994-1999. (<http://www.eb.com>).
- Brinkerhoff, M. B. (1982). Women's work in Mexico and Canada: The constraints of various dimensions of SES and family life cycle. Journal of Comparative Family Studies, 13(3), 307-328.
- Brown, K. A. (September 16-22, 1994). A realistic look at Mexican wages can be revealing. Puget Sound Business Journal, 48.
- Bureau of Labor Statistics (1998). Labor Force Statistics. Washington, D.C.: U.S. Department of Labor. ([www.stats.bls.gov](http://www.stats.bls.gov))
- Butler, M.C. & Teagarden, M. B. (1993). Strategic management of worker health, safety, and environmental issues in Mexico's maquiladora industry. Human Resource Management, 32(4), 479-503.
- Campos, S. (1995, April/May). Empresas garantem aposentadoria com qualidade de vida. RH em Sintese, Number 3, ([www.quattro.com.br/rhsintese](http://www.quattro.com.br/rhsintese)).
- Center on Work and Family (1997). Balance Sheets: Relocation Assistance Programs.
- Cohen, R. (1998, February 5). Brazil pays to shield currency, and the poor see the true cost. The New York Times.
- Davidson, M. J., & Cooper, C. L. (1993). European women in business and management. London: Paul Chapman Publishing.
- DeForest, M. E. (1994). Thinking of a plant in Mexico? Academy of Management Executive, 8(1), 33-40.
- Economist Intelligence Unit (1996). Mexico. New York: EIU.
- Eisenstat, S E. Latin America and U.S. Policy. Wall Street Journal Conference on the Americas. New York: October 1, 1998.
- Elu de Lenero. (1969). Hacia donde va la mujer mexicana? Mexico: IMES A.C.
- Faquim, L. (1996a, April/May). Lugar de mulher e na empresa. RH em Sintese, Number 9. ([www.quattro.com/rhsintese](http://www.quattro.com/rhsintese)).
- Faquim, L. (1996b, July/August). Um peso para trabalhadoras e empresas. RH em Sintese, Number 11. ([www.quattro.com/rhsintese](http://www.quattro.com/rhsintese)).
- Faquim, L. (1995, April/May). Maior preocupacao com a saude dos funcionarios. RH em Sintese, Number 3. ([www.quattro.com/rhsintese](http://www.quattro.com/rhsintese))
- Families and Work Institute (1995). Women: The new providers. Whirlpool Foundation Study, Part I. New York: Author.
- Families and Work Institute. (1992). The family friendly employer: Examples from Europe. New York: Author.
- Flynn, G. (1994, August). HR in Mexico: What you should know. Personnel Journal, 73, 34-36.
- Fox, J. (1998, November 9). Bangkok, Seoul, Moscow : Rio? A prayer for Brazil. Fortune, 30-31.
- Franca, V. & deCarvalho, J. (1995, August 30) Tragedia, sucesso, e precocidade. Veja.
- Friedland, J. (December 8, 1998). Unions in Mexico weaken as economy begins to stall. New York Times.
- Galve, A. (1999). Personal conversation with Operations Manager, IBM, Mexico City.
- Garza, A. (March 17, 1999). Siesta put to rest: Mexican tradition under siege. The Boston Globe, A2.

- Garten, J. (1998). The Big Ten: The big emerging markets and how they will change our lives. Basic Books.
- Gosselin, P. (October 19, 1998). To secure aid, Brazil says it will cut spending, hike taxes. Boston Globe, C1.
- Gracious hosts. (October 5, 1998) Human Resource Executive. 83-85.
- Greer, C. R. & Stephens, G. K. (1996). Employee relations issues for U.S. companies in Mexico. California Management Review, 38(3), 121-145.
- Herrera, R. S. (1993). Work and family patterns of dual-earner, working-class Anglo American, Mexican American, and Mexican families. Ann Arbor: UMI Dissertation Information Service.
- IBM (1998). Work and life issues survey.
- Instituto Nacional de Estadística, Geografía e Informática (INEGI). (1995). La mujer mexicana: Un balance estadístico al final del siglo XX. Mexico, D. F.: Author.
- Inter-American Development Bank (1995). In R. Chacon, World turns spotlight on a precarious Brazil, Boston Globe, October 4, 1998.
- Jornal do Brasil (1999, December 18). Pobreza atinge 24 milhões de jovens. p. 4.
- Katz, I. (May 4, 1998a). Sun, samba ñ and a healthy economy? Business Week, 60-62.
- Karz, I. (September 21, 1998b). Brazil's ill winds. Business Week, 34- 35.
- Laabs, J. (August, 1993). How Gillette grooms global talent. Personnel Journal. 64-76.
- Latin Trade Magazine (1998, November). La conexión europea.
- Lane, H.W., Brehm Brechu, M., & Wesley, D.T.A. (1999). Mabe's President Luis Berrondo Avalos on teams and industry competitiveness. Academy of Management Executive, 13(3), 8-10.
- Levine, R. V. (1998). A geography of time. Basic Books.
- Lewis, S. (1997) European Perspectives of Work and Family Issues. Chestnut Hill, MA: The Center for Work & Family.
- Lobel, S. (1999) Interviews with Brazilian human resources professionals. Unpublished data.
- Malkin, E. (January 26, 1998a). Now, Mexico's unions have a chance at real freedom. Business Week, p. 46.
- Malkin, E. (April 13, 1998b). Holding off Asia's assault. Business Week, pp. 44-45.
- Malkin, E. (May 18, 1998c). Consumer sizzle could overcook the economy. Business Week, 56.
- Malkin, E. (August 3, 1998d). Why Mexico scares the UAW. Business Week, p. 37.
- Meleis, A. I., Hilfinger Messias, D. K., & Neves Arruda, E. (1996). Women's work environment and health: Clerical workers in Brazil. Research in Nursing and Health, 19, 53-62.
- Miller, K. L. (1991, March 11). The "mommy track" Japanese-style. Business Week, 46.
- Millman, J. (1999, January 11). A surge of inflation threatens Mexican workers' buying power. The Wall Street Journal Interactive Edition (interactive.wsj.com).
- Millman, J. (December 1, 1998a). U.S. offshore data processing firms flourish in Mexican border cities. The Wall Street Journal.
- Millman, J. (December 1, 1998b). Vulnerable ruling party backs mortgage subsidies. The Wall Street Journal.
- Milverton, D. (November 30, 1999). IMF approves \$4.69 Billion loan installment for Brazil. The Wall Street Journal Interactive Edition.
- Moen, P. & Forest, K. B. (1990). Working parents, workplace supports, and well-being: The Swedish experience. Social Psychology Quarterly, 53(2), 117-131.
- Moffett, M. (1999, January 6). Amid soaring interest rates, Brazilians fall deep into debt. The Wall Street Journal, A1.
- Moffett, M. (1998, September 9) U.S. Child-labor law sparks a trade debate over Brazilian oranges. The Wall Street Journal, A1.
- Moller, O. (1999, March) The growing challenge to internationalism. The Futurist, 33(3) 22-27.
- Motorola. (1997). Motorola Latin America and Canada Life Balance Feasibility Study..
- Muller, H. J., & Rowell, M. (1997). Mexican women managers: An emerging profile. Human Resource Management, 36(4), 423-435.
- New York Times (1998, September 20). U.S. on the short end of vacation benefits.
- New York Times (1999, September 25). World business briefing: Higher unemployment in Brazil. p. C2.
- OECD (June, 1999). Economic Outlook. Office of Economic Cooperation & Development. ([www.oecdwash.org](http://www.oecdwash.org))

- O Globo (1999a, December 21). Desemprego em Sao Paulo caiu em novembro. p. 33.
- O Globo (1999b, December 21). Media salarial no pais e hoje de R\$ 680 por mes. p. 33.
- O Globo (1999c, December 15). Forma de tragedia. p. 6.
- O Globo (1999d, December 15). A dura responsabilidade das elites. p. 7.
- O Tempo (1999a, December 18). Crimes violentos matam mais jovens. p. 8.
- O Tempo (1999b, December 18). Ensino medio vai receber US\$ 300 mi. p. 8.
- Peres, C. (1999, October 28). Personal communication from Director of Human Resources at IBM Brazil.
- Pitt-Catsouphes, M.; Fassler, I.; and Googins, B. (1998) *Enhancing Strategic Value: Becoming a Company of Choice*. Chestnut Hill, MA: The Boston College Center for Work & Family.
- Price Waterhouse (1994). Doing business in Brazil. Price Waterhouse: Sao Paulo.
- Price Waterhouse (1995a). Doing business in Brazil: Supplement. Price Waterhouse: Sao Paulo.
- Price Waterhouse (1995b). Doing business in Mexico. Price Waterhouse: Mexico, D.F.
- Price Waterhouse (1996). Doing business in Mexico: Supplement. Price Waterhouse: Mexico, D.F.
- Rohter, L. (1999, September 22). In Brazil, big bank, big portal. The New York Times, G64.
- Romero, S. (1999a, May 14). Brazilian economy expands in first quarter, C4.
- Romero, S. (1999b, November 17). World business briefing: America On Line in Brazil. The New York Times, C4.
- Sanches, C. (1996, July/Aug). Esforco para a alfabetizacao. RH em sintese, Number 6. Grupo Quattro. (www.quattro.com.br/rhsintese/)
- Schemo, D. J. (1999, January 4). A joust with inflation, recession and huge foreign debt. The New York Times, web version.
- Schemo, D. J. (1998, July 16). The ABC's of business in Brazil. New York Times, D1.
- Schemo, D. J. (1996, November 19) Is VW's new plant lean, or just mean? D1:D6.
- Siegel, C. (1993, June). Real wages. World Trade, 6, 120-121.
- Shimomura, M. & Herrstrom, S. (Winter, 1990). NPQ. A comparative perspective: Japan & Sweden.
- Solomon, C. (November, 1995) HR's helping hand pulls global inpatriates onboard. Personnel Journal, 40-49.
- Smith, G., & Malkin, E. (1997, May 12). The border. Business Week, 62-74.
- Stephens, G. K., & Greer, C. R. (1995, Summer). Doing business in Mexico: Understanding cultural differences. Organizational Dynamics, 24, 39-55.
- Templeman, J. (November 23, 1998). Can Cardoso steer Brazil away from the abyss? Business Week, p. 78.
- UNDP (1996). Relatorio sobre o desenvolvimento humano no Brasil, Capitulo 3, Mulher e Desenvolvimento humano. www.undp.org.br/rdhb3.html
- Urbina, A. T. (1972). Nuevo derecho del trabajo: Teoria integral. Mexico, D. F.
- U.S. Trade with Latin America Continues to Grow. (August, 1998) Latin American/Caribbean Business Bulletin. USDOC. International Trade Administration.
- Valbrun, M. (December 4, 1998). New type of commuter campus: Mexican students head to Texas. New York Times.
- Vargas, A. (November 18, 1998). Abused immigrant women face the cultural stigma of divorce. The Wall Street Journal, A1.
- Wentling, R. M., & Palma-Rivas, N. (1997). Current status of diversity initiatives in selected multinational corporations. University of Illinois at Urbana-Champaign: National Center for Research in Vocational Education, Diversity in the Workforce Series Report #3.
- World Bank (1997). World Development Indicators 1997. Washington, D.C.: Author.
- Zabludovsky, G. (1998). Women business owners in Mexico: An emerging economic force. Silver Spring, MD: The National Foundation for Women Business Owners.

Sharon A. Lobel (Ph.D., Harvard University) is a Professor of Management at Seattle University. She lived in Brazil for three years, teaching at Universidade Gama Filho and working for the Ford Foundation. She is fluent in Portuguese and is married to a Brazilian. She has worked and traveled in Mexico. Dr. Lobel's research focuses on the many aspects of managing diversity and work/life in organizations. She is a Faculty Fellow of the Work and Family Roundtable, established by the Center for Work and Family at Boston College. As a member of the Wharton Work/Life Roundtable, she has been active in efforts to develop training materials for business schools and corporations on work/life concerns. She served on the Research Advisory Panel at Catalyst for a study of the implementation of flexible work arrangements. She was an Associate Editor of *Human Resource Management* (1993-1998) and a two-term member of the editorial board of the *Academy of Management Journal* (1993-1999). Her publications have appeared in these journals as well as *Academy of Management Review*, *Organizational Dynamics*, and elsewhere. Her publications include a co-edited book, *Managing Diversity: Human Resource Strategies for Transforming the Workplace*, (Blackwell, 1996). She has been quoted in the *Wall Street Journal*, the *New York Times*, *Fortune*, and elsewhere.