This paper presents information about the quality of employment in Brazil from the employees’ point of view. Eight dimensions of quality of employment adopted by “Mind the Gap studies” are explored in the Brazilian study. Across each dimension, comparisons are made between younger, midlife and older employees; male and female; black and white; and formal and informal employees. The information presented has been selected from the Instituto Brasileiro de Geografia e Estatística (IBGE) [Brazilian Institute of Geography and Statistics], the International Labor Organization (ILO) and from the International Social Survey Programme’s 2002 Family and Gender Roles research (ISSP). Due to the effects of informality on the Brazilian labor market, the dimensions of the quality of employment contain comparisons between “formal” and “informal” employees whenever data is available. The self-employed were left out in these comparisons because their dynamic is very specific, particularly in Brazil, where self-employment is often a way out of unemployment.

**INTRODUCTION**

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

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

**What does “mind the gap” mean?**

Train stations across England play recorded messages to remind passengers that they should “Mind the Gap.” These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels. For this series of research publications, we have adopted the phase “Mind the Gap.” The Mind the Gap series aims to remind employers to pay attention to any gaps that might exist between employees’ priorities and needs and employers’ allocation of workplace-based resources. Our Mind the Gap papers also aim to help readers mind such gaps in quality of employment in other country contexts.
Table of Contents

Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work” 3

Quality of Employment in Brazil

- Indicators of Fair, Attractive, and Competitive Compensation & Benefits 4
- Indicators of Opportunities for Development, Learning & Advancement 6
- Indicators of Wellness, Health & Safety Protections 7
- Indicators of Opportunities for Meaningful Work 8
- Indicators of Provisions for Employment Security & Predictabilities 9
- Indicators of Workplace Flexibility 10
- Indicators of Culture of Respect, Inclusion & Equity 11
- Indicators of Promotion of Constructive Relationships at the Workplace 12

Summary: Minding The Gap 13
Conclusion: Closing The Gap 13
Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

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

- Benefits for Employees: The quality of employment affects the health and well-being of employees. Research confirms that poor-quality jobs (such as jobs requiring extreme work hours or jobs that are very demanding, particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions, like cardio-vascular problems.¹

- Benefits for Employers: Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement that, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they “intend to stay” with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.⁴ ⁵

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

- Fair, Attractive and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

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

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

- Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees’ basic economic needs.

- An employees’ average wage in Brazil is R$930 ($501USD), which is 1.8 times the Brazilian minimum wage of R$510 ($275). There are huge wage differences in Brazil between high and low-skilled employees. Wages rise significantly as level of education increases. The earnings of employees without any formal instruction are 13% below the minimum wage R$446 ($240). Employees that have completed secondary education gain R$875 ($472), which represents 35% of the tertiary graduates’ average wage of R$2,519 ($1,357). (Note: Please see reference number 7 for currency rates).

- Informality is a very important feature of the Brazilian economy and labor market. It is a phenomenon with many aspects that directly influence the functioning of the labor market, mainly through informal working relations (jobs that are not covered by labor laws), and firms that are not registered, especially small ones. While formal employees receive R$1,127 ($608), which is 20% higher than the average wage, informal employees earn R$541 ($291), which is just above the minimum wage and not even half of what formal employees are paid.

- An overwhelming portion of employees (96%) strongly agree that working women should receive paid maternity leave when they have a baby. When asked if families should receive financial benefits for child care when both parents work, employees strongly agreed (79%) with the idea. Employees of all age groups responded almost equally to this question.

- There are considerable wage differences between color and gender. Black employees earn 63% (R$713) of what white employees make R$1,139 ($614) and females are paid, on average, three quarters (R$784) of males’ salary R$1,043 ($562). Among female and black employees, those aged 50 years and older have the highest average wage compared to younger employees. Among male and white employees, the oldest age group is also the best paid, with average wages of R$1,412 ($761) and R$1,505 ($811). Wage gaps increase with employees’ age, which suggests a change in historic tendencies that may lead to a more equal labor market for younger generations of employees. (See Figure 2 and Figure 3)
As Figure 1 shows, older employees earn the highest average wages R$1,208 ($651) among the three age groups. The wages of middle-age employees in Brazil are a little lower R$1,117 ($602). Younger employees earn R$744 ($401), which is 80% of the average wage of R$930 ($501).

The average wage of white Brazilian employees is R$1,139, or 59.7% higher than black employees.

The average wage of male Brazilian employees is R$1,043, or 33% higher than female employees.

Source: PNAD (2008)^6
^Notes: 1) Regarding the main job. 2) Please see reference number 7 for currency rates.
II. Indicators of Opportunities for Development, Learning & Advancement

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

- According to the Pesquisa Mensal de Emprego (PME) conducted by the Instituto Brasileiro de Geografia e Estatística (IBGE) (Brazilian Institute of Geography and Statistics), 34% of employees have received skill training. Comparison by age groups shows that this proportion is 30.6% for workers aged 50 or above and around 34.5% for younger employees and employees at midlife (see Figure 4).^9

![Figure 4: Percentage of Employees that Received Skill Training by Age](http://www.bc.edu/agingandwork)

According to the Monthly Employment Survey conducted by the Brazilian Institute of Geography and Statistics, 34% of employees have received skill training.

Source: PME (2009)^9
III. Indicators of Wellness, Health & Safety Protections

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

- Brazilian employees (71%) contribute to social security. The social security system in Brazil guarantees retirement benefits for non-contributors such as rural workers, disabled individuals and people aged 65 years and older. Access to other benefits, however, like unemployment insurance and sick and maternity leave, is mainly based on contributions.\(^6\)

- More employees at midlife (76%) contribute to social security compared to older employees (71%) who contribute. Access to social security stands approximately at 67% for younger employees.\(^6\)

- All formal employees (except those in the military) contribute to social security because it is mandatory. On the other hand, by definition, informal employees do not contribute as employed employees, since there are no employment contracts. Informal employees have the option to pay for their social security by special rules, as individual contributors. However, only 1.4% of these workers are contributors; that is, 86% of informal employees do not have access to social security.\(^6\)

As Figure 5 shows, the majority of employees in all age groups think that they have excessive work demands although older employees are not so emphatic. Additionally, employees aged 35 to 49 years (64%) agree that they have trouble completing work assignments on time.

![Figure 5: Employees who Feel they have Excessive Work Demands](image)

Source: ISSP (2002)\(^8\)

As suggested by Figure 6, midlife employees find their jobs less stressful compared to the other age groups. When asked about stress experienced on the job, younger employees (45%) and older employees (40%) disagree or strongly disagree that the job is rarely stressful when compared to midlife employees (37%).

![Figure 6: Employees who Feel Job is Rarely Stressful](image)

Source: ISSP (2002)\(^8\)
IV. Indicators of Opportunities for Meaningful Work

- Opportunities for meaningful and fulfilling work are available.

- An indicator used as a proxy to dissatisfaction with work is the percentage of employees that are still seeking work. The results of this study show that satisfaction at work is an important determinant of the probability of unemployment, or inactivity and self-employment. According to the study, younger employees are the least satisfied with their jobs, since 6.8% of them have taken measures to obtain other work. This percent decreases with age, as employees at midlife (3.6%) and employees aged 50 and above (1.7%) have taken measures to obtain other work.

Figure 7: Employees who Feel Satisfaction with Job

As Figure 7 shows, more than 80% of employees across all age groups are very satisfied or fairly satisfied with their jobs.

Source: ISSP (2002)
V. Indicators of Provisions for Employment Security & Predictabilities

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

- Informality leads to job insecurity because there are no employment contracts that transparently establish the terms of work. About 34% of Brazilian employees are working without the coverage of labor laws. The level of informality is higher among younger employees (37%), followed by older employees (35%). Although midlife employees’ situations are somewhat better, 28% of them are informally employed.6

- The duration of informal employment, and the transition to formal employment, impacts the welfare of employees in Brazil. While more than half of informal employees have been in their current jobs for a year or less, this percentage is equivalent to 34% for formal employees.6

Figure 8: Employees’ Length of Service in Job by Age Group

Figure 8 shows that the length of service is higher for older employees than younger employees. The length of service for older employees (approximately 50%) stands at 10 years of service or more.
VI. Indicators of Workplace Flexibility

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

- The average working hours for employees in Brazil is 41.4 hours per week. There are no great differences between age groups. Younger and midlife employees work on average 41.6 and 41.5 hours per week, respectively, while older employees work about an hour less weekly, 40.3. The maximum hours of work in Brazil is 44 hours per week.

- Female employees, on average, work 38.4 hours per week, approximately 5.3 hours less than males. Similarly, informal employees work 4.5 hours less than formal ones, whose average is 42.9 hours per week.

- According to OECD, part-time employment refers to persons who usually work less than 30 hours per week in their main job. The incidence of part-time employment is 11% among all Brazilian employees, and 13% of older employees have a part-time job. This percentage is lower for employees under 35 years and those aged 35 to 49 years, around 10.5% for both groups. Whereas 18% of females employees work part-time, only 6% of males employees do so. However, this indicator must be seen with caution in Brazil. Part-time employment is generally associated with precarious work rather than a deliberate choice to work less hours. The connection to sub-par occupations can be illustrated by the fact that 22.5% of informal employees have part-time jobs. Among formal employees the incidence of part-time employment is 5%.

Figure 9: Difficulty Fulfilling Family Responsibilities Because of Time Spent on Job

Source: ISSP (2002)
Figure 10: Too tired from work to do duties at home

Source: ISSP (2002)³

VII. Indicators of Culture of Respect, Inclusion & Equity

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

- Unemployment rates by gender and race indicate that Brazil needs to work on inclusiveness in employment. The unemployment rate for females is 10%, double the rate for males.⁶ The unemployment rate for black people is also higher than for white people at 8% and 6%, respectively. Younger employees face elevated unemployment rates in all four categories (males, females, black, and white), especially females under 35 years of age, at a rate of 15%. Older employees' unemployment rates vary from 2% to 3% depending on gender and color. Employees at midlife have intermediary unemployment rates.⁶

- Informality is another form of exclusion; it strikes women (37%) more than men (31%), and black employees (40%) more than white employees (28%).⁶
VIII. Indicators of Promotion of Constructive Relationships at the Workplace

- Interactions with supervisors and coworkers are professional and respectful.

- In 2004, there were 304 strikes and lockouts in Brazil, which corresponds to 60% of the number of strikes and lockouts registered in 1999. The number of workers involved, however, remained stable during this period, with approximately 1.3 million employees participating.\(^3\)

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**Figure 11: Trade Union Membership by Age Group\(^a\)**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Union Participation</th>
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<tr>
<td>&lt;35 years</td>
<td>15.1</td>
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<tr>
<td>35-49 years</td>
<td>23.1</td>
</tr>
<tr>
<td>50+ years</td>
<td>24.1</td>
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According to Figure 11, 19% of Brazilian employees (aged 18 and above) are members of a trade union. Union participation increases with age: 24% of older employees, 23% of employees at midlife and 15% of younger employees are affiliated with unions.

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Source: PNAD (2008)\(^a\)

\(^a\)Notes: Employees aged 18 or more.
SUMMARY: MINDING THE GAP

The analysis by age group made it possible to delineate some specific features of employees depending on stages of their life cycle:

- Older employees in Brazil work less hours and earn more than other age groups. Many older employees feel that their jobs are quite stressful and take time from their home life, but in general, are satisfied with their employment situations.

- Employees at midlife work more hours than employees in other age groups in Brazil and report having excessive work demands, but are satisfied with their jobs, even though they do not earn the highest wages.

- Unemployment rates are very high among younger employees, and they report being stressed at work. Their earnings and stated satisfaction with their jobs are the lowest among the three age groups.

Informality is another aspect that deserves further attention, since it greatly influences the dynamic of the Brazilian labor market. Fully one third (34%) of all employees work at informal jobs. Informal employment is higher among younger and older employees than employees at midlife and is high among female and black employees. Informal employment means low wages and little or no access to social security.

CONCLUSION: CLOSING THE GAP

Despite the fact that most employees in Brazil are satisfied with their jobs, improvements in the quality of employment still need to occur:

- A call to action focused on issues pertinent to younger workers (those aged 18+), like the high unemployment rates.

- The wage disparities between employees of different genders and color should be addressed.

- Informal employment, another form of exclusion, also makes it difficult to enhance the application of labor laws and social protections and should be reviewed.

The information contained in this report can help employers better understand some aspects of the quality of employment in Brazil from the employees’ perspective, thus contributing to more oriented actions.
ABOUT THE INSTITUTE

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

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

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

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

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

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

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

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

Luísa de Azevedo has a bachelor degree in Economics from the Federal University of Rio de Janeiro. Her end-of-course paper discusses the use of income transfers as a common incentive both for social and environmental policies, comparing the Brazilian programs Bolsa Família and Bolsa Floresta. She began her involvement with research in 2005, participating as an assistant in projects mainly regarding the Brazilian labor market. She was part of the team of researcher Ricardo Paes de Barros at IPEA and is currently a junior researcher at IETS. Her latest work in the field of labor market was a monthly bulletin on entrepreneurship in Rio de Janeiro, developed with other senior researchers from IETS.

Adriana Fontes holds a Ph.D. in Economics from the Federal University of Rio de Janeiro (2009) and has been a researcher at the Institute for Studies on Labor and Society (IETS) since 2001. Both her Master’s degree in Industrial Engineering (2003) and her Bachelor’s degree in Economics (1997) were received from the Federal University of Rio de Janeiro. She has participated in different types of projects for public and private institutions, working mainly on the labor market, social policy and informality issues.
REFERENCES

1 For example, see:


2 For example, see:


5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.
Based on data from the Pesquisa Nacional por Amostras de Domicílio (PNAD) 2008 [2008 National Household Sample Survey] conducted by Instituto Brasileiro de Geografia e Estatística (IBGE).


US$ of 2008 (1.8555 dollars/ 1 Real - the currency used was that of 09/26/2008, the day with currency available closest to the research’s reference day: 09/27/2008)


The International Social Survey Programme (ISSP) conducted, in 2002, the third round of the Family and Gender Roles research. For the first time, Brazil was one of the participating countries. The sample consisted in 2,000 personal interviews in domiciles, but the total number of employees (again excluding self-employed) is 460. Most of the information presented in this paper derives from employees’ opinions about a series of statements on the theme.

Based on data from the September 2009 Pesquisa Mensal de Emprego (PME) [Monthly Employment Survey] conducted by Instituto Brasileiro de Geografia e Estatística (IBGE).


Mind the Gap Series:

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