

Labor Supply and Diversity:

How OXXO Strengthened its Workforce by Hiring Refugees and Migrants.

OXXO is Mexico's leading convenience store chain and a subsidiary of the multinational beverage and retail company Fomento Económico Mexicano S.A.B. de C.V. (FEMSA). Like many companies worldwide, OXXO had to manage labor shortages as it expanded its operations. By using inclusive employment practices, the company was able to meet its labor needs while also providing vital jobs for refugees and asylum seekers in Mexico.¹

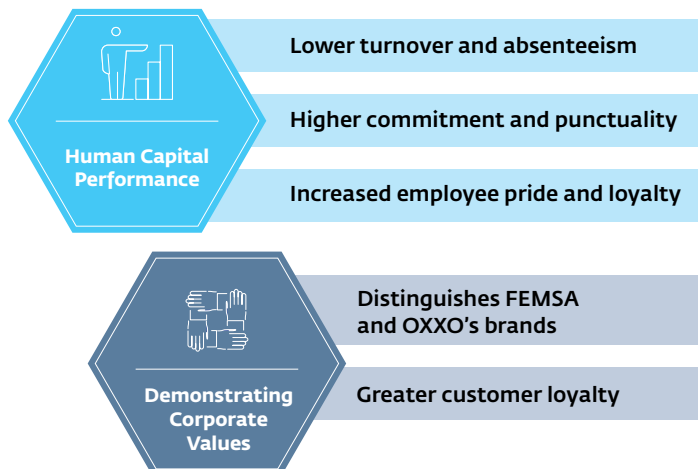


The Challenge

Since 2012, OXXO has grown rapidly throughout Mexico, opening an average of 800 stores annually. OXXO fills approximately 5,600 new job vacancies per year, and its parent company FEMSA recognized that refugees in Mexico had the potential to meet some of this demand.

According to the United Nations High Commissioner for Refugees (UNHCR) in Mexico, the majority of working-age adult refugees arriving in the country have a secondary education, but even those with higher education face challenges finding secure, formal employment. Furthermore, employers and private banks are often unfamiliar with foreign identity documents, which hinders their access to formal employment and financial services.

Benefits for Business

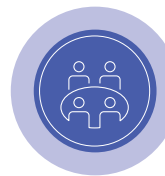


Benefits for Workers

Over 1,500 refugee and migrant workers from Central American and Caribbean countries have secured formal employment at OXXO stores since 2019, earning above the minimum wage and gaining access to FEMSA employee benefits. Thirty-nine percent of these employees are women.

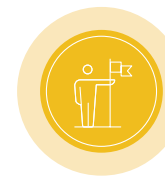
Inclusive Employment Solutions

OXXO's parent company FEMSA has a Justice, Equity, Diversity, and Inclusion (JEDI) strategy that targets recruitment from disadvantaged groups, such as persons with disabilities and the elderly—and more recently this expanded to include refugees.²



Participation

FEMSA and OXXO target recruitment through a partnership with the UN High Commissioner for Refugees (UNHCR). This helps the company to identify candidates for employment and to navigate legal and regulatory requirements when hiring refugees. This effort is part of the Durable Solutions Strategy, which seeks to integrate refugees into formal employment by the UN Refugee Agency since 2016.



Empowerment

To smooth the integration of refugees into its workforce, OXXO trains managers and staff on issues facing refugees. Public campaigns highlight success stories.

¹ Labor Supply and Diversity: How OXXO Strengthened its Workforce by Hiring Refugees



Industry: Convenience store chain.

Size: 22,000 stores with 165,000+ employees.

Area of Operation: Chile, Colombia, Perú, Brazil and Mexico.

Base of the Pyramid Workforce: Has given more than 1,500 job opportunities to refugees and migrants, mainly from Central America and the Caribbean.



How OXXO Puts Inclusive Employment Solutions into Practice



Participation: Target recruitment

In 2019, FEMSA launched its Refugee Labor Inclusion Program (RLIP) and began hiring refugees to work at OXXO stores in Mexico. As of February 2022, the program had formally hired and trained over 1,500 refugees and migrants from Haití, Honduras, El Salvador, Cuba, Venezuela, Colombia, Guatemala, Nicaragua among others. Most work as cashiers and shop assistants, but 34 refugee workers have been promoted to shop managers, and two more are shop leaders.

The operational roles that refugee workers commonly secure at OXXO pay more than Mexico's minimum wage. OXXO's refugee workers also receive the same benefits as those provided to all FEMSA staff, including personal development opportunities, scholarships, healthcare, and special prices on products through the "OXXO Club" website.

FEMSA's partnership with UNHCR has been central to OXXO's targeted recruitment of refugees. UNHCR provides a structured pathway for the company to connect with refugee talent and to identify candidates, as well as offering ways to lower entry barriers.⁵ Implemented in 10 Mexican cities where UNHCR has a presence, the program also offers guidance to the company as it navigates the legal and regulatory requirements for hiring refugees. Refugees can also apply directly to the company.

In 2020, FEMSA became one of the first companies in Latin America to join the Tent Partnership for Refugees, a non-profit initiative that brings together over 200 multinational companies committed to refugee inclusion in their operations, including through recruitment. The Tent Partnership now advises FEMSA on the implementation of its Refugee Labor Inclusion Program at OXXO.



Empowerment: Recognize value of work

Managers at OXXO reported that a lack of knowledge and awareness about refugees and migrants, both internally and externally, was the greatest challenge when integrating refugees and migrants into the workforce. To address this, FEMSA's Justice, Diversity, Equity and Inclusion team trains store managers, human resources managers, and staff about the myriad of obstacles that refugees face on the job and in daily life. This strengthened workforce relations and smoothed refugees integration at the worksite.

FEMSA also aims to normalize the hiring of refugees by combating stigma and improving public perceptions of refugees. Using external communication and marketing campaigns, FEMSA highlights positive stories from its Refugee Labor Inclusion Program. These campaigns also address misconceptions that Mexican workers are being overlooked in favor of refugees.

"Refugees and migrants face many challenges finding work, so when someone provides them with that opportunity, it is paid back in greater commitment."

Natali Ibarra, Manager of Culture, Inclusion and Diversity, OXXO

The Benefits for Business: OXXO's Experience

The Refugee Labor Inclusion Program has generated multiple benefits for OXXO and FEMSA, including greater employee loyalty and diversification of employee skill sets. It also enhanced the company's reputation with Mexico's increasingly socially-conscious consumers. FEMSA is now the leading employer of refugees and migrants in Mexico.



Human capital performance

OXXO's experience shows that even in an industry that typically experiences high staff turnover, refugee inclusion can reduce turnover and absenteeism. OXXO's refugee workers tend to stay four to six months longer in their job than non-refugee workers. OXXO's managers say that refugees have higher than average levels of commitment and punctuality and very low levels of absenteeism.

OXXO managers say that refugee workers bring new and diverse skills and perspectives to the workforce, they inspire other employees with their resilience, adaptability, and kindness in the face of significant personal challenges, and they enrich the company's culture. In addition, OXXO's managers say that in general their employees are proud of the company's support for refugees, and this fosters employee loyalty and commitment.



Demonstrating corporate values

Contributing to economic and social development in the communities where FEMSA operates is one of the company's core values, along with advancing justice, diversity, equity and inclusion for historically marginalized groups. FEMSA's leaders also recognize that many of its customers value social initiatives like the Refugee Labor Inclusion Program. Making tangible progress with its corporate commitments helps to distinguish OXXO's brand and to foster greater loyalty among its customers.

Expanding Inclusion via Partnerships

FEMSA's need to recruit staff aligned with UNHCR's Durable Solutions strategy, which has been integrating refugees into formal employment since 2016 through job placement, school enrollment, access to housing, and other support. FEMSA is now the leading employer of refugees and migrants in Mexico, and according to UNHCR, FEMSA's involvement encouraged about 500 additional companies to adopt similar efforts.

Based on the benefits generated for both the company and refugee and migrant workers, FEMSA is now partnering with the UNHCR and the Tent Partnership to refine, replicate, and scale up the Refugee Labour Inclusion Program in other FEMSA subsidiaries across Latin America.



Endnotes & Sources

In addition to company interviews and focus group discussions conducted in February 2022, and workforce and other company data provided by FEMSA, this study used the following sources:

¹ Echeverría, Mara. 2021. Femsa: su oportunidad para generar valor durante la pandemia <FEMSA (Fomento Económico México SA): An opportunity to create value during the pandemic>. Expansión. June 22, 2021.

<https://expansion.mx/empresas/2021/06/22/femsa-su-oportunidad-para-generar-valor-durante-la-pandemia>

² FEMSA. 2022. "Día Nacional por la Inclusión Laboral: OXXO ofrece empleo a personas en situación de refugio, con discapacidad, migrantes y adultos mayores"<National Day for Labor Inclusion: OXXO offers employment to refugees, people with disabilities, migrants and older adults>. FEMSA. News release: February 28, 2022

<https://www.femsa.com/es/sala-de-prensa/comunicado/dia-nacional-por-la-inclusion-laboral-oxxo-ofrece-empleo-a-personas-en-situacion-de-refugio-con-discapacidad-migrantes-y-adultos-mayores/>

³ This includes workers with official refugee status and those with a temporary visitor card for humanitarian reasons.

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