

# ▶ Research Brief

October 2020

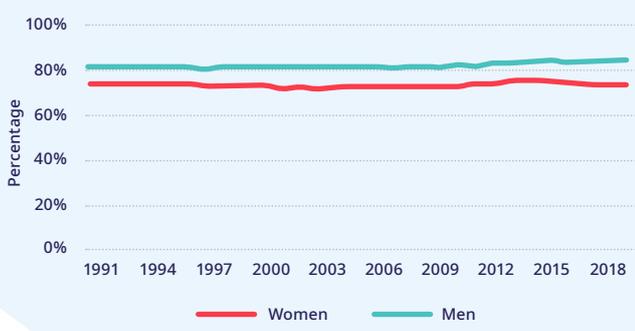
## Leading to Success: The business case for women in business and management in Viet Nam

### ▶ 1. Introduction and overview of Viet Nam

Viet Nam is an emerging economy with a strong industrial manufacturing and services sectors. In 2018, its gross domestic product totaled US\$245.2 billion, of which manufacturing accounted for 16 per cent and services represented over 41 per cent.<sup>1</sup> Important manufacturing sectors include electronics and electrical products, and textiles, clothing and footwear. Key service sectors are banking, education, retail, tourism and telecommunications, among others.

The manufacturing and service sectors provide 17 per cent and 35 per cent of waged jobs, respectively.<sup>2</sup> Viet Nam has a labour force of over 57 million people, and the share of working age women participating in the workforce accounts for 71 per cent, compared to 81 per cent of working age men.<sup>3</sup> Between 1991 and 2019, female employment as a share of the working age population has stayed relatively constant at 71 per cent (figure 1).

**Figure 1. Employment to population ratio (percentage), Viet Nam, 1991–2019, women and men**



Source: ILO Stats (2020).

Viet Nam is facing several challenges resulting from the COVID-19 pandemic. Early on in 2020 the government introduced measures to reduce the risk of transmission including locking down of affected areas, restricting travel and banning mass gatherings. These measures have reduced domestic demand, altered work arrangements, and disrupted supply chains, among others. As a result, economic growth has declined, particularly in key sectors including tourism, manufacturing, retail and sales, and services.

In Viet Nam, the impact of the COVID-19 pandemic has been gendered.<sup>4</sup> Women are over-represented in temporary or part-time employment, and therefore are more at risk of losing their jobs compared to men. Women also comprise the majority of employees in the services sector, which has been particularly hit by restrictions to curb the spread of the virus. While this crisis has highlighted the importance of flexible work arrangements and telework, it has also exacerbated women's double burden in balancing family and work responsibilities.

This country brief demonstrates the business case for gender diversity in management and workplace gender equality in Viet Nam considering the COVID-19 context.<sup>5</sup> The brief highlights findings relevant to Viet Nam and Asia and the Pacific from the International Labour Organization (ILO) report *Women in Business and Management (WIBM): The Business Case for Change*. These findings are complemented by ILO and Investing in Women (IW) research. The WIBM research examined how gender diversity at decision making levels of business improves organizational performance and increases profitability. As part of this, the ILO conducted a global survey with 12,940 enterprises in 70 countries. A total of 2,615 enterprises were surveyed in Asia and the Pacific, representing over 20 per cent of the global

<sup>1</sup> World Bank Group, *World Bank Data* (2020).

<sup>2</sup> Ibid.

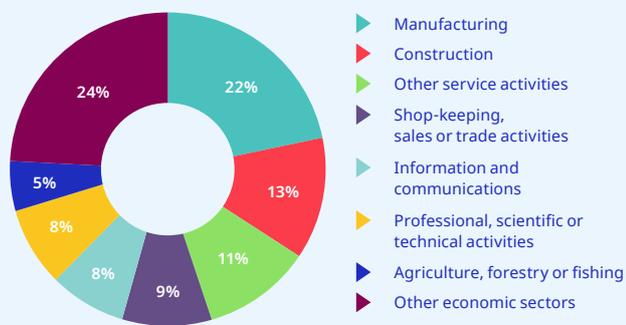
<sup>3</sup> ILO, *ILOSTAT Database* (2020).

<sup>4</sup> IW, *A Rapid Analysis on COVID-19 and Implications for Women's Economic Participation* (May 2020).

<sup>5</sup> This country brief was jointly developed by the International Labour Organization (ILO) and Investing and Women (IW).

In Viet Nam, the survey was conducted with 300 enterprises of different sizes and sectors. Of surveyed enterprises, 44 per cent were small, 36 per cent were large and 20 per cent were medium.<sup>6</sup> The majority of surveyed enterprises (77 per cent) operated at the national or local level, and 23 per cent of enterprises at the multinational level. Most enterprises came from the manufacturing sector (22 per cent), followed by the construction sector (13 per cent) and other service activities (11 per cent) (figure 2).

**Figure 2. Main economic activity of surveyed enterprises in Viet Nam**



**Note:** Other economic sectors refer to sectors accounting for less than 5 per cent individually.

**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change* (Geneva, 2019).

## ► 2. The business case for advancing women in business and management

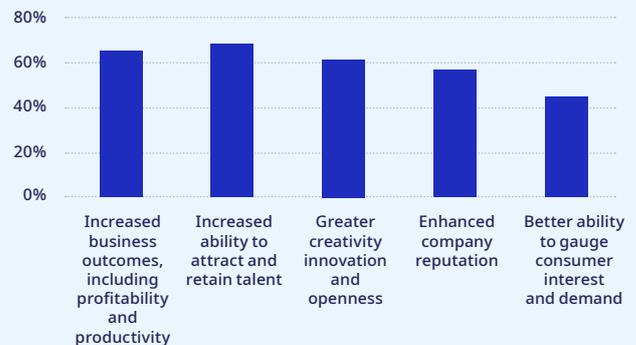
Improving gender diversity in the workplace creates business benefits for enterprises including higher profitability and productivity, increased ability to retain talent, and greater creativity, among others. Enterprises in Viet Nam are faced with talent shortages, which could be addressed by recruiting and advancing more women into management positions.

### 2.1. Gender diversity initiatives enhance business outcomes

The ILO enterprise survey examined whether gender diversity initiatives enhanced business outcomes. Regional survey results revealed that over two thirds of enterprises reported that this was the case. Among enterprises in Asia and the Pacific, medium enterprises (74 per cent) and enterprises in information and communications (73 per cent), financial or insurance activities (71 per cent) and education (70 per cent) sectors were the most likely to report better business outcomes.

Most surveyed enterprises in Asia and the Pacific agreed that gender diversity brings several benefits to their businesses. Of enterprises in the region reporting improved business outcomes, almost 69 per cent reported increased ability to attract and retain talent, 65 per cent reported increased profitability and productivity, 62 per cent reported greater creativity, innovation and openness, 57 per cent said their company's reputation had been enhanced, and 47 per cent reported better ability to gauge consumer interest and demand (figure 3).

**Figure 3. Share of enterprises with improved business outcomes resulting from initiatives on gender diversity and equality, results in Asia and the Pacific**



**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change, op. cit.*

Enterprises reporting better profitability due to gender diversity initiatives experienced quantifiable profit increases. About 28 per cent of enterprises reported profit increases between 5 and 10 per cent, 37 per cent of enterprises reported profit increases between 10 and 15 per cent, and 18 per cent of enterprises reported profit increases between 15 and 20 per cent.

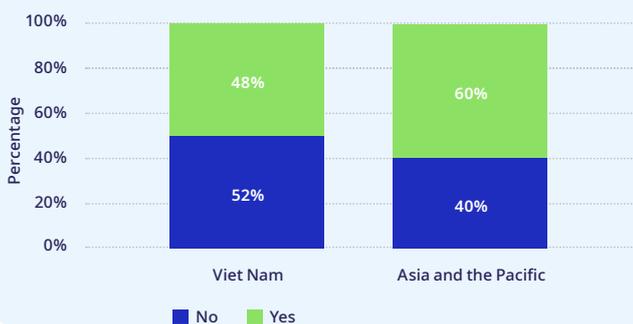
<sup>6</sup>Small enterprises employ between 2 and 100 employees, medium enterprises employ between 101 and 250 employees and large enterprises employ over 250 employees.

Having an equal employment opportunity or diversity and inclusion policy, a gender balanced workforce and a female chief executive officer (CEO) are positively associated with achieving better business outcomes. Enterprises with an equal employment opportunity or diversity and inclusion policy were 38 per cent more likely to have better business outcomes. Enterprises with a gender balanced workforce were 3 per cent more likely to have better business outcomes.<sup>7</sup> Enterprises with women CEOs were 5 per cent more likely to have better business outcomes.

## 2.2. Attracting and retaining skilled staff is challenging

Retention of productive employees is a key human resource challenge because it is difficult and costly to find and attract skilled people. High employee turnover affects enterprises' bottom line, as they need to invest in the hiring, training and development of new team members. Enterprises in the ILO survey were asked whether retention of skilled women was a challenge. Almost half of enterprises in Viet Nam reported that retention of skilled women was challenging, compared to 60 per cent of enterprises in Asia and the Pacific (figure 4).

**Figure 4. Share of enterprises reporting that retention of skilled women is a challenge, results in Viet Nam and Asia and the Pacific**



**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The IW Working Women in Southeast Asia study examined the conditions, policies and practices that influence retention of women. In Viet Nam, 19,000 employees were surveyed across seven enterprises to analyze three factors influencing women's retention, namely, overall job satisfaction; views on fairness and opportunities for career advancement; and work-life balance. This analysis was conducted for sub-groups of employees, including women and men who were married, primary care givers and managers. Analysis of these sub-groups provides insights into the unique challenges faced by women at different stages of their life and career.

In Viet Nam, women were positive about flexible work as a way to support work-life balance. Women managers were generally more satisfied with their jobs relative to women non-managers. Women managers were more likely to believe they were remunerated equally for work of equal value and that career and family were compatible than women at operation levels. This positive outlook was potentially associated with female managers' financial ability to afford domestic help as a way to manage work-life balance, compared to other female employees. Nevertheless, women across all sub-groups valued flexible work options significantly more than men, and appreciated a workplace culture that did not place a premium on facetime. Married women also appreciated flexible work options significantly more than unmarried women.

Violence and harassment at the workplace impact employers' ability to retain talented women.<sup>8</sup> According to IW's Social Norms, Attitudes and Practices (SNAP) survey, women in Viet Nam experience workplace harassment. The SNAP survey was conducted with 2,000 women and men from any sector aged between 18 and 40 years of age in urban Viet Nam.<sup>9</sup> Findings revealed that about one third of surveyed women and men agreed and strongly agreed that women experienced harassment from bosses and peers. In addition, a recent national study<sup>10</sup> investigating sexual harassment in their workplace, schools or public places, found that more than one in ten women (11.4 per cent) have experienced harassment and abuse.

<sup>7</sup> Gender balance is defined as 40 to 60 per cent of either gender.

<sup>8</sup> ILO Convention 190 aims to protect all employees irrespective of their contractual status from workplace violence and harassment. The Convention recognizes that such behavior can constitute a human rights violation or abuse and is incompatible with decent work.

<sup>9</sup> Investing in Women, *Attitudes to Equality: Understanding social norms, perceptions and practices around gender in Indonesia, the Philippines and Vietnam* (2019). The survey was conducted with equal shares of women and men.

<sup>10</sup> MOLISA, GSO and UNFPA (2020), Results of the National Study on Violence against Women in Viet Nam 2019 - Journey for Change.

It is important to understand the factors that impact retention of skilled women. In Viet Nam, women appreciate workplaces that provide flexible work options and that would support them if they were harassed at work. Corporate initiatives addressing these and other factors affecting women's retention could be useful to preserve talent. Some of the ILO surveyed enterprises already implemented gender equality initiatives to address these issues. Of surveyed enterprises in Viet Nam, 63 per cent implemented initiatives for flexible working hours, and 28 per cent implemented initiatives to prevent workplace sexual harassment.

### 2.3. Female talent pool is increasing

While enterprises face an overall shortage of skills and retention challenges, the female talent pool continues to expand. More women graduate from tertiary education than men. In Viet Nam, women account for 54 per cent of total tertiary education graduates.<sup>11</sup> Similarly, in Asia and the Pacific women represent 51 per cent of tertiary education graduates.<sup>12</sup>

Women in Viet Nam are increasingly enrolling in and graduating from short-cycle programmes including higher technical education, technician and vocational training. Between 2000 and 2016, the share of women enrolling in these programs more than tripled from 16 per cent to 60 per cent. Likewise, between 2005 and 2016, the share of women graduating from these programmes more than doubled from 22 per cent to 57 per cent.

Increasingly women are expanding their skills in Science Technology Engineering and Mathematics (STEM) disciplines, which are in high demand by employers. Between 2005 and 2016, the share of women STEM tertiary graduates in Viet Nam almost doubled from 20 per cent to 37 per cent. Similarly, in 2018, women STEM tertiary graduates in Asia and the Pacific accounted for 40 per cent.<sup>13</sup> Even though the majority of STEM tertiary graduates continue to be men, more women are taking up STEM fields and occupations. As a result, in

the long-run enterprises will benefit from a bigger and educated talent pool.

According to IW's SNAP survey, Vietnamese women want to develop their careers and take on additional responsibilities by pursuing roles in senior management. Of surveyed women, 92 per cent hoped to receive a promotion in the next 24 months and 84 per cent wanted to transition into a senior management role. This compares to similar shares of men hoping for a promotion (95 per cent) and ambitious to become senior managers (84 per cent).

Women in Viet Nam are both increasingly better educated and have growing ambitions and aspirations. Better integrating women with STEM skills in the labour market can create long-term benefits for enterprises. Efforts to support and expand the talent pool for women in STEM in Asia and the Pacific are highlighted in box 1 below.

<sup>11</sup> United Nations Educational, Scientific and Cultural Organization – Institute for Statistics (UNESCO-UIS): UIS Data Centre (2020).

<sup>12</sup> ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>13</sup> UNESCO UIS (2020); ibid.

### Box 1.

#### Equal opportunities to access training and its impact on women's career prospects in Viet Nam

Since 2017, the ILO has implemented the Women in STEM workforce readiness and development programme in the Philippines and Indonesia. The programme has provided women workers with critical STEM-related skills to increase women's employability and improve workplace productivity in the Information Technology Business Process Management sector in the Philippines and the automotive and information and communication technology sectors in Indonesia.

The programme in collaboration with enterprises, employers' and business membership organizations facilitated enterprise-led investment in workers' soft skills such as creativity, critical thinking, problem solving, and teamwork. For this, the ILO developed an enterprise-based training programme to upskill women workers and through this ultimately improve their career prospects. The training modules contribute to improve enterprises' productivity and competitiveness and ultimately support private sector-led skills development in high growth industries across Southeast Asia.

Women workers in the aforementioned sectors have been trained using the ILO In Business training tools, which aim to improve soft skills through peer-to-peer learning as a way to support enterprise development. The In Business training methodology guides trainees through practical steps to learn and deepen their knowledge of 15 key soft skills. By reflecting on local examples and sharing existing knowledge and experience, the programme is self-tailored to the needs and interests of trainees.

Following training, an aggregate sample of 91 supervisors of ILO In Business trainees from four large companies in Indonesia and five large companies in the Philippines were surveyed to identify key changes in behaviour and workplace practices among employees as a result of the ILO In Business training. Of surveyed supervisors:

- ▶ Over 73 per cent reported that self-confidence among team members improved;
- ▶ More than 65 per cent reported that the ability of their team to solve problems at work without needing management support improved;
- ▶ Almost 81 per cent said that performance and productivity of their team increased;
- ▶ Over 71 per cent reported that workplace collaboration with team members improved.

There is a significant opportunity to implement the In Business training programme in Viet Nam. According to ILO estimates, 70 per cent of jobs in Vietnam has a high risk of over the next couple of decades. This could particularly impact women who across all industries in Viet Nam are 2.4 times more likely than men to be employed in an occupation at a high risk of automation. The ILO In Business training programme can contribute to fulfilling skills requirements and productivity needs of enterprises in Viet Nam resulting from technological advances.

**Source:** ILO, *ASEAN in Transformation: The Future of Jobs at Risk of Automation* (Bangkok, 2016).

## ► 3. Gender diversity in business and management

Despite having more women in the talent pool, with increasing aspirations for promotions and managerial positions, employers are hiring more men into management and decision-making positions. While enterprises place men in strategic positions allowing for professional growth and promotion, women are placed in positions with reduced chances for career upward mobility. In Viet Nam, stereotypes and traditional views on gender roles restrict women and men to certain positions, and provide men with unequal advantage for promotion.<sup>14</sup>

### 3.1. Women in management

Women's underrepresentation in management positions becomes more prevalent at the highest levels of management. This phenomenon is known as the "leaky pipeline", which is also prevalent across Asia Pacific and the world. While enterprises increasingly place more women into middle and senior management positions, top executive positions are male dominated. Women are less likely to be appointed or promoted into these positions.

The ILO enterprise survey found that women and men are concentrated in different middle and senior management functions. Women were over-represented in support management functions, including human resources and finance and administration. Men are concentrated in management functions deemed strategic such as profit and loss and research and development, which often lead to top and decision-making positions. This phenomenon is known as "glass walls." The over representation of women in support functions limits women's possibilities for upward career mobility, and restricts the talent pool enterprises are able to tap into for candidates to fill top executive, board and CEO positions.

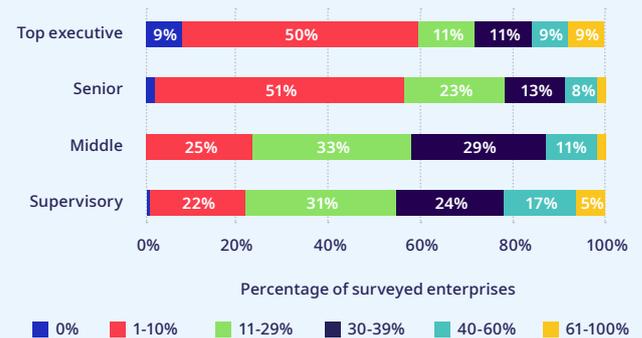
The ILO enterprise survey assessed women's representation at four managerial levels. Of enterprises surveyed in Viet Nam, 63 per cent indicated that women were present at the supervisory management level, 73 per cent confirmed that they had women as middle managers but only 15 per cent answered that women held top executive positions.

Enterprises in Viet Nam were also asked about the shares of women in each managerial level (figure 5). For junior management, the largest share of enterprises

(31 per cent) said that women represented between 11 and 29 per cent of these positions. Regarding middle management, 33 per cent employed between 11 and 29 per cent women middle managers. With respect to senior managers and top executive positions, about half of surveyed enterprises employed both between 1 and 10 per cent women in these roles.

As shown, the share of women in senior management and top executive positions is low relative to the share of women in supervisory and middle management. This is the case even if 80 per cent of enterprises in Viet Nam employed more than 30 per cent of women in their workforce.

**Figure 5. Share of enterprises by proportion of women at supervisory, middle, senior and top executive management levels, results in Viet Nam**

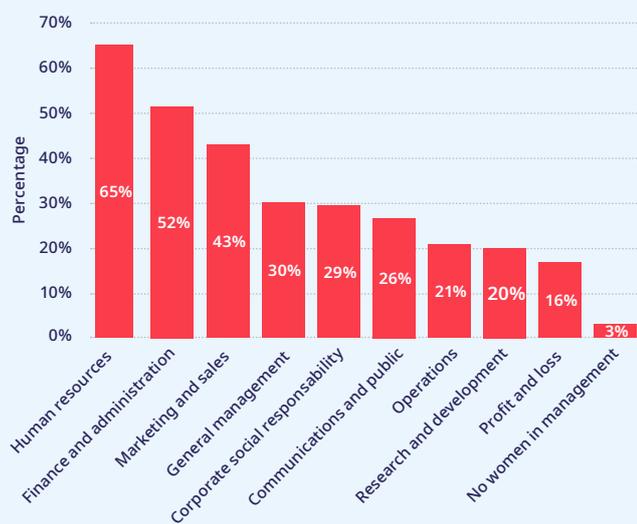


Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The top three areas where most enterprises in Viet Nam employed women middle and senior managers were human resources (65 per cent), finance and administration (52 per cent) and marketing and sales (43 per cent) (figure 6). By comparison, the lowest shares of enterprises with women in functional middle and senior management areas were found in profit and loss (16 per cent), research and development (20 per cent) and operations (21 per cent). This occupational segregation in management functions restricts the number of women that are able to reach senior and top management positions.

<sup>14</sup> United Nations Development Programme, *Women's Representation in Leadership in Viet Nam*

**Figure 6. Share of enterprises with women in functional middle and senior management areas, results in Viet Nam**

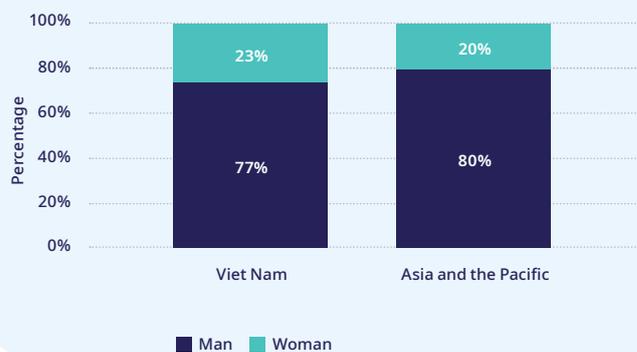


Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

### 3.2. Women CEOs

Enterprises in the ILO survey were asked whether their CEO was a woman or a man. Of Vietnamese enterprises with a CEO, 23 per cent reported having a female CEO, slightly higher than the regional average of 20 per cent (figure 7). This is broadly in line with the World Bank enterprise survey, which revealed that 22 per cent enterprises in Viet Nam had female CEOs.<sup>15</sup> A slightly higher share of medium enterprises (27 per cent) had female CEOs compared to small (23 per cent) and large (21 per cent) enterprises. At the sectorial level, the highest shares of enterprises with female CEOs came from information and communications (33 per cent).<sup>16</sup>

**Figure 7. Gender of CEO in enterprises that reported having a CEO, results in Viet Nam and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

Having a female CEO is positively associated with having a gender balanced workforce, boards and management. Enterprises in Viet Nam with a female CEO were 5 per cent more likely to have gender balanced board of directors relative to enterprises headed by men. Similarly, enterprises in Asia and the Pacific with a female CEO were 17 per cent more likely to have gender balanced workforces. Additionally, enterprises in the region with a female CEO were:

- ▶ Four per cent more likely to have gender balance at supervisory management;
- ▶ Five per cent more likely to have gender balance at senior management; and
- ▶ Three per cent more likely to have gender balance at top executive positions.

### 3.3. Women's representation and leadership on boards of directors

Enterprises need to reach a critical mass of women in top positions in order to reap the benefits of gender diversity. Increasingly enterprises in a number of countries aim to have at least 30 per cent women on boards, as this share represents a critical mass from which point women can impact boardroom dynamics.<sup>17</sup>

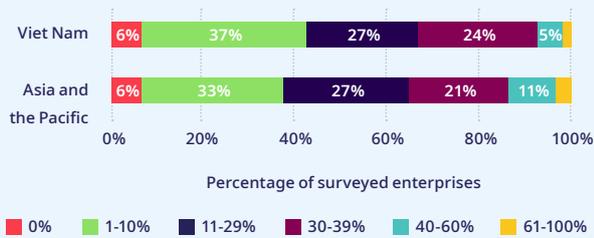
<sup>15</sup> World Bank, *World Bank Enterprise Surveys* (2020).

<sup>16</sup> About 33 per cent of enterprises in other service activities also reported female CEOs.

<sup>17</sup> 30% Club Growth Through Diversity: Who we are (2020). Some countries are following initiatives such as the 30% Club, which is a campaign launched in 12 countries encouraging enterprises to have at least 30 per cent women on boards of directors and senior leadership positions.

About 70 per cent of enterprises in Viet Nam had a board of directors. Of this total, only 5 per cent had attained a gender balanced board of 40 to 60 per cent members of either sex; and 24 per cent reported that women represented between 30 and 39 per cent of board members (figure 8). By comparison, across Asia Pacific, 11 per cent of enterprises reported gender balanced boards and 21 per cent of enterprises reported between 30 and 39 per cent women board members. About 6 per cent of enterprises in Viet Nam and Asia Pacific reported having no women on boards.

**Figure 8. Share of enterprises reporting the proportion of female board members, results in Viet Nam and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The board chairperson oversees the highest standard of corporate governance and is responsible for leadership of the board. Of surveyed enterprises in Viet Nam that had a board, only 16 per cent said the board chairperson was a woman. This is lower than the share of enterprises in Asia and the Pacific reporting a female board chairperson (24 per cent). The highest shares of enterprises with a woman board chairperson came from large enterprises (19 per cent) and those working in manufacturing (26 per cent) and other service activities (25 per cent).

Diverse composition of boards and their leadership affect business outcomes, as shown by enterprises in Asia and the Pacific. More specifically, enterprises with between 30 and 39 per cent of women board members were 6 per cent more likely to have better business outcomes. Likewise, enterprises with gender balanced boards were 12 per cent more likely to have better business outcomes. Additionally, when boardrooms were chaired by a woman, enterprises were 13 per cent more likely to have improved business outcomes.

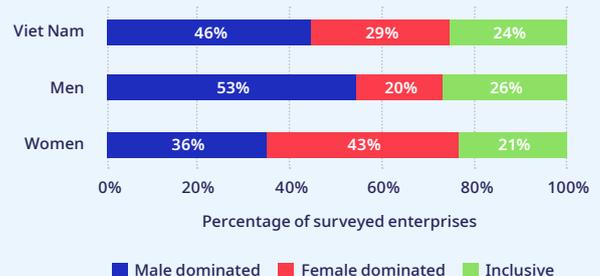
## ► 4. Transforming the wider business environment

Social and cultural factors influence how diversity of experience and thought is valued and workplace gender equality is practiced. However, there are practical ways in which enterprises can support gender diversity and promote an inclusive corporate culture. It is important to reduce gender particularly affecting recruitment and promotion of women, and the gender pay gap in order to address structural differences impacting women and men. Similarly, enterprises can promote flexible work arrangements along with effective human resources management policies and measures to encourage workplace diversity and inclusion.<sup>18</sup>

### 4.1. Shaping a gender inclusive organizational culture

The ILO survey asked enterprises about workplace culture and beliefs and specifically asked whether their corporate culture was inclusive, female dominated or male dominated.<sup>19</sup> Of surveyed enterprises in Viet Nam, 46 per cent said their culture was male dominated, 29 per cent said their culture was female dominated and 24 per cent said their culture was inclusive (figure 9). Surveyed men and women tended to report that their corporate culture was dominated by their own gender. Over 53 per cent of surveyed men reported a male dominated corporate culture, compared to 36 per cent of surveyed women. By comparison, 43 per cent of surveyed women reported a female dominated corporate culture, relative to 20 per cent of surveyed men.

**Figure 9. Assessment of gender diversity in corporate culture, results in Viet Nam by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>18</sup>ILO Recommendation 195 provides policy guidelines on human resources development, education, training and lifelong learning. In particular, the recommendation encourages employers to adopt best practices in human resources development through training provision for women and men.

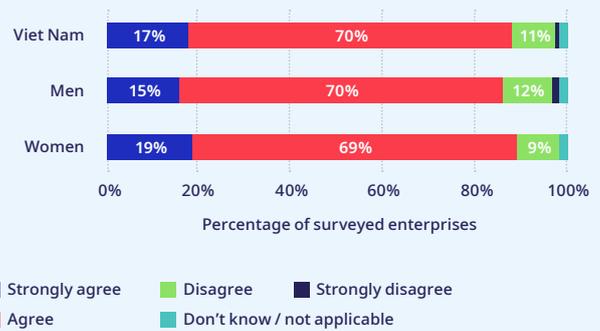
<sup>19</sup>The ILO WIBM report considered a workplace that is gender inclusive when both men and women can generate meaningful change through ideas, decision-making and performance.

Having a gender inclusive environment creates benefits for enterprises due to diversity of experience and thought that men and women contribute. In fact, Asia Pacific enterprises with inclusive corporate cultures were 8 per cent more likely to have better business outcomes. Engaging both women and men in leadership positions, senior and top management and corporate governance helps shape gender inclusive corporate cultures. Further analysis of Asia Pacific survey results reveals that enterprises with a gender balanced board were 6 per cent more likely to have inclusive corporate cultures. However, enterprises without any female board members were 14 per cent less likely to have inclusive corporate cultures and 22 per cent more likely to have male dominated corporate cultures.

Shaping a gender inclusive corporate culture and improving business competitiveness involves eliminating gender bias within an enterprise. As a result of early education, learned behaviors and expectations on gender roles from their families, schools and society, most men and women have unconscious biases towards the opposite sex as well as their own sex. Gender bias impacts the way women and men perceive workplace gender equality, as well as recruitment and promotion, work assignments, training and mobility. Nevertheless, human resources systems and advocacy messages from senior and top management are essential to cultivate gender inclusive corporate cultures.

In Viet Nam, 89 per cent of ILO survey respondents agreed or strongly agreed that their corporate culture mirrors their society and traditions, with women respondents agreeing more strongly than men respondents (figure 10). Additionally, the IW SNAP survey asked respondents whether women and men were treated equally in the workforce. Over 80 per cent of women and men surveyed agreed or agreed with this statement. However, slightly more women (19 per cent) than men (13 per cent) perceived that there was inequality in treatment.

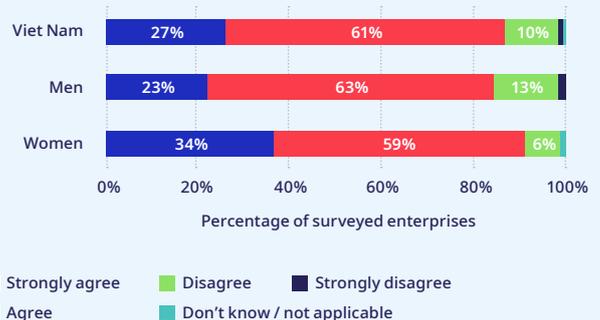
**Figure 10. Share of survey respondents who agreed that their corporate culture mirrors their society and traditions, results in Viet Nam by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

A symptom of gender bias can be found in one of the ILO enterprise survey findings. Eighty-nine per cent of respondents in Viet Nam agreed or strongly agreed that women lead just as effectively as men (figure 11). Nevertheless, there were gendered differences in views. A higher share of women respondents strongly agreed (34 per cent) with this statement compared to men respondents (23 per cent).

**Figure 11. Share of survey respondents who agreed that women lead just as effectively as men, results in Viet Nam by gender**

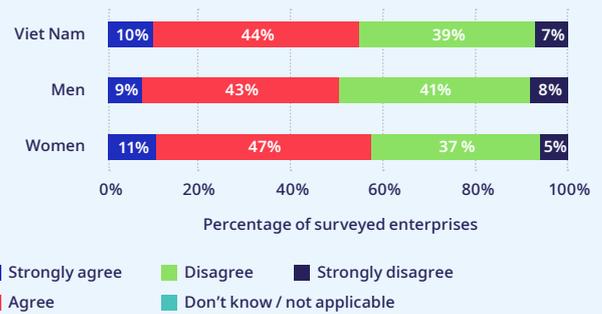


Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The ILO enterprise survey also asked about the challenges that women face to reach top positions. Of respondents in Viet Nam, 54 per cent agreed or strongly agreed that women with equal skills and qualifications to men face greater difficulties reaching top management positions (figure 12). A slightly higher share of women (58 per cent) agreed and strongly agreed with this statement compared to men (52 per cent).

In Viet Nam, a group of enterprises is leading change in the workplace by advocating for gender equality. These enterprises have benefitted from diversity and inclusion in their respective businesses, as shown in box 2 below.

**Figure 12. Share of survey respondents who agreed that women face greater difficulties reaching top managerial positions with equal skills and qualifications, results in Viet Nam by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

### Box 2.

#### The Voice of Workplace Gender Equality in Viet Nam

The Vietnam Business Coalition for Women's Empowerment (VBCWE) was launched in February 2018 through Investing in Women, an initiative of the Australian government, with the purpose of pursuing gender equality in the workplace and women's economic empowerment in Viet Nam.

With the vision of becoming the voice for workplace gender equality in Viet Nam, VBCWE brings together Vietnam's leading private sector employers with significant influence in their fields as well as in the national economy. By the end of 2019, VBCWE had 10 member enterprises from several sectors including finance, food and beverages, and garment, among others. The Coalition has supported seven enterprises to complete gender equality assessments and become certified.

Since joining the Coalition, members have taken steps to improve workplace gender equality and fulfill their commitment to inspire and influence other businesses and communities in Viet Nam. VBCWE members are equipped with knowledge and support to review their policies with a gender lens, particularly focusing on: (i) closing the gender pay gap; (ii) improving female workplace participation; (iii) advancing women into leadership and management positions; (iv) investing in family-friendly working conditions; and (v) ensuring that leaders and managers drive gender equality.

VBCWE also organizes capacity building programs and develops knowledge products on workplace gender equality to support enterprises develop inclusive and diverse workplaces. For instance, in early 2020, VBCWE hosted a course on inclusive and corporate culture for members and clients from the Vietnam Chamber of Commerce and Industry. During the course, participants learned the foundational understanding of social norms, gender equality, women's economic empowerment, and diversity and inclusion.

The Coalition also connects and shares knowledge with like-minded organization in Vietnam such as the International Finance Corporation Gender Business Group, Vietnam Business Council for Sustainable Development (VBCSD) under the Vietnam Chamber of Commerce and Industry, and Institute for Social Development Studies. VBCWE is currently working with VBCSD to adjust and integrate workplace gender equality criteria into the Corporate Sustainability Index 2020. These new criteria will raise enterprises' awareness of and attention to workplace gender equality issues in Viet Nam.

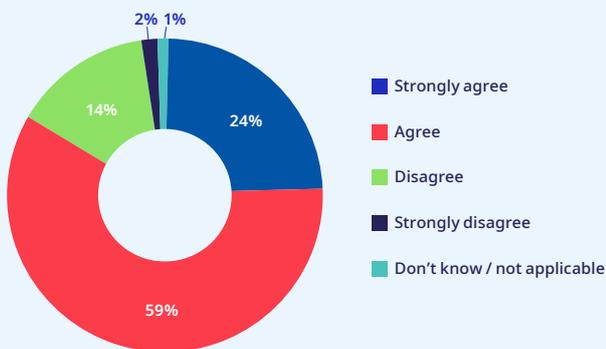
## 4.2. Promoting flexible work arrangements

Unpaid care work is caring for people or doing domestic work without any monetary compensation. This work is divided into two types: nurturing work such as looking after children, nursing a sick partner, and helping old family members, among others; and household work which includes cleaning, cooking, washing, among other maintenance tasks.

Across Asia and the Pacific, women perform 80 per cent of total unpaid care work, equivalent to approximately 4.1 times more time than men.<sup>20</sup> In fact, men in the Asia Pacific region perform the lowest share of unpaid care work of all regions. The IW SNAP survey examined the extent to which Vietnamese women and men contribute to housework. Women are responsible for most of the cleaning, washing and cooking. Only 20 per cent of surveyed men reported taking most of the housework responsibility, compared to 61 per cent of surveyed women.

The requirement of constant availability for work is an aspect of enterprise culture that can challenge women and men’s ability to maintain carry out family responsibilities. With increasing digital connectivity, out-of-hours work is becoming common for many people. This can affect women in Viet Nam more than men as they tend to perform most of the unpaid care work. However, the ILO enterprise survey found that 83 per cent of survey respondents in Viet Nam agreed or strongly agreed that a top-level career implies “anytime, anywhere” availability to work and geographical mobility (figure 13). This approach to work may discourage skilled women from taking on promotions and higher levels of responsibility due to their unpaid care responsibilities relative to men.

**Figure 13. Share of survey respondents who agreed that a top-level career implies “anytime, anywhere” availability to work and geographical mobility, results in Viet Nam**



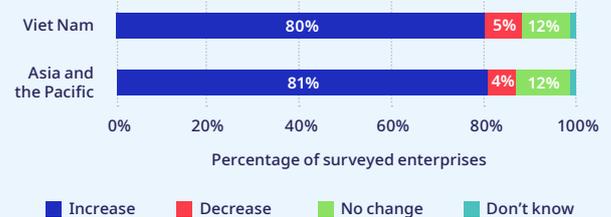
Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

Changing an “always-available” corporate culture can lead to improvements in work-life balance and productivity. Increasingly, enterprises are using new systems and technologies to support flexible and/or remote work arrangements that allow both women and men to carry out their family responsibilities, while creating improving performance and productivity. Flexible work arrangements can be as effective, or even more effective and sustainable, as the “always available” approach.

An IW case study of an enterprise in Viet Nam which underwent a workplace gender equality assessment highlights some of the benefits of flexible work.<sup>21</sup> IW recommended to implement formal flexible work options including work hour changes and work from home arrangements. Most employees at this enterprise perceived that flexible work would create benefits for them and the enterprise. Flexible work would enable employees to better accommodate personal circumstances and preferences, resulting in higher satisfaction and motivation to work. Likewise, work flexibility would also create companywide benefits, including higher work efficiency and productivity.

Enterprises in the ILO survey were asked whether technology had enabled them to provide flexible and/or remote work. About 74 per cent of enterprises in Viet Nam and 77 per cent of enterprises in Asia and the Pacific reported that technology had enabled flexible and/or remote work. Of these enterprises, 80 per cent of enterprises in Viet Nam and 81 per cent of enterprises in Asia and the Pacific reported productivity increases resulting from flexible and/or remote work (figure 14). Enterprises in Viet Nam could further adopt technology as a way to enable remote work for women and men workers while improving performance and productivity.

**Figure 14. Share of enterprises that experienced changes in productivity as a result of flexible and/or remote work or telework, results in Viet Nam and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>20</sup> ILO, *Care Work and Care Jobs: For the Future of Decent Work* (Geneva, 2018). On average across Asia and the Pacific, men perform 1 hour and 4 minutes of unpaid care work daily compared to 4 hours and 22 minutes performed by women.

<sup>21</sup> IW, *Gender Equality Case Studies* (2018).

### 4.3. Reducing the gender pay gap

The factor-weighted gender pay gap calculates the difference in pay between women and men of same characteristics. This indicator considers important determinants affecting wage structures to form sub-groups of comparable women and men including “education”, “age”, “full time versus part time” and “private-sector versus public-sector employment”.

In Viet Nam, the factor weighted gender pay gaps using hourly wages and monthly earnings account for 8 per cent and 11 per cent, respectively.<sup>22</sup> This means that on average men earn between 8 per cent and 11 per cent more than women. Men working in the private and public sector earn 10 per cent and 8 per cent more than women, respectively. Additionally, the gender wage gap among managers accounts for 12 per cent.

The gender pay gap in Viet Nam is not explained by differences between women and men’s education, because in fact women’s educational attainment is higher than that of men. The wage differential largely results from discrimination in hiring and social norms on women’s traditional role in society. This has implications on the perceptions about the types of jobs that women and men can do, and create occupational segregation and undervaluation of functions performed predominantly by women.

It is key that enterprises use a multi-faceted approach to address the gender pay gap. Such approach should delink gender and specific job and/or occupations, and remove gender biases from recruiting. Enterprises should also promote corporate policies for gender equality that facilitate equal pay for work of equal value.<sup>23</sup>

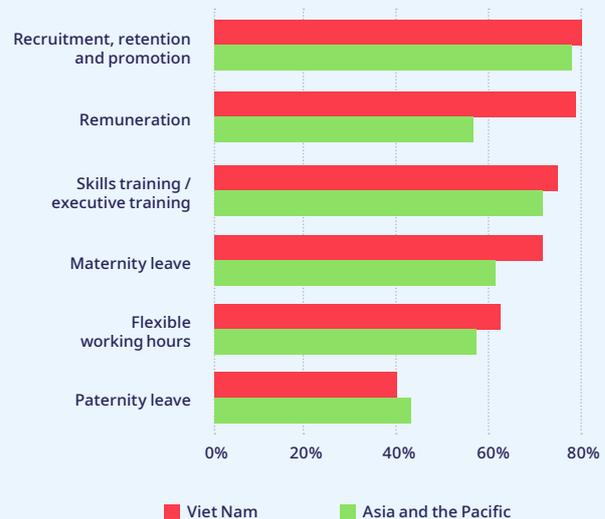
### 4.4. Implementing effective enterprise policies and measures

Cultivating a gender-inclusive corporate culture means having relevant policies in place to enact change. About 72 per cent of enterprises surveyed in Asia and the Pacific have an equal opportunity policy or diversity and inclusion policy in place. Having such policies is associated with employing more women at diverse management levels. Enterprises in the Asia and the Pacific with a diversity and inclusion policy were:

- ▶ Six per cent more likely to have women supervisory managers;
- ▶ Seven per cent more likely to have women senior managers;
- ▶ Fifteen per cent more likely to have women top executives.

Enterprises in the ILO survey were asked about the areas in which they implemented human resource initiatives for gender equality. In Viet Nam, the top three areas were recruitment, retention and promotion (80 per cent), remuneration (79 per cent) and skills and/or executive training (74 per cent) (figure 15). By comparison, the top three areas in Asia Pacific enterprises were recruitment, retention and promotion (77 per cent), skills training/executive training (72 per cent) and maternity leave (61 per cent).

**Figure 15. Share of enterprises with selected initiatives to promote gender equality, results in Viet Nam and Asia and the Pacific**



**Note:** Initiatives in other areas implemented by less than 40 per cent of surveyed enterprises in Viet Nam are not included in the figure. These areas are specific strategy that includes targets for gender diversity and/or inclusion at senior management level; career breaks; mentoring; part-time working hours; remote work or telework; prevention of sexual harassment; re-entry programmes; and child care and/or elder care.

**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

Surveyed enterprises also ranked the effectiveness of human resource initiatives. Enterprises in Viet Nam reported that initiatives with the greatest impact were conducted in the areas of recruitment, retention and promotion; skills training and/or executive training; and flexible working hours.

<sup>22</sup> ILO, *Global Wage Report 2018/19: What lies behind gender pay gaps* (Geneva, 2018).

<sup>23</sup> ILO Convention 100 aims to ensure equal remuneration for men and women workers for work of equal value, so that remuneration rates are established without discrimination based on gender.

## ▶ 5. Conclusion

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Greater gender diversity across different levels of the workforce creates business benefits for enterprises. Improves business benefits, including higher profitability and productivity, increased ability to retain talent, and greater creativity, among others.

In Viet Nam, women have surpassed men in terms of educational attainment, and are expanding their skills in STEM disciplines. They are increasingly well trained and more engaged in the workforce. However, women's career progression including recruitment and promotion, work assignments, training and mobility are impacted by gender bias.

The COVID-19 pandemic has changed the business environment, transformed work arrangements and highlighted differing impacts on women and men. While the crisis has resulted in unexpected challenges, it has also created opportunities to innovate and increase productivity through technology. The following recommendations aim to better integrate and leverage the female talent pipeline:

- ▶ Conduct workplace gender equality assessments that examine human resources data, staff perceptions data and company policies to deeply understand the glass walls and glass ceilings that are barriers to workplace gender equality.
- ▶ Understand and challenge gender bias, as this could affect the roles of women and men at workplaces and home, and impact recruitment and promotion, work assignments, training and mobility.
- ▶ Achieve a gender balanced workforce and appoint more women into senior and top management as well as decision-making positions including CEO and board chairperson. As revealed by the ILO survey, enterprises in Viet Nam led by women were 5 per cent more likely to have a gender balanced workforce relative to enterprises headed by men.
- ▶ Implement initiatives to prevent and address workplace violence and sexual harassment potentially affecting women's retention and overall job satisfaction.
- ▶ Promote flexible work arrangements in order to allow both women and men carry out their family responsibilities and improve their work-life balance. As shown by the ILO survey, 80 per cent of enterprises in Viet Nam experienced productivity increases resulting from flexible and/or remote work. It is key to assess what type of work arrangement fits employees' needs while meeting business demands and increasing workplace productivity.
- ▶ Reduce the gender pay gap, a visible indicator of inequality between women and men, which could influence women's overall job satisfaction and retention. In Viet Nam on average men earn between 8 per cent and 11 per cent more than women. Analyze pay practices to identify pay differences between women and men doing equivalent jobs. Challenge unconscious bias potentially feeding into the gender pay gap and strive for an equitable workplace.
- ▶ Promote enterprise-based training prioritizing the development of soft skills such as creativity, critical thinking and problem solving, which are critical for enterprises to improve workplace collaboration and productivity.

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