



# Impact of COVID-19 on private sector employees in Indonesia – update

The Indonesia Business Coalition for Women Empowerment and Investing in Women commissioned surveys of 300 men and 300 women employees, aged 18 to 60, from large private sector firms in Indonesia. Following the first survey in May 2020, which examined the initial impacts of COVID-19 on employees, the repeat survey in December 2020 sought to understand how the pandemic was affecting employees after almost a year of living with COVID-19.

## Key findings

The COVID-19 pandemic continues to have a significant impact on private sector employees in Indonesia:

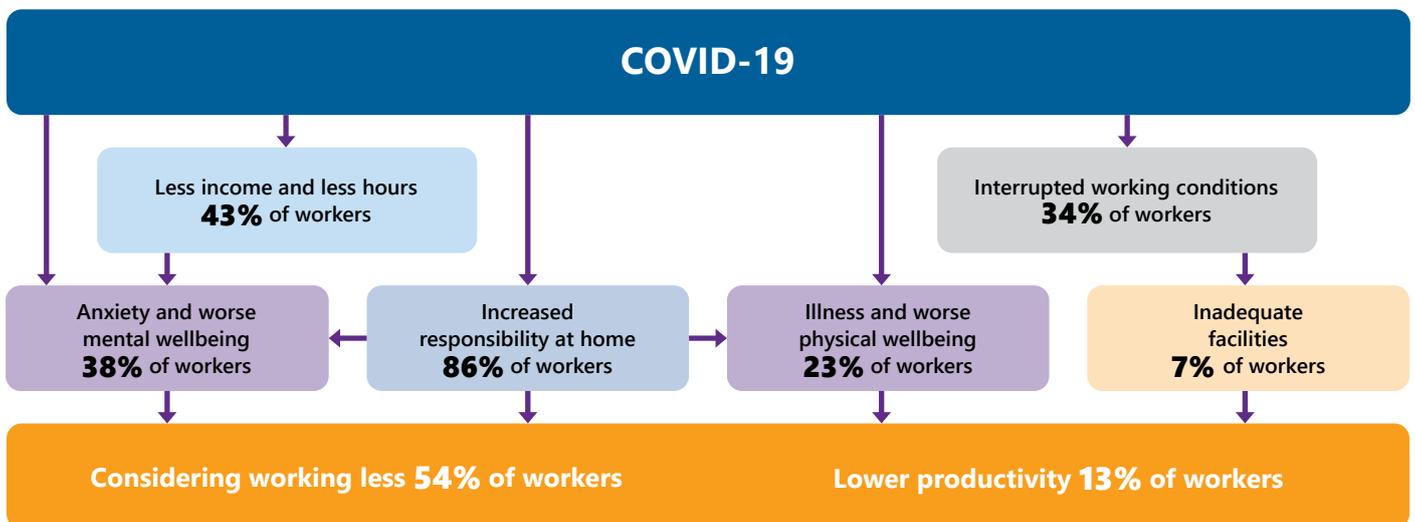
- Workers' productivity has continued to recover since the early impacts of the pandemic. However, in the December 2020 survey, 13% of workers still reported **lower productivity** compared with the pre-pandemic situation, and 54% **were considering working less**, as a result of the negative impacts they have experienced.
- More than a third of workers (38%) reported **worse mental wellbeing**, a slight increase between surveys, and 23% reported worse physical wellbeing, a slight decrease. Older workers reported more resilient mental and physical health than younger employees.
- Employees attributed these negative impacts mostly to anxiety about the situation, financial and family concerns, and exhaustion from increased domestic burdens.
- The majority of women (90%) and men (81%) reported having **more responsibility at home**, for housework and/or caring for children and other relatives.
- Despite some improvement between surveys, 43% of workers are still receiving **lower pay**. Lower-income and less senior workers are more likely to suffer losses in income.

- Almost all impacts of COVID-19 are **worse for service sector** workers, particularly hotel and restaurant workers, whose businesses have been most affected by lockdowns.
- However, four in five employees reported that COVID-19 has also brought positive changes to their work life. Access to **flexible work arrangements** was reported by 54% of women and 49% of men as the **most popular positive change**.
- In this survey, women and men reported that COVID-19 has affected them in similar ways, although women's physical wellbeing has been more impacted due to exhaustion from increased domestic burdens.

## How employers can best support employees:

- Be aware of the range of stressors** affecting workers, especially their mental health, and those resulting from their increased responsibilities at home.
- Provide relevant, targeted support**, including: flexible work arrangements, full and partial paid leave, childcare, technical support to work at home, mental health and stress services, job training and re-skilling.
- Make use of data and analysis** to better understand and address workforce needs, particularly for those employees most affected.
- Communicate with employees** about the support offered and respond to workers' concerns about the future of the business and their job security.

Figure 1: Overview of the impact of COVID-19 on workers in Indonesia



# Results and analysis

## 1. Impact on workers' jobs and income

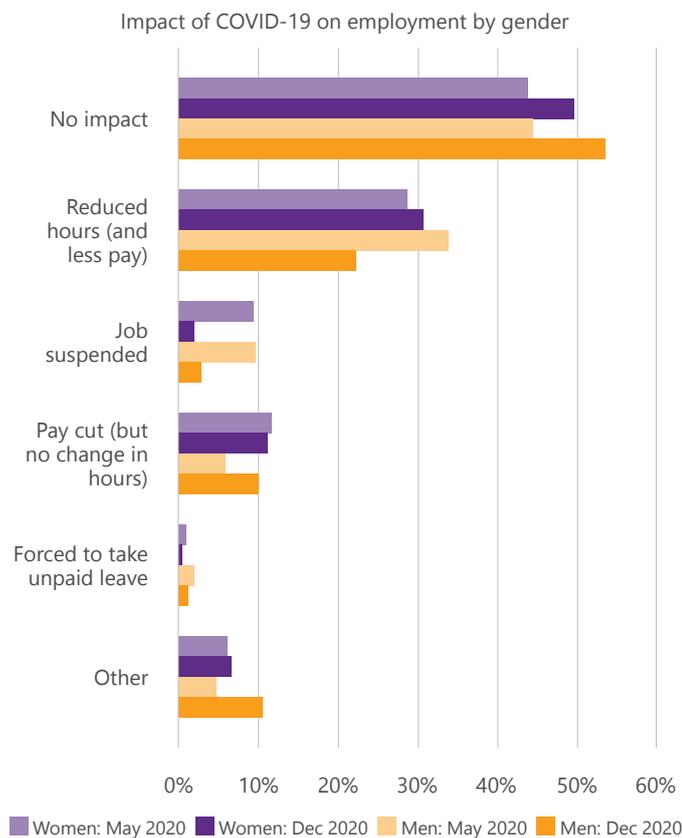
A number of improvements for workers were reported between the first survey in May 2020 and the second in December 2020. For example, many workers who had their jobs suspended are working again, and fewer have been forced to take unpaid leave.

Although the proportion of workers experiencing a negative impact on their work fell slightly between May and December 2020, for those who remained employed, 44% of women and 36% of men reported still experiencing lower pay, including reduced hours for 33% of women and 26% of men.

Lower-income and less senior workers are still more likely to experience negative impacts on their hours and incomes. For example, 57% of the lowest-income workers had reduced incomes, compared with 47% of high-income earners.

Recovery has been better for primary and manufacturing workers, but all hotel and restaurant workers surveyed are experiencing negative impacts on their hours and incomes (and these workers are twice as likely to be women).

Figure 2: Has COVID-19 changed your employment status?

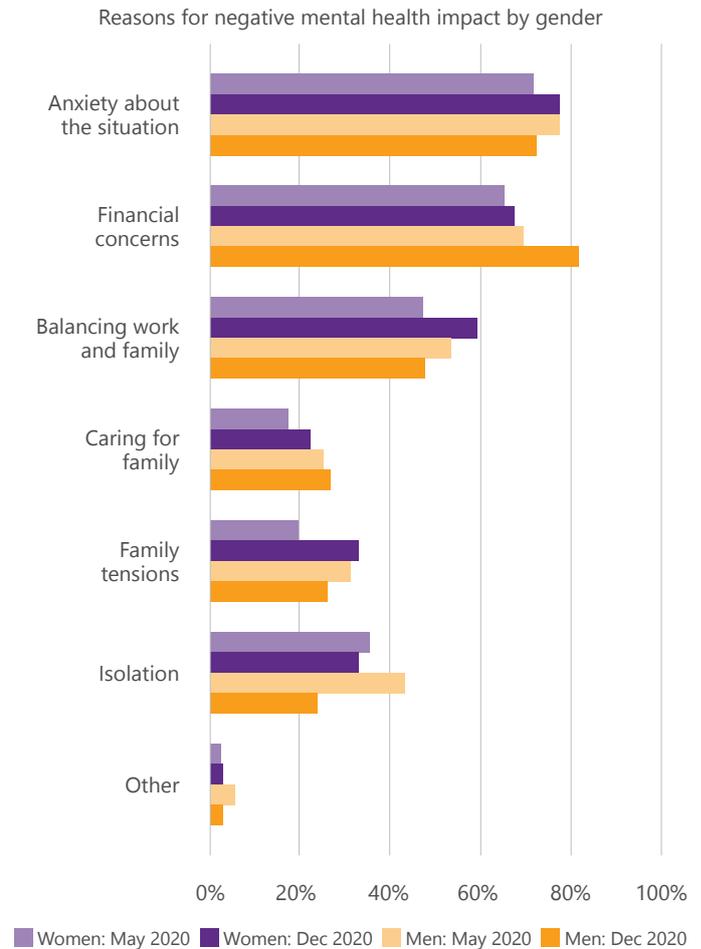


Note: 'Other' includes impacts such as 'Already not working', 'Changed role', 'Job terminated', and 'I resigned'.

## 2. Impact on workers' wellbeing

The pandemic continues to have a significant effect on workers' mental and physical wellbeing, making this a priority area for employers to ensure policies and practices support their workforce.

Figure 3: Why has your mental health been negatively impacted?



The December 2020 survey showed that mental health remains a challenge for 36% of men and 40% of women. Physical health is also a concern for 27% of women and 19% of men.

Anxiety about the situation is affecting more than 70% of workers. Along with financial and family concerns, it remained in the top reasons for the negative impact on workers' mental wellbeing. Financial concerns have increased as a source of stress for men.

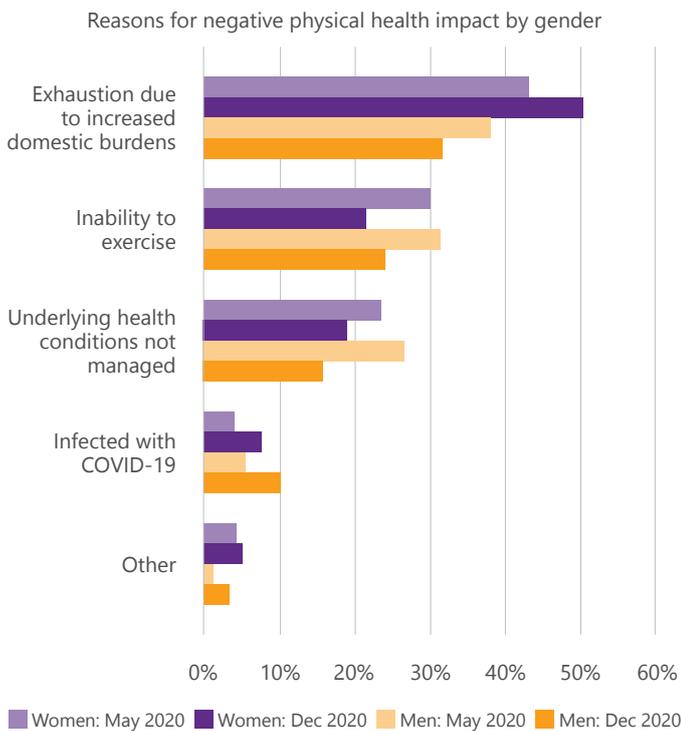
Increased responsibilities at home have had the greatest impact on physical health, with women especially impacted as the pandemic persists.

Balancing work and family, and family tensions, have further increased as sources of mental distress for women, and exhaustion due to increased domestic burdens has also increased to become a cause of physical distress for half of the women surveyed. Nearly a third of men also reported this as a source of physical distress.

Older workers reported more resilient mental and physical health in the December 2020 survey.

For example, for workers aged 45–60 years, 24% experienced a negative impact on their mental health and 13% on their physical health. By contrast, for workers aged 25–34 years, twice as many were affected, as 49% felt an impact on their mental health and 27% on their physical health.

**Figure 4: Why has your physical health been negatively impacted?**



Workers reported the impact of being isolated had reduced, but still affects the mental wellbeing of 34% of women and 24% of men.

As the survey data does not include informal workers or those who have lost their jobs, it seems likely that the mental and physical health of the Indonesian workforce has been affected to an even greater extent.

### 3. Impact on workplace and home conditions

The survey showed that two-thirds of workers have now returned to their original workplaces. Workers in the service sector are the most likely to be working from home.

In the May 2020 survey, 52% of workers were able to work from their original workplaces. By December 2020, this had increased to 66% of workers.

Service workers are most likely (32%) to be working from home, especially in information media and communications technology, or the public service. This is in line with the experience of other countries and reflects the fact that these types of jobs are easier to do from home.

Women are only slightly more likely to be working from home, and in December 2020 there was no difference in work location between parents and non-parents.

Almost one-third of women and men reported spending more time on schooling of children compared with their circumstances before the pandemic. A small but growing share of women reported their responsibilities for childcare had increased since the onset of the pandemic (9% in December 2020, compared with 5% in May 2020).

There was also a small increase reported by workers spending more time caring for adults and sick relatives.

### 4. Impact on workers' productivity and decisions to work less

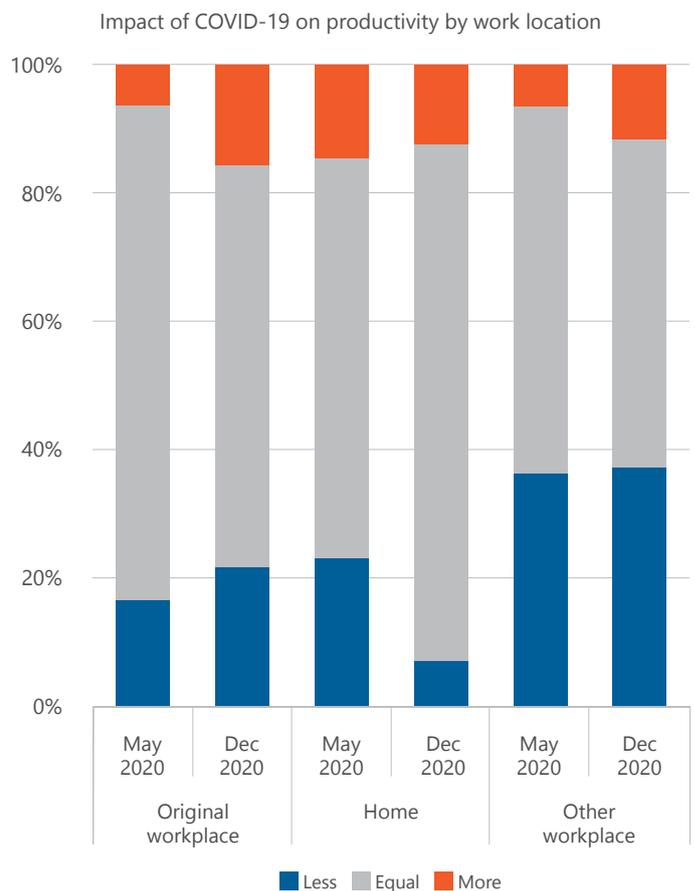
Workers' productivity has continued to recover since the early impacts of the pandemic, although 13% still reported they are less productive since the onset of COVID-19.

A strong majority of 87% of workers reported in the December 2020 survey that they have been equally or more productive than before the pandemic, compared with 79% in May 2020. Those working from home reported higher productivity ratings than other workers.

For the 13% of workers who have reported lower productivity, anxiety about the situation remains the main reason, particularly for 72% of men in this situation, and 53% of women. Approximately half of the workers experiencing lower productivity also had to deal with inadequate facilities.

Housework and caring responsibilities detract more from the productivity of those working in their original workplaces than those working from home.

**Figure 5: Has COVID-19 impacted your work productivity?**



In December 2020, more than 50% of workers were considering working less as a result of the pandemic, including reducing their work hours, taking leave of absence, or stopping work.

This trend is particularly affecting at least two-thirds of workers who are experiencing negative mental or physical health impacts, and also those with increased household caring responsibilities (58% of parents are considering working less versus 49% of non-parents).

Workers in hotels and restaurants are most likely to be considering working less, followed by construction and utilities workers, and professional services workers.

Men are slightly more likely than women to be considering working less (56% versus 51%). This contrasts with the trend in many other countries for more women to be leaving work as a result of increased home responsibilities. This difference might be explained by women having already left the workforce in larger numbers than men, and thus not being captured by this survey of employees.

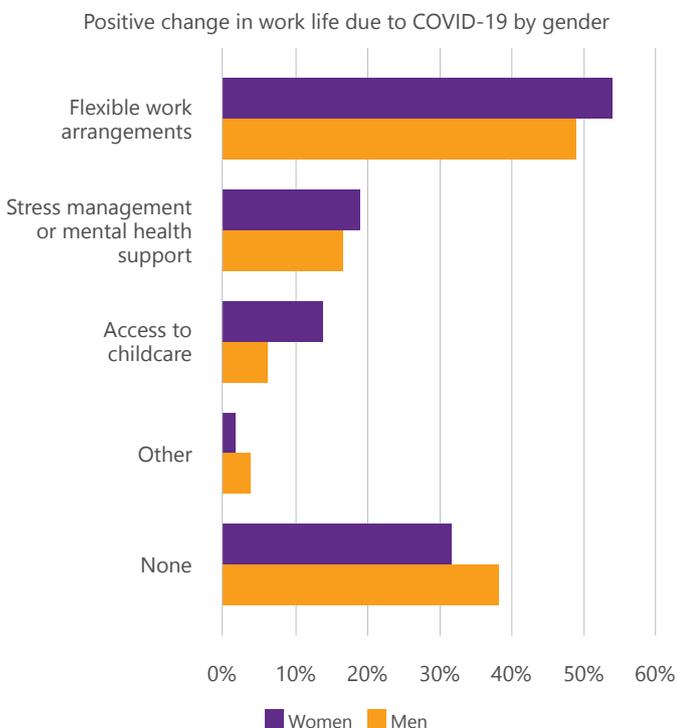
## 5. Positive changes and support to workers

The majority of men and women reported that COVID-19 has also brought positive changes to their work life and believe these changes will persist.

Access to flexible work arrangements was reported by 54% of women and 49% of men as the most popular positive change. Other popular changes were support for stress management or mental health, and access to childcare.

The December 2020 results showed that both men and women experienced a significant increase in access to all types of employer support, compared with May 2020.

**Figure 6: Did you experience any positive changes in your work life as a result of COVID-19 that you would like to continue?**



After access to personal protective equipment, the most common form of support offered by employers was flexible work arrangements.

Employee take-up of employer support was very high, with over 80% of employees in firms offering flexible work arrangements choosing to access this support.

However, there were still many firms not offering popular forms of support, such as flexible work, personal protective equipment, full and partial paid leave, technical support to work at home, COVID-19 testing and treatment, and job training and re-skilling.

In some cases, workers may not have been aware that popular forms of employer support were available, as firms were not actively communicating these policies to workers. For example, only 45% of firms offering flexible work arrangements had communicated the policies to their workers.

**Figure 7: During the COVID-19 crisis, has your company actively communicated any of the following information to the employees?**

