

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

The Vietnam Business Coalition for Women’s Empowerment and Investing in Women commissioned surveys of 300 men and 300 women employees, aged 18 to 60, from large private sector firms in Vietnam. 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 Vietnam:

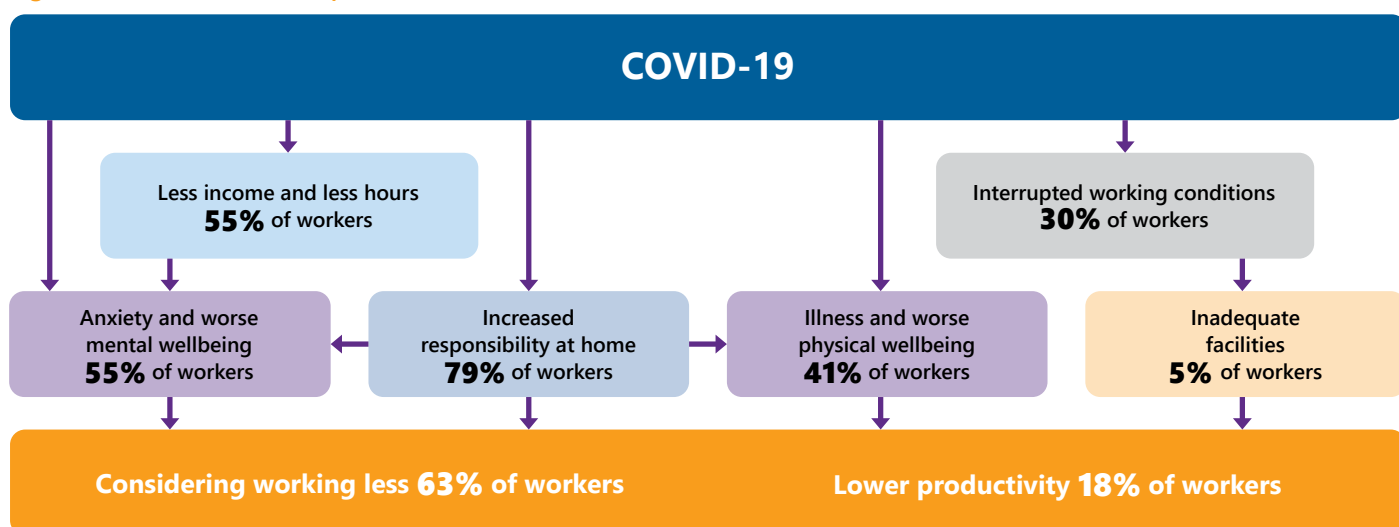
- Workers’ productivity has continued to recover since the early impacts of the pandemic. However, in the December 2020 survey, 18% of workers still reported **lower productivity** compared with the pre-pandemic situation, and 63% were **considering working less**, as a result of the negative impacts they have experienced.
- Over half (55%) of workers reported **worse mental wellbeing**, and 41% of workers reported **worse physical wellbeing**, both increases compared with the May 2020 survey. 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, as well as exhaustion from increased domestic burdens and inability to exercise.
- The majority of women (82%) and men (77%) report having **more responsibility at home**, for housework and/or caring for children and other relatives.

- Despite some improvement between surveys, over half of workers (55%) are still receiving **lower pay**. Younger, 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, over half of employees reported that COVID-19 has also brought positive changes to their work life. Access to **flexible work arrangements** was reported by 61% of women and 55% of men as the **most popular positive change**.
- In this survey, women and men reported that COVID-19 has affected them in similar ways.

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 Vietnam



Results and analysis

1. Impact on workers' jobs and income

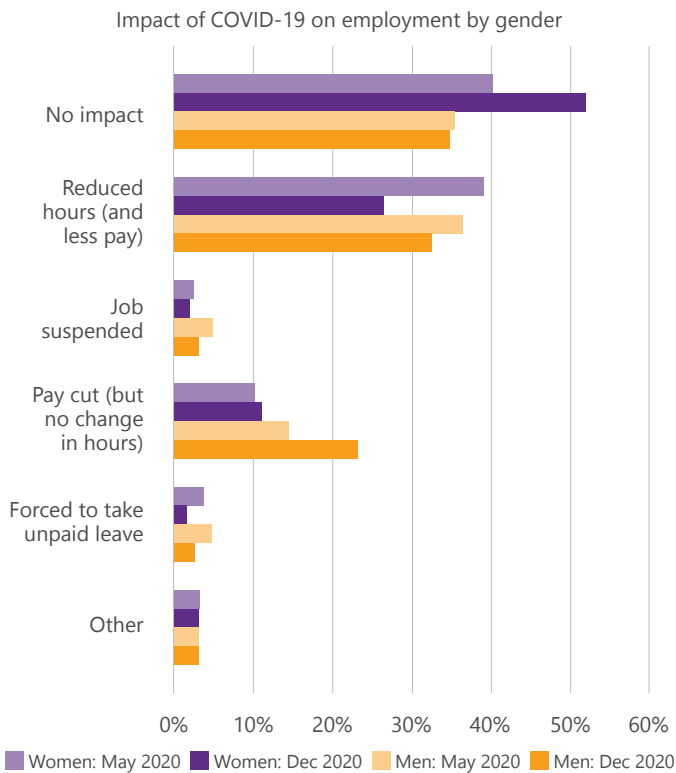
A number of improvements were reported between the surveys in May 2020 and December 2020. These were mainly reported by women, driven by a recovery in women's work hours.

Although the proportion of women experiencing a negative impact on their work fell from 59% in the May 2020 survey, to 46% by December 2020, for men it remained steady at 63% between surveys. For those who remained employed, 45% of women and 62% of men are still experiencing lower pay, including reduced hours for 31% of women and 39% of men.

Lower-income, less senior, and younger workers are still more likely to experience negative impacts on their hours and incomes. For example, 68% of the lowest-income workers had reduced incomes, compared with 51% of high-income earners. For younger workers, those aged 18–24 years were more likely to experience lower incomes (67%) in relation to their pre-pandemic income, compared with 48% of workers aged 45–60. Workers in the manufacturing and services sectors were more likely than primary sector workers to experience a negative impact on their employment in May 2020. By December 2020, there were no significant differences between sectors and around half of workers in each sector were still affected.

Within the services sector there were large differences. Hotel and restaurant workers have been most severely affected, with 68% still reporting a negative impact in December 2020 (down from 82% in May 2020). These workers are more likely to be women. Public service workers also appear to be severely impacted, with 64% reporting a negative impact in December 2020, down from 86% in May 2020.

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

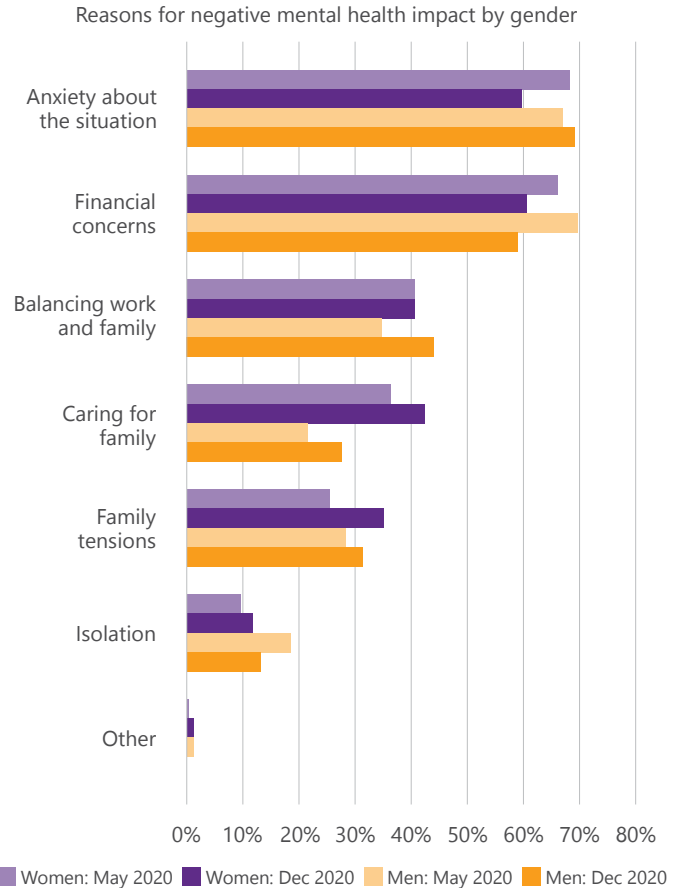


Note: 'Other' includes impacts such as 'Already not working', 'Changed role', 'Job terminated', and 'I resigned'.

2. Impact on workers' wellbeing

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

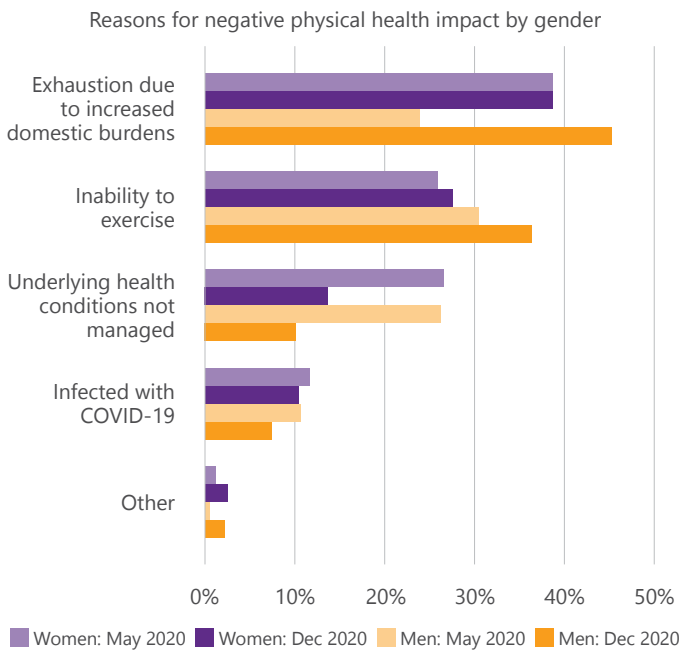
Figure 3: Why has your mental health been negatively impacted?



The December 2020 survey showed that mental health has worsened and remains a challenge for 55% of workers, an increase from 49% in May 2020. Physical health has also been further impacted and is now reported as a concern for 41% of workers, also an increase from 34% reported in May 2020. Anxiety about the situation is affecting 60% of women and 69% of men, and remains the top reason for the negative impact on workers' mental wellbeing. This is closely followed by financial concerns for 61% of women and 59% of men. Balancing work and family, caring for family, and family tensions, have increased as sources of mental distress as the pandemic persists. Mental health has deteriorated for low-income workers, but has been more stable for middle-income and high-income workers. This could reflect the fact that workers with lower incomes have fewer financial reserves to withstand an extended period of reduced income. Exhaustion due to increased domestic burdens for 39% of women and 45% of men, and inability to exercise for 37% of men and 28% of women, were reported as the highest causes of negative impact on physical health. Both causes increased for men between surveys, but remained stable for women.

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

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



For example, for workers aged 45–60 years, 39% experienced a negative impact on their mental health and 37% on their physical health. By contrast, for workers aged 18–24 years, the effects were much higher for mental wellbeing, with 63% reporting an impact on their mental health (increased from 44% in May 2020), and an equivalent 37% reporting an impact on their physical health. All age groups reported some increase in the impact on their physical health, and likewise for mental wellbeing (except those aged 35–44 years remained stable at just over half of workers affected).

Service workers have worse mental health (60%) and physical health (49%) compared with workers in other sectors. This likely reflects the fact that these workers have been more likely to experience negative changes to their work hours and income, as well as disruptions to their usual work locations.

Workers report the impact of being isolated has reduced, but still affects mental wellbeing of 12% of women and 13% 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 workforce in Vietnam has been affected to an even greater extent.

3. Impact on workplace and home conditions

Some workers are still working from home, especially women and parents. The proportion of workers at home and at their original workplaces largely remained unchanged between the May 2020 and December 2020 surveys.

By December 2020, 63% of women and 77% of men were able to work from their original workplaces. This represented a small decrease for women and a small increase for men. Some men and non-parents who had been working from home in May 2020 returned to their original place of work, but most women and parents who had been working from home in May 2020 were still working from home in December 2020.

Service workers, especially professionals, are still slightly more likely to work from home. More senior workers (senior managers and technical experts) are also more likely to work

from home. This aligns with the experience of other countries and reflects that these types of jobs are easier to do from home.

A total of 82% of women and 77% of men reported in December 2020 that they were devoting more time to home and family responsibilities compared with pre-pandemic.

Over half of women (57%) reported they have had to increase their time required for childcare, and just under half (46%) of women have increased their time devoted to children’s schooling. For men in the December 2020 survey, just under half (44%) reported an increase in their childcare responsibilities, and similarly 43% reported an increase in their time spent on children’s schooling. These increases have occurred even though schools have remained open during both survey periods.

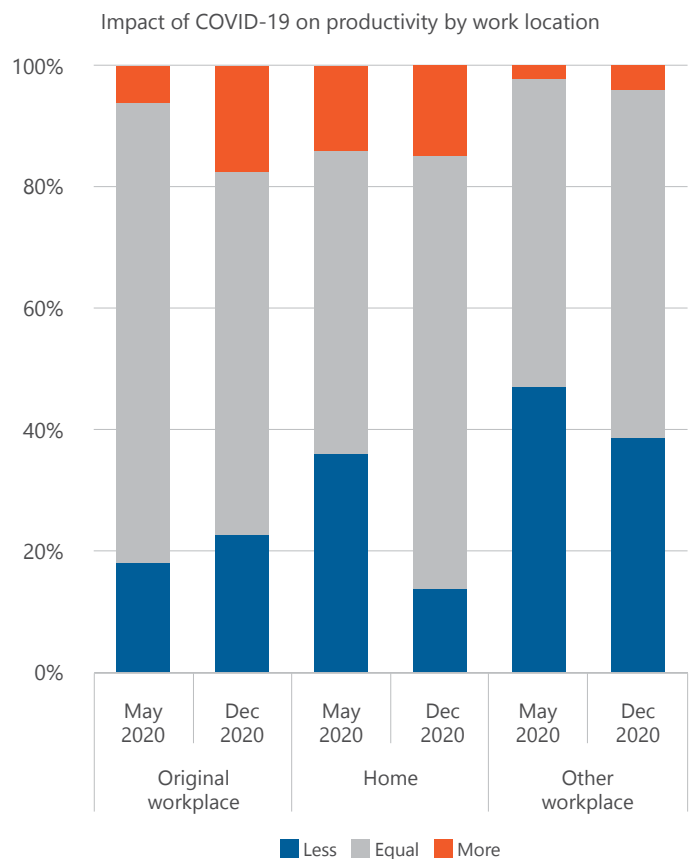
As the pandemic has progressed, women have become more likely than men to take on these additional responsibilities. Other data also show that women were already spending more time than men on childcare and schooling pre-COVID-19.

4. Impact on workers’ productivity and decisions to work less

Workers’ productivity has continued to recover since the early impacts of the pandemic, although 18% of all workers still reported they are less productive since the onset of COVID-19.

A strong majority of 82% of workers reported in the December 2020 survey that they have been equally or more productive than before the pandemic, compared with 74% in May 2020. Working from home has not led to lower productivity, but working at a new location has lowered productivity for 39% of workers.

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



For the 18% of workers who have reported lower productivity, anxiety about the situation remains the main reason for 74% of men in this situation, and 69% of women.

The productivity of a third of women was impacted by both household and caring responsibilities. For men, slightly less than a third reported their productivity was affected by household responsibilities in December 2020.

In December 2020, the survey showed that 63% of workers were considering working less, as a result of the pandemic, including reducing their work hours, taking leave of absence, or stopping work.

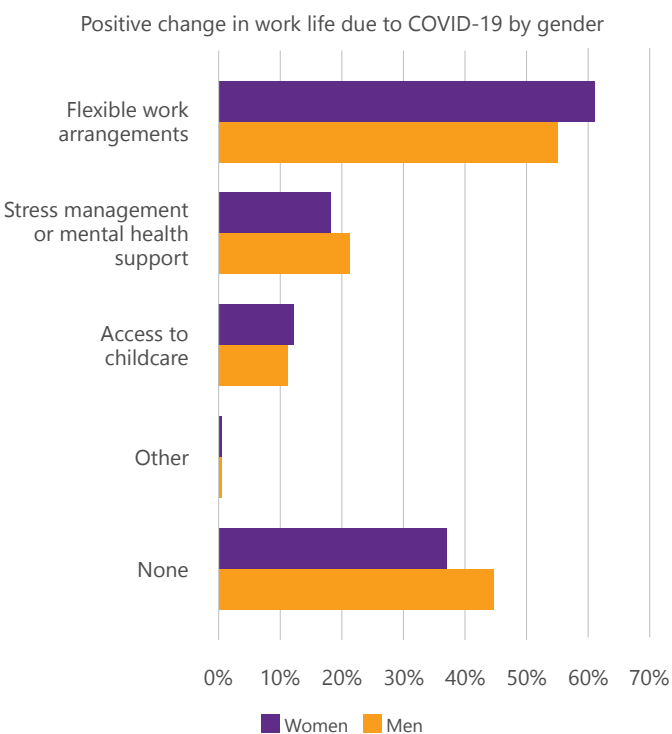
Overall, two-thirds of workers are considering working less, with men slightly more likely (69%) than women (57%) in this situation. In contrast, data from many other countries show that women are more likely to drop out of the workforce than men to meet the higher domestic burdens due to COVID-19. Also, many women have already left the workplace and so are potentially not captured in this survey of employees.

Those who are experiencing negative mental or physical health impacts are significantly more likely to consider working less. Three-quarters (77%) of workers experiencing negative mental health and 84% experiencing negative physical health impacts are considering working less, especially reducing hours, taking a leave of absence, or doing a less demanding job.

A total of 64% of workers who have experienced increased caring and other responsibilities at home are also more likely to be considering working less. Women are slightly more likely than men to have experienced this increase (75% versus 66%).

Service workers are more likely to be considering working less (68%), especially those in hotels and restaurants (88%), as these workers have been more likely to experience negative changes to their work hours and income, as well as negative impacts on their mental and physical wellbeing.

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



This contrasts with manufacturing workers (52%) and primary workers (47%) who are considering working less.

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 61% of women and 55% of men as the most popular positive change. Other popular changes were availability of paid leave, access to personal protective equipment, and technical support to work at home.

The December 2020 survey showed that both men and women experienced a significant increase in access to all types of employer support compared with May 2020. The most common forms of support offered by employers to 52% of workers were flexible work arrangements, and access to personal protective equipment.

However, there were still many employers not offering popular forms of support. For example, only 26% of firms offered full paid leave, 31% offered partial paid leave, and 21% offered technical support to work at home.

Employee take-up of employer support of all types was high, with 77% of women and 70% of men in firms offering flexible work arrangements choosing to access this support.

Flexible work was most popular with service workers, especially professional service and public service workers who are most able to work from home or work non-standard work hours.

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. For example, only 54% of firms offering flexible work arrangements and 41% of firms with paid leave policies had communicated these policies to workers.

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

