

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

The Philippine 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 the Philippines. 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 the Philippines:

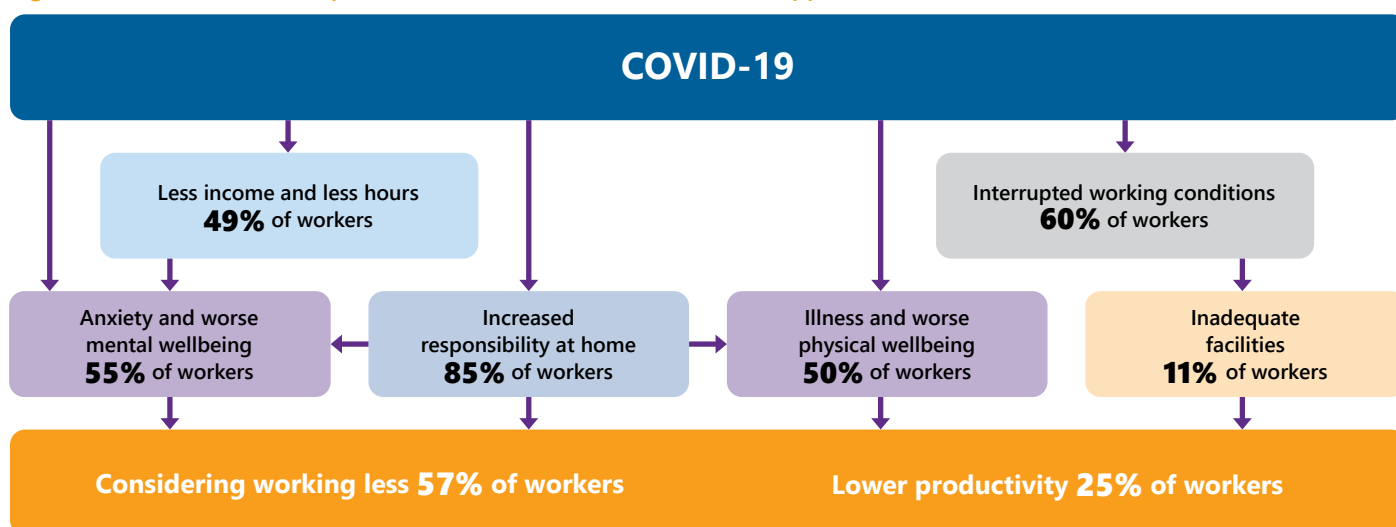
- Workers' productivity has continued to recover since the early impacts of the pandemic. However, in the December 2020 survey, 25% of workers still reported **lower productivity** compared with the pre-pandemic situation, and 57% were **considering working less**, as a result of the negative impacts they have experienced.
- Over half (55%) of workers reported **worse mental wellbeing**, and 50% 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 for women from increased domestic burdens and inability to exercise for men.
- The majority of women (89%) and men (81%) report having **more responsibility at home**, for housework and/or caring for children and other relatives.
- Despite some improvement between surveys, almost half of workers are still receiving **lower pay**. Lower-income and less senior workers are more likely to suffer income losses.

- 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. Across the Philippines, 77% of female workers and 46% of male workers are in the service sector.
- However, two-thirds of employees reported that COVID-19 has also brought positive changes to their work life. Access to **flexible work arrangements** was reported by 56% of women and 61% 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 the Philippines



Results and analysis

1. Impact on workers' jobs and income

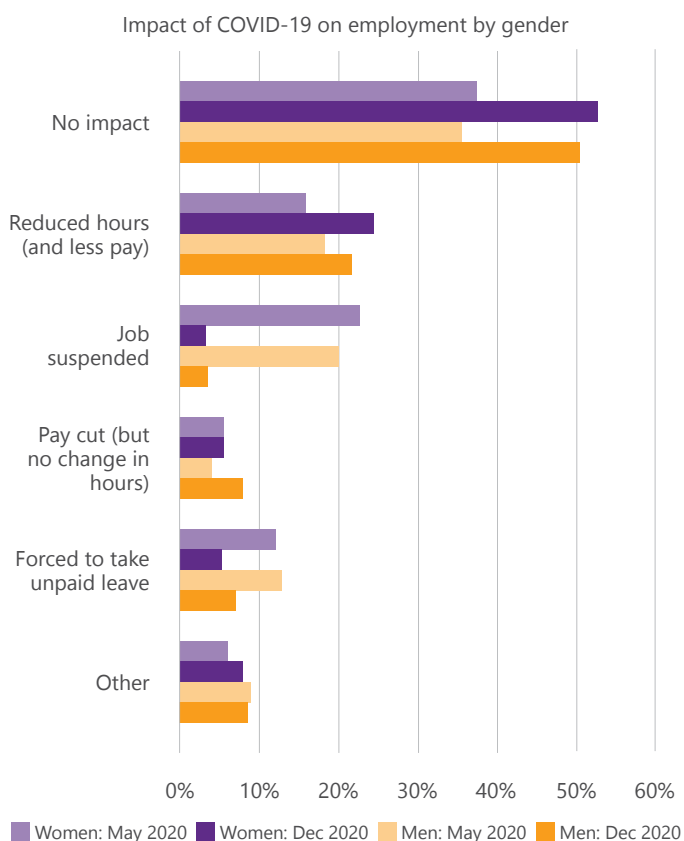
A number of improvements for workers were reported between the first survey in May 2020 and the second in December 2020. For example, many workers who had their jobs suspended are working again; however, some are still experiencing lower hours and pay.

Although the proportion of workers experiencing a negative impact on their work fell from 59% in the May 2020 survey, to 41% for women and 43% for men by December 2020, for those who remained employed, 40% of women and 41% of men are still experiencing lower pay, including reduced hours for 34% of women and 33% of men.

Lower-income and less senior workers are still more likely to experience negative impacts on their hours and incomes. For example, 49% of the lowest-income workers had reduced incomes, compared with 28% of high-income earners.

Around two-thirds of workers in hotels and restaurants, and trade and transport, are still experiencing negative impacts on their hours and incomes (and these workers are more likely to be women). Conditions for construction workers improved the most dramatically, most likely due to the lifting of enhanced community quarantine (ECQ) and the resumption of construction projects.

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

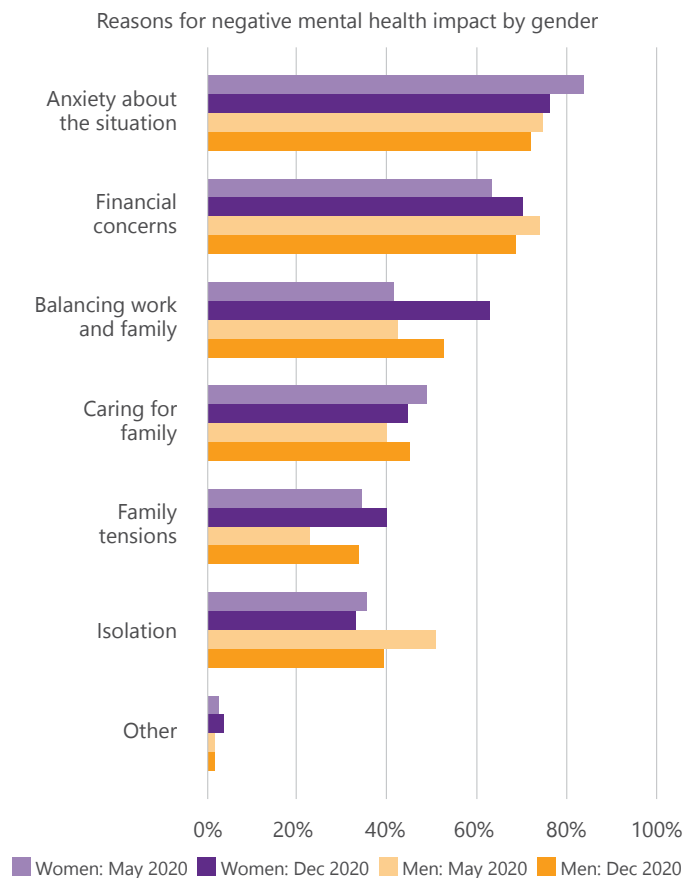


Note: 'Other' includes impacts such as 'Already not working', 'Changed role', 'Job terminated', and 'I resigned'.

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?

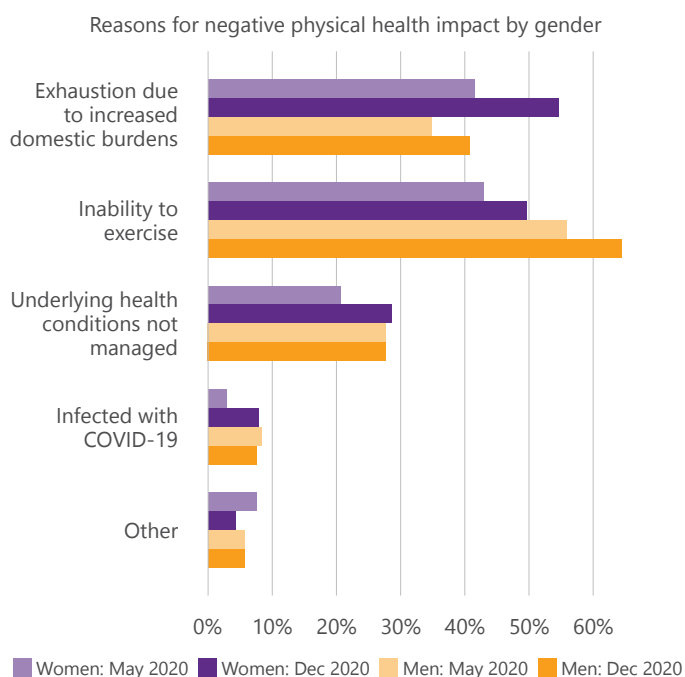


The December 2020 survey showed that mental health has worsened and remains a challenge for 53% of men and 56% of women. Physical health has also been further impacted and is now reported as a concern for 50% of women and 49% of men. Anxiety about the situation is affecting 76% of women and 72% of men, and remains the top reason for the negative impact on workers' mental wellbeing. This is closely followed by financial concerns for 70% of women and 68% of men. Significant increases in mental distress for both men and women as the pandemic persists were seen to be coming from challenges balancing work and family, and also family tensions. Mental health has deteriorated for low-income and middle-income workers, but has been more stable for 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 55% of women and 41% of men, and inability to exercise for 64% of men and 50% of women, were reported as the highest causes of negative impact on physical health.

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, 36% experienced a negative impact on their mental health and 28% on their physical health. By contrast, for workers aged 18–24 years, the effects were much higher, with 79% reporting an impact on their mental health and 42% on their physical health.

Workers report the impact of being isolated has reduced, but still affects the mental wellbeing of 33% of women and 39% 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 the Philippines has been affected to an even greater extent.

3. Impact on workplace and home conditions

Workers are gradually returning to their original workplaces, especially in the primary and manufacturing sectors, but less so in the services sector, where 57% of workers are still working from home or another location.

In the May 2020 survey, 28% of workers were able to work from their original workplaces. By December 2020, this had increased to 40% of workers. Some workers – particularly in hotels and restaurants, and construction – are working in a new location, usually one set up by their employer.

Service workers are most likely to be working from home, especially in professional services, 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.

A total of 89% of women and 81% of men report devoting more time to home and family responsibilities compared with pre-pandemic.

Almost half of women report they have had to increase their time required for childcare and a third of women have increased their time devoted to children's schooling. For men in the December 2020 survey, a slightly lower percentage (37%) reported an increase in their childcare responsibilities, but 22% experienced more time spent on children's schooling.

However, it is worth noting that a quarter of workers were able to decrease their time spent on schooling by December 2020. 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

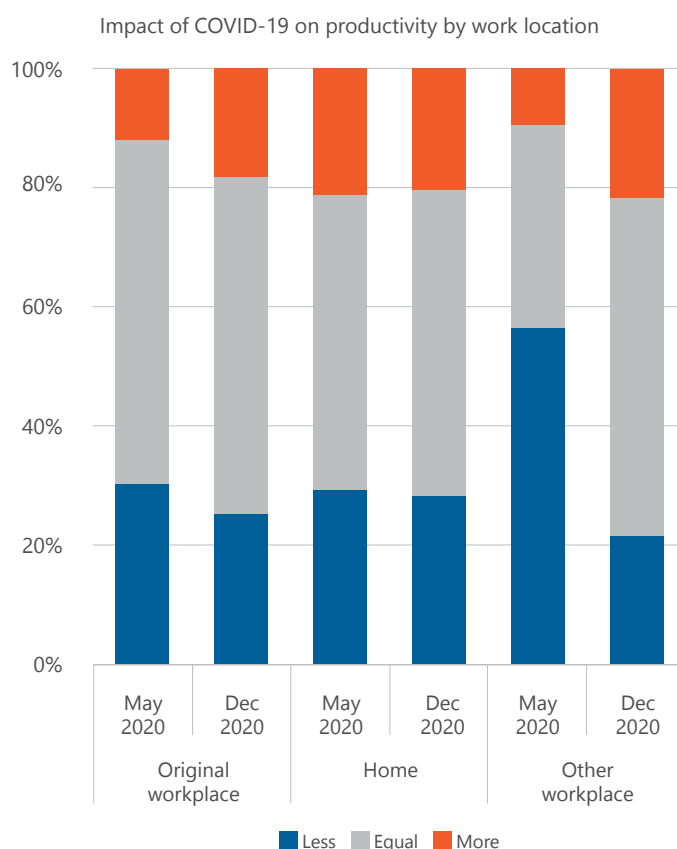
Workers' productivity has continued to recover since the early impacts of the pandemic, although 25% still reported they are less productive since the onset of COVID-19.

Productivity has improved, particularly for women, with a strong majority of 75% of workers reporting in the December 2020 survey that they have been equally or more productive than before the pandemic, compared with 67% in May 2020.

For the 25% of workers who have reported lower productivity, anxiety about the situation remains the main reason, particularly for 63% of men in this situation, and 57% of women. Just under half of the workers experiencing lower productivity (48% of women and 44% of men) also had to deal with inadequate facilities, and this percentage was up to 60% for those working from home.

The productivity of a third of women was impacted by both household and caring responsibilities. For men, slightly more than a third reported their productivity was affected by household responsibilities in December 2020, and 15% reported their productivity was affected by caring responsibilities. Housework and caring responsibilities detracted from the productivity of workers based at their original workplaces more than for workers at home (56% versus 34% in the December 2020 survey). This may be because those working from home have more options to balance these roles.

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.

Women are slightly more likely than men to be considering working less (60% versus 54%), primarily because more are considering stopping work altogether (17% versus 12%). Other data have shown more women have already left the workplace and so are not captured in this survey of employees.

Considering working less is affecting at least two-thirds of workers who are experiencing negative mental and physical health impacts (68% and 69% respectively), particularly those who are considering reducing their hours or taking a less demanding role.

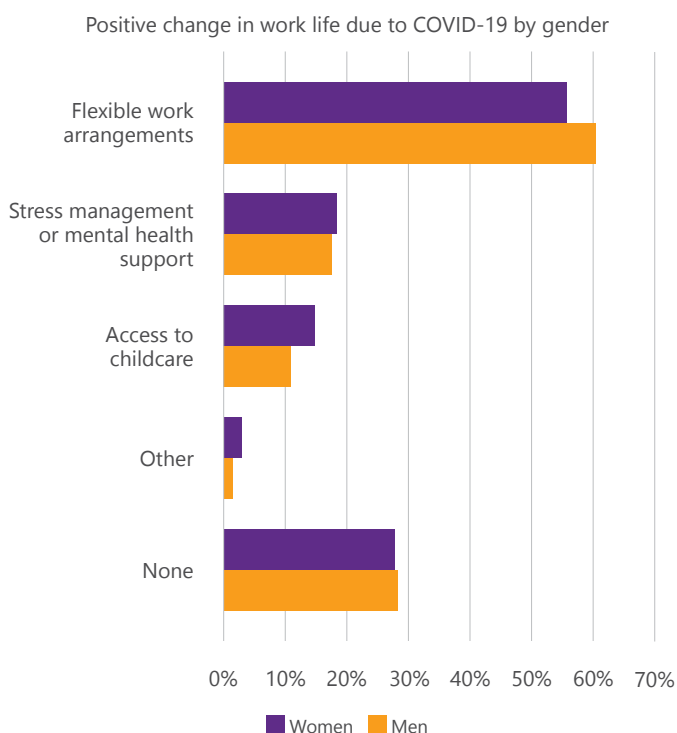
A total of 62% of workers who have experienced increased caring and other responsibilities at home are also more likely to be considering working less. Women are slightly more likely than men to have experienced such increased responsibilities (66% versus 61%).

Workers in hotels and restaurants are the most likely to be considering working less (69%) – 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. The proportion of workers considering working less in other service sub-sectors ranges from 47% to 65%.

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.

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



Access to flexible work arrangements was reported by 56% of women and 61% 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 form of support offered by employers was flexible work arrangements.

Employee take-up of employer support was very high, with 81% of women and 74% of men 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 62% of firms offering flexible work arrangements and 53% of firms with paid leave policies had communicated these policies to their workers.

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

