

## Impact of COVID-19 on private sector employees in the Philippines – 2022

### Background and context

The Philippine Business Coalition for Women Empowerment (PBCWE) and Investing in Women (IW) commissioned the last of three surveys in February 2022, investigating the key impacts of COVID-19 on private sector employees.

**This fact sheet brings together findings from each of the surveys to provide insight into the impacts of the pandemic on private sector employees in the Philippines.**

It also seeks to provide guidance to businesses around the most impactful employee support strategies they can provide.

The impacts of COVID-19 have been significant in the Philippines since relatively early in the global crisis, with four peak infection periods: August 2020, April 2021, September 2021, and January 2022.

Over the course of the pandemic, the Philippine Government implemented a range of community quarantines, a series of stay-at-home orders and sanitation measures, as well as social distancing requirements and personal protective equipment (PPE) protocols. Quarantine measures were subject to four main quarantine tiers, effective in most regions until November 2021.

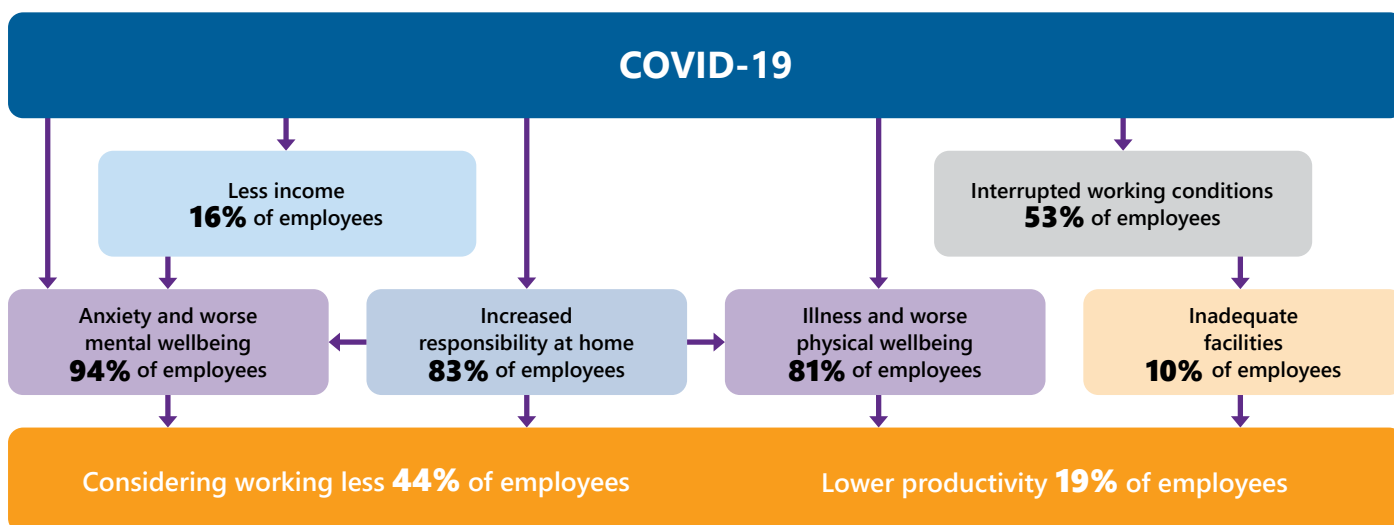
Results of the surveys should be interpreted within this context. When the first survey was undertaken in May 2020, relatively few cases had been reported. The December 2020 survey was collected several months after the first infection peak, and case numbers were continuing to decline. The third survey immediately followed the fourth and most significant peak, where infection rates were the highest recorded at around 30,000 cases per day.

### Key findings

While the COVID-19 pandemic continues to have a significant impact on private sector employees in the Philippines (see Figure 1), the data indicates that employers and employees have adapted well to the ongoing pressures of the pandemic, and that this has improved over time.

- In February 2022, 53% of respondents indicated continued interruption to working conditions; however, only 16% indicated a negative impact on their income.
- The number of employees working from home (WFH) has decreased significantly from 62% in December 2020 to 42% in February 2022. Slightly more women than men reported working from home.
- Almost all respondents identified mental health impacts (94%), and physical health impacts are also significant, with 79% of women and 83% of men reporting worse physical wellbeing compared with pre-pandemic.
- More than 80% of employees reported an increase in the time devoted to household and caring responsibilities compared with before COVID-19. The percentage of respondents reporting this has remained stable over time.
- As a result of these impacts, 19% of workers reported reduced productivity. Employee productivity varied by gender and work sector. The proportion of employees who reported they are considering working less (44%) also reduced from 57% in December 2020.
- Where available, uptake of employer support was very high, particularly: flexible work arrangements (FWA); PPE; paid leave; support to work at home; and COVID-19 testing and treatment. However, many employers are not offering these popular forms of support.

Figure 1: Summary of impacts of COVID-19 reported by employees, Feb 2022



## Recommendations

While the data suggests employers and employees have adapted well, the impacts of COVID-19 on employee mental and physical health, as well as the large number of employees considering scaling back their work hours, present ongoing risks to business in the Philippines. To mitigate these risks, employers can:

- **Remain aware of the range of impacts of COVID-19** affecting employees, especially on their mental and physical health. Mental health support for employees is a key issue, and opportunity, for the private sector, and employee support programs may provide an opportunity to address this issue.
- **Provide flexible work, including supported working from home arrangements.** This is the single most popular and useful policy that employers can deploy to help staff during the pandemic and beyond.
  - **Ensure equal access** for women and men.
  - As far as possible, allow employees to choose their preferred mix of working from the workplace and home, to both improve their work-life balance and manage their productivity.
  - Support managers to **improve communication** with staff working remotely, especially around work roles, responsibilities, and expectations.
  - Help employees set up productive workspaces at home, including by providing technical support.
- **Make sure employees are well informed** about company support policies and how to take advantage of them.

## 1. Impact on jobs and income

While COVID-19 continues to impact the jobs and income of employees in the Philippines, there have been positive changes over time. **The vast majority of respondents indicated their income had remained the same (62%) or increased (22%)** over the course of 2021. For those with a stable income, 60% also had stable hours, 32% increased hours, and 9% worked less.

In February 2022, **16% of respondents indicated a negative impact on their income**, with most working less for less pay, and others either suspended without pay or working the same hours for less pay. This represents a significant improvement over time, compared with the 49% of respondents reporting less income and less hours in May 2020, and 55% in December 2020.

Despite these positive changes, financial concerns remained the most common challenge of COVID-19 identified by respondents. This has remained stable over time and for both women and men.

## 2. Impact on health and wellbeing

Across all surveys, it was clear that COVID-19 has negatively impacted employee **physical and mental health**. These impacts have increased over time, most significantly on mental health (see Figure 2).

### Mental health

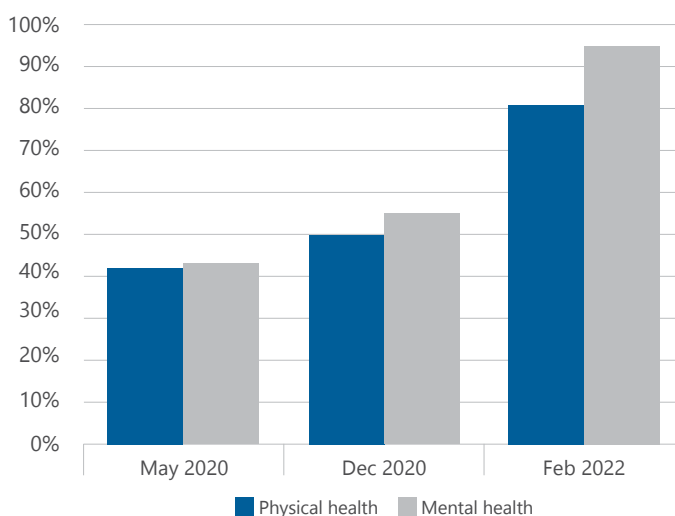
- The latest survey revealed the pandemic has negatively impacted the mental health of **94%** of respondents. This has almost doubled from **55%** in December 2020, and **43%** in May 2020.
- Key factors impacting mental health included: anxiety about the current situation; financial concerns; balancing work and family life; caring for family members; family tensions; and isolation. These were consistent for both men and women.

### Physical health

- In February 2022, **81%** of respondents reported illness and worse physical wellbeing, growing from **50%** in December 2020, and **42%** in May 2020.
- Key factors impacting physical health included: inability to exercise (particularly for men); exhaustion (particularly for women); and underlying health conditions. In the latest survey, **20% of respondents identified COVID-19 infection as an impact on their physical health**, increasing from 8% in December 2020.

Many of the challenges due to COVID-19 are interrelated and compounding. Increased financial concerns, increased caring responsibilities, physical health challenges, and other stresses can all interact to negatively impact health and wellbeing. The effects of these appear to be cumulative. As a result of these compounding stressors, 44% of employees had considered working less. While this remains a significant number, it had decreased from 57% in December 2020.

Figure 2: Reported negative health impacts over time



## 3. Impact on household responsibilities

**Almost all employees (83%) reported an increase in the time devoted to household and caring responsibilities compared with before COVID-19** (see Figure 3).

However, while both men and women reported an increase in responsibilities, women are spending more time on these responsibilities, reporting an average of an additional 3 hours of caring and housework per day, compared with 2 hours extra for men. Men and women identified almost equally as the primary caregiver for a child outside school hours (51% for women; 48% for men).

**Figure 3: Share of respondents with change in caring and household responsibilities by gender, Feb 2022**

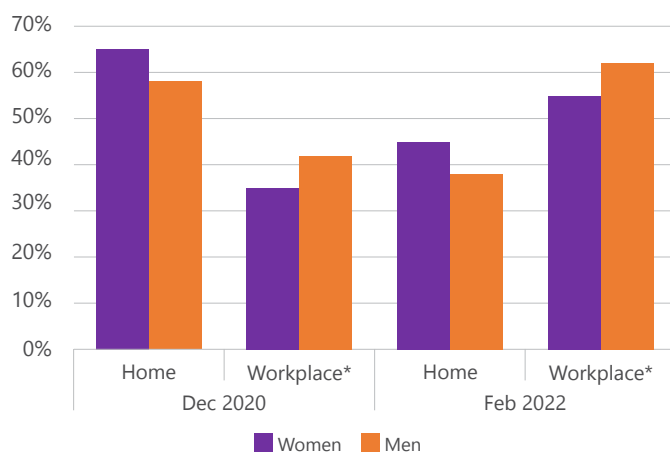


## 4. Impact on working environment

The most recent survey indicated the impact of the pandemic on working conditions has decreased in the Philippines over time. In February 2022, **53% of employees reported interrupted working conditions**, compared with 60% in December 2020.

The proportion of **employees working from home has fallen to 42% from 62%** in December 2020, representing a significant return to working in the workplace (see Figure 4). This is at least partially explained by decreased employer support for WFH, dropping to 32% from 53% in December 2020. Women were more likely to work from home, and this has remained the case over the course of the pandemic.

**Figure 4: Work location by gender**



\* Original workplace, or alternative workplace established by employer.

## 5. Impact on productivity

Despite the ongoing and significant interruptions to working and home life, and health and wellbeing, the reported **productivity of employees in the Philippines has remained relatively high over the course of the pandemic**. In February 2022, 84% of men and 71% of women respondents indicated their productivity had remained the same or increased.

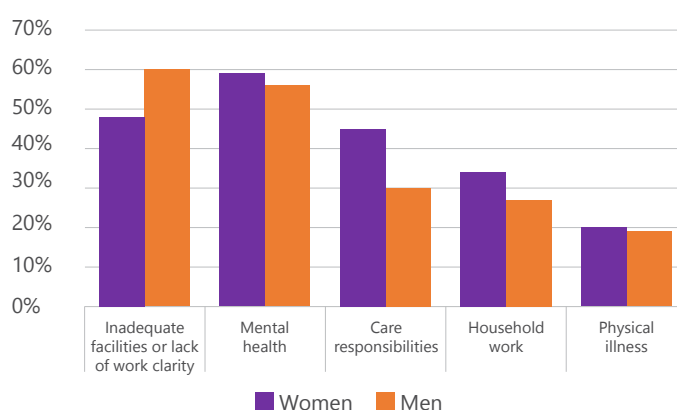
This represents a slight decrease in the number of women reporting maintained or increased productivity (down from 77% in December 2020), and a slight increase in the number of men reporting maintained or increased productivity (up from 79% in December 2020).

**While little difference in productivity between men and women was evident in December 2020, these changes have resulted in a visible gap in the reported productivity of men and women in February 2022.**

Productivity was also assessed by income bracket, seniority, and work location, with no clear influence evident from these factors.

The latest survey found that **19% of employees reported a drop in productivity**. This has decreased from 25% in December 2020. The reasons identified included: inadequate facilities and lack of work clarity (particularly for men); mental health issues; and household load and childcare (see Figure 5).

**Figure 5: Reasons for reduced productivity**



## 6. Business response to COVID-19

In the most recent survey, respondents reported a range of challenges (see Figure 6). In response to these challenges, businesses implemented strategies to support their employees during the pandemic. These can be broadly categorised as protecting physical health and enabling employees to continue working in the changing circumstances.

### Support to safeguard physical health

Physical health support has been widely implemented and provided significant protection against COVID-19 infection. In February 2022, 50% of respondents reported support for **access to COVID-19 vaccine**, and 38% access to **personal protective equipment**, including masks, face shields, sanitiser, and protective clothing. A third (34%) of respondents reported support for access to **COVID-19 testing**. These were consistent for men and women.

### Support for continued employment

Strategies to support continued work varied widely, and supports offered have changed significantly over the course of the pandemic. The most commonly offered supports in February 2022 were **paid leave** (65%) and **flexible work arrangements** (voluntary working from home and flexible work hours for 56%). While 32% of respondents reported employer support to **work from home**, this declined sharply from the 53% supported to work from home in December 2020.

Supports were consistent for men and women, with women slightly more likely to report access to employee supports. The types of supports offered were dependent upon the business sector.

Figure 6: Biggest challenge due to COVID-19 by gender

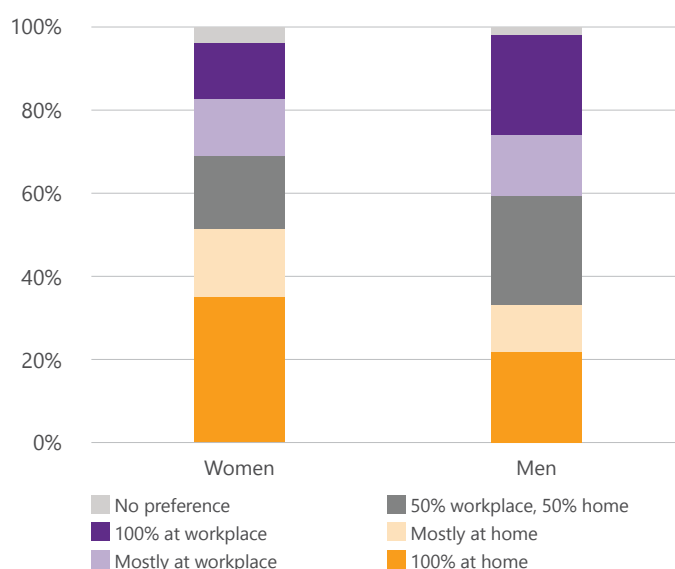


## 7. Preferred working arrangements

In February 2022, 78% of employees indicated they preferred some amount of working from home and flexible work arrangements. This was higher for women (82%), with over half of female respondents expressing a preference for all or most of their time WFH. In addition, 74% of men also expressed a preference for some WFH; however, 24% of men preferred to work from the workplace 100% of the time (see Figure 7).

Characteristics that are typically associated with FWA and WFH, such as caring for young children, made little difference to preference in work location. There was some difference by income bracket, with preference for working from home increasing with income. For those who prefer regular WFH, the key motivation was reported as work-life balance (including less time commuting).

Figure 7: Preferred work arrangement by gender, Feb 2022



## 8. Supporting private sector employees through COVID-19 and beyond

By supporting employees, private sector businesses have been able to maintain relatively high levels of productivity, despite the challenging operating environment of the pandemic.

The data suggests employers and employees have adapted well to the ongoing pressure of COVID-19, and this has improved over the course of the pandemic. Strategies to support working from home are proving largely effective, with productivity remaining high and few barriers identified.

While many supports were provided, the survey identified several areas of unmet need. The mental health impact of the pandemic was reported most frequently for employees. Significantly, few supports in this area were reported.

**Mental health support for employees remains a key issue, and opportunity, for the private sector.**

While working from home options were highly valued by employees, **reported employer support for WFH has significantly decreased over time.** As the Philippines moves towards 'business as usual', the ongoing value of employee supports will need to be considered. Businesses are encouraged to actively engage with their employees to determine appropriate policies to best support their workforce, and ensure all employees are aware of the support that is available.