

Impact of COVID-19 on private sector employees in Vietnam – 2022

Background and context

The Vietnam Business Coalition for Women Empowerment (VBCWE) 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 Vietnam. It also seeks to provide guidance to businesses around the most impactful employee support strategies they can provide.

The timing of the surveys has had a significant impact on the findings in the Vietnamese context. In May and December 2020, when the first two surveys were undertaken, Vietnamese Government efforts to contain the spread of COVID-19 were mostly successful. The country pursued a zero-COVID-19 strategy, using contact tracing, mass testing, quarantining, and lockdowns to aggressively suppress the transmission of the virus. As a result, infection rates remained low and businesses were able to operate normally for much of 2020 and early 2021.

The most recent survey followed 6 months of disruption, including school closures, a 2-month national lockdown, and several regional lockdowns in areas where infection rates were high. These measures and social distancing and stay-at-home requirements impacted workplaces significantly.

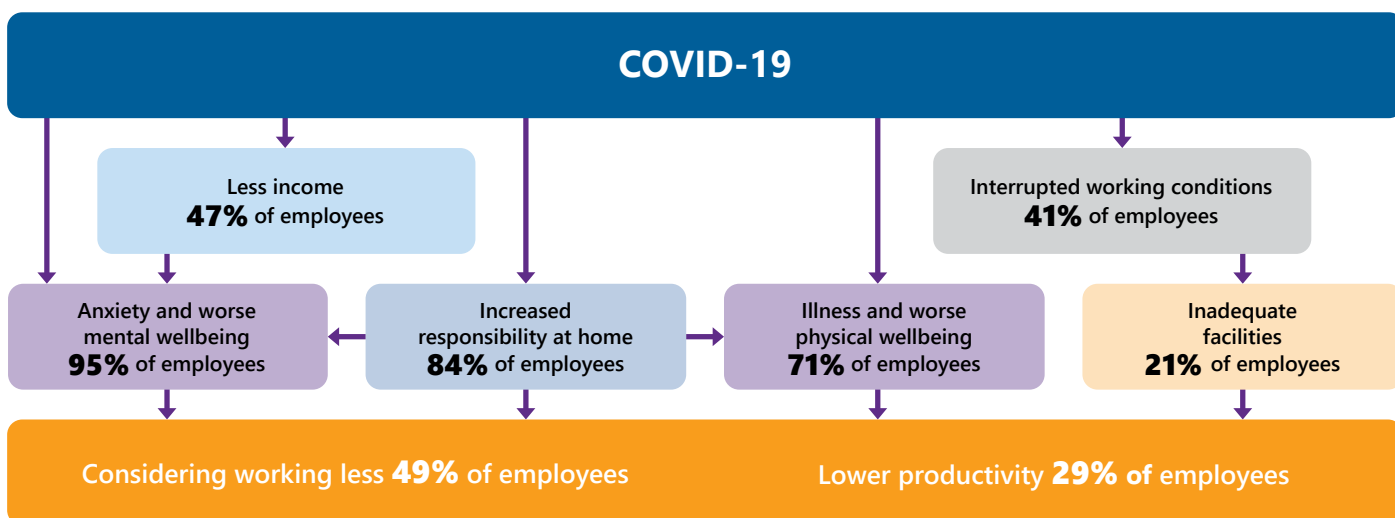
Key findings

The COVID-19 pandemic continues to have a significant impact on private sector employees in Vietnam (see Figure 1). Employees are experiencing multiple interrelated stressors from their finances, caring responsibilities,

physical health, and mental health. Such stressors can lead to lower productivity and for employees to consider scaling back their work hours.

- In February 2022, 41% of employees reported interrupted working conditions, and 47% a negative impact on their hours and income.
- The number of employees working from home (WFH) increased significantly, with 27% of respondents reporting WFH arrangements.
- Almost all respondents identified mental health impacts of the pandemic (95%), and physical health impacts are also evident, with 68% of women and 74% of men reporting worse physical wellbeing compared with pre-pandemic.
- Almost all employees reported an increase in the time devoted to household and caring responsibilities compared with before COVID-19. This has remained consistent for women and increased slightly over time for men.
- As a result of these impacts, 29% of workers reported reduced productivity, a significant increase on the 18% reported in December 2020. Productivity was influenced by location of work, work sector, and income bracket. Approximately half of workers reported they were considering working less (by reducing their hours, taking a leave of absence, or quitting).
- Where available, uptake of employer support was very high, particularly: flexible work arrangements (FWA); personal protective equipment (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

The significant impacts of COVID-19 on employee mental and physical health, and the large number of employees considering scaling back their work hours, present risks to business in Vietnam. To mitigate these risks, employers can:

- **Remain aware of the range of impacts of COVID-19** affecting employees, especially on their mental health, and as a result of increased responsibilities at home. A gap is evident in strategies to support mental health 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 access them.

1. Impact on jobs and income

COVID-19 continues to significantly impact the jobs and income of employees in Vietnam. Financial concerns continue to be the most common challenge for respondents, as reported in December 2020 and February 2022. However, there do appear to be some positive changes over time.

In February 2022, **47% of respondents reported a negative impact on their hours and income** as a result of the pandemic. While still significant, this is an improvement relative to 52% in December 2020, and 60% in May 2020, despite the recent increase in the level of disruption.

Women continued to report the most impacts on income and work hours, with twice as many reporting reduced hours of work and pay compared with men.

2. Impact on health and wellbeing

Across all surveys, it was clear that COVID-19 has negatively impacted employee **physical** and **mental health**. The reported mental health impacts have consistently been higher than the physical health impacts, and both have increased over the course of the pandemic (see Figure 2).

Mental health

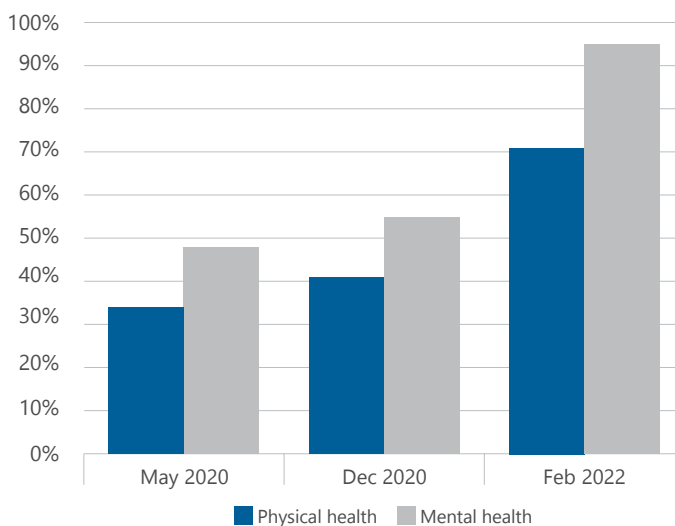
- The latest survey revealed the pandemic has negatively impacted the mental health of **95%** of respondents. This has grown substantially from **55%** in December 2020, and **48%** in May 2020.
- Key factors impacting mental health included: anxiety about the current situation; financial concerns; balancing work and family life; and caring for family members. These were consistent for both men and women.

Physical health

- In February 2022, **71%** of respondents reported illness and worse physical wellbeing, growing from **41%** in December 2020, and **34%** in May 2020.
- Key factors impacting physical health included: inability to exercise; exhaustion; and physical harm. **COVID-19 infection represented less than 15% of this impact.**

Many challenges due to COVID-19 are interrelated and compounding. Increased financial concerns, caring responsibilities, physical health challenges, and other stresses interact to negatively impact health and wellbeing.

Figure 2: Reported negative health impacts over time



3. Impact on household responsibilities

Almost all employees reported an increase in the time devoted to household and caring responsibilities compared with before COVID-19 (see Figure 3). This has remained consistent over time for women (82% in December 2020, compared with 83% in February 2022), and increased slightly for men (77% to 85%). These responsibilities have increased because families are more likely to be home, and because of school closures.

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



While both men and women reported an increase in responsibilities, women are spending slightly more time on these responsibilities (than before COVID-19), reporting an average of an additional 2.5 hours of caring and housework, compared with 2 hours extra for men. Also, 77% of women employees identified as primary caregiver for a child outside school hours, compared with only 48% of men.

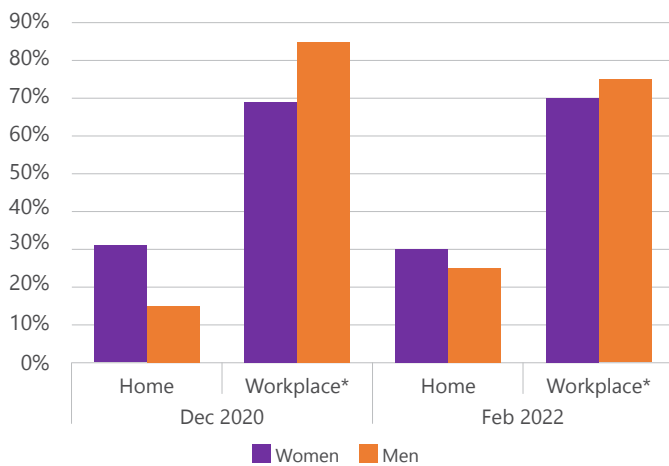
4. Impact on working environment

The most recent survey indicated the increased impact of the pandemic on working conditions in Vietnam, with **41% of employees reporting interrupted working conditions**, compared with 30% in December 2020. This increase was likely due to government-mandated working from home requirements, strict lockdowns, and social distancing measures, along with rising COVID-19 infection numbers at the time of the survey.

The number of employees working from home had increased, with **27% of respondents reporting WFH arrangements**. Women were slightly more likely to be WFH than men (30% and 25% respectively). Over time, this increase has been most significant for men, with the **proportion of men WFH almost doubling since December 2020** (from 15% to 25%), but remaining stable for women (see Figure 4).

Despite this increase, **73% of employees were continuing to work in their original workplace**, or an alternative workplace established by their employer. Company mandates and employees' ability to do their jobs at home were the main reasons employees were WFH.

Figure 4: Work location by gender



* Original workplace, or alternative workplace established by employer.

5. Impact on productivity

In February 2022, over two-thirds of men (73%) and women (68%) respondents indicated their productivity had remained the same or increased throughout the pandemic. However, this had fallen since December 2020, with a **greater number of employees reporting a detrimental impact of COVID-19 on their productivity** (29% in February 2022, compared with 18% in December 2020).

Productivity was influenced by where employees were working. Employees working at their original workplace, or an alternative workplace established by their employer, mostly maintained their productivity, with 19% reporting a

decrease (increasing from 14% in December 2020). Those working from home reported the most significant impacts, with 53% identifying reduced productivity, more than doubling from 23% in December 2020.

While WFH appears to impact productivity, a range of other factors had an equal or greater impact.

Reduced productivity varied **across income brackets**.

The most marked drop was reported by those with the highest pre-COVID-19 income. In February 2022, 54% of this cohort reported reduced productivity, compared with 13% in December 2020, an increase of over four times. This cohort also reported a large reduction in income, perhaps indicating reduced working hours or unpaid leave.

Declines in reported productivity also **varied by sector**, with those employed in primary industries noting the largest impact. In December 2020, no workers in primary industries reported lower productivity, but by February 2022, 34% had reduced productivity, likely reflecting the difficulty of working in primary industries during lockdowns. Workers in the manufacturing sector saw the least change (19% to 25%), possibly because essential manufacturing was allowed to continue to operate throughout.

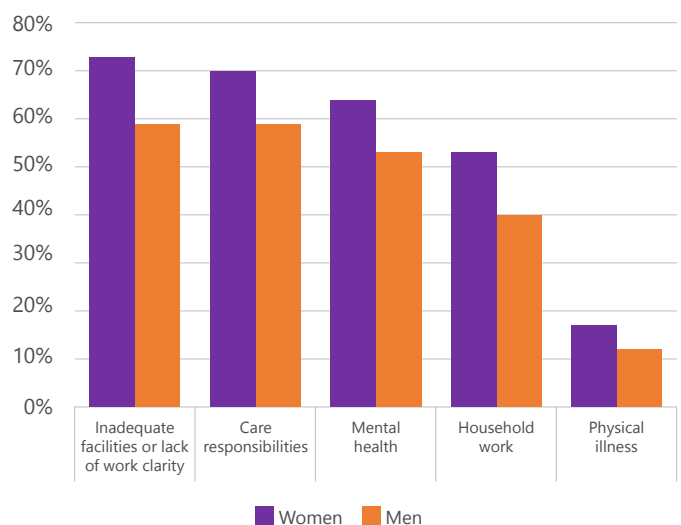
Impacts to productivity did not vary significantly with gender, with women respondents only slightly more likely to report reduced productivity than men (32% and 27% respectively).

Across all employees, but particularly for those WFH, inadequate facilities, a lack of clarity in work, anxiety, and household and caring responsibilities were major drivers of lower productivity (see Figure 5). In February 2022:

- 66% of respondents who were less productive identified that inadequate facilities or a lack of clarity in work lowered their productivity (87% of those WFH compared with 50% for those working at their original workplace).
- 56% of those who were less productive identified caring and household responsibilities as impacting on their productivity (83% WFH compared with 46% of those working at their original workplace).

As mandated WFH requirements, lockdowns, and school closures ease, the impacts of several of these factors on productivity are likely to become less significant.

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 employees during the pandemic. These can be broadly categorised as protecting physical health and enabling employees to continue working in 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, 63% of respondents reported support for access to **COVID-19 vaccine**, and 53% for access to **personal protective equipment**, including masks, face shields, sanitiser, and protective clothing. A further 46% of respondents were supported to access **COVID-19 testing**.

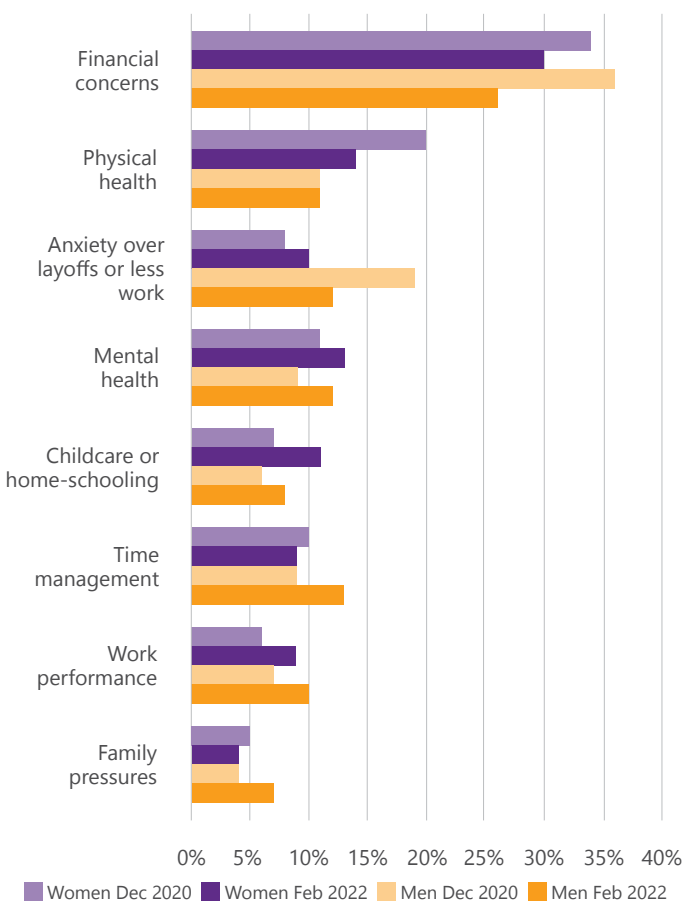
Support for continued employment

Flexible work arrangements enabled employees to continue to be productive across business sectors, while managing competing priorities. In February 2022, 41% of women employees and 38% of men reported using flexible work arrangements (voluntary working from home and flexible work hours), even if they were not predominantly WFH.

When employers have flexible work policies, FWA are extremely popular, with over 70% of employees accessing these. Despite this popularity, only 53% of employees in February 2022 reported being offered FWA. This has not increased over the pandemic. In addition, 38% of respondents reported access to partially or fully paid leave.

Women reported slightly more access to support. The supports offered depended on the business sector.

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

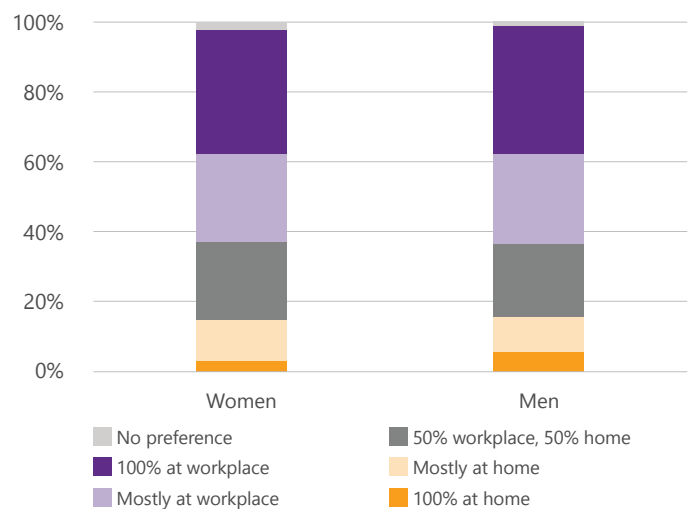


7. Preferred working arrangements

Despite any impact of WFH on productivity, 62% of employees indicated they preferred some amount of working from home and access to flexible work arrangements (see Figure 7). Younger employees were more likely to prefer a higher portion of time working from home. Characteristics that are typically associated with FWA and WFH, such as having young children, made little difference, and main carers were only slightly more likely than non-carers to have taken up FWA. For those who prefer regular WFH, their main motivation was reported as work-life balance (including less time commuting).

Choosing from a range of options, the **most preferred option for work location by employees** was a combination of **working half at their workplace and half at home**, with 42% of women and 33% of men expressing this preference.

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 pandemic operating environment. 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, no supports in this area were reported.

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

While flexible work options were highly valued by employees, appropriate infrastructure and management support is critical to ensure productivity. Businesses are encouraged to ensure equal access to flexible work arrangements for both male and female employees.

Promoting all available employee supports across the organisation would help ensure equitable access.

Like most countries in the world, Vietnam is moving beyond the pandemic towards 'business as usual'. Results from this survey indicated that many employees value the opportunity to work flexibly. Businesses are encouraged to actively engage with their employees to determine appropriate flexible work policies to best support their workforce, through the pandemic and beyond.