

# Back at work

Vietnam's labor market last year was marked by a substantial fall in recruitment demand in almost all industries, but positive signs have recently come into view.

**KHANH CHI** REPORTS

**M**ore than 32 million workers in Vietnam were negatively affected by the Covid-19 pandemic last year, losing their jobs or having their working hours cut, according to figures from the General Statistics Office (GSO). Though the labor market showed signs of improvement in the fourth quarter compared to the third, many workers still suffered job losses or lower incomes. The year also saw a fall in recruitment demand at the senior management level across industries, but there was still a hike in recruitment in certain sectors.

## Demand rising and falling

2020 was an extremely difficult year, with the pandemic buffeting the global economy and profoundly impacting employment. In Vietnam, according to headhunters the Navigos Group, millions lost their jobs between March and December.

"Our clients, who are mostly multinational companies, are facing a host of difficulties," said Ms. Ngo Thi Ngoc Lan, Regional Director at Navigos Search North. "Some have frozen their hiring activities for a long period and have no plans to resume recruitment, while others have only now started to cautiously recruit new staff. We are asked to hire foreign candidates in certain industries, but they cannot come to Vietnam to work given the border closures, casting something of a shadow over the recruitment market, but some sectors are doing better than others."

Looking back over last year, the first half saw the usual slowdown around the Tet (Lunar New Year) holiday in the first quarter, and then Covid-19 struck in the second, Mr. Adrien Bizouard, Country Manager of recruiters Robert Walters Vietnam, told VET. "Things started going back to normal in the second half of the year," he said. "Vietnam proved attractive, as regional leaders saw the country as an investment hub and a way to save the year, given the Covid-19 outbreak here was contained quite quickly. We should be very glad and optimistic about what Vietnam has



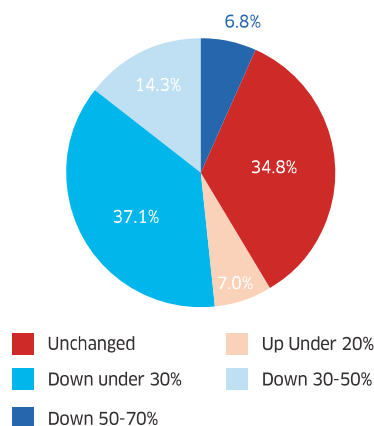
PHOTO: VIET TUAN

gone through and how the situation was managed during the pandemic."

He has observed that demand for new positions and positions at new companies was on the lower side. However, as Vietnam remains a dynamic and attractive market, people are still being headhunted for new jobs and are leaving, which means replacements still need to be found.

"On the employer side, many of them became reserved and protective around hiring in 2020 and wanted to better understand whether a role was critical," he explained.

**CHANGING RECRUITING PLANS AND TARGETS IN 2020**



Source: Topdev, July 2020

"Requests still came in, but closing the role became harder. On the candidate side, a lot of counter-offers were seen as many of the roles are hard to replace. To summarize, we saw a number of middle management jobs coming in, but people became more cautious when moving and companies were more protective about letting their employees go."

The state of affairs at the end of 2019 confirmed that Vietnam was emerging as a major manufacturing platform for a range of industries, including electronics, garments, and furniture. These industries were looking to grow significantly, especially in terms of export markets. As many countries locked down, though, exports became problematic, with customers ordering less and factories producing less, making the manufacturing and processing sector the most affected by Covid-19 in the first half of the year, after the sector's hiring market held the most promise at the end of 2019, according to Robert Walters Vietnam. The situation began to improve slightly in the second half but ended up nowhere near where it was meant to be. Candidates with expertise in manufacturing, including technical roles and support functions (finance or HR), were very much affected.

Manufacturing and processing also suffered from global supply chain disruptions. Nevertheless, the sector also witnessed a number of textiles companies expanding their operations, building new factories, moving plants from elsewhere into Vietnam, or transferring orders from overseas to Vietnam for production.

Some industries witnessed high growth in recruitment demand, for example fast-moving consumer goods (FMCG) and retail. Ms. Lan explained that the main reason for this is that many customers of the industry have moved online, leading to a need for candidates in the fields of e-commerce, digital marketing, and online sales. Candidates in these areas have many attractive job opportunities at the moment. The energy sector, meanwhile, continues to see rising recruitment demand, as a number of major projects have begun implementation under the government's national power development strategy to 2030 and vision to 2045. Demand in insurance and information technology (IT) is also strong.

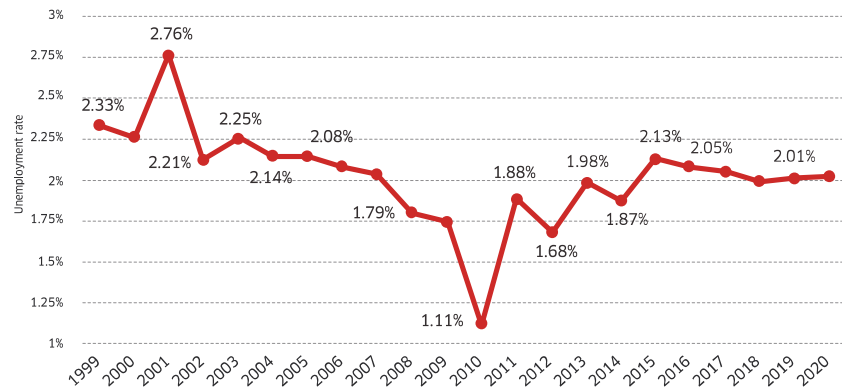
The latest Robert Walters report indicates that FMCG and healthcare did relatively well in general. "We also saw an increase in digital-related roles, as a lot of FMCG and retail companies began reaching out to consumers directly through e-commerce platforms, fully integrating a new platform or investing more in what they already had," Mr. Bizouard said. "As for healthcare, it was quite a positive year as we saw a couple of newcomers in Vietnam and existing companies sought to expand."

"We also saw that sales positions became more critical than marketing for FMCG, pharmaceutical, and industrial clients. Where marketing used to be the focus of hiring, in 2020 we saw that the focus was on the delivery and distribution of products, as more attention was paid to revenue, which led to an increase in demand for sales professionals with industry expertise."

### Responsive solutions needed

Looking to the immediate future, employment trends in the first half of 2021 are expected to be positive, according to Robert Walters Vietnam. It has fielded requests from new entrants, as Vietnam is receiving a more regional focus, putting it in the spotlight and

### VIETNAM: UNEMPLOYMENT RATE FROM 1999 TO 2020



Source: Statista, 2020

attracting new strategic development, with either existing clients expanding or new companies keen to enter the market. Positions in sales, marketing, trade, technology, and digital transformation are the trend, and supply chain and engineer positions have regained their previous popularity as factories restart operations.

"We also see there are companies looking to grow within Vietnam, encouraging business leaders to reinforce their board of management," Mr. Bizouard noted. "We would caution companies, however, to be careful regarding the recovery. Though Vietnam has kept the Covid-19 pandemic largely under control, we don't know what may happen and need to be realistic that things could go wrong."

Meanwhile, according to Navigos' observations, 2021 won't see a full recovery in the recruitment market because globally the pandemic is still not under control, despite vaccines being produced and distributed. In Vietnam, due to the government's sound containment measures, the market will see some positive signs in a number of industries, such

as IT, e-commerce, and insurance. "We see a trend towards digital transformation beginning to take place among small and medium-sized enterprises (SMEs) in Vietnam as well," Ms. Lan said. "Businesses should prepare tech-savvy teams to be ready for the employment market's needs."

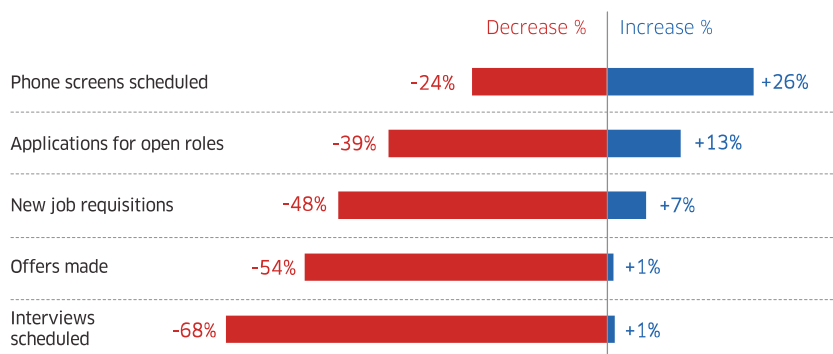
Mr. Bizouard also recommended that organizations be selective in choosing recruitment partners and make sure their employer branding is positioned effectively and professionally. Having an effective employer branding strategy with internal and external partners is very important, as candidates in Vietnam join a company mainly because of their reputation and brand. It is therefore important to be well positioned, transparent, and clear around the development the company can provide to employees.

Moreover, companies must start viewing HR as a strategic element in the organization and not just an admin role. HR departments need to be fully involved in talent development and management, training them in business skills and involving them with line managers and decision makers at the company. They should also not be reactive in hiring talent, identifying the right people even when not hiring so they are ready if things do go wrong. As Vietnam remains a candidate's market, companies should always have a strategy on hand.

Businesses also need to start hiring based on potential, as this remains extremely important. It's almost impossible to find a candidate that fits all requirements of a role. Job descriptions must be designed that simply looks good. They should also keep an eye out for Vietnamese returning home from overseas. Robert Walters' "Come Home PHỞ Good" campaign reaches out to Vietnamese professionals overseas and helps them come home and transition their careers. "We saw a record number of Vietnamese returning in 2020, as the government's sensible handling of Covid-19 made returning home more appealing," Mr. Bizouard said. ■

### HOW CORONAVIRUS WILL IMPACT THE RECRUITING PROCESS

Percentage of talented professionals who expect the following actions will decrease or increase over the next month due to coronavirus



Source: LinkedIn survey of 261 talent professionals (March 11-17, 2020)