

# Vietnam

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### Q1 How does your Employment Law Foresee Remote Working

Had it become more common after the COVID pandemic or is hybrid working now more common?

The COVID-19 outbreak in Vietnam began toward the end of 2020 and surged significantly by late 2021. Vietnam's current Labour Code, finalized on November 20, 2019, and effective from January 1, 2021, lacks specific provisions addressing labour issues arising from the pandemic. Consequently, there are no formal regulations validating remote working arrangements in the Labour Code. However, during the pandemic, the Government intermittently implemented measures encouraging companies to adopt hybrid or remote working models. Post-pandemic, recognizing the advantages of these models, numerous companies transitioned to hybrid working arrangements, with exceptions in specific industries such as manufacturing and healthcare. Here is a comprehensive analysis of the issue:

#### Before the COVID-19 pandemic

Before the pandemic, remote work was not commonly practiced in Vietnam, and the legal frameworks governing it were limited. Labor legislation primarily focused on fixed-location,

office-based work, reflecting the traditional preference for direct management of employees' performance. Although some multinational companies and startups experimented with flexible work arrangements, remote work remained relatively rare, especially in industries requiring physical presence, such as manufacturing and retail.

#### During the COVID-19 Pandemic

- The pandemic triggered a significant transition in working methods across Vietnam. To safeguard health and ensure business continuity, numerous companies transitioned to remote work. In response, the Vietnamese government and relevant authorities issued temporary guidelines facilitating remote working, while safeguarding employee rights and maintaining workplace safety. For instance, these guidelines mandated a reduction of office and factory personnel to one-third or half to facilitate social distance, in line with Directive No. 16 on urgent measures to prevent the spread of COVID-19. Furthermore, according to the Ministry of Health's recommendations from February 7, 2020, aimed at preventing respiratory diseases caused by the novel coronavirus (not applicable to healthcare facilities), employers were encouraged to allow employees to work from home or adjust shifts for those potentially infected.
- This signified a turning point, as remote work became a prevailing trend. Employees were no longer mandated to be physically present in the office, instead, they relied on computers and internet connections to maintain productivity. Large corporations, especially those with



multiple locations, swiftly responded by utilizing online meeting platforms equipped with video conferencing and other collaborative features.

#### After the COVID-19 Pandemic

After the pandemic, many companies recognized the advantages of remote and hybrid work, subsequently modifying their practices despite the lack of explicit legislative regulations. Current common practices in Vietnam encompass:

- **Full-time remote work:** Employees work entirely from home or an alternative remote location.
- **Hybrid models:** A combination of remote and in-office work, enabling employees to allocate their time between both environments.
- **Ad-hoc remote work:** Employees work remotely based on specific needs or periods, depending on business requirements.

The hybrid model, in particular, has notably gained popularity in Vietnam, offering a compromise between the employer's requirement for supervision and the employee's preference for flexibility. This trend is reflected in internal company policies, employment contracts, and labor regulations. Furthermore, companies have updated policies on data protection and confidentiality to address the challenges posed by hybrid models.

Remote work has become a crucial component of Vietnam's post-pandemic labor landscape. Despite the lack of explicit legislative regulations, companies have adopted hybrid and remote working models, recognizing the advantages for both productivity and employee satisfaction. Moving forward, the government may consider issuing explicit guidelines or regulations to address the changing nature of work. Meanwhile, companies must prioritize transparent communication with employees to ensure that the requirements of both sides are addressed, and that productivity is elevated. Employees must uphold professionalism and fulfill promises, regardless of the work environment. This mutual understanding between employers and employees fosters a productive, healthy work culture advantageous to both sides.

### Q2 Flexible Working

Does your employment law foresee flexible working arrangements which allow employees to have a more work-life balance, more control over their schedules, such as remote work, flexible schedules and job sharing?

In Vietnam, flexible working arrangements, including remote work, flexible schedules, and job sharing, are becoming more common, especially during and after the COVID-19 pandemic. While the Labor Code of Vietnam and its guiding documents do not explicitly define these terms as legal rights, they allow employers and employees to mutually agree on flexible working conditions. This approach aims to enhance employees' well-being and, consequently, improve their job performance. Here's a general overview of how flexible working arrangements are addressed in Vietnam:

#### Remote Work

- The Labor Code doesn't explicitly address remote work, nonetheless, it is deemed permissible if mutually agreed upon by both employer and employee under the labour contract. In response to the pandemic, employers have progressively adopted remote work policies which have gained popularity due to the advantages it offers to employees.
- Remote work agreements generally encompass work hours, productivity objectives, and performance appraisals. Despite its popularity in specific sectors, remote work poses challenges for employers, such as monitoring performance, managing work hours, and ensuring data security. These characteristics must be explicitly defined in labor contracts and company policies.

### Flexible Schedules

- The Labor Code allows flexible working hours. Particularly, the standard workweek is 48 hours, however, companies may implement flexible working hours daily or weekly as long as they do not exceed the legal limit. In practice, Vietnamese authorities are encouraging a 40-hour workweek which is gradually being adopted by numerous companies.
- This provides companies and employees with the option to modify flexible start and end times or weekly work hours, so enhancing a work-life balance.

### Part-Time Work

- Part-time work is governed by Article 32 of the Labor Code. There is no differentiation between part-time and full-time employees in terms of their rights and obligations. Part-time employees are entitled to equivalent benefits, including similar pay, social insurance, and protection against discrimination.
- However, to be eligible for social insurance, employees must work under a labor contract for a minimum duration of one month. Furthermore, if they have more than 14 days of unpaid leave in a month, they may become ineligible for social insurance contributions during that period.

### Job Sharing

Job sharing, where a single position is allocated between two or more employees, is not explicitly regulated by the Labor Code. Nevertheless, it can be implemented through agreements between employers and employees. This allows for more flexible working arrangements while distributing responsibilities among employees.

### Work-Life Balance Measures

The pandemic and globalization have accelerated the trend toward achieving a better work-life balance in Vietnam. The Labor Code includes provisions to support employees in balancing work and personal life:

- **Paid Leave:** The Labor Code provides for annual leave, personal leave, and sick leave to facilitate a balance of work and life.
- **Maternity and Paternity Leave:** Female employees are entitled to six months of maternity leave. Male employees contributing to mandatory social insurance whose wives are

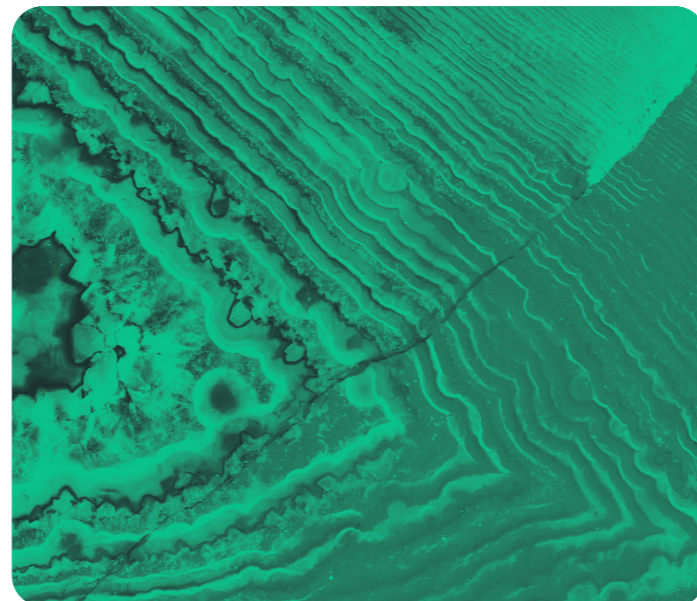
giving birth are eligible for paternity leave of 5 to 14 working days or maybe longer, depending on specific circumstances.

- **Support for Employees with Family Responsibilities:** Employers are encouraged to support employees with family responsibilities by allowing them to take personal leave or unpaid leave in specific circumstances. These include events such as their child's wedding or the demise of a close family member, assisting employees in managing significant family matters while maintaining a balance

### Post-Pandemic Adaptations

- Numerous companies have adopted hybrid models and enhanced flexibility in working hours post-pandemic. Digital transformation in companies has facilitated remote work options, although several companies still need full-time office attendance for employees.
- Certain employers offer mental health support, wellness programs, and initiatives to help employees manage the pressures of work and balance of life.

In summary, flexible working arrangements are becoming more common in Vietnam, supported by labor law legislations that allow for adaptable work schedules, part-time work, and remote work through mutual agreements between employers and employees. Companies are progressively recognizing the significance of work-life balance and are enacting policies to address these requirements, although the degree of implementation varies across sectors.



## Q3 Working Week Shortening

Has your country already experienced the working week shortening, and which were the results, did employees feel more motivated? Or did employees become more efficient and productive on the working days? Or did employees feel a stronger commitment with the employer, as a result of their satisfaction for having more time for their personal and social life?

There has been no widespread implementation of a shortened working week on a national basis in Vietnam, but the concept of reducing working hours has been discussed among policymakers and within businesses, particularly in term of enhancing work-life balance and employees well-being. The standard workweek in Vietnam, as regulated by the Labor Code, is 48 hours, with companies having the option to shorten this if agreed upon with employees.

### Current Regulations on Working Hours

According to Article 105 of the Labor Code, the standard workweek in Vietnam is 48 hours, with a maximum of 8 hours per day, or up to 10 hours per day provided that the total working hours do not exceed 48 hours per week if a weekly schedule is applied. Additionally, the Labor Code encourages employers to implement a 40-hour workweek for employees. Certain industries, notably technology, services, and creative sectors, have adopted a shortened workweek to attract and retain talent, especially among younger employees who prioritize work-life balance.

### Experiments with Shorter Working Weeks

Despite the absence of formal legislation, numerous employers, especially multinational corporations and startups, have experimented with 5-day workweeks (40 hours) or shorter workdays. These experiments have garnered positive responses from employees, resulting in enhanced job satisfaction, greater work-life balance, and better mental health. However, employers in labor-intensive industries, such as manufacturing, remain

cautious, as output is closely linked to working hours.

### Employee Reactions

- **Enhanced Motivation and Job Satisfaction:** Employees participating in shortened workweeks report greater motivation and satisfaction. They appreciate having more time for their personal and social activities, which positively enhanced their mental and physical well-being.
- **Enhanced Productivity and Efficiency:** Numerous employees report increased focus and productivity during working hours, as they are aware of limited time available to perform tasks. This frequently results in enhance time management and less burnout.
- **Stronger Commitment to Employers:** Employees are likely to cultivate a heightened commitment toward companies that prioritize their welfare by offering flexible and shortened workweeks. This may result in reduced turnover rates and a more engaged workforce.

### Employer Reactions

- **Cautious Optimism:** Employers have generally exercised caution when it comes to reducing the working week. Concerns include potential declines in productivity, particularly in industries where production volume and working hours are closely linked. However, employers in service and creative industries, on the other hand, have observed that reducing work hours does not always harm productivity and may even improve outcomes.
- **Possible Advantages for Employers:** Companies that have experimented with shortened workweeks have noticed advantages such as better employee retention, reduced absenteeism, and higher employee engagement. This has been particularly true for industries relying on intellectual or creative labor, where output is linked to the quality of work rather than the quantity of hours worked.
- **Challenges:** Many employers struggle to meet both the demand for operational efficiency with the desire for a better work-life balance for their employees. The potential impact of shortened working hours on production targets and profitability is especially significant in labor-intensive industries and those involved in manufacturing.

### Impact on Work Performance and Organization

- **Enhanced Focus and Creativity:** Employees tend to increase in attention and creativity on key tasks and reduce time spent on less productive activities during shortened workweeks. This has led to improved focus and creativity, especially in sectors like IT, marketing, and design.
- **Operational Adjustments:** Companies that have experimented with shortened workweeks have had to adjust their scheduling, workload distribution, and expectation setting. This often requires better project management and more transparent communication to ensure that business objectives are reached despite shorter working hours.

### Broader Insights from Vietnam's Perspective

- **Economic Sectors and Industry Variations:** Shortened workweeks are more common in industries where flexibility is viable, such as IT, banking & finance, and services. The implementation is more complicated in labour – intensive sectors, like manufacturing, agriculture, and other labor-intensive industries where the employers place a premium on achieving production demands.
- **Government Perspective:** Although discussions regarding shortening the working week have been taking place, especially for civil servants, but no official policy to reduce the standard workweek has been put in place at his time. The key objective is to strike a balance between economic productivity with employees' well-being.

The concept of shortening the working week is gaining attention in Vietnam, with some progressive companies experimenting with it. The results, particularly in service-related industries, indicate that employees are generally more motivated, productive, and loyal when they have more control over their schedules and personal time. However, the broader implementation of a shorter workweek is received with skepticism in labor-intensive industries, where employers are still concerned with production and profitability. The advantages of work-life balance, improved mental health, and increased employee engagement are becoming apparent, but widespread adoption will likely depend on sector-specific conditions.

## Q4 Automation and Artificial Intelligence

Does the employment law of your country already prepare for the impact of the increase of the use of automation and artificial intelligence? Namely presenting opportunities for new types of jobs, as well as allowing employees to focus on higher value tasks which require creativity, critical thinking, and emotional intelligence.

### Regulations on Automation and artificial intelligence (AI):

- The Labor Code does not contain any rules or regulations that directly address automation and artificial intelligence (AI). However, the government and relevant authorities are becoming more aware of the implications of these technologies on the labor market.
- The Vietnamese government recognizes the significance of technological advancement and is formulating regulations to accommodate these changes. For example, there are initiatives to support digital transformation and enhance workforce competencies to better align with new technologies.

### Impact on Employment and Job Creation

- Automation and AI have generated new job opportunities in areas such as data analysis, AI development, and robotics maintenance. There is a growing demand for skilled workers in these fields;
- Numerous basic and repetitive tasks are being automated, enabling employees to concentrate on more complex and creative tasks. This transition is anticipated to enhance job satisfaction and productivity;
- There is an increasing emphasis on upskilling and reskilling programs to assist employees in transitioning to positions that require higher levels of creativity, critical thinking, and emotional intelligence.



### Employee Perspectives

- **Adoption of Automation:** While concerns about job displacement exist, there is optimism about new opportunities and more engaging work. In practice, the application of AI to assist specific job functions is more common than complete job replacement. For instance, an economist might utilize AI for data aggregation, necessitating accurate input data, while handling report writing and recommendations personally, which need complex and abstract reasoning. This indicates that AI's impact on employees is more about "support" rather than "replacement." Thus, AI is expected to complement rather than disrupt the existing job structure. Consequently, AI is anticipated to enhance companies by automating routine jobs, reducing costs, and increasing labor productivity by assisting employees.
- **Focus on Creativity and Emotional Intelligence:** The automation of routine tasks is viewed as an opportunity for employees to engage in work that requires higher-level skills, including creativity, critical thinking, and emotional intelligence. Numerous companies in Vietnam are currently utilizing AI for various tasks, such as airline route optimization, itinerary updates, monitoring, forecasting technical issues, data analysis, revenue management, and customer service. The application of AI aims to enhance work efficiency and optimize workflows.

### Legal and Policy Considerations

- **Future Developments:** The Vietnamese government is likely to introduce new regulations and legal frameworks to better address the impacts of automation and AI on the workforce. This may include regulations on job displacement, workforce retraining, and the generation of new job opportunities.
- **Global Trends:** Vietnam is observing global trends and best practices concerning automation and AI in employment law, which may influence forthcoming legal and policy developments.

Although Vietnam's current employment legislation framework does not explicitly address the emergence of automation and AI, there is a creasing in recognition of the influence of these technologies on the labor market. The government is endeavoring to adapt policies and assist employees in managing these transitions.

## Q5 Employees Soft Skills

How does your country consider the importance for the employees of cultivating their soft skills namely in which concerns the enhancement of their professional success and personal fulfilment? Does the increasing importance of soft skills is viewed by your employment law as one crucial aspect of well-being in the office?

In Vietnam, the emphasis on soft skills in the context of employment is growing, although it has not yet been a primary focus of employment legislation. Here's an overview of how soft skills are viewed and their influence on professional success, personal satisfaction, and workplace well-being:

### Importance of Soft Skills

- **Growing Recognition:** There is a growing recognition of the significance of soft skills, such as communication, teamwork, problem-solving, and emotional intelligence, for professional advancement. Employers prioritize these skills as they enhance to better collaboration, leadership, and overall job performance.
- **Job Market Demands:** As Vietnam's economy continues to develop and integrate with global markets, the demand for employees possessing strong soft skills is increasing. Soft skills are regarded as essential for adapting to workplace transformations and assuming leadership positions.
- **Work-Life Balance:** Cultivating soft skills can enhance personal fulfillment by improving job satisfaction and work-life balance. Skills such as stress management and emotional intelligence contribute to a more harmonious work environment and better personal well-being.
- **Career Growth:** Employees who develop soft skills are typically better adept at managing career challenges and opportunities, leading to enhanced personal and professional development.

### Employment Law and Soft Skills

- **Limited Direct Reference:** The Labor Code and related employment legislation do not explicitly address the significance of soft skills. The focus tends to be on formal aspects of employment, such as contracts, wages, and working conditions.
- **Indirect Support:** However, the framework facilitates employee's development through provisions related to training and professional development. Companies are encouraged to offer training programs, which may include soft skills development.

### Employer Perspectives:

- **Training Programs:** Numerous employers recognize the significance of soft skills and provide training programs to assist employees in developing these competencies. This includes workshops, seminars, and on-the-job training focused on enhancing communication, leadership, and other soft skills;
- **Performance Evaluation:** Certain companies integrate soft skills into their performance assessment criteria, recognizing that these skills enhance overall job performance and organizational success.

### Employee Perspectives:

- **Increased Awareness:** Employees are becoming more aware of the significance of soft skills and are proactively seeking opportunities for their development. This includes pursuing additional training and engaging in self-improvement activities;
- **Career Benefits:** Employees recognize that strong soft skills can lead to better job opportunities, promotions, and overall professional success.

### Impact on Workplace Well-Being

- **Enhanced Collaboration:** Soft skills such as teamwork and communication improve collaboration and foster a more positive work environment. This enhances to better job satisfaction and reduces workplace conflicts;
- **Employee Well-Being:** The capacity to manage stress, communicate proficiently, and lead with empathy enhances overall employee well-being and fosters a healthier workplace culture;

- **Evolving Focus:** As the Vietnamese labor market progresses, there will likely be increased emphasis on soft skills. This may lead to more explicit support for soft skills development in forthcoming labor legislation and regulations;
- **Integration with Technology:** As automation and AI proliferate, the significance of soft skills intensifies. Employees will need to harmonize technical skills with strong interpersonal abilities to thrive in the modern workplace.

In summary, while Vietnam's employment legislation does not specifically emphasize soft skills, there is an increasing recognition of their significance in both professional and personal contexts. Employers and employees alike are increasingly valuing soft skills for their impact on professional success and workplace well-being.

## Q6 Mental Health and the Well-being of Employees

Are the well-being and mental health of employees increasingly becoming priorities for your employment law and for the employers and employees of your country? Does this have an impact in new employment?

In Vietnam, the well-being and mental health of employees are increasingly being recognized as important concerns, but significant progress is still needed to integrate these issues into employment legislation and workplace practices. Anxiety, stress, and depression are the most common mental health issues faced in the workplace. These problems are frequently aggravated by post-pandemic pressures to maintain pre-pandemic levels of performance, challenges in managing work-life balance, feelings of disconnection, and concerns about rising living costs. All these factors might adversely impact mental health, resulting in reduced employee productivity.



### Legal Framework related to Mental Health

- **Absence of Explicit Provisions in the Labor Code:** Vietnam's Labor Code does not explicitly prioritize mental health or employee well-being. Employment legislation primarily addresses working conditions, wages, and physical occupational safety, with mental health still being a secondary priority. Although there is an increasing recognition of the significance of mental health, discussions about including mental health provisions in labor legislation are still in their early stages. As of now, formal legal provisions remain limited.
- **Occupational Stress and Insurance Eligibility:** Currently, mental health issues, particularly occupational stress, are not classified as occupational diseases eligible for social insurance benefits under Article 3 of the Law on Occupational Safety and Health. This is further defined by Circular 02/2023/TT-BYT, which specifies the list of occupational diseases covered by social insurance. Despite this, occupational stress is a significant factor in nervous system damage, and it contributes to an increased incidence of cardiovascular and musculoskeletal diseases. Additionally, occupational stress is a primary sector-leading cause of early retirement, especially in high-pressure work environments. Researches indicate that 50-60% of work absences are linked to stress-related conditions.

### Employer Practices

- **Workplace Initiatives:**
  - Employee Assistance Programs (EAPs): Certain employers in Vietnam have initiated EAPs, offering counseling and mental health support services. These programs aim to provide employees with access to professional assistance and resources.
  - Mental Health Training: Certain employers are also introducing mental health training for managers and employees, focusing on how to identify and manage mental health concerns. This training aims to foster a supportive work environment and reduce the stigma associated with mental health concerns.

### Workplace Culture:

- Supportive Environment: There is an increasing emphasis on creating a supportive workplace culture that acknowledges the significance of mental health. Employers are promoting work-life balance, reducing stress, and fostering transparent communication on mental health concerns.
- Stress Management: Employers are increasingly implementing stress management initiatives, such as flexible working arrangements and wellness programs to enhance employees' mental well-being.

### Employee Perspectives

- **Increased Focus:**
  - Rising Awareness: Employees are becoming increasingly aware of the significance of mental health and are advocating for enhanced support and resources from their employers.
  - Demand for Support: There is an increasing demand for mental health resources as employees attempt to balance work pressures with personal well-being.

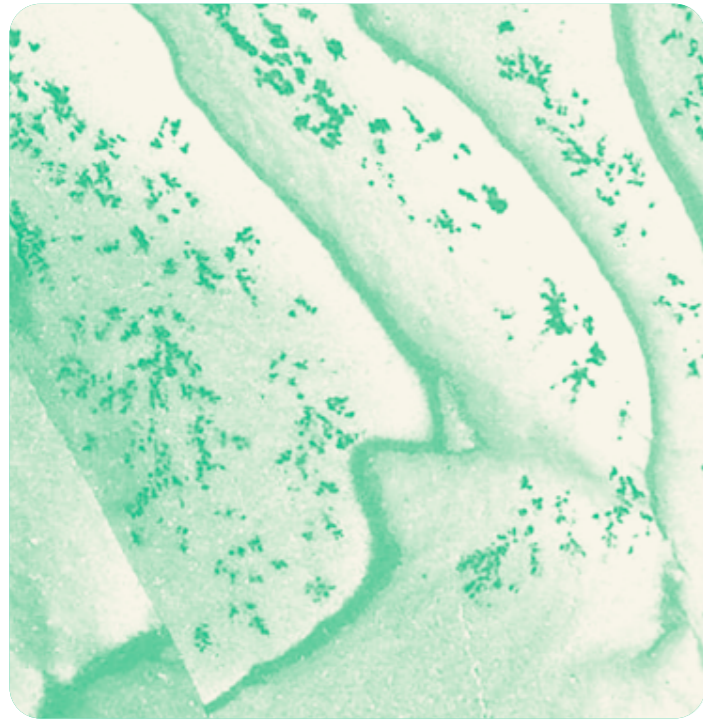
### Impact on New Employment:

- Candidates' Expectations: Mental health support and workplace culture are becoming significant considerations for candidates when assessing prospective employers. Companies that prioritize mental well-being may possess a competitive advantage in attracting and retaining talent.



### Recent Developments and Measures

- **Policy Discussions:** There are ongoing discussions at the governmental level about integrating mental health considerations into employment policies. These discussions contribute to comprehensive initiatives aimed at enhancing overall worker well-being.
- **Corporate Social Responsibility (CSR):** Certain companies are integrating mental health into their CSR strategies, recognizing that supporting employees' well-being may enhance productivity and organizational effectiveness.
- **Awareness Programs:** Numerous organizations and advocacy groups are running public awareness campaigns to highlight the significance of mental health and encourage supportive practices within the workplace.



In conclusion, while the significance of mental health and employee well-being is becoming recognized in Vietnam, there is still considerable progress to be made in fully integrating these concerns into formal employment legislation. Employers are progressively adopting proactive measures to enhance mental health through diverse programs and supportive workplace practices. Simultaneously, employees are becoming more vocal about their need for mental health resources and support. The increasing focus on mental well-being signifies a broader trend toward recognizing the essential role of mental health in overall job satisfaction and quality of life.

