

THE REPORT OF EMPLOYEE BENEFITS AND TET BONUSES IN 2019 IN VIETNAM



INTRODUCTION

Employee benefits and Tet bonuses have constantly been an important topic in the Human Resource department's discussions and meetings at the end of the year. A great employee benefit policy as well as a reasonable Tet bonus could be powerful in a company's effort to retain and attract talents.

In order to build a rational employee benefit and Tet bonus system, HR professionals must first put themselves in their employees' shoes to really understand their wants and aspirations as well as master the general benefit trends of the market.

Understanding this, **VietnamWorks** release "**The report of Employee Benefits and Tet Bonuses in 2019 in Vietnam**" to reflect the needs of employees/jobseekers on benefits and Tet bonuses so that employers and HR professionals can effectively optimize and build a better version of their company benefits and bonus system in 2019.

METHODOLOGY

To conduct this report, in November 2018, **VietnamWorks** and **HR Insider** conducted 2 surveys (one for jobseekers and one for employers) to collect the market information and the expectations of employees/jobseekers on employee benefits and Tet bonuses at companies where they are currently working for or desire to join in. The surveys received responses of nearly 500 HR professionals and 3400 jobseekers.

To facilitate the analysis, we divided the employee benefits into six different groups as described below. It is no doubt that there are a wide range of employee benefits varying from different types of business, job levels, but the list below includes the most common and basic benefits currently applied by most companies in Vietnam.

A. Financial Benefits

- Overtime allowance
- Lunch allowance
- Travel allowance
- Telephone fee allowance
- Holiday allowance
- Personal special occasion allowance (birthday, marriage,...)
- Stock sharing

B. Insurance Benefits

- Social insurance
- Health insurance
- Unemployment insurance
- Insurance for family members

C. Health Benefits

- Regular health check-up
- Sport clubs at the company
- Refund for exercise/sport expense outside

D. Paid Leave Benefits

- Annual leave
- Personal paid leave (maternity, marriage,...)
- Work from home

E. Training Benefits

- Orientation programs for new employees
- Professional skill training programs
- Soft skill training programs
- Refund the fees at non-company training institutions

F. Other Benefits

- Device support for work (laptop, mobile phone, transportation,...)
- Company trips



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II. TET BONUSES

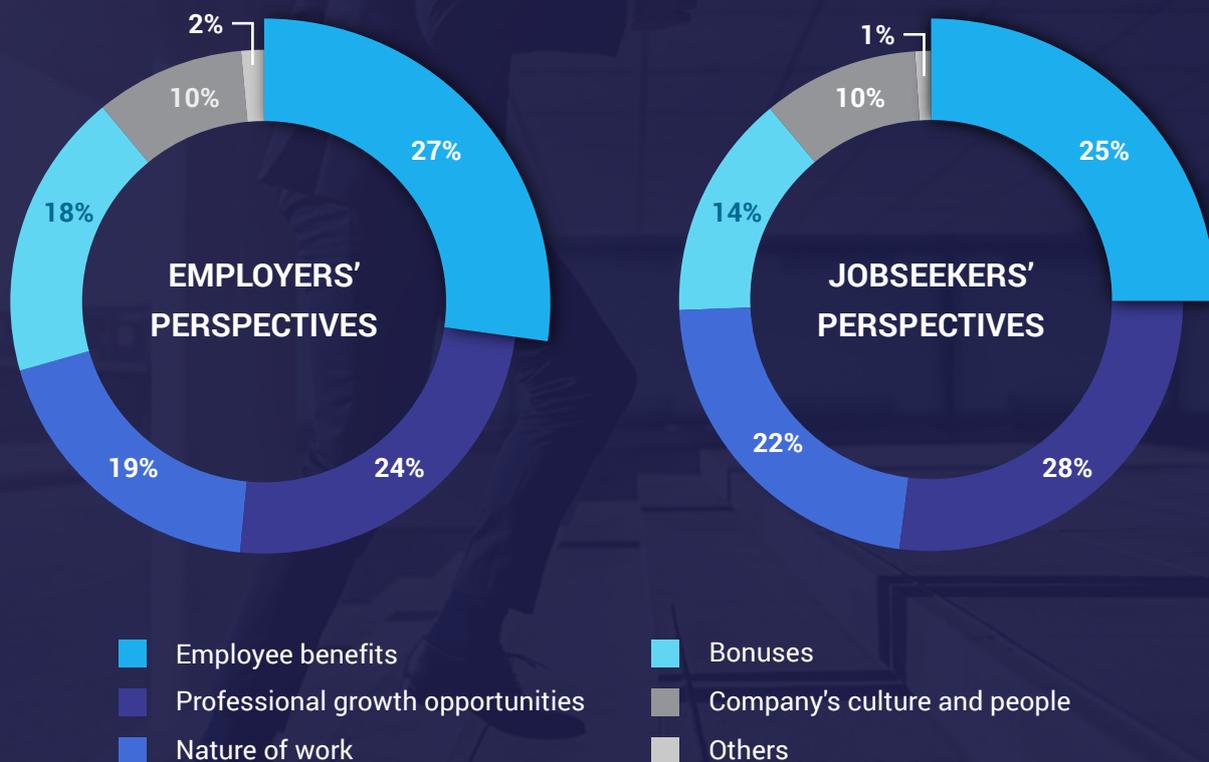
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I. EMPLOYEE BENEFITS



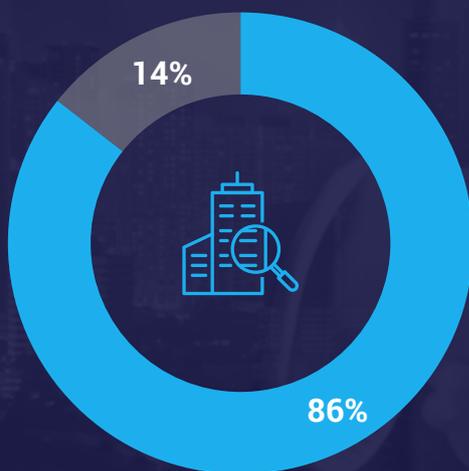
FACTORS INFLUENCING JOBSEEKER'S APPLYING DECISION



- ▶ There are identities in the views of employers and jobseekers in the determinants of applying for jobs. In particular, it can be clearly seen that “employee benefits” and “bonuses” are ranked in the top 5 most important factors. Especially, “employee benefits” is one of the factors that influences candidates’ decisions of applying for jobs.

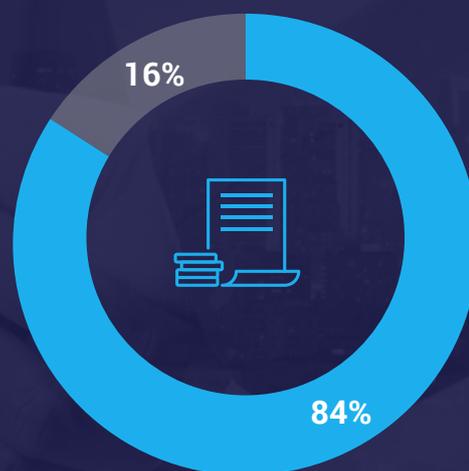
RELATIONSHIP BETWEEN EMPLOYEE BENEFITS AND JOBSEEKER'S APPLYING DECISION

THE PERCENTAGE OF JOBSEEKERS USUALLY SEARCHING FOR INFORMATION ABOUT EMPLOYEE BENEFITS BEFORE APPLYING FOR JOBS



■ Usually
■ Not usually

THE PERCENTAGE OF EMPLOYERS SHOWING ADEQUATE INFORMATION ABOUT EMPLOYEE BENEFITS IN THEIR JOB POSTINGS



■ Yes
■ No

- ▶ Being the most important factor in the application process, “employee benefits” is always laser focused by jobseekers and considered as special importance by employers when posting job vacancies.

EMPLOYEE BENEFITS SITUATION IN 2018

(From employers' perspectives)

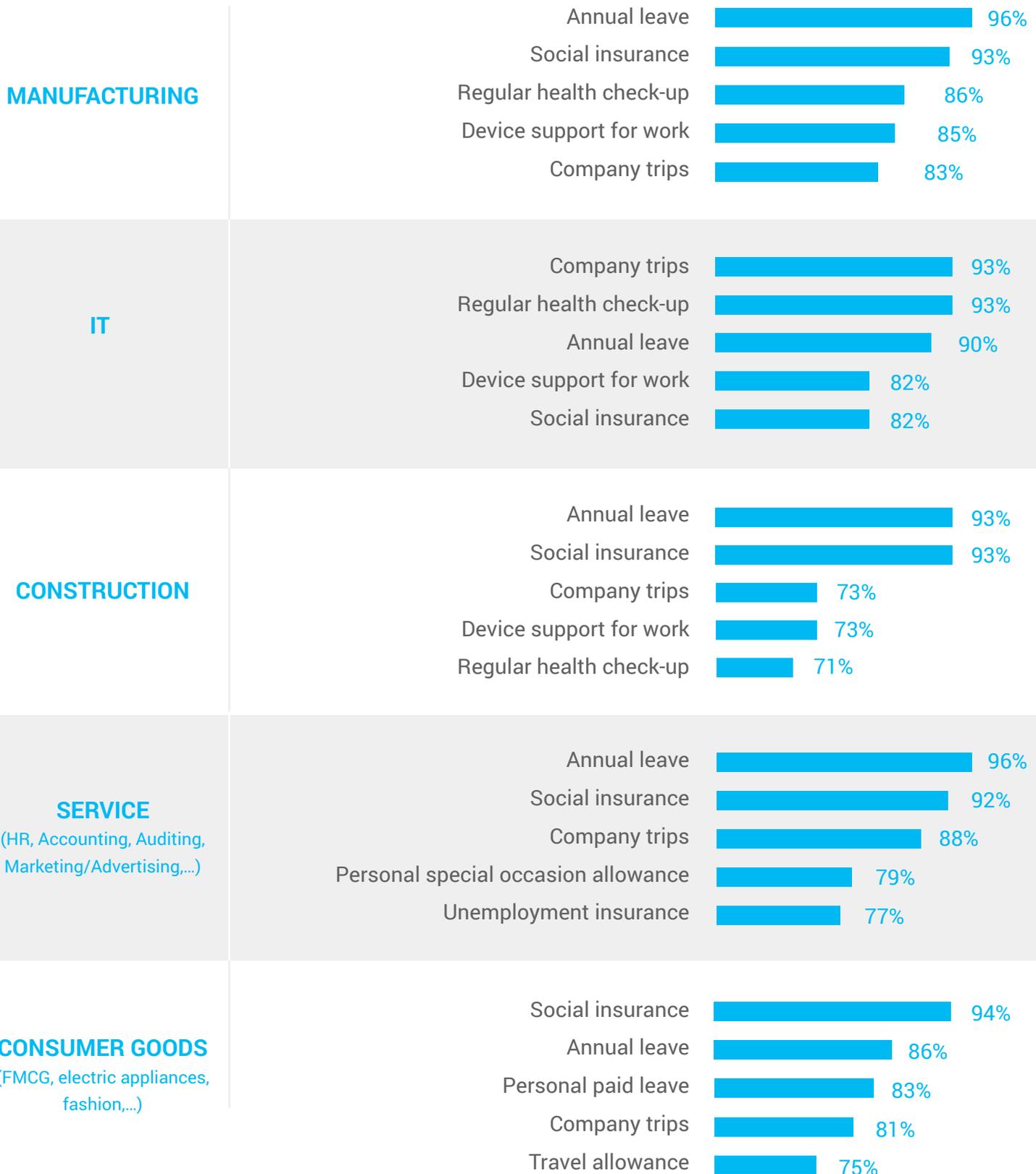
10 MOST COMMONLY APPLIED BENEFITS IN COMPANIES



- ▶ Currently, “social insurance”, “annual leave” and “company trips” are the most commonly used in organizations’ employee benefit packages in Vietnam.

5 most commonly applied employee benefits in companies

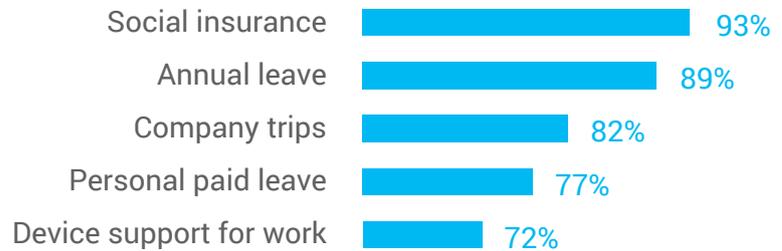
(Based on industries)



5 most commonly applied employee benefits in companies

(Based on company sizes)

1 - 50 EMPLOYEES



51 - 100 EMPLOYEES



101 - 200 EMPLOYEES



201 - 500 EMPLOYEES



MORE THAN 500 EMPLOYEES



EMPLOYEE BENEFITS SITUATION IN 2018

(From jobseekers' perspectives)

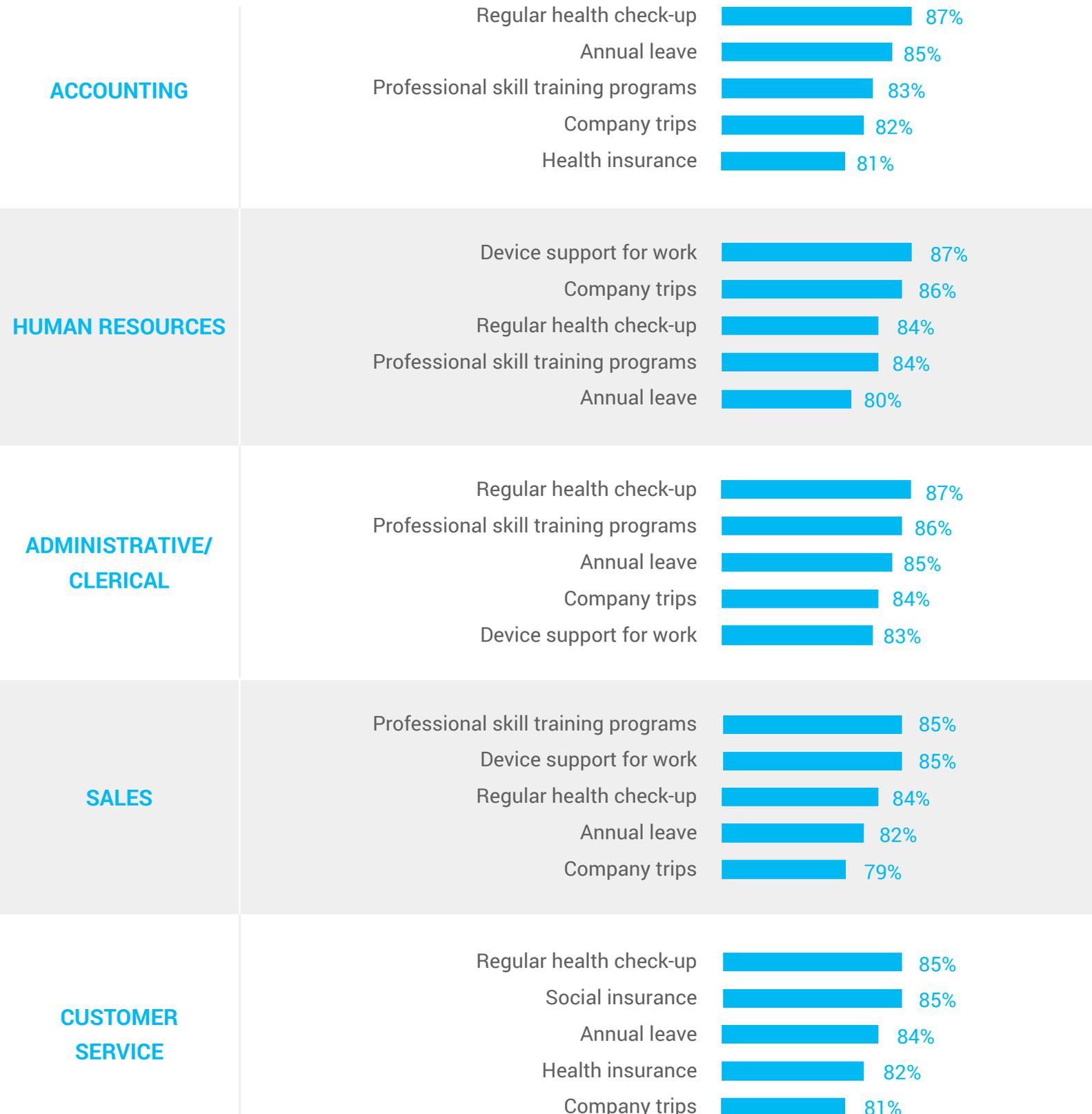
10 MOST DESIRABLE BENEFITS OF JOBSEEKERS



- ▶ While “social insurance”, “annual leave” and “company trips” are top 3 benefits that present in the employee benefit systems of most companies in Vietnam, the ones that most satisfy jobseekers are “regular health check-up”, “device support for work” and “professional skill training programs” (which was ranked at the 6th, 5th, and 7th place based on employers’ perspectives).

5 most desirable employee benefits of jobseekers

(Based on categories)



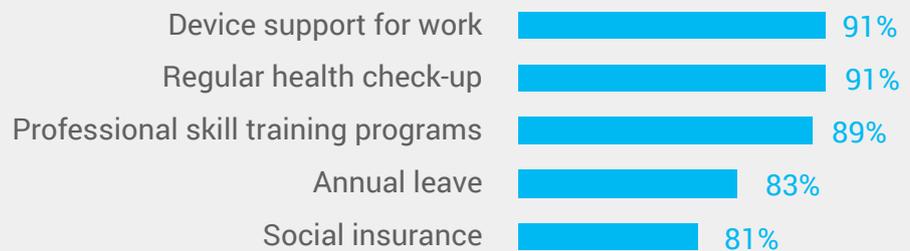
5 most desirable employee benefits of jobseekers

(Based on industries)

CIVIL/ CONSTRUCTION



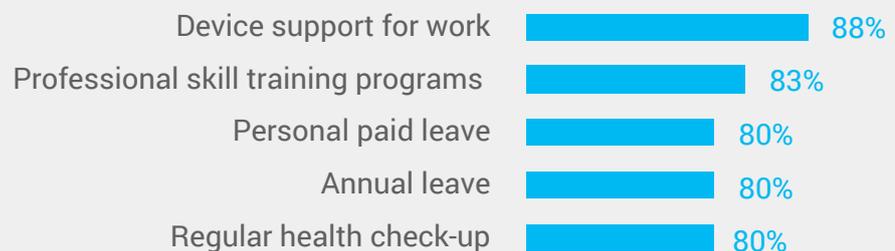
MECHANICAL



IT - SOFTWARE



MARKETING

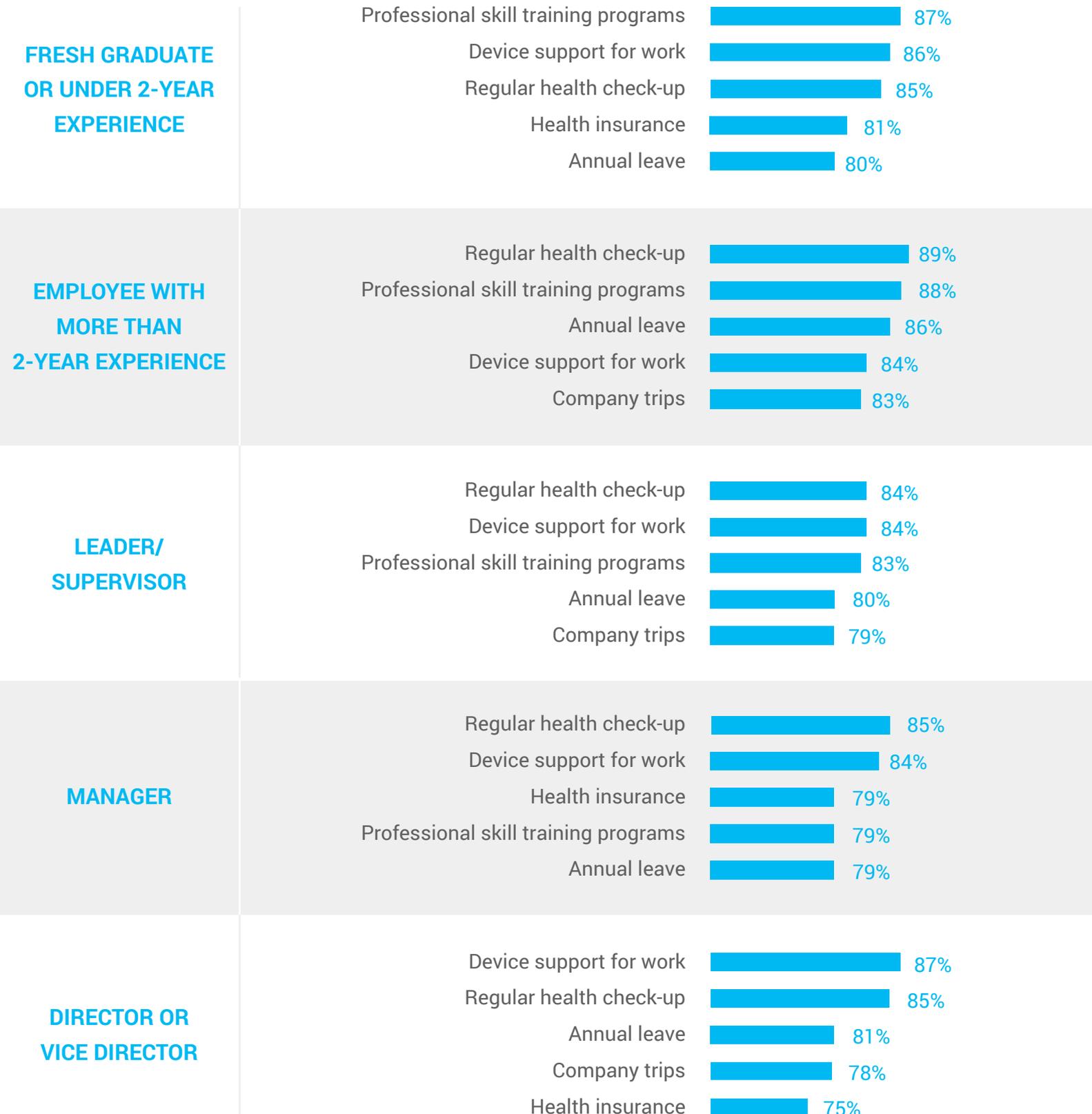


PRODUCTION/ PROCESS



5 most desirable employee benefits of jobseekers

(Based on job levels)



5 most desirable employee benefits of jobseekers

(Based on genders)

MALE

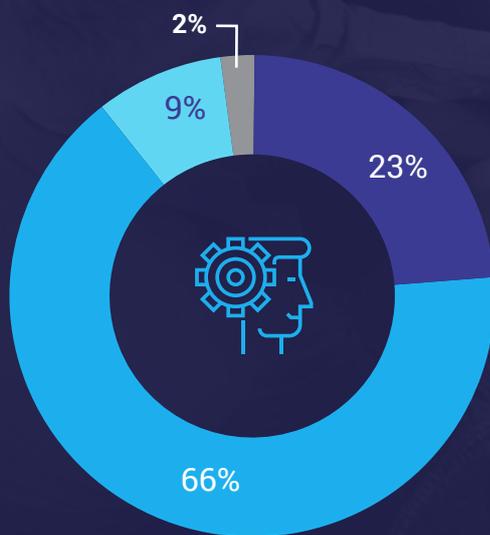


FEMALE



EMPLOYEES' SATISFACTION AND RESPONSES TO THE CURRENT EMPLOYEE BENEFITS

EMPLOYEES' SATISFACTION RATE OF THEIR CURRENT BENEFITS



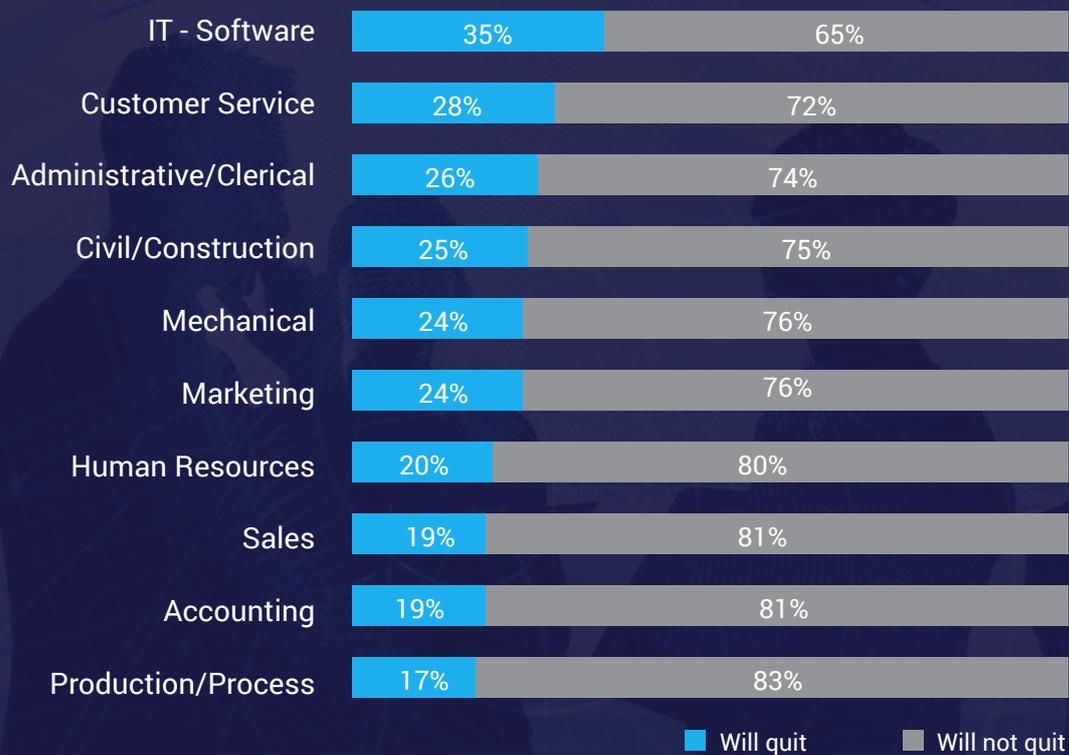
EMPLOYEES' SPECIFIC RESPONSES IN CASE THAT THEIR CURRENT COMPANIES WILL NOT SATISFY THEIR EXPECTATIONS ON THE EMPLOYEE BENEFITS IN THE FUTURE

- Quit and find a new job with better benefits
- Request their company to improve the quality of benefits
- Not response
- Others

- ▶ Most of employees in our survey are satisfied with the benefits they are receiving from their current companies. However, if their companies keep the same benefit systems which do not meet their expectations, the majority of employees will choose to have certain responses, such as changing jobs (23%) or ask for the company improvement on the quality of the benefit system (66%).

Who are most willing to quit their job when their expectation on the employee benefits are not met?

BASED ON INDUSTRIES



Who are most willing to quit their job when their expectation on the employee benefits are not met?

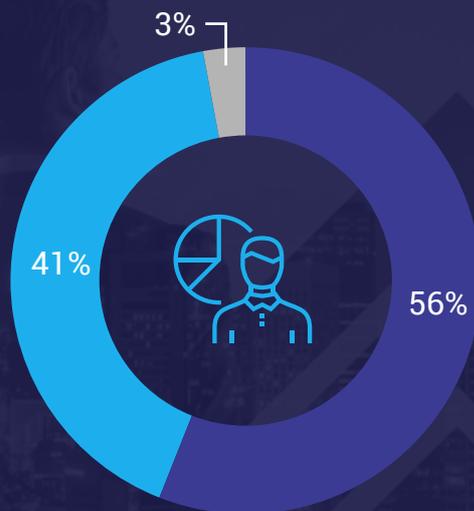
BASED ON JOB LEVELS



BASED ON GENDERS



COMPANIES' STRATEGIES ON EMPLOYEE BENEFITS IN 2019



EMPLOYERS' STRATEGIES TO IMPROVE THEIR EMPLOYEE BENEFIT SYSTEMS IN 2019

- Add new benefits and/or improve the quality of existing one
- Keep the current benefits
- Cut some of the existing benefits

TOP 5 LEADING BUSINESS INDUSTRIES IN WHICH COMPANIES WILL FOCUS ON ADDING NEW EMPLOYEE BENEFITS OR IMPROVING THE QUALITY OF EXISTING ONES IN 2019



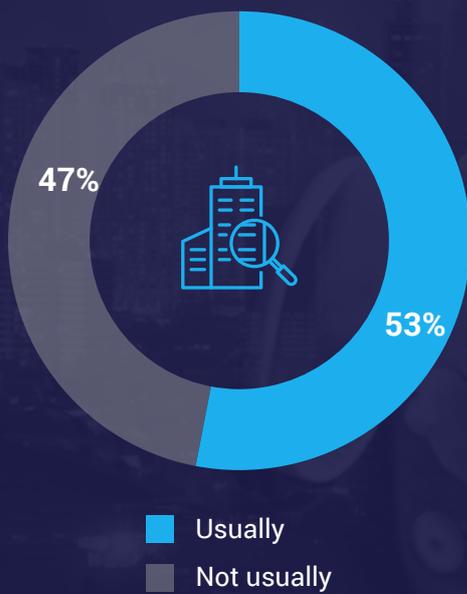
- ▶ More than half of employers in the survey stated that they will plan to add new benefits and/or improve the quality of existing ones. Especially, companies in the Manufacturing sector are most eager for their benefits system improvement in the coming year.

II. TET BONUSES

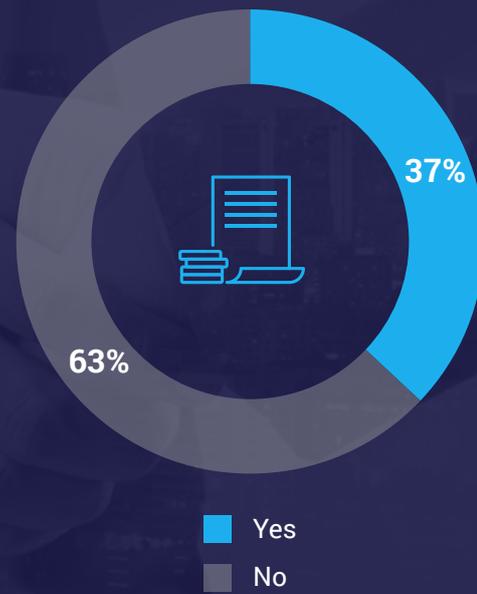


RELATIONSHIP BETWEEN TET BONUSES AND JOBSEEKER'S APPLYING DECISION

THE PERCENTAGE OF JOBSEEKER WHO USUALLY
SEARCH FOR INFORMATION ABOUT TET BONUSES
BEFORE APPLYING FOR JOBS



THE PERCENTAGE OF EMPLOYERS SHOWING
ADEQUATE INFORMATION ABOUT TET BONUSES
IN THEIR JOB POSTINGS

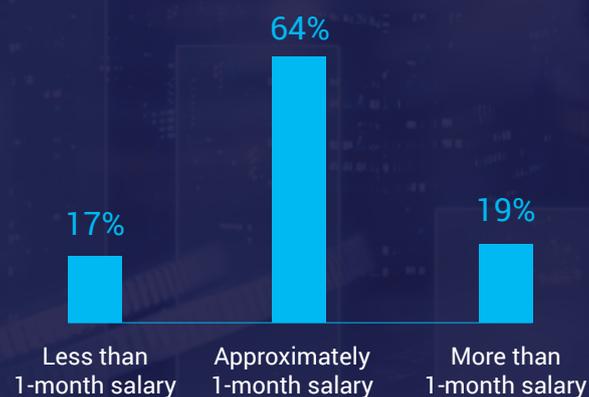


- ▶ 53% of the jobseekers are always seeking for information about Tet bonuses when looking for a job, but only 37% of employers include adequate information about Tet bonuses in their job postings.

TET BONUSES SITUATION IN 2018



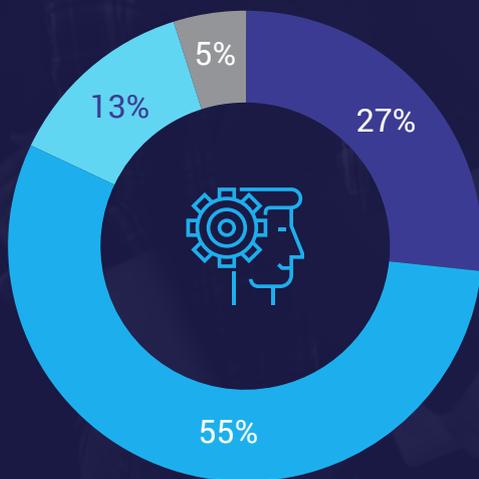
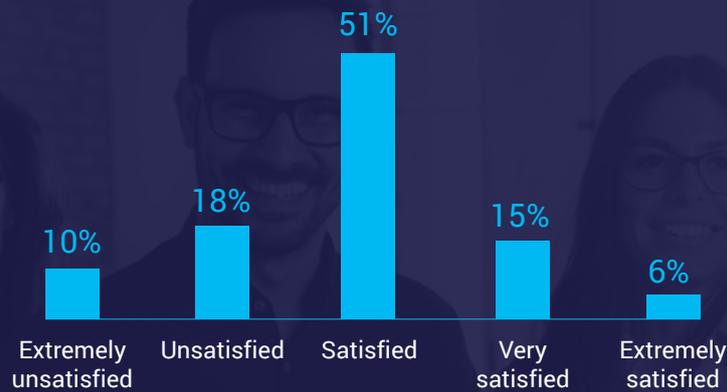
TET BONUSES' VALUE IN 2018



- ▶ In general, the most commonly applied Tet bonus in 2018 is “bonus based on company’s performance”, and the average value is often equal to employees’ 1-month salary.

EMPLOYEES' SATISFACTION AND RESPONSES TO TET BONUSES IN 2018

EMPLOYEES' SATISFACTION RATE OF TET BONUSES IN 2018

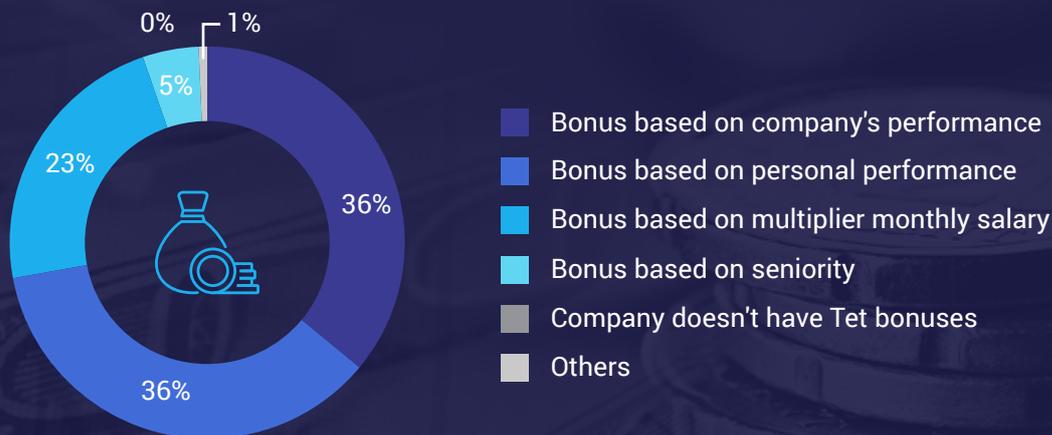


EMPLOYEES' SPECIFIC RESPONSES IN CASE THAT THEIR CURRENT COMPANIES WILL NOT SATISFY THEIR EXPECTATIONS ON TET BONUSES IN THE FUTURE

- Quit and get a new job with better Tet bonuses
- Request their company to improve the quality of Tet bonuses
- Not response
- Others

- ▶ Most employees are satisfied with their Tet bonuses in 2018. However, once Tet bonuses are under their expectations, most employees will choose to have certain responses, such as changing jobs (27%) or asking for improvement (55%).

THE MOST DESIRABLE TET BONUSES OF JOBSEEKERS IN 2019



BASED ON JOB LEVELS

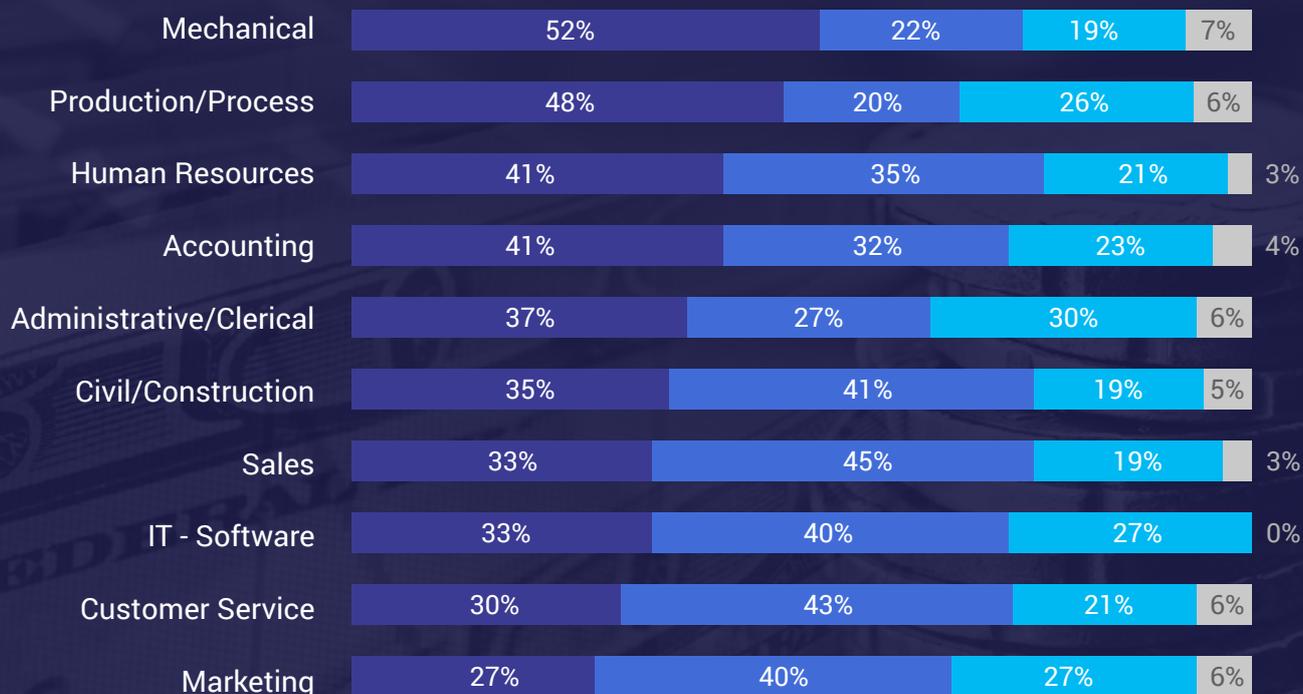


- ▶ Although “bonus based on company’s performance” was most commonly applied in 2018, but most employees believed that the “bonus based on personal performance” was similarly desirable when both categories occupied 36% of the bonus that employees expect to receive.

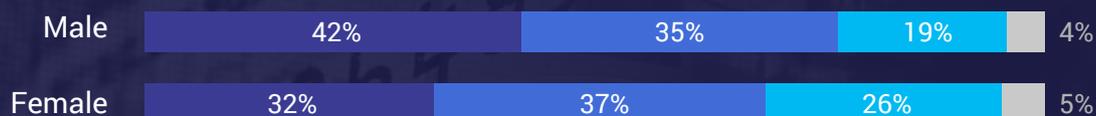
In addition, the data also shows that jobseekers with higher job level prefer “bonus based on company’s performance”, while the majority of employees having less experience or fresh graduates pay more attention to “bonus based on personal performance”.

THE MOST DESIRABLE TET BONUSES OF JOBSEEKERS IN 2019

BASED ON CATEGORIES



BASED ON GENDERS

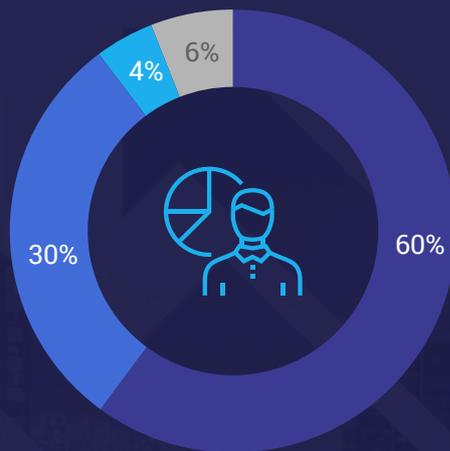


- Bonus based on company's performance
- Bonus based on personal performance
- Bonus based on multiplier monthly salary
- Bonus based on seniority

- ▶ By industries, candidates in Mechanical, Production/Process, Human Resources, Accounting and Administrative/Clerical sectors are most favored in “bonus based on the company’s performance”. Meanwhile, jobseekers in Sales, Customer Service, Marketing, IT - Software and Civil/Construction sectors pay more attention to “bonus based on personal performance”.

Male candidates give priorities on company’s performance bonus while female candidates will expect to receive more personal performance bonus in 2019.

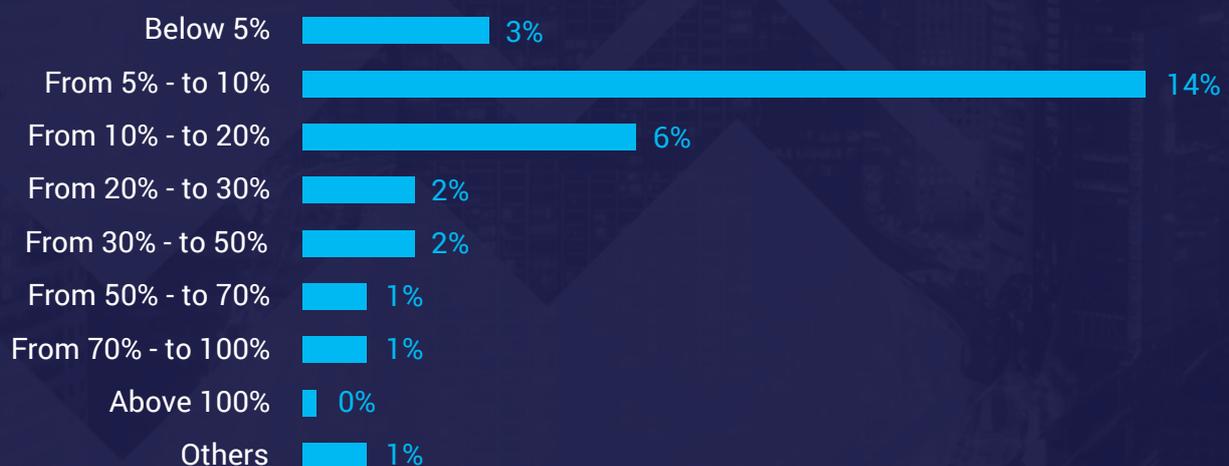
COMPANIES' STRATEGIES ON TET BONUSES IN 2019



COMPANIES' INTENTION TO PROVIDE TET BONUSES IN 2019

- Keep the value of last year's Tet bonus
- Increase the value of last year's Tet bonus
- Decrease the value of last year's Tet bonus
- Others

COMPANIES' INTENTION TO PROVIDE TET BONUSES IN 2019



- ▶ 60% of employers stated that they would "keep the same value of the Tet bonus of 2018", 1/3 would "increase the bonus value" and only 4% of employers plan to "decrease the bonus value" in the following year.

Among the companies who decide to increase the Tet bonuses in 2019, most will choose to increase this bonus "from 5% to less than 10%" compared to last year.

III. CONCLUSION



1

“Benefits” respectively ranked at first and second place in employers and jobseekers’ perspectives for the most important priority in the considering list of a candidate when applying for a new job.

2

Providing adequate information about employee benefits in job postings is extremely powerful to attract candidates because most of them are always looking for these information.

3

For employers, “social insurance”, “annual leave” and “company trips” are most commonly used in their employee benefit systems.

For jobseekers, benefits such as “regular health check-up” “device support for work” and “professional skill training programs” are the most desirable.

4

Most employees are satisfied with the benefits they are receiving from their current company. However, if the benefits they receive do not meet their expectations, most of them will choose to ask for improvement, or even decide to changing jobs.

5

More than half of employers stated that they are planning to add new benefits and/or improve the quality of the existing ones in 2019, especially those in Manufacturing sector.

6

The majority of jobseekers are always concerned about Tet bonuses when looking for jobs; however, only 1/3 of companies sufficiently mention this information in their job postings.

7

Most employers and jobseekers believe that “bonus based on company’s performance” is most favorable in recent years. The majority of companies are now applying Tet bonus value as about 1-month salary.

8

More than 70% of employees are currently satisfied with their Tet bonuses in 2018. However, if the bonuses do not meet their expectations, more than half of them will ask for improvement from their companies, and another 27% will decide to quit their jobs.

9

Nearly 2/3 of employers will keep the same value of the 2018 Tet bonus for next year and about 1/3 choose to increase it. Among the companies who decide to increase the Tet bonus in 2019, most will intend to add in from 5% to less than 10% compared to last year.

VIETNAMWORKS

With over 8 million monthly visits, **VietnamWorks** is the leading and longest running job website in Vietnam. Every year, 4.7 million job applications are delivered to more than 95 thousand job openings on VietnamWorks.com. Since it was founded in 2002, **VietnamWorks** has continuously brought fresh jobs to 3.6 million registered professionals and always pioneered in providing the best recruitment solutions to more than 15,000 companies, most of which are multinational corporations and top companies in Vietnam. **VietnamWorks'** large database of experienced jobseekers and reliable employers is an invaluable asset in Vietnam's competitive recruitment market.

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