3.21 Case Study of Viet Nam[1]

3.21.1 Profile of a Woman Entrepreneur

- Name: DANG THI THANH VAN
- Age: 37
- Nationality: Viet Nam
- Email: van.dang@savvycomsoftware.com
- Working Experience:
- Founder & CEO: *Savvycom Software (*https://savvycomsoftware.com/)
- Mentor: *Charlie Blair Foundation for Women* http://www.cherieblairfoundation.org/
- Vice President: *VNITO Alliance* http://vnito.org/
- TEDx Speaker: *TED Conferences*
- Education background: Bachelor's Degree in Computer Science from University of Sydney, Australia

With the consistent belief that there is a way for Vietnamese engineers to provide global quality services, Van co-founded Savvycom in 2009. Until now, the success Savvycom achieved is the most obvious evidence for her vision: Savvycom has been presented as one of the most brilliant and innovative brands, and was recognized as one of Vietnam's 30 Leading IT companies in BPO and ITO. With outstanding experience and in-depth understanding of international markets, Van has been offering valuable advice and strong supports to global partners on how to optimize business process through effective off shoring.

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[1] This case study was conducted by Nguyen Thi Bich Thuy, Director, Research Center for Female Labour and Gender, Institute of Labour Science and Social Affairs, Ministry of Labour, Invalids and Social Affairs, Viet Nam.

After 15 years of working in ICT, she has achieved much recognition:

- One of 15 Global Leaders to Watch in 2017 by Forbes
- Top 100 Outstanding Startup Entrepreneurs' hold by VN Young Entrepreneurs Association
- 1st Winner of "Mekong Women's Entrepreneurship Challenge Vietnam" hold by World Bank
- Hanoi Most Distinguished Entrepreneurs, 2016 by The Youth Union of Hanoi
- Merit of Outstanding Achievement and official mentor of Cherie Blair Mentoring Program

3.21.2 Profile of a Company

How Did I Start?

In 1999, Van was awarded a scholarship from Australia government (AUSAID) to go to the University of Sydney. After receiving the Bachelor of Computer Science and Technology in Software Engineering, she came back to home country in 2003.

Figure 1. The Development of Workers in Savvycom
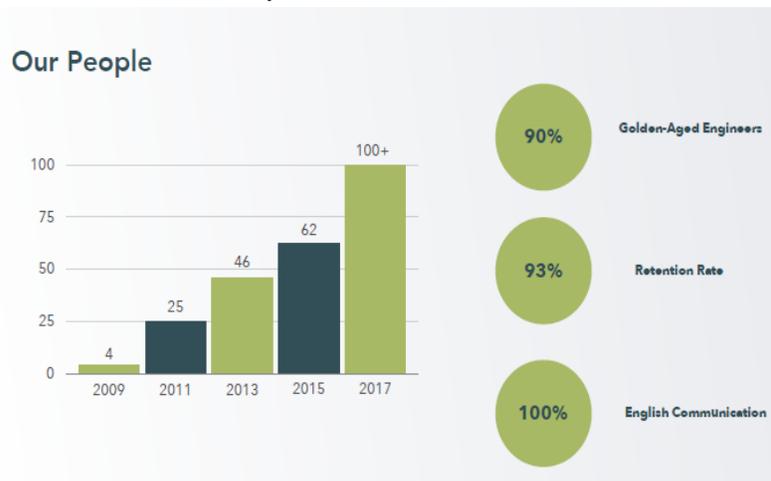
Source: Savvycom

Now, Savvycom become a leading software development company specializing in mobile and web solutions. After only 8 year of development, now they have grown into a team of more than 100 employees with 65 IT engineers. They have implemented more than 300 projects for more than 50 international clients from North America, Europe and Asia Pacific. Because of long-term strategic partners, 90% of them are returning clients. The products focus on digital solution, enterprise mobility development, health care, e-commerce automation testing, mobile testing and big data integration.

My Success Factors

Van said she had to learn from beginning and continue to learn until now. Because of that, Savvycom always prioritizes on the returning of old clients instead of finding new ones. The company keeps them by its great products and services.

Figure 2. Achievement by Savvycom

Source: Savvycom

My Difficulties and Resolutions

Savvycom has made significant achievements, but it has always faced many difficulties

Savvycom is connected to international market through various channels, including marketing online; develop networking of relevant firms and startups, and through current customers. With the development of IT industry in Vietnam, the fluctuation in worker is huge, especially for high-tech individuals. The legal disputes arise from misunderstandings among stakeholders but also some clients try to evade their own obligation, such as payment following contract, pay some taxes or fees etc. Van said, she "*has to learn*" many lessons from the difficulties. They are also common senses for other IT startups.

Challenges for Women in ICT in Vietnam

In contrast with the development of ICT in Vietnam, the participation of women in the field is very limited. The number of entrepreneurs is extremely rare, under 2% of the total.

Recommendation for Governments

In fact, the Vietnamese government always encourages people to start their own business, provides with incentives for startups and newborn companies in ICT. The government also support woman coming back to work after giving birth and long-life learning… even though the supports seem to be in common way and less-focused.

> "*In practical, I suggest establishing official government organizations for women ICT entrepreneurs, which help to create networking, coordinate and connect with countries' commerce chambers, international groups and promote international trade.*"

3.21.3 Findings

3.21.3.1 Success Factors

<u>The Government of Vietnam Is Aware of the Importance of ICT Industry and Creates Favorable Conditions for the Development of ICT Enterprises/Startups</u>

Coupled with Vietnam's upward economic trend, the Vietnamese government and businesses are strategizing to upgrade the country's information technology infrastructure. The strategy is aimed to increase total revenue of the IT sector as a percentage of Vietnam's GDP. In April 2015, the Prime Minister issued Resolution #26/NQ-CP, instructing all Ministries and local governments to promote the application and development of IT to serve the purpose of successfully developing economy sustainably and integrating internationally. The Prime Minister also stipulated Directive No. 16[2] on increasing capacity to adopt the Fourth Industrial Revolution with critical solutions on developing IT infrastructure; giving priority to the development of digital content industry, smart agriculture, tourism and urban areas; promoting entrepreneurial and innovation ecosystem; renovating education, vocational training and human resource training to adapt to new production technology trends. There are favorable factors that may create opportunities for Vietnamese ICT enterprises to robustly develop in the coming time.

Figure 3. Development Orientation of ICT Industry in Viet Nam by 2020

According to Ministry of Information and Communications, Vietnam is targeted to be a leading country in the world in providing engineering service outsourcing and digital content with high-quality IT human resource by 2020. In details:

First, to grasp breakthrough opportunities from the fourth industrial revolution, Vietnam will make every effort from now on to 2020 to support, provide training and develop human resource specializing in electronic, communications, IT and information safety. Second, Ministry of Information and Communications will cooperate with other departments, ministries and line ministries within the Government to improve supporting policies and regimes for startups, especially the ones in ICT industry. Third, to deploy 4G network and develop value added services to make ground for high speed data connection, robustly developing digital content services. Fourth, to develop e-Government and enhance operating performance of State administrative agencies. Fifth, to increase State managerial performance in electronic transaction, especially in information verification and confidentiality in electronic transaction. Sixth, to promote information safety.

Source: Ministry of Information and Communications, 2017.

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[2] Directive No. 16/CT-TTg dated 4 May 2017 stipulated by the Prime Minister on increasing capacity to adapt to the Fourth industrial revolution.

<u>Vietnam Has Been Robustly Integrating into the World, Creating Opportunities for Enterprises/Startups in ICT Industry</u>
World integration helps to attract investments, technology and advanced technique transfers in ICT industry from developed countries to Vietnam; creating opportunities for ICT workers to improve their qualifications subsequently; and development opportunities for Vietnamese enterprises/startups in ICT industry.

<u>The Need of ICT Workers Is High and Continues to Increase in the Coming Time; Women Have Advantages in Applying to ICT Industry</u>
According to statistics from Ministry of Information and Communications, by 2020, Vietnam will need approximately 1 billion workers in ICT industry, equivalent to 13% increase in human resource every year, especially in the 2 biggest cities of Ha Noi and Ho Chi Minh.

> *"As statistical data of Center for Forecasting Manpower Needs and Labor Market Information HCMC, in the period 2011-2015, organizations and enterprises in HCMC only required up to 11,200 IT specialized workers.*
>
> *As calculated by Ha Noi People's Committee, in order to reach targets set out by the Ha Noi IT Development Plan by 2020 and its perspectives to 2030, roughly 700,000 IT workers will be needed. Thus, employment opportunities in this industry are massively open.*
>
> *Big technology groups including Vietnam Posts and Telecommunications Group, Vietnam Military Telecommunications Group (Viettel), FPT, Samsung, Microsoft, etc. are expanding their operation scales and therefore in needs of employing a large number of competent workers in the industry."*
>
> <div align="right">-Ministry of Information and Communications</div>

Therefore, women's advantages in ICT recruitment will be doubled thanks to: (i) high need of recruitment in ICT industry; and (ii) the need of adjusting sex-ratio imbalance in ICT work force. Recruiters in ICT industry, therefore, tend to prefer women workers as a strategy for sex-ratio balance at work. This will be an advantage for women in applying to IT groups/enterprises in the coming time.

Figure 4. How Does a Woman Start in IT Sector?

> *"I started working in a research institute; the work makes me feel boring. I what to do something more meaningful and think I can do it". So, she moved to work for an IT company in more than 3 years"*.
>
> *"After some years working as a worker, I thought I can do by myself then I start my Savvycom in 2009". At the time, Savvycom was founded with 4 people including Van, a colleague in her ex-company and 02 IT students. The first client was introduced by her friend and the first product was a software application for a small company in Germany"*.
>
> *"Development of a software application does not require much capital or investment, so for a newborn company like us the most challenges were expanding market and finding new clients. I understand that we should go slowly, step by step. We try to provide with products of international quality and reasonable price. From ex-clients, we were introduced and connected with the new ones."*
>
> -In-depth interview Ms. Dang Thi Thanh Van, 37 year olds, Founder & CEO of Savvycom Software

It Should Be Noted that Vietnam's Investment Climate for Women Is Generally Supportive

Vietnam boasts a long tradition of women involved in business, and compared to many similar economies, Vietnam has fewer differences between the legal statuses of men and women. Vietnam's legal system on gender equality is considered as relatively advanced, facilitating women workers in general and women entrepreneurs in particular in equally develop with their men counterparts in every field of the social life. Vietnam is among few countries in the world that launched the Law on Gender Equality (2006) which provides principles of gender equality in all fields of social and family life, measures ensuring gender equality, responsibilities of agencies, organizations, families, individuals in exercising gender equality. Article 12of Gender Equality Law stipulates gender equality in the field of economy "Man and woman are equal in setting up a business, carrying out business and production activities, managing business and are equal in accessing information, capital, markets and labour sources".

Position of Vietnamese Female in the Labor Force and in the Economy Has Been Improved, Including in ICT Industry

Economic position of Vietnamese female has been increasingly improved with the increase of female quantity and quality in the workforce participation; increasingly contributing to various economic sectors. In Vietnam, female workers frequently account for nearly a half of the labor force[3]; the ratio of female enterprise owners/ leaders kept increasing over the last 10 years and reached 21% in 2014[4]. Until 2016, female workers in ICT industry accounted for approximately 1/3 total industry workforce[5]; and might continue to rise in both scale and proportion in the industry.

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[3] GSO Viet Nam, Labour force Survey (2016)

[4] Based on data from 2014 GSO Enterprise Census

[5] GSO Viet Nam, Labour force Survey (2016)

Figure 5. My Success Factors

> "*Never stop learning that is the most important*; *not only learning new technology but also the others. First, I have to learn how to operate an IT firm. I have been participated some short courses on business management. A thousand of new things that I have to digest, such as management of cash flow, marketing, H&R etc. Then when we work with clients from countries I have to understand legal framework for IT, not only in Vietnam but also in international market*".
>
> "*I only set up short term targets. Of course we have long-term vision but short term targets are focused. Like I said, we go slowly and firmly because of an IT market with new trends and new technologies*".
> "*When you make decision, just do it*". Van said.
>
>   -In-depth interview Ms. Dang Thi Thanh Van, 37 year olds, Founder & CEO of Savvycom Software

3.21.3.2 Challenges

<u>Despite of Many Improvements, Women Participation in IT Industry in Vietnam Is still Less Than Their Men Counterparts in Both Quantity and Quality. IT Is Still Among Industries that Experience the Highest Sex-Ratio Imbalance.</u>
Employment in ICT industry is of great interest in current and future labor markets thanks to its high income, modern work environment and open career opportunities all over the world. ICT is also a high profitable industry in Vietnam that attracts a great number of investors and startups. However, IT is still among industry groups that have the highest sex-ratio imbalance. This is the consequence of sex-ratio imbalance in choosing fields of study and fields of work. When choosing fields of study, the ratio of female students applying to STEM fields (STEM - Science, Technology, Engineering, and Mathematics) is considerably lower than that of male students. Whilst selecting fields of work, a proportion of female graduates do not choose to work in this industry.

<u>Gender Prejudice to Employment Is Relatively Tough and Is Still a Barrier for Women in Choosing and Developing Their Careers in ICT Industry</u>
Success in ICT industry may require various factors such as innovation capacity at work; ability to work under pressure; continuously updated knowledge and skills in every field; ability to work in team; foreign language levels of proficiency; etc. While the society and women are still considered that women are "worse" than men in most of the above-mentioned success factors in ICT industry. This is the big barrier for women in participating and developing career in ICT industry.

Figure 6. My Difficulties and Resolutions

> *"IT companies always have to expand its market"*.
>
> *"Keep high-quality human resources"*.
>
> *"Salary is not key factor but the welfare. We develop company culture so each worker considers Savvycom as their second home. We conduct team building activities, create great working environment at the office, and take care of their spiritual life and their family too"*.
> *"Sometime, we face with legal disputes with clients, especially the international ones. We have to protect our legitimate benefit"*.
>
> *"We have to acknowledge domestic and international law. I also consider hiring a professional layer.*"
>
> *"At beginning, if someone guides me, I may have overcome such difficulties with less damage and loss. So now I am ready to mentor other newborns, help them to face with what I had faced. That's why I become a mentor of Charie Blair Foundation for Women"*.
>
> -In-depth interview Ms. Dang Thi Thanh Van, 37 year olds, Founder & CEO of Savvycom Software

Gender Prejudice to Female Entrepreneurs/Owners Is a Barrier for Female Entrepreneurs and Startups in ICT Industry

The aforementioned biases – conscious or unconscious – directly impact women entrepreneurs and women-owned businesses.

A number of misconceptions currently affect the profile and growth potential of women entrepreneurs and women-owned businesses. The IFC's survey [6] reveals a number of misconceptions currently affecting the profile and growth potential of women entrepreneurs and women-owned businesses. These misconceptions have been summarized and addressed as follows: (i) Women entrepreneurs are more risk averse than men in seeking finance; (ii) Women with children don't have time to lead a business; (iii) Women have other priorities and are less likely than men to pay back loans; (iv) Another perception about women entrepreneurs is that, once they have a family of their own, they face so many other priorities that they might slip on repayment of their business loans. (iv) Women only work in family businesses and most are owned by men; (v) Women need more financial education than men. A common misperception is that women have lower financial management skills and need more financial education. This is a view commonly

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[6] IFC, a member of the World Bank Group, (2017), Report on Women-owned enterprises in Viet Nam: Perceptions and Potential. This study used both quantitative and qualitative research methods. The quantitative research consisted of a demand and supply component, focused on businesses and banks respectively. The demand survey was executed through individual tablet-based interviews of 500 business owners or top managers5, consisting of 322 women-owned and 178 men-owned businesses. The supply survey was based on individual interviews with a selected group of bank representatives. This study looks at the specific financial and non-financial needs and opportunities for women owned SMEs in Vietnam. It quantifies the market opportunity for banks to target these SMEs with strategies that recognize the number of such businesses, annual revenues generated, number of employees, and contribution to the economy.

held among bank staff and even among some women entrepreneurs themselves; (vi) Women don't have time for learning and networking. Women are eager to improve their business skills and are willing and able make time for it. Women tend to seek advice from women they are not related to more than from male nonrelatives. They are interested in practical capacity building programs to sharpen their business skills (branding, marketing, and managing staff above all) and are willing to pay for high-quality courses.

> *"In ICT, a female engineer will be easy to be left behind sooner or later if they stop learning and work hard. That's why we have few woman entrepreneurs in ICT. Their limitations are coming from language barrier, self-deprecating, soft skills, low creativity and less communication".*

> *"To resolve the situation, women should be inspired and mentored to develop their owned career. The role of woman in society should be improved to wipe out the social prejudices and change their mind. They also need to be more independent in family by sharing financial responsibilities with men, receiving support from men in housework to create their own time and space for career."*

-In-depth interview Ms. Dang Thi Thanh Van, 37 year olds,
Founder & CEO of Savvycom Software

The Lack of Sharing in Housework and Caring Responsibilities in Family between Men and Women; Whereas the Lack and Weakness of Social Services in Housework and Family Care Are Barriers to Women Entrepreneurs/Startups in ICT Industry

In the society of Vietnam, responsibilities in housework and family care mainly belong to women. The "double" workload is a barrier for women in starting up businesses and developing a successful career in ICT industry; as ICT works often have high pressure and require continuously updated information and knowledge.

> *"For social prejudices, women are not good at technical issues or learning new technologies. Also, they were constrained by the burdens ome from their own responsibility in family such and giving birth, taking care of children and elderly... In their life, women always consider to trade-off between career and others (family, marriage…), so they could not contribute all effort for career."*

> *"Training is the most important" said Van. The training not only focuses on knowledge and skill but also soft skill and foreign language. Besides, we should increase the acknowledgement of gender equity for both men and women through training and*

communication. Job guidance from elementary level will help to orient them in future career with more decisiveness".

Women Hardly Have Chance to Join Important Decisions in ICT Industry
The ratio of women in ICT workforce is still low; the ratio of female entrepreneurs/startups in ICT industry is also low and concentrates in small and super small enterprise group, etc. These limitations may have negative impacts on women's opportunities in participating and raising voice in important decisions in ICT industry. At the same time, issues, needs and expectations of women in ICT industry may have few chances to be addressed, concerned and responded timely and adequately.

"Woman workers in ICT are also in very little numbers. Their positions usually are testers or supporting work (clerk, accountant, sale…). Their roles are underestimated or unrecognized and male engineer is more appreciated and welcome than a female engineer with the same background."

A Comprehensive Gender Analysis
A comprehensive gender analysis has not been done to clearly identify opportunities and threats for men and women entrepreneurs/startups in ICT industry in Vietnam and to project impacts of the fourth industrial revolution on women and men in the industry.

Despite of available gender studies and analyses in economic, labor and employment sector in Vietnam, there has been no study that analyses gender equality status in a thorough manner to identify gender issues and its reasons, and propose solutions for real gender equality in the industry.

3.21.3.3 Policy Recommendations

Recommendation 1
Enhancing society's awareness in gender equality as the first step towards gender prejudice in the choice of study and work fields; focusing on gender equality promotion in ICT industry.

Specific solutions:

- To promote gender integration into career orientation activities in the school system, aimed at changing prejudice of students and their parents against female girls studying STEM and ICT fields; consequently, reducing sex-ratio imbalance in the field of study;
- To build a gender-segregated database system of enrolment quota in fields of educations, especially STEM and ICT; of information on the needs of labor market in general and ICT labor market in particular.
- To carry out studies on gender analysis in ICT industry, aiming at being clearly aware of current gender issues and its reasons, and suggesting solutions for promoting real gender equality in the industry.
- To generate and communicate guidance on gender integration into career orientation activities and labor recruitment in IT industry.

Implementation responsibilities: Ministry of Education and Training; Ministry of Labor, Invalids and Social Affairs (Department of Gender Equality); National Committee for the Advancement of Women; Vietnam Women's Union.

Recommendation 2
Encouraging and supporting women entrepreneurs/ startups in ICT industry, considering them as a vital resource for socio-economic development of the country.

Specific solutions:

- To raise a Government scholarship fund to encourage female ICT students;
- To establish a fund supporting women entrepreneurs/startups in ICT industry with the purpose of appraising and providing preferential loans to excellent projects/ initiatives/ ideas of women entrepreneurs/ startups in ICT industry;
- To set up an association/ club for women entrepreneurs/startups in ICT industry. This will be a forum for women entrepreneurs/startups in ICT to inspire and share experiences on every success/ failure; at the same time, providing consultation services, information sharing, technical supports to women who are interested in startups in ICT industry.
- To encourage and create favorable conditions for representatives of the association of women entrepreneurs in ICT industry to participate in the process of developing important policies and plans in ICT industry.
- To create a reward for women entrepreneurs/ startups who success in ICT industry; and/or who have great contribution to gender equality promotion in ICT industry;

- To encourage and assist social services development such as kindergartens, preschools, schools, health care, housework services, etc. in areas/ locations where many women entrepreneurs/ startups and female workers in ICT industry locate.

Implementation responsibilities: Ministry of Labor, Invalids and Social Affairs (Department of Gender Equality); National Committee for the Advancement of Women; Ministry of Education and Training; Ministry of Finance; Vietnam Women's Union; Vietnamese Women Entrepreneurs Council (Vietnam Chamber of Commerce and Industry); Vietnam Cooperative Alliance; Women's Affairs Committee (Vietnam General Confederation of Labor); Vietnam Association of Small and Medium Enterprises and other professional associations in ICT industry.

3.21.3.4 Advice for Women Entrepreneurs

Women should make every effort to overcome barriers to develop their careers/ startups in ICT industry. Apart from preparing knowledge and skills in ICT, women should identify opportunities and challenges/ barriers arisen from gender prejudice; and look for supporting and sharing resources to help them overcome difficulties.

Women successing in ICT industry should actively participate in communication activities to inspire female youths in choosing employment and develop career in ICT industry.

3.21.3.5 Summary and Discussion

In the modern society, both men and women should be provided with equal conditions for choosing and developing individual career relevant to their abilities and inspiration. Although the Government of Vietnam has made every effort in promoting gender equality and Vietnam is among the countries having many achievements in gender equality, sex-ratio imbalance still exists in a number of industries/ occupations. A typical example is STEM and ICT industry in Vietnam where women account for roughly 1/3 only. Sex-ratio imbalance in ICT industry is resulted from (i) the prevalence of gender prejudice in family and society in terms of choosing fields of study and future work; in which women themselves have not been confident in their capability in STEM studying subjects and in ICT work; (ii) policies and service provision system in education and training sector have not been gender integrated adequately, so that real gender equality has not been ensured; (iii) With current gender roles, Vietnamese women still have major responsibilities in housework and caring in the family that create limitations/affect their decisions in choosing occupations, and consequently have negative impacts on the process of their career development; (iv) Social services system supporting housework and family care has been developed unevenly and therefore inadequately met actual needs.

The Government of Vietnam has orientation to strongly develop ICT industry, which is viewed as a vital momentum for economic development of the country in the coming period. Enterprises/startups in ICT industry are encouraged to develop in both quantity and quality; therefore, the needs of ICT workers will increase subsequently by 13% per annum on average. However, to make sure that both women and men are equal in taking advantage of this great opportunity, comprehensive intervening solutions should be applied. *First*, communications should be promoted to change gender prejudice in the society regarding the study and work of women in ICT industry; *Second*, the State should have incentive and supporting policies for women entrepreneurs/ startups in ICT industry; at the same time, having incentive policies for the development of social services to reduce the workload of housework and family care for women; *Third*, it is necessary to encourage enterprises and organizations in ICT industry to act towards sex-ratio balance in their workforce; *Fourth,* to support the initiative of establishing an association of women entrepreneurs/ startups in ICT industry, which represents their needs and inspiration; *Fifth*, women entrepreneurs/ startups themselves in ICT industry not only have to continuously improve their professional knowledge and skills but also have to self-equip with necessary skills and experiences in sharing housework and family care with their men counterparts in their own families and the society.

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