CASE STUDY

Vinaseed - Seed production, Vietnam

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Company Background

Vinaseed is one of the largest seed-production companies in Vietnam. It produces, trades, and exports seeds (rice, maize, and vegetable) and rice for household consumption. The company sells the vast majority of its products through 1,200 distributor companies across Vietnam, but also exports seeds to Laos, Cambodia, and South China (Vinaseed, 2015). Previously a state-owned enterprise, Vinaseed was privatized in 2004 and publicly listed in 2006. Its major shareholder is the PAN Group, which is an IFC client. In 2011, Vinaseed was the first agribusiness company to achieve the status of a Science and Technology Enterprise in Vietnam.

Vinaseed has been expanding rapidly, with average annual growth of 25–30% in revenue and profit over the period 2010-2015. In 2015 alone, its revenue increased 74% over the previous year (from VND 719 billion/$32.2 million to VND 1,248 billion / $56 million, as per information provided by Vinaseed). The company has plans for further expansion in coming years, by increasing the depth of its product offering in seeds and the quantity of rice sales.

Vinaseed operates in a highly competitive and rapidly changing sector, with an estimated 200 seed producers across the country. The company is in a strong financial position, but faces some important challenges. In the domestic market, Vinaseed will soon be exposed to higher levels of competition from multinational seed companies, as a result of the recently concluded Trans-Pacific Partnership (TPP) trade deal. The impact of climate change on Vietnamese agriculture is also a major concern. Although Vietnam is currently one of the world’s largest producers of rice for export (FAO, 2016), it has also been identified as one of the five countries most likely to be negatively affected by climate change, as a result of low-lying agricultural land.

Vinaseed directly employs 287 workers, who are dispersed throughout its head office, eight regional branches, and two research centers. The company employs another 500 staff indirectly through three subsidiary companies, including the Southern Seed Company (which has 15 branches). Vinaseed also engages a network of more than 10,000 contract farmers throughout Vietnam to grow the seeds and rice that are sold under the Vinaseed brand.
HOW THE COMPANY PROVIDES A SUPPORTIVE ENVIRONMENT FOR WOMEN

Overall, women represent 27% of the total permanent workforce and 18% of management. Women and men are evenly represented in the company’s research (48%) and accounting (48%) departments. There is a high proportion of women in quality assurance (81%) and administration (67%), but women are under-represented in sales (5%), marketing (22%), and production (15%). Vinaseed’s workforce is highly educated: more than 80% of all staff have a university degree.

Women at Vinaseed benefit from the company’s goal to be a good employer for all workers, by maintaining a positive and cohesive team environment that is conducive to the company’s business goals of innovation, resilience, and future expansion.

STRONG FEMALE LEADERSHIP

Since 2004, Vinaseed has been led by Chief Executive Officer, Tran Kim Lien, who serves as an important female role model for women in the company. Vinaseed also enjoys strong female representation on its company board: three out of seven directors (43%) are female (including the CEO).

Having female role models in areas that are mostly male-dominated – in management and on boards – can help encourage other women to pursue these career pathways. This is important in the context of Vietnam, where there is a high rate of women’s labor-force participation (73.3%), but much lower rates of women in leadership positions. Only 23% of all managers in Vietnam are women (ILO, 2014).

A number of women employees at Vinaseed said that the company is more understanding of women’s needs as a result of CEO Tran Kim Lien’s leadership. According to one female manager: “I feel like I am listened to here. Ms. Lien shows me both how to develop professionally and also how to maneuver through life’s difficulties.”
AN HR MANAGEMENT FRAMEWORK THAT PROMOTES EQUAL OPPORTUNITY AT ALL STAGES OF THE EMPLOYMENT RELATIONSHIP

Vinaseed prides itself on its commitment to equal opportunity for women and men, both in policy and practice. This applies with respect to all stages of the employment relationship: recruitment, training, promotion, and provision of wages and benefits. In particular, Vinaseed places considerable emphasis on the quality and transparency of its recruitment process, as it aims to attract employees who will make the most positive contribution to the company and stay for the longer term, regardless of gender. As such, the company makes a conscious effort to recruit “the most suitable – not the best – person” for each position, taking into account a range of attributes beyond technical skills, such as interpersonal skills.

The strength of Vinaseed’s commitment to equal opportunity makes a real difference in the context of ongoing gender discrimination in the labor market in Vietnam. A recent study found that one in five job advertisements still includes gender requirements, in contravention of national legislation on non-discrimination (ILO, 2015). Some 70% of these gender-targeted advertisements aimed to recruit men, mostly into higher-skilled and better-paid positions (ILO, 2015). In particular, up to 83% of management job postings indicated a preference for male applicants (ILO, 2015).

Vinaseed aims to attract the best people by providing an attractive remuneration and benefits package for all employees. Wages at Vinaseed compare favorably to other companies and sectors: the average monthly wage at Vinaseed is VND 16 million ($800), compared to the national average of VND 3.8 million ($180), VND 2.63 million ($130) in agriculture, VND 12 million ($600) in banks, and VND 18 million ($900) in science and engineering.

Pay equity is a critical element of equal opportunity. Importantly, individual salaries at Vinaseed are calculated on the basis of a transparent, merit-based system, which helps eliminate discrimination and decision-making on the basis of personal bias. This system provides for generous bonuses for workers according to a formal procedure that is clearly communicated to employees, whereby individual performance is tracked and assessed on the basis of clearly defined and achievable targets that are agreed between the employee and his/her manager. Those who meet their targets can earn the equivalent of an extra six months’ pay and those exceed their targets can earn up to 12 months’ extra pay. A grievance mechanism is available for workers who do not agree with the final

“I made a conscious choice to work for Vinaseed. I used to be very successful in my position at a bank and when I came here, a lot of people were surprised. But Vinaseed was a client, and I really admired Ms Lien and her staff... I thought I could learn a lot from working here. Everyone is so open at Vinaseed. It feels like a family to me now.”

Nguyen Thi Chau, Deputy Manager, Agricultural Product Sales
management decision on their performance pay. Vinaseed regularly offers job sharing options for key staff, high-potential staff, and agricultural experts. The company also provides a life-insurance program for employees with more than three years’ service and health insurance for workers that enables them to access medical care in the best clinics. This includes access to antenatal medical care, a benefit which is valued by women workers.

OPPORTUNITIES FOR WOMEN IN SCIENCE AND TECHNOLOGY RESEARCH

Vinaseed enjoys near gender parity in its research and development (R&D) function, where women represent 48% of staff. There is also one woman on the panel of six independent experts (17%) that are engaged by the company to advise on R&D. This is considerably higher than the figures on women’s participation in science and technology in Vietnam, according to which women researchers are under-represented in both the private (37%) and public (39%) sectors. These both tend to offer better salaries and opportunities for advancement than academic institutions, toward which women researchers are more likely to gravitate (46%) (UIS, 2011). Across the world, women are estimated to make up only 28% of science and technology researchers (UIS, 2014).

Vinaseed is not only giving important opportunities to the women who work within its research centers, but is also providing an example to other science and technology companies. One of the greatest obstacles to attracting women into careers in science and technology is thought to be the lack of female role models in occupations that are seen to be predominantly male (OECD, 2011).

A CORPORATE CULTURE OF RESPECT, COOPERATION, AND ENGAGEMENT

Vinaseed places considerable value on cultivating a positive corporate culture. This includes a culture of worker engagement, in which workers at all levels are encouraged to voice their ideas and concerns, including suggestions for innovation. This is influenced by the Japanese concept of ‘kaizen’, where employees work together to achieve ongoing innovation through regular incremental improvements to a company’s performance. There is also a strong emphasis on teamwork and building trust between management and staff, in order to build internal cohesion and connections in the workplace.

Women employees described a “listening culture” at Vinaseed, where they feel like they have a voice in the workplace and their opinions and concerns matter. Women say that CEO Tran Kim Lien has played an important role in creating this environment, by adopting a management style that involves listening. One manager observed that: “We feel like we can talk to Ms. Lien. She is attentive and caring... Not every company has this kind of culture”.

ACCESS TO TRAINING AND DEVELOPMENT

As a science and technology company, Vinaseed invests heavily in training and professional development, as it strongly believes that its continued success relies on the knowledge and skills of all of its workforce. Tran Kim Lien, the CEO, said that, “Vinaseed aims to give all workers – women and men, at all levels – the right
opportunities to develop and excel in their careers”. To this end, each worker has a ‘training roadmap’ that is agreed with his/her manager, which is based on individual training needs. Women value the company’s ongoing investment in training and development opportunities for all staff, and the encouragement and support that they receive from managers to participate in training.

Vinaseed provides support for a wide range of training and development activities. This includes short training courses: in 2015, the company funded 251 places at external courses and 275 at internal training sessions. Vinaseed also provides financial support for employees to pursue further education, such as part or full funding for master’s degrees (depending on the level of seniority). Over the last five years, the company has provided full funding for three managers (including one woman) to undertake master’s degrees in the US and Australia. Vinaseed also organizes study tours, both within Vietnam and abroad.

The company is particularly focused on management training, because managers are perceived to be the ‘backbone of the company’ and play a key role in maintaining a positive corporate ethos. Management training courses cover a range of matters, from technical skills, such as understanding spreadsheets, to soft skills, such as business ethics and corporate culture. The company also has targeted training courses for those it identifies as potential managers.

**SUPPORTIVE ENVIRONMENT FOR WORKING PARENTS**

Women workers at head office describe a culture where the company’s principal focus is on results achieved, not hours worked. They consider that this approach is particularly beneficial for women, who are less likely to be able to work long hours, given that they tend to take primary responsibility for childcare. Women say that Vinaseed’s results-oriented work culture makes it easier for them to return to work after maternity leave, because they can leave work earlier if they have to attend to family responsibilities or take time out to take sick children to the doctor. According to Luong Mai Phuong, Deputy Manager of Investment and Project Management: “We are evaluated on the work that we do, not the time that we spend on it”.

Vinaseed’s collegial environment means that co-workers – women and men – step in to support each other, including when it comes to dealing with family emergencies. According to Le Thi Huong, Quality Assurance Manager: “We back each other up if someone has a sick child – this can happen at any time. Normally, this is a mother’s responsibility and we can ask for a few hours off to deal with it.”

“Women do experience the industry differently, even as a top manager. We need to do everything as well as a man does, but we also need to excel in both our working and family lives. This can be difficult. You need to have the right support from your family and husband.”

Tran Kim Lien, CEO
THE BENEFITS FOR THE COMPANY

MORE GENDER DIVERSITY LEADS TO BETTER DECISION-MAKING AT THE TOP

Vinaseed benefits from gender diversity in senior management, which brings a greater diversity of perspectives to top-level discussions and decision-making. Currently, 42% of board members (three out of seven) are women. Recent research presents compelling evidence that gender diversity in a company’s top ranks drives higher performance. A 2016 review of the business performance of more than 21,000 companies across 91 countries found that, on average, companies with greater gender balance in top management and on boards have substantially better financial results than those with no women (Noland, Moran, and Kotschwar, 2016). These benefits are not derived from women outperforming their male peers, but rather, that more diverse leadership tends to deliver better outcomes.

For CEO Tran Kim Lien, the benefits of gender diversity in leadership are clear. She says that having both women and men in the company’s top management deepens the quality of discussions, providing a “yin-yang balance.”

CREATING A CONDUCIVE ENVIRONMENT FOR INNOVATION

Ongoing technological innovation is a must for Vinaseed, as the company’s profitability and future growth depends in great part on its ability to create successful new seed varieties. The commercial pressure to keep on improving the company’s offering is unrelenting, as observed by CEO Tran Kim Lien, “innovation has a short lifespan in this industry.”

In the quest to drive ever higher levels of innovation, Vinaseed is acutely aware that its employees are its key asset and that the company’s ability to maintain its recent stellar performance relies on their motivation, skills, and know-how. In this context, all employees need to be encouraged and supported equally to contribute to the company’s innovation process. Cultivating a ‘listening culture’ not only helps make women employees feel more valued and supported, but also makes all employees feel more confident and empowered to voice new ideas and provide input on improving existing company processes. According to Nguyen Quang Truong, Director of Investment and Project Management: “Our intangible assets – our people and their knowledge – are becoming more and more important. Building our corporate culture and investing in our people is how we aim to differentiate ourselves from others and build a competitive edge.”

Higher levels of diversity on research teams, including a more even balance of women and men, can help spark technological innovation. Gender balance in Vinaseed’s research team is clearly paying off, as this is an area where the company has been achieving excellent results in recent years. Over the period 2010-2014, the company has researched, selected, and transferred 30 new varieties of seed, increasing company revenue from technical and scientific products from 0% to 52% (Vinaseed, 2015). These outcomes are consistent with a recent study of more than 4,000 companies with R&D teams, which found that the probability of innovative developments significantly increased when there were higher levels of gender diversity on teams (Diaz-Garcia et al, 2013). The researchers attributed this to different perspectives, leading to a wider range of ideas and greater creativity.

Employee perception that the remuneration system is fair can also help drive innovation. The Vinaseed system, which is applied equally to women and men, creates greater incentives for workers to stay motivated and perform at their best, knowing that their pay is assessed objectively on the basis of individual performance relating to formal criteria, rather than personal characteristics.
ATTRACTION AND RETAINING THE BEST AND MOST COMMITTED WORKERS

The company’s recruitment process, which focuses on hiring the most suitable person for the job, regardless of gender, means that the company chooses the right person for the job. According to Vinaseed, the process of hand-picking high-caliber and loyal staff is not compatible with gender discrimination; the company cannot afford to screen out the talents of half the population.

This careful recruitment process also enables the organization to maintain its much-prized cohesive team environment, reinforcing a respectful and supportive environment for women and men alike. This environment is not only conducive to innovation, it also makes it more likely that employees will stay at the company for a longer time, allowing the company to retain their knowledge and reap the full benefit of its investment in training. Currently, the average length of service for non-managerial staff is 6.8 years and 13 years for managerial staff. CEO Tran Kim Lien says, “We want our employees to feel proud to work for Vinaseed. We think that there is long-term value in this for the company.”

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CHALLENGES AND OPPORTUNITIES

In order to be most effective, Vinaseed’s future efforts to enhance gender diversity in the workplace need to carefully consider how to address the challenges that Vietnamese women face in balancing paid work with family responsibilities. Strong gender norms in Vietnam mean that household and care-giving responsibilities fall disproportionately on women’s shoulders. As such, women workers at all levels of Vinaseed – including CEO Tran Kim Lien – experience significant social pressure to “excel both at work and in the home.” National statistical data indicates that women and men undertake a similar amount of paid work, but 44% of men do not contribute to housework at all (compared to only 21% of women, as per World Bank, 2011). Of those who contribute to housework, men provide 1.5 hours per day, while women provide 2.2 hours. However, these figures are likely to underestimate women’s unpaid work in the home, as the definition of ‘housework’ does not include childcare, which is traditionally considered to be a woman’s responsibility.

Strongly entrenched gender roles mean that the company needs to think strategically about how to increase the proportion of women in areas of the business where they are currently under-represented, particularly management (18%), sales (4%), and production (15%). At present, these roles are thought to be attracting lower levels of applications from women, because they are perceived to be incompatible with women’s family obligations. Management positions may be perceived to involve longer hours in the office, while sales and production typically require extensive travel, sometimes involving trips away from home for weeks at a time. Some production roles, such as manual workers in processing plants, also require heavy lifting, which may be less attractive for women.

There are important hurdles to enhancing gender diversity in sales and production, but these could be addressed by a proactive, multi-pronged approach. This could include revising all current job descriptions in these departments and consider whether aspects of the job that may be unattractive to female candidates (e.g. heavy lifting or extensive travel) can be modified. Perhaps new technology or certain adaptations could make such jobs more appealing to women. For example, assumptions about women’s ability to drive forklifts may be out of date in light of new equipment and vehicles.

As the company expands its production of rice for consumption, there is an opportunity to recruit more women into its sales function. The company only started selling rice as food in 2015, but this is expected to represent 20% of the company’s sales by 2020. Sales of rice as produce are less likely to require travel, as clients are based in urban areas. Thinking about how to make sales a more family-friendly job may not only make it more likely

“When I first took the position as CEO, my son was still in high school. I would get up in the morning and make his breakfast, and I would prepare meals before any travelling. Housework is typically a woman’s responsibility in Vietnam, you can’t compare it with Western cultures. This is why at Vinaseed we try to support women with young children.”

Tran Kim Lien, CEO
that women apply, but might also make it more likely that men stay longer in the job. Currently, sales is one of the departments with the highest levels of staff turnover, as a result of demanding sales targets and the need to travel to rural areas to sell rice seed for farmers. Vinaseed may also enhance its profile with women consumers by positioning itself as an ‘employer of choice’ for women.

Even where job requirements are amended to be more attractive to women, Vinaseed may need to overcome fixed mindsets about what constitutes an appropriate job for women. As a first step, this means including text in job advertisements (internal and external) to make it clear that women and men are welcome to apply for all jobs. Even if wording of a job advertisement is gender-neutral, women sometimes assume that they cannot apply for certain jobs as a result of strong gender norms. This may be addressed by providing training to managers in charge of recruitment so that they do not automatically assume that women cannot do the job. Sometimes there is an assumption that women cannot or do not want to do certain jobs, but this is not always the case.

There is a real incentive for the company to consider how to get more women into management, as the company is potentially missing out on significant financial gains associated with higher levels of gender diversity in management. As a starting point, the company may wish to conduct a structured diagnostic to identify the key barriers for women in gaining access to management positions, and then put together an action plan. This could include an employee survey, to gain direct insight into employees’ needs and concerns, both women and men. Part of the solution may include stronger discouragement for all managers – women and men – from working excessive hours. This is likely to attract more women candidates for management roles, but may also make the jobs more attractive to men, who can also benefit from more flexible working hours. This may be relatively straightforward, given that women workers already report that the company has a results-oriented culture (as opposed to a focus on hours spent in the office).

**CONCLUSIONS**

Through its emphasis on fairness, transparency, and individual performance, Vinaseed has succeeded in creating a cohesive and motivating team environment for women and men, where workers feel listened to and valued. As the company’s CEO, Tran Kim Lien has been an important role model for women within the company, while also playing a key role in developing a corporate culture that is understanding of women’s needs.


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