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Proposed Research Model: Factors Affecting the Development of High-Quality Human Resources in Vietnam

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Abstract

Human resources are the main factor determining our country's success in the process of international integration, when competition for human resources becomes one of Vietnam's development strategies. Human resources are the main factor determining the success of each country in the development process. Developing human resources with a core of high-quality human resources will ensure sustainable growth and development goals. High-quality human resources represent the most elite component within the broader workforce. Hence, the development of human resources, especially high-quality ones, is considered a strategic breakthrough and a decisive factor for implementing the tasks of restructuring the economy and transforming the growth model towards achieving the goal

of rapid, effective, and sustainable economic development. Through a research overview and theoretical framework on human resource quality, with qualitative research methods associated with firms in Vietnam, the authors propose a model for empirical research on the influence of factors on the development of high-quality human resources. This article will cover content related to the development of high-quality human resources in businesses in Vietnam, including how to understand high-quality human resources, the development situation, and influencing factors, a model to research factors affecting the development of high-quality human resources, and propose solutions to develop high-quality human resources in Vietnam.

Keywords: Human Resources, Development of High-Quality Human Resources, Vietnamese Economy, The Fourth Industrial Revolution, Sustainable Development

JEL Codes: F66, J01, O15

1. Introduction

Beyond the multidimensional impacts, the Fourth Industrial Revolution (Industry 4.0) has been rapidly changing labor structures and the labor market. Automated machinery and equipment systems will gradually replace manual labor across the entire economy, with machines and artificial intelligence taking the place of human workers. The demand for highly skilled labor is increasing, whereas the need for low-skilled labor is diminishing. This shift will exert significant pressure on the labor market, with developing countries facing labor surpluses and rising unemployment.

Compared to other countries in the region and the world, Vietnam possesses a abundant labour force, with its human resources continually growing alongside its population increase. According to data from the General Statistics Office, as of June 2022, the estimated total population of the country reaches 97.58 million people, with a labour force aged 15 and above was about 54.6 million people, accounting for nearly 65% of the total national population. This demonstrates that the Vietnamese labour force is always ready to meet the demand for labour supply for businesses domestically and internationally. Although numerous, the quality of Vietnam's human resources is low on the international ladder, with insufficient skilled and highly-skilled workers. According to a report from the Ministry of Labour - Invalids and Social Affairs, informal and general workers still predominate; those who have received training, certifications, and degrees are still limited, standing at approximately 24.5% in 2020 (compared to the set target of 40%). Meanwhile, the trained workforce does not align with practical needs and fails to meet societal demands (Nguyen, 2022) [6].

Therefore, developing high-quality human resources is considered one of the strategic objectives for sectors, localities, and the nation, especially in the context that Vietnam's economy is integrating deeper and wider into the fiercely competitive global economy as it is today. However, this process is influenced by a combination of objective and subjective factors.

2. Literature Review

Richard *et al.* (2001) ^[10] in their book "Foundations of Human Resource Development" examined the basic history of human resource development, presented the fundamental theoretical and practical bases, and provided models and processes of an increasingly important topic. Throughout the book, the authors have reflected alternative viewpoints on human resource development to assist readers in approaching the range of thinking in the profession. The authors define human resource development as "a process of developing and utilizing expert knowledge aimed at improving the work processes of individuals, groups, and jobs, as well as the performance of systems, organizations". The study "Human Resource Management: Past, Present, and Future" by authors Deadrick and Stone (2014) ^[11] researched human resource management in terms of its past, present, and future. This showed that human resource management is one of the most important business functions in any organization, regardless of its size. Historically, human resource management is arguably the earliest developed management function, preceding other functions such as finance, accounting, and marketing. Based on this, this study examines the history of management, human resource development, and suggests that technology, globalization, diversity, and other factors will influence the future directions of the human resource management function.

Regarding theoretical models for human resource development, author McLagan (2016) ^[4] in the book "Models for Human Resource Development" argues: "Human resource development may be the only function at a specific position that represents the morality and ethics of humans". The author asserts that the primary mission of human resource development is to provide individual development to improve current work performance, offer career development so future performance of the workforce can be enhanced, contributing to the general development of the organization. Overall, this is closely connected with the optimal utilization of human resources and improvement of organizational performance and capabilities. Human resource development will adapt according to changes in the environment and technology. Because of this characteristic, human resource development has received increasing attention from managers.

The research work "The roles of psychology, systems, and economic theories in human resource development" by Ju, Boreum (2019) ^[2] aimed to explore foundational theories in human resource development. Psychological theories that were explored include those about human resource development training, gestalt-psychology, behavioral psychology, and cognitive psychology, all illustrated. System theory was explored and explained in relation to organizational development. Economic theory was explored and explained with a focus on human capital theory; and it has been demonstrated how economic theory is relevant to human resource development strategies. Describing core

theories and their connection to education, training, organizational development strategies, and human resource development can provide insights about the foundations of human resources, as well as the necessary ethical viewpoints for both scholars and professionals.

In Vietnam, there have been many research works on human resource development, focusing on the development of high-quality human resources to carry out tasks in various periods and phases (industrialization, modernization, industrial revolution, etc.). Notably:

Nguyen (2012) in the topic "High-Quality Human Resources of Vietnam in International Economic Integration", provided an overview of the research situation on high-quality human resources in international economic integration. The author presents theoretical and practical bases about high-quality human resources in international economic integration and the current status, direction, and main solutions for developing high-quality human resources in the context of international integration. The author asserts: in the context of globalization and deepening economic integration, the linkage activities among economies are expanding, requiring high-quality human resources in the process of participating in international labour division. The author assessed that the quality of human resources in Vietnam still has many limitations and emphasized the urgent need and role of human resource development in the current trend.

Le (2012) ^[3] in the topic "Developing High-Quality Human Resources in the Key Economic Region of Central Vietnam" made an assertion that while unskilled labourers produce products that sustain life, societal progress necessitates the creation of products with higher intellectual value. Therefore, nations worldwide pay great attention to improving the quality of their human resources. The intense competition among countries and enterprises primarily revolves around the "competition in the intellectual value crystallized in products through the enhancement of human resource quality".

Nguyen, (2014) ^[7] researched the topic "The intelligentsia of Vietnamese Higher Education in Training High-Quality Human Resources during the Period of Accelerated Industrialization and Modernization". The author assessed that the higher education system in Vietnam mostly does not meet the requirement of "developing high-quality human resources to supply for the processes of industrialization, modernization, and international integration". Therefore, the author concluded: enhancing the quality of higher education while promoting the role of higher education intellectuals in training high-quality human resources is an urgent need at present.

In 2016, the author Pham (2016) ^[8], with the topic "Developing High-Quality Human Resources during the Process of International Integration", analyzed the issue of developing high-quality human resources in Vietnam during the international integration process from 2006 to 2016. The thesis pointed out the current situation that although Vietnam has achieved initial important successes in the integration process, these achievements mainly rely on low-skilled labour associated with the exploitation of natural resources. There are shortcomings in management, insufficient professional level, and low skills; stagnation, weak adaptability; a degradation in ideology, morality, and lifestyle, putting the country in front of risks such as: people losing faith in the Party, the State, losing national identity,

environmental pollution, lagging further behind in all aspects compared to other countries in the region and the world, debt default, or Vietnam possibly becoming the world's dumping ground. Therefore, the Party and the State need to pay special attention and focus on developing high-quality human resources in international integration.

Author Pham (2020) ^[9], in the article "Developing and Improving the Quality of Human Resources in the Context of the Fourth Industrial Revolution", argues that human resources, especially high-quality human resources, play a decisive role in the socio-economic development of each country. In the current context, where the Fourth Industrial Revolution is unfolding robustly, the Party and the State are increasingly focusing on building and developing high-quality human resources to meet the needs of industrializing and modernizing the country and integrating internationally in all aspects. According to the author, to develop high-quality human resources, it is essential to pay attention to the connection between three stages: training, utilization, and incentives. Thus, issues related to the development of high-quality human resources are influenced by various factors that need to be specifically considered in each sector and field.

3. Methodology

The author employs a combination of theoretical research methods, collecting and synthesizing data from scientific works, and articles related to the research issue published in scientific journals. At the same time, the author studies the government's actions in the process of issuing policies to develop high-quality human resources in the current context of international economic integration. Based on the evaluation of the status of human resources in Vietnam, the article focuses on analyzing the objective and subjective factors affecting the development of high-quality human resources in Vietnam today.

In addition, we interviewed experts, including seven human resources directors of FDI enterprises in industrial parks in Hanoi and three lecturers with experience in human resource management. working for the National Economics University and the University of Labour and Social Affairs, which are leading schools in human resource training. From there, we propose a model to research factors affecting high-quality human resources.

4. Research Model

4.1 The Conception of High-Quality Human Resources

From a scientific research perspective, there has been extensive research on high-quality human resources; however, to date, there is no unified concept or evaluation criteria for "high-quality human resources". In practice, there are various concepts of what constitutes high-quality human resources. Fundamentally, scholars agree that high-quality human resources refer to specific workers with proficient skills (in terms of expertise, technique) related to a specific profession, classified according to certain expertise and technical criteria (university-level, postgraduate, skilled technical labour), possessing strong work skills and the ability to quickly adapt to changes in production and business technology. These individuals also have good health and qualities, and the ability to creatively apply acquired knowledge and skills to the labour and production process, aiming to achieve high labour productivity, quality, and efficiency. High-quality human

resources are individuals who have developed comprehensively in both intellect and physique, in personality and ethics, in working capacity, and in political activism.

In the broadest sense, high-quality human resources are specific labourers with proficient skills (in terms of expertise, technique) related to a specific profession, and classified according to certain expertise and technical criteria (university-level, postgraduate, skilled technical labour). They possess good work skills and the ability to swiftly adapt to changes in techniques, technology, and the socio-economic environment, maintaining good health and qualities. These individuals can creatively apply the knowledge and skills acquired through training to the labour and production process, bringing about high productivity, quality, and efficiency, thereby making positive contributions to the development of organizations and society.

It should be noted that high-quality human resources, when viewed in relation to potential and reality, exist in two forms: (i) potential (developed through training and cultivation processes); (ii) actual capabilities demonstrated through the results and products produced. In other words, high-quality human resources do not occur naturally; they are formed and developed through a process influenced by various factors, especially through training processes or the self-accumulation processes of the individuals themselves.

4.2 Factors Affecting the Development of High-Quality Human Resources

4.2.1 Objective Factors

(i). Country's Macro Policies Factor

The development of high-quality human resources has become a central task for the country in general and the oil and gas industry in particular. To address the above requirements, in recent years, the Government has issued many guidelines and policies with a long-term vision for the development of high-quality human resources in Vietnam. Typically, state policies play a role in providing a legal framework that serves as the basis for human resource development and managing the development of high-quality human resources of industries and fields such as: socio-economic development strategy; state investment in education; policies for training high-quality human resources; policies related to labour and employment, etc. These are important bases for developing plans for high-quality human resource development during the period of international integration and are factors that directly or indirectly affect the development of high-quality human resources in various sectors and fields.

(ii). Economic Structure Transition

The implementation of economic structure transition has changed the labour structure towards industrialization and modernization. The number of workers in the industrial and service sectors is increasing, while the number in the agricultural sector is decreasing. In recent years, there has been a growing wave of domestic and foreign investment. The increasing number of newly established enterprises has generated a growing demand for high-quality human resources. The need for high-quality human resources in service and industrial sectors, such as marketing, finance, insurance, business administration, information technology, electricity, electronics, chemicals is on the rise.

It can be said that, facing the shortage of highly-skilled human resources, all economic sectors are in a situation of labour scarcity, especially highly skilled labour force. If the problem of improving the quality of human resources is not timely resolved, it would lead to a serious human resource quality crisis. Thus, economic development accompanies the demand for the development of skilled labour force. This is an inevitable relationship associated with the development of the education and training system. Besides other training levels like professional intermediate, vocational participating in human resource training, the involvement of higher education is an objective requirement according to the general rule. Accordingly, the enrollment rate of higher education will be greatly influenced by the movement of the economy in the coming years. Therefore, to forecast the demand for tertiary-level human resources, it is necessary to consider the economic development context and labour demand created by the economy. This is a macro issue, related to many economic relations, which may directly or indirectly affect the development of high-quality human resources in sectors and fields.

(iii). Science and Technology Factor

Science and technology increasingly affirm their role as one of the most important direct productive forces of the economy. The level of science and technology continually evolves, hence the need to prepare human resources capable of applying new scientific and technological advances to production. Some studies have shown that, at each stage of technical progress, there are different human resource requirements. Accordingly, the demand for tertiary-level human resources in society is increasing. College and university graduates can find jobs with relatively stable income. Some industries with high demand for tertiary-level human resources include health, tourism - services, finance - banking-accounting, education, transportation-construction, mechanics, electricity-electronics, information technology, oil and gas. The science and technology factor relates to the investment of organizations and enterprises in machinery, equipment, and the ability to use machinery and equipment of human resources. Therefore, this factor directly or indirectly influences the development of high-quality human resources in various sectors and fields.

4.2.2 Subjective Factors

(i). Recruitment of Human Resources

Recruitment plays a crucial role for organizations because the recruitment process does not only supply additional workforce but also brings in more capable people with qualities and skills suited to job requirements. Employees to be recruited should have appropriate knowledge, skills, and aspirations that meet the job requirements and align with the strategic goals of the hiring agency or organization. Recruitment also helps organizations have workers with sufficient skills and qualifications from diverse sources suitable for the organization's future development. The selection process aids in saving retraining costs and preventing risks and damages during job execution. Recruitment ensures not just the quantity to serve different sectors and fields but also ensures human resources with sufficient physical, mental, and intellectual capacity to achieve the highest efficiency in work.

Therefore, it is necessary to have a plan to recruit enough and suitable people based on the practical production and business situation in each sector and field. Determining

which jobs need more recruitment and seeking human resources from outside will depend on the personnel policies of the agency or organization, the recruitment needs and capabilities, time for recruitment or costs of recruitment. To recruit many workers for one or multiple job positions, organizations must establish policies to attract employees, such as offering a working environment, salary, bonuses, conditions to ensure occupational safety and health; and focusing on conditions such as training and development opportunities for workers after being recruited.

(ii). Arrangement and Utilization of Human Resources

Arranging and utilizing human resources involves the process of assigning personnel to positions, maximizing the work capacity of employees to achieve high efficiency at work. Human resource arrangement includes orientation activities for new workers and re-arrangement of labour through the internal staffing process of organizations and enterprises such as: transfer, promotion, demotion.

Human resources arrangement and utilization in organizations are considered in terms of using human resources quantitatively (number of workers and working time) and using human resources by structure: gender, age, qualifications, seniority, etc., thereby reflecting the quality of the human resources. Proper arrangement of the right person, in the right job, at the right time, and in the right place will save labour costs and increase labour productivity. Conversely, improper arrangement and utilization of human resources, not matching the right people with the right jobs and abilities, will waste resources, create disorder in tasks, reduce labour productivity, and negatively affect the health and psychology of workers. This activity demonstrates the science in arranging and utilizing enterprises' human resources.

(iii). Training and Development of Human Resources

Training and development of human resources are essential activities to improve the quality of human resources, being the most widely used method for human resources development. The goal of training and development is to effectively utilize existing human resources and enhance the efficiency of production and business activities by helping workers better understand their jobs, master their professions, and proactively execute their roles and responsibilities. This also improves workers' motivation and enhances their adaptability for the future. When investing in training and development, organizations and enterprises hope that workers will acquire better knowledge and skills to achieve higher labour productivity. Therefore, planning and implementing training activities should meet identified needs with clear role assignments and responsibilities for participants and clear objectives.

Any enterprise or organization pays attention to training and development to improve the capacity for public duties execution, ensuring the efficient accomplishment of assigned roles and responsibilities. An organization's training and development policy is a primary factor directly influencing the quality of human resources. An organization with a proper, appropriate, and quality training policy will have a workforce equipped with sufficient knowledge, skills, and professional levels to apply in their jobs for self-maintenance and development. For training to be effective, organizations need to create motivation in their workers, helping them see clearly the relevance of the training and the opportunities they will receive in their actual work. Organizations and enterprises should also encourage and

motivate learning and applying new knowledge to work.

(iv). Remuneration for Human Resources

Remuneration can take many forms, including financial remuneration and non-financial remuneration. The type of remuneration that workers receive is based on their labour effort; the employers use the evaluation of the employees' work performance as a basis for providing remuneration.

Over the past few years, the implementation of wage policy reforms has met social demands and paid attention to the economic development both regionally and globally. Although the minimum wage in different areas has increased, alleviating the financial burden on human resources, it still remains low and does not accurately reflect the level of education and expertise of the workers. Besides, supportive policies such as bonuses and allowances vary among enterprises but all serve as positive incentives to stimulate human resources to work. Therefore, attending to the material life and motivating human resources through financial remuneration is still the top concern of Vietnamese organizations and enterprises in particular and human resources in general. When human resources is financially secured, their work spirit will be enthusiastic, contributing to improving the effectiveness in general business administration and human resource management in particular.

4.3 Developing High-Quality Human Resources

Human resource development is the change in quantity and

quality in terms of physical strength, mental strength, skills, knowledge, and spirit, along with the process of creating progressive changes in the structure of human resources (Tran & Mai, 2008) ^[11]. Human resource development is the process of creating and using comprehensive human capacity for economic and social progress and personal improvement (Trinh *et al.*, 2013) ^[12].

According to Trinh *et al.* (2013) ^[12], the content of developing high-quality human resources includes: (i) developing mental capacity and skills; (ii) strengthening physical strength and labor discipline; (iii) creating a working environment and satisfactory compensation for high-quality labor. All three aspects are closely related and interdependent, so they must be resolved synchronously.

Thus, developing high-quality human resources must rapidly increase the number of knowledge workers and management workers; promote restructuring of high-quality human resources associated with a significant increase in the number and quality of university and college lecturers and a significant increase in science and technology human resources; and form and improve discipline and working style in accordance with new requirements.

4.4 Proposed Research Model

Based on the literature review, analysis above, and expert opinions, we propose the following research model (see Fig 1).

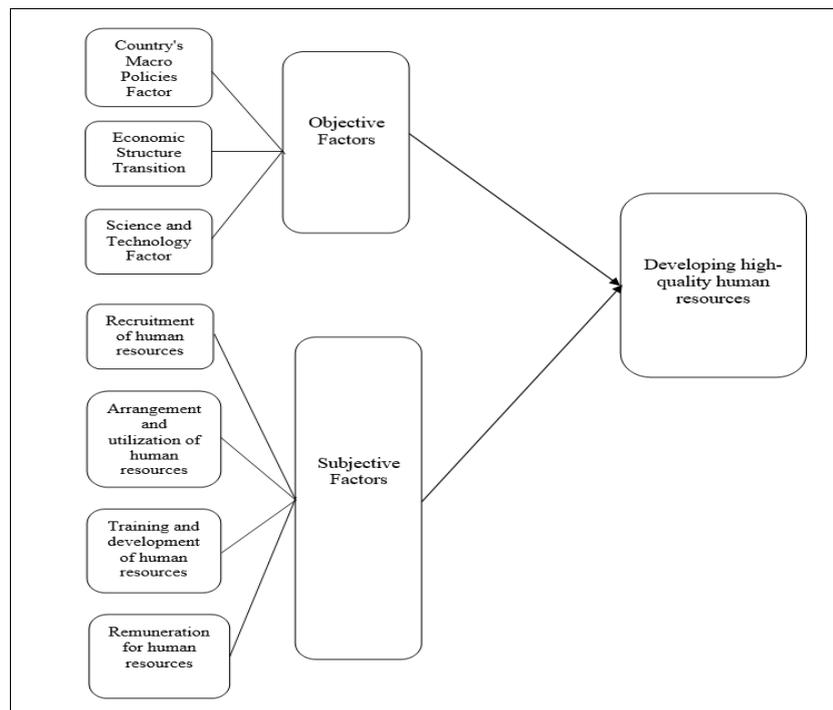


Fig 1: Research model

5. Conclusion

In Vietnam, the economy still heavily relies on industries that utilize cheap labour and exploit natural resources. Generally, the workforce in Vietnam is lagging behind as the country faces the fourth industrial revolution. In this context, Vietnam needs various synchronized and effective solutions to develop a high-quality human resources, which is crucial for achieving the sustainable development goals of the nation in the current stage.

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