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### Solutions to Improve Human Resource Management in Vietnam Today

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#### Abstract

Practice and theory have proven that human resources are the key factor of a business, the decisive factor for the sustainable development of the business. Human resource management is one of the important factors to make appropriate policies and regulations, improve and further develop the human resource factor, and serve the long-term goals of the business. Good human resource management will help businesses make full use of the capabilities of the

staff, helping employees to promote their advantages. Human resource managers arrange employees in the right position and in accordance with their capacity, employees will work productively, enthusiastically, and dedicated to the business to improve the level of work efficiency. The article goes on to clarify and analyze solutions to improve human resource management for businesses in the current context.

**Keywords:** Management, Human Resource Management, Human Resources

#### 1. Introduction

Human resource management is always a difficult problem, causing headaches for many executives and leaders. How to develop and motivate employees, help them improve, and improve their work performance? How to answer employees' questions, give thorough answers to problems, resolve conflicts arising at work, between colleagues, between superiors and subordinates, etc. There are so many issues in human resource management that managers cannot anticipate and handle. The effective management of human resources will help businesses build, orient and supervise the human resource apparatus following the strategic goals of the business set before. Human resource management is an extremely important activity that every business needs to do to ensure that it maintains its advantage in the labor market where there is extremely fierce competition. Simply put, human resource management can be understood as how the business allocates the right people to the right job at the right time. If three related objectives are met, a human resource management plan will help the business ensure that its workforce meets its business strategies and long-term development vision. Three related objectives namely: *in terms of quantity*, will revolve around the active positions in the business. Missing too many important personnel can affect the ability to operate as well as work productivity. However, excessive recruitment causes the organization to waste its resources and economy; *In terms of quality*, the plan is to ensure that the staff is fully equipped with the knowledge and capacity necessary to work and develop in the current as well as future environment; *In terms of cost generated* to optimize the payment for the staff. If these funds arise too much, they can cause a decline in profits, worse than causing the business to go bankrupt. Conversely, if these funds are too small to meet the needs of employees, they can discourage them, leading to degraded productivity. A human resource management plan will help businesses ensure that their workforce meets their business strategies and development vision for the long term.

#### Methodologies and Data

The article uses logical and historical methods, analysis, and synthesis. The article also uses data from previous researchers and documents related to current human resource management in Vietnam.

#### Research questions

*Question 1:* The current situation of Vietnamese human resources is reflected in what basic contents?

*Question 2:* What is the basic solution to improve the current human resource management in Vietnam?

#### Objectives

The purpose of the article is from the analysis to clarify the basic solutions to improve the current human resource management in Vietnam.

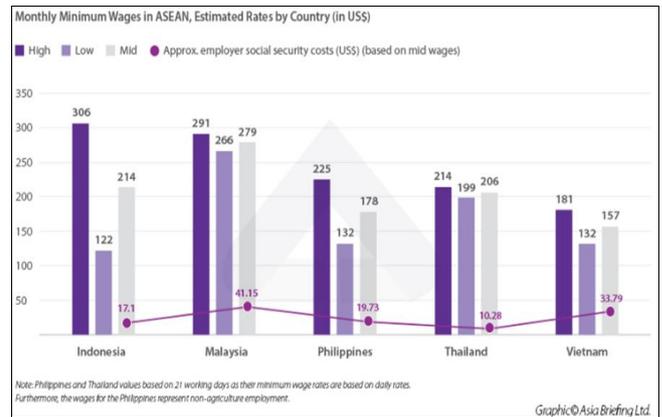
## 2. Research results and discussion

### 2.1 Overview of the current situation of Vietnamese human resources

The human resource problem is essentially a human problem. Building Vietnamese human resources means building Vietnamese people of sufficient stature, quality, standards, merit, and ability to undertake the assigned work. The World Bank (WB) assessed the quality of Vietnam's human resources at 3.79 points (on a 10-point scale), ranking 11th among 12 countries in Asia participating in the ranking. Vietnam's human resource competitiveness index reached 3.39/10 points and the competitiveness of the Vietnamese economy ranked 73/133 ranked countries. The average life expectancy of Vietnamese people today is 75. *In terms of the number of human resources.* Compared to other countries in the region and the world, Vietnam has an abundant labor force. In 2021, the total population of our country is 98.51 million people, the second most populous country in Southeast Asia. Of these, 50.5 million are of working age, accounting for 67.7% of the population. The proportion of the population participating in the labor force in the age group of 25-29 is the highest. Vietnam's population growth has led to strong growth in the number of human resources. This shows that Vietnam's labor force is always in a position to meet the needs of providing a labor force for domestic and foreign enterprises. *In terms of the quality of human resources.* Despite the large number, the quality of human resources in Vietnam is low on the international ladder, not enough skilled workers. The number of skilled workers is only 24.1%, according to 2021 data. Trained and certified workers, with degrees at levels from elementary-level vocational training, intermediate, college to university, and postgraduate accounted for 20.92%. In the past 10 years, the percentage of trained workers has increased significantly, but still, 76.9% of workers have not been trained professionally. In terms of labor productivity. According to data from the Ministry of Planning and Investment in 2019, Vietnam's labor productivity is only 7.6% of Singapore's productivity, 19.5% of Malaysia's, 37.9% of Thailand's, 45.6% of Indonesia's, 56.9% of the Philippines' and 68.9% of Brunei's. Compared to Myanmar, Vietnam's labor productivity is only 90% and equal to Laos' 88.7%. In Southeast Asia, the labor productivity of our country is only higher than in Cambodia. Besides the current situation and some achieved results, Vietnam's human resources currently show many limitations when they do not meet the demands, tasks, and requirements of the labor market in the integration period. Specific manifestations:

#### **First, the shortage of high-quality human resources**

Although the increase in population leads to a strong growth in the number of human resources of working age. But, the number of high-quality human resources ready to meet the needs of large enterprises is still limited. One of the reasons is that the training is not suitable. Labor in the country is still mainly unskilled labor. Activities are still mainly in the field of agriculture and non-agriculture, and the structure of the labor force also has many shortcomings. As of March 2021, the country had 417.3 thousand people with technical expertise unemployed (39.7%), but people with university degrees or higher had the highest unemployment rate (155.5 thousand people).



**Fig 1: Monthly Minimum Wages in ASEAN, Estimated Rates by Country**

#### **Second, "brain drain"**

Brain drain is the movement of knowledgeable and technical human resources from one country to another. This is the loss of good human resources and workers in the country to work abroad. One of the reasons for the "brain drain" in Vietnam is that the salary and bonus regime and working environment are not satisfactory. Besides, the problem of employing laborers and arranging jobs for highly qualified laborers is not reasonable. They have not been given all conditions and opportunities to develop and advance in their careers. In the coming time, if businesses and the state do not have a solution to "retain talent", the trend of brain drain will continue to increase. And of course, this phenomenon will heavily affect the development of the mainstream economy. The current difficulties in human resource management in Vietnam are often concentrated in several outstanding basic points such as:

- Lack of professionalism in the process of human resource management.
- Human resources are not used properly, and not evenly distributed, leading to inefficiency in work.
- Difficulty in harmonizing the interests of employees and businesses.
- Excess and shortage of personnel.
- It is difficult to satisfy employees' needs regarding remuneration policies.
- The labor turnover rate increased.
- Lack of talent.
- It does not harmonize internal relationships.

### 2.2 Basic solutions to improve current human resource management

#### **First, focus on planning activities**

Urgently focus on reviewing and adjusting the planning and socio-economic development plan under the national development strategy; construction planning and plans for human resource development in the direction of gradually reducing labor without technical qualifications to participate in activities in the economy, thereby adjusting the vocational training strategy, restructuring the vocational education system, focusing on long-term vocational training with quality stratification, prioritizing the training of key occupations to meet the requirements of industrialization, modernization, and international integration. Promote career guidance and channeling of post-secondary students. On that

basis, localities and industries propose the needs and requirements for human resource training. This is a breakthrough solution, as it has a strong impact on the entire education and training system.



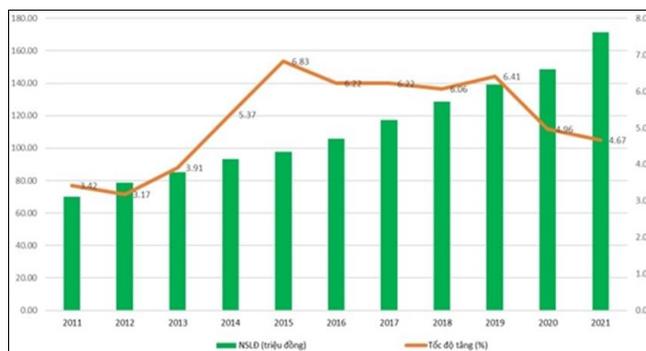
Fig 2: ASEAN Human Capital Index

**Second, change the investment policy**

To renovate investment policies for vocational training in the direction of gradually reducing subsidies; to have mechanisms to encourage enterprises and society to invest in vocational training. In the immediate future, there is a policy to support vocational education in the direction of encouraging learners, teachers, and employers of skilled workers. Renovating salary policies and insurance regimes in the direction of improving heavy labor industries and highly skilled workers, thereby attracting most workers to go to vocational training and creating motivation for laborers to actively study and improve their skills, creating motivation for workers to strive and study for a lifetime.

**Third, management work**

Unify the system of management agencies and vocational education institutions, overcome the current dispersion; Promote the application of information technology in management, gradually reduce the number of indirect administrative staff; Early promulgate a national qualification framework in line with the European and ASEAN level framework; Renovate training programs in the direction of updating advanced programs and eliminating inappropriate programs to constantly improve the quality and efficiency of training institutions to meet social requirements; Promote vocational training according to job positions.



Source: General Statistics of Office

Fig 3: Viet Nam's labour productivity growth in the 2011-21 period in terms of million Vietnamese dong (green) and growth rate (Orange)

**Fourth, training and management**

There is a mandatory sanction on enterprises to coordinate with training institutions, first of all, enterprises must participate in developing skills standards and occupational capacity standards, actively participate in the training process at different levels according to the capacity of enterprises; Expand the form of vocational training in enterprises; Pilot training under the "dual" model, thereby gradually reducing the procurement of equipment for training institutions, assigning responsibilities and practical training costs to enterprises. Well-organize the two-way information work between vocational training institutions and enterprises, between training institutions and society on the requirements and needs of human resources, and strongly develop the job exchange with the connection between training institutions and enterprises. Regarding the management, it is necessary to focus on renewing the administration in the direction of increasing the autonomy and accountability of training institutions; Assigning some state agencies together with socio-professional organizations to quickly build assessment and accreditation facilities of labor quality through training, issuance of practice licenses, and at the same time force enterprises to recruit licensed workers; Take measures for state management agencies to regularly receive feedback on the level of satisfaction of enterprises with the "products" of training institutions.

**3. Conclusion**

Human resource management is an extremely important stage in modern business management. The survival and development of modern enterprises are subject to many factors, of which the most important and core factor is the human resources from the workforce of the enterprise, they are the most valuable asset of all resources. In fact, in the management process, many businesses focus on market issues and capital sources that overlook human resource management. So, the issue of human resource management is becoming an obstacle, hindering the development of businesses. From the generalization of the current situation of human resources in Vietnam, the article goes on to analyze and clarify the basic solutions to improve the current human resource management in Vietnam.

Accordingly, the current situation of Vietnam's human resources is reflected in the number of human resources and; the quality of human resources. Besides the current situation and some achieved results, Vietnam's human resources currently show many limitations when they do not meet the demands, tasks, and requirements of the labor market in the integration period. The basic solutions to improve the current human resource management are: focusing on planning activities; renovating investment policies; management; training and management. The limitations of this study have not pointed out and analyzed the factors affecting the improvement of human resource management in Vietnam today.

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