

# Problems in Human Resource Development Plan of Vietnam During the Era of Increasing International Integration

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*Date of publication (dd/mm/yyyy): 15/09/2017*

**Abstract** – As the context of accelerating industrialization, modernization and international integration in Vietnam, human resource development is considered as one of the three breakthroughs in the national strategy for transforming Vietnam's socio-economic development model; creating foundation of sustainable development; and improving its competitiveness in international market. This article addresses the current situation, problems as well as specific solutions for human resource development process of Vietnam in the period 2015-2020.

**Keywords** – Human Resource, Industrialization, Modernization, International Integration, Development.

## I. RATIONALE

In terms of accelerating industrialization, modernization and international integration, human resource development is considered as one of the three breakthroughs of Vietnam socio-economic development transformation strategy (Kimutai, 2013). Moreover, it is also the foundation for sustainable development and national competitiveness in the future.

Human resource is always one of the most decisive factors for the development of any nations (Zidan, 2001). The development level of human resource is a key measure of country's development. Therefore, nations all over the world have to pay great attention to developing their own human resources. During the twentieth century, a few countries have achieved great socio-economic development and successfully completed industrialization and modernization plan within some decades thanks to their human resources despite of their poor natural resources.

In Vietnam, the State always affirms the view that human resource is the centre of national development (Kamoche, 2001). In terms of accelerating industrialization, modernization and international integration in recent years, human resource development is considered as one of the three breakthroughs of Vietnam socio-economic development transformation strategy. Moreover, it is also the foundation for sustainable development and national competitiveness in the future.

Although the development of human resource of a nation usually requires a comprehensive, consistent and long-term strategic vision, appropriate adjustments and guidances for each specific period and condition are also essential (Condrey, 2005). These adjustments could set up more relevant development goals and solutions for Vietnam's case in line with the national and international socio-economic contexts.

## II. CURRENT REQUIREMENT FOR HUMAN RESOURCE DEVELOPMENT IN VIETNAM

In order to meet the requirements of accelerating industrialization and modernization of the country as well as international integration, from the domestic context, human resources development is facing the follow requirements:

Firstly, it is necessary to ensure that human resources are one of the three breakthroughs for industrialization and modernization and successfully implement the goals set out in the 2011-2020 Socio-Economic Development Strategy: Changing the growth model from focusing on the scale to the rational development of between the scale and the quality; Enhancing the application of science and technology; Shifting economic structure, restructuring the economy; Rapid increasing in localization, added value and competitiveness of products, enterprises and the economy; Increasing labor productivity, using economically all resources...

Secondly, Vietnam has a large workforce (about 52,207,000 people, about 1.5-1.6 million people joining the labor force per year) (VGSO, 2013). This number is creating opportunities for the strong economic development. On the other hand, it also heavily pressure the government in terms of job creation and vocational training.

Thirdly, the demand for vocational training of workers is higher both in quantity and quality because of higher income level, economic restructuring, urbanization process and the appearance of new other industries...

Fourthly, the development of human resource should follow the development balance between regions, based on maintaining political stability, ensure national defense and security.

At the moment, human resource development in Vietnam needs to follow these requirements:

Firstly, the transnational corporations are having more and more influence all over the world. Therefore, Vietnam must have enough manpower to be able to effectively participate in the operation of global value chains.

Secondly, Vietnam's human resource must be able to adapt to the scarcity of natural resources and decreasing in financial investment (due to the impacts of the global economic crisis).

Thirdly, the participation in oversea labor markets is also a reasonable direction for Vietnam. This is not only solve the job-making problems for the State but also improve the influence of Vietnam in international environment.

### **III. THE STATISTICS ON HUMAN RESOURCE OF VIETNAM**

#### *Population:*

Vietnam has a population of over 90 million (ranked 13<sup>th</sup> in the world, seventh in Asia and third in Southeast Asia). However, this population is not evenly distributed across the country. About 68% (2013) of the population is located in rural areas. The education level is relatively high compared to other neighboring nations and the average life expectancy is increasing and reached 73.1 years in 2013 (VGSO, 2013).

#### *Labor Force:*

The current labor force in Vietnam is about 52.2 million people with about 1.5-1.6 million youngster entering the working age per year (VGSO, 2013). In fact, the strength and stature of Vietnamese is improving gradually these years. Nevertheless, Vietnamese still have lower average height and endurance compared to other countries in the region such as Japan, Thailand, Singapore or China. Even though Vietnamese workers are considered intelligent, skillful and industrious, their discipline and teamwork skills are limited.

#### *Training:*

One of the most important achievements in Vietnam's human resource development is the rapidly increasing quantity of recruited people in training at all levels (Pham, 2013). According to preliminary statistics in 2013, the number of college and university students is over 2 million; the graduation number is over 400 thousand; the number of students of vocational schools is over 420 thousand. However, the quality of training as well as the distribution by areas, industries are not suited to the demand of labor markets. Hence, this is wasting resources of the State and society. Regarding professional qualification issues, only 17.9% of the labor force (over 15 years old) is trained. This number is 33.7% in urban areas and 11.2% in rural areas; by gender, the proportion is 20.3% for men and 15.4% for women. Meanwhile, the proportion of highly trained and educated workers (higher education and above) is gradually increasing from 5.7% in 2010, 6.4% in 2012 to 6.9% in 2013 (VGSO, 2013).

#### *Usage of Human Resources:*

According to the VGSO 2013 Report, the economy has created about 1.6 million new jobs in 2013; the unemployment rate is 2.18% (3.59% in urban areas and 1.54% in rural areas); the underemployment rate is 2.75% (1.48% in urban areas and 3.31% in rural areas).

#### *Labor Productivity Tends to Increase over time:*

Using the labor force assessment based on gross domestic product (GDP) over total national number of employees, Vietnam labor productivity in 2005 was VND 21.4 million/person, VND 44.0 million/person in 2010, 63.1 million/person in 2012 and 68.7 million/person in 2013 (VGSO, 2013).

Qualified and high-skilled labor force are attracted and promoted in several fields such as telecommunication, information technology, automobile production, energy technology, medical services, education (Nguyen, 2012).

This precious human resource is also exported to foreign market. The Vietnamese entrepreneurs are gradually improving in terms of knowledge and business skills, step by step approaching the international level.

It is possible to generalize the key limitations of human resources in Vietnam as follow:

The quality of training and labor distribution by industries, fields, regions are not appropriately matched with the demand of labor market. This is wasting a significant resources of the State as well as the society.

High qualified and skillful labor force is still inadequate to meet the needs of national key economic sectors (Pieper, 1990), especially in terms of joining as well as improving Vietnam's influences in the global value chain. In fact, the technically qualified human resource in Vietnam tends to be better at theoretical understanding rather than inferior in practical ability and adaptability in highly competitive environment. This force is required further training in order to be effectively used.

On the other hand, the teamwork, professionalism and communication abilities of above labor force is still very limited. Therefore, Vietnamese workers usually struggle in the working environment that requires foreign languages and international culture knowledge. In general, the sense of responsibility, professional ethics and labor discipline among Vietnamese workers is not meet the demand of employers. The productivity is also relatively low compared to other nations in the region such as China, India and Indonesia.

There are many causes of the above limitations. All of them should be analyzed carefully and the lessons could be listed as follow:

Firstly, the national resources and investment capability for human resource development in Vietnam are limited in majority of families. This is not even meeting the minimum requirement to ensure the quality of necessary activities in terms of education, health, culture and sports. Meanwhile, the financial support from the State Budget is also very low. The government is also struggling in mobilizing other resources from the society, especially from private sector.

Secondly, the State management in human resource development is still inadequated. The guidelines have not been institutionalized by legal normative documents, mechanisms, policies and development plans with a timely and synchronous manner. Many goals of the human resource development process have not fully accounted the conditions for implementation. Moreover, the coordination between state agencies and social organization is also very limited.

Thirdly, the national education system which is one of the core forces in training and developing the national human resources exposes many disadvantages. Specifically, the assignment of career orientation for junior high school and high school students is not well-prepared. Meanwhile, the vocational education and training is not based on the demand of labor market (Oudin et al, 2014). Therefore, it cannot attract the support from employers. Furthermore, the contingent of teachers and lecturers is insufficient in number and weak in professional knowledge plus the differences in development level among regions are

significant. The system of methods and tools for examining, supervising and evaluating education and training is outdated and ineffective while comprehensive educational goals are not fully understood and implemented.

Fourthly, international cooperation and integration in the field of human resource development has not met the requirements of globalization process. There are many differences in terms of regulations on professional education, human resources training in Vietnam compared to other nations. The education and training models, contents, programs and methods in Vietnam are incompatible with common standards of developed countries in the world. This factor limits the flow of international resources for human resource development in Vietnam. The foreign language training along with other insights and skills needed for international integration should be improved. In general, the limitations in international cooperation are preventing the full exploitation of national human resource capabilities.

#### **IV. PLANS FOR HUMAN RESOURCE DEVELOPMENT IN 2015-2020 PERIOD**

##### *Firstly, renew the Governing System for Human Resource Development*

In particular, it is necessary to focus on improving and renovating the management methods, raising the capacity, effectiveness and efficiency of the human resources management apparatus (Green, 2003). It is necessary to form an agency responsible for collecting and building a system of information on demand and supply of human resources in the whole country in order to balance the supply and demand of human resources for socio-economic development. Renovation of policies, mechanisms and tools for human resource development (including work environment, employment policies, income, insurance, social protection, housing conditions and regulations for resident living, settlement, attention to policies for high quality human resources and talents). Improving and enhancing the coordination among all levels of the sector, the actors involved in human resource development.

##### *Second, Securing Financial Resources for Human Development*

The State budget is the main resource for national human resources development up to 2020. Increasing investment in human resources development both in terms of absolute value and proportion in total investment capital of the whole society. It is necessary to develop a plan for allocating the State budget to focus on expenditures for the implementation of training programs, tasks and projects according to the priority objectives and the implementation of social equity (training and development support human resources in remote and isolated areas for ethnic minorities, policy beneficiaries, etc.). Researches on the reform of the state budget allocation and support mechanism for human resource development have to be conducted properly. At the moment, the budget allocation is majorly in form of funds transferring to supplying units while it should be directly allocated to beneficiaries to ensure the equality between public and private training institutions. Moreover,

socialization in public education sector is needed to be promoted in order to increase the mobilization of resources for human resources development. The State also should encourage direct investment in different fields such as the construction of educational and medical institutions; Culture, physical training and sports; Capital contribution, bond purchase, formation of funds to support human resource development. It is necessary to regulate the responsibility of enterprises for the development of human resources as well as creating favorable conditions and adopt strong mechanisms and policies for enterprises of all economic sectors to increase investment in human resource development (Nguyen and Bryant, 2004). Furthermore, expanding different preferential credit forms for educational and training institutions and students alongside with supporting laborers to study and improve their professional qualifications is also essential.

In addition, the Vietnam government should have more strategies to promote and create appropriate mechanisms to attract foreign capital sources for human resources development; Effectively use foreign capital sources (ODA) to support human resource development; And attract foreign direct investment (FDI) for human resource development (direct investment in the construction of educational and training establishments, hospitals, sport centers ...).

##### *Third, Innovation in Education and Training System*

This is the key task and the main solution for the development of Vietnam's human resources in the period from now to 2020 as well as the following periods. It is necessary to thoroughly grasp and drastically implement the Resolution No. 29-NQ / TW dated November 4, 2013 and the resolution No.44 / NQ-CP dated 9-6-2014 of the Government in cooperation with Government's Action Program on basic and comprehensive renovation of education and training to meet the requirements of industrialization and modernization in the context of socialist-oriented market economy and international integration. In short term plan, the following objectives should be accomplished:

- Improving the education system in the direction of opening, integrating, promoting the stratification and channeling; promoting life-long learning and building a learning society; reorganizing the education and training network, rearranging the national education system at the training scale, the industry structure, training establishments; re-planning the vocational education network and higher education associated with the planning of socio-economic development of the country; performing stratification for higher education.

- Renovating of general education textbooks and curricula, curricula of undergraduate and professional education along the direction of promoting creative thinking, self-learning ability, self-study; Focusing on the content, skills learners, enterprises and society needs; Ensuring the inter-link between the level of education, education level, between vocational and higher education; Diversifying training methods; Completing mechanisms for organizations and individuals to participate in building;

Adjusting and implementing training programs and evaluating learner competencies.

- Reforming teaching and learning methods at all levels and levels; Reforming objectives, contents, forms of examination; examining and evaluating of education and training results, and promoting information technology application; Step by step applying the training program evaluation process based on the output results.

- Renovating policies for teachers, education administrators; improving the quality of research and application of science and technology to education and training; particularly reorganizing the mechanisms and policies for pedagogic schools.

*Fourthly, actively participate in International Integration to Develop Vietnam's Human Resources*

- Building up and regularly updating the legal system on human resource development in Vietnam in line with the development level of Vietnam but not contrary to international standards and laws.

- Establishing national frameworks which can be synchronized with other countries; Developing contents, programs and methods of education and training in accordance with both international standards and domestic characteristics; Strengthening the interlinking of training programs between Vietnamese and international educational institutions; Implementing mutual recognition of training programs between educational and training institutions in Vietnam and in the world; Making agreements on recognition of diplomas and certificates of training between Vietnam and other nations.

- Participating in international accreditation of training programs; Conducting quality assessment and management according to international standards; enhancing association in higher and postgraduate education and training as well as scientific and technological researches and projects between in domestic and international institutions.

- Creating favorable conditions and environment to attract talented teachers and scientists from foreign countries to participate in the training process and scientific researches in Vietnam.

- Continue implementing the state budget support policies and mobilizing social resources; encouraging foreign investment in order to build more international standard universities, colleges and vocational schools; Attracting international-level universities and vocational training schools to be opened in Vietnam.

- Strengthening teaching and fostering of foreign languages (especially English), world cultures, adaptation skills in the international competition environment for Vietnamese people.

In order to successfully implement these solutions, it is necessary to step up the propaganda work for cadres and civil servants of the entire political system at all levels, people of all classes, schools, enterprises and organizations. Moreover, all levels of management should understand the role and responsibility of training and employing human resources; turn human resources into advantages for economic and social development to enhance national standing in the international arena.

## V. CONCLUSION

Based on above analysis and the current status of Vietnam's human resource condition, the paper has come to four main solutions for the next development period (2015-2020). These solutions included vigorously renovating the management of the State, securing financial sources, reforming education and training system and improving international integration in different fields.

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