

Measures to Improve The Human Resource for Đồng Nai Private Enterprises

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In Đồng Nai, one of provinces leading the way in development of industrial output and foreign sector, private enterprises play an important role because they gain high growth rate, create new jobs and contribute a lot to the provincial budget. However, it's paradoxical that skills and incomes of laborers in these enterprises are of the lowest level in comparison with their counterparts in public and foreign sectors. According to a survey conducted by local authorities, only 3.27% of laborers in private enterprises have a university degree compared with 7.03% and 6.19% in the two above-mentioned sectors. The average monthly incomes of laborers in the three sectors in that order are VND1,097,050; 1,681,070 and 2,084,000.

In the globalization process, the competition is becoming keener and based on two factors, human resource and technology, and the former plays a decisive role because without it, all modern machines and technologies are useless. In the competition for skilled laborers, the private enterprises are apparently at a disadvantage. Causes of this situation are numerous, this article will only discuss some of them: viewpoints, strategy and investment in human resource development.

- Viewpoints: Although the economic reform allows the private sector to develop and become a pillar of the economy and successful businesspersons are held in high regard, a



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wrong viewpoint on this sector is still common. Most graduates from universities want to work in the public or foreign sectors. Besides income and stable employment, they also think they won't get any respect when working for a private enterprise. In addition, many civil servants and state-owned concerns still show discrimination against private enterprises.

- Development strategy: There is no strategy to train an army of private businesspersons who have enough skills and enthusiasm for business, and ability to cooperate in an organized and cultural community. Besides skills and capital, businesspersons must have work ethics, legal knowledge and awareness of laborers' interests and rights. A survey of 50 private enterprises in Đồng Nai shows that 37 of them, or some 70%, took no

training course, even a short-term one. That is why their knowledge of law, management and finance is very limited. They can run successfully small-scale enterprises but their business performance start to fall when their enterprises expand scope of operations. The management of private enterprises is vulnerable to illegal practices and frauds, which can lead their enterprises to collapse. This may be the main cause of their difficulties in attracting skilled laborers in the past decade.

- In the past few years, the government and many foreign NGOs have supported the effort to develop the human resource for the private sector but results failed to meet the demand. It's estimated that the number of companies in Vietnam by 2010 will reach some 500,000, or 250% higher than the

present number and private ones will represent a large proportion. In Đồng Nai, this figure is estimated at some 6,000 (compared with some 3,000 ones now). Thus the demand for laborers, and especially managers, is very great. If no plan is made, the shortage of trained labor force is inevitable.

To develop the human resource as required by the economic growth, Đồng Nai authorities must adopt bold and specific policies to change the public viewpoints on the private sector, develop models of private enterprises that are worth admiring and learning from. With a receipt of some VND400 billion a year from the private sector, the provincial government can spend part of it on a program to train laborers and managers from this sector as an investment in future development. ■