

BETTER HUMAN RESOURCE AS A BASIS FOR BUSINESS SUCCESS

by MEcon. NGÔ THỊ ANH

In the past few decades, technological advances and economic development has made the pressure on companies heavier. This reflects in the following facts:

- Higher expectation from consumers: As personal income rises and the general education level is improved, consumers tend to demand better goods and services, which forces companies to be aware of, and predict, consumers' taste and expectations.

- Shorter life cycle of products: Fast development of technology shortens the life cycle of all products. Results of R&D activities are turned into commercial products quicker. That is why companies should improve their goods or develop new ones as quickly as possible.

- International competition: The globalization makes the international and regional competition keener. This means that local companies - many of them are state-owned ones that had depended too much on state subsidies - will have multinationals as their rivals.

In such a situation, development of human resource, or human capital, becomes a solution to their survival and development because this resource helps them tap other resources and make changes and improvements possible.

1. Vietnamese human resource

In recent years, new policies and development programs have helped improve the human resource in terms of its quality, structure and quantity as well.

a. Quantity: High birth rate in the last decade made the working population increase quickly. The Vietnamese population rose from some 60 million in 1986 to 76.7 million in 1997, 77.6 million in 2000 (it's estimated at some 80 million in 2002) and the working population from 27.3 million in 1986 to 37 million in 1997 and 45.8 million in 2000 (it's estimated at 47.5 million now). In other words, some 1.2 million persons come to the working age every year and they are badly in need of jobs. It's apparent that Vietnamese population growth is of the world's highest. This means that the labor cost tends to lower, which provides companies with a comparative advantage. However, this is not a factor that could accelerate the industrialization and business development in such a poor country as Vietnam where shortage of capital, raw materials and machinery is widespread.



b. Structure: According to statistics presented at the 9th VCP National Congress, 16% of the working population work in the manufacturing sector, 21% in the service sector and 63% in the agricultural one. Trained labor represents only 20% as compared with the average of 50% in foreign countries. The agricultural sector employs the better part of the working population but produces only 24.3% of the GDP. In rural areas laborers spend only 73.8% of their working hours doing farming. These data show that the labor division in Vietnam is backward. The labor structure is still unreasonable and reflects an agriculture-based economy and this has become an obstacle to the economic growth.

c. Quality: This factor determines the value of the human resource and reflects itself in both physical and intellectual properties of the human resource. As for the physical aspect, the average height and weight of Vietnamese laborers have been improved since the 1990s. The life expectancy is also longer but still shorter than that in neighboring countries. Regarding the intellectual aspect, Vietnamese laborers are considered as intelligent, industrious and adaptive to the new. However, we must admit that their professional skills and ability to apply their knowledge to work are very limited and usually fail to meet requirements posed by the industrialization process.

In short, the human resource in general and the labor force of companies in particular have just developed quantitatively, not qualitatively, in recent years. This is a great obstacle to their survival and development in the era of globalization. To improve the quality of this resource, therefore, has become a matter of great urgency.

2. Directions for future development of the human resource

Companies had better pay full attention to the following issues:

- Making the salary scale and incentive schemes more reasonable with a view to ensuring the living standard and better performance for employees.

- Working out plans to provide laborers with medical care, lunch rations and reasonable working hours.

- Organizing regular sport events and cultural or recreational activities as a way to improve laborers' spiritual and physical conditions.

- Making the working conditions safer and more comfortable in order

to encourage creativity, better productivity and performance.

- Using various managerial methods to educate them in responsibility and discipline with a view to making them perform their tasks voluntarily instead of waiting for incentives or instructions.

- Giving training courses in technical subjects in various forms and encouraging them to improve their skills and engage in technical skill contests.

- Organizing laborers into teams with a view to develop team spirit,

programs and teaching methods with a view to making them suitable to requirements posed by the industrialization and economic development, and beefing up the State control to ensure both orientation for the whole education system and autonomy and creativity of schools.

- Launching large-scale programs to provide public medical care and general medical education with a view to enhancing laborers' health.

- Pushing ahead with the plan to control the birth rate and encourage the public to adopt family plan, con-



thereby enhancing labor productivity, creativity and cooperation between laborers.

- The organization of the company must be based on mutual respect. When being respected, laborers have more motivation to improve their skill, cope with difficulties and contribute more actively to the business strategies adopted by the company.

Beside efforts made by the company and its employees, support from the Government is much needed to train the working population on a larger scale. By doing so, the State help companies recruit laborers with skills needed for their businesses. To enhance the quality of the human resource, the following policies could be adopted:

- Improving the quality of education service by increasing public investment in education, encouraging organizations and individuals to engage in this service, reform education

considering it as a long-term strategy to improve the quality of life and of the future human resource as well.

- Launching aggressive campaigns to struggle against social evils to make living conditions healthier, reduce social cost and protect younger generations of laborers.

- To develop the mixed economy in which all sectors and classes enjoy equal treatment and opportunities is a must because fair competition will force both companies and laborers to improve their competitive edge, thereby absorbing new technology, methods and skills.

In short, the quality of the human resource is the key factor that ensures success for both companies and national industrialization and modernization. To train high-quality labor force requires efforts from both the State and companies. This problem is very urgent when Vietnam is preparing itself for regional integration and the globalization. ■