

On the High-Quality Human Resource for Vietnamese Companies

by TRẦN VĂN DŨNG

At present, the army of highly skilled employees in local companies is both small and weak. Dr. Nguyễn Sĩ Dũng – Assistant Chief of the NA Office – says that some 1.2 million people are added to the working population every year, making it increase in absolute terms without improving its quality. Many companies are financially strong enough to expand their businesses but they can't do anything because their human resource can't meet higher requirements and they find it very difficult to recruit high-quality employees.

Vietnam will become the 150th member of the WTO in November 2006, flows of foreign investment and products to Vietnam will increase. Without good human resource, local companies can't face foreign competition and come to the

danger of being discarded from the playing field.

1. Causes of shortage of high-quality human resource

In my opinion, besides the external cause – the short supply of high-quality laborers – there is an internal one that is lack of a policy on human resource in local companies. In most local companies, the personnel department only does such jobs as paying salaries, ensuring social security and medical care, recruiting new laborers, disciplining bad laborers or praising good ones as suggested by other departments. Personnel development is not considered as a strategic task that requires contributions from all departments, especially in recruiting and training employees.

In valuating employees, most

companies have no standards for this job, and it is usually done subjectively and sentimentally with the result that it causes distrust and frustration. This is one of reason why good employees are ready to quit when new opportunities appear.

Most limited and joint stock companies pay almost no attention to the task of preparing the army of understudies because they are not interested in the long-term strategy to develop their companies. And as a result, they usually recruit and train their laborers when necessary or when situation forces them to do so. In some state-owned companies, this task is also included in their long-term strategy but it fails to introduce standards about skills and ability for individuals and teams needed for implementation of the strategy adopted by the company. Many state-owned companies recruit

new laborers based on their personal relations or political qualifications. Moreover, their personnel policy doesn't linked with training programs, which makes understudies fail to undertake tasks assigned to them when the time comes.

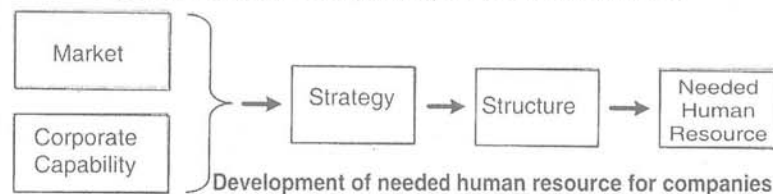
As for policies on salary and benefit, while foreign companies decide to offer the best salaries and benefit as they could to deal with the shortage of skilled and well-trained laborers (Pepsi has paid US\$7,000 a month to a Vietnamese marketing manager for example), local companies haven't thought of paying the same high salaries or hiring a foreign manager.

Most local companies have a structure of a family in which all powers are in the hand of the director who usually run the company as if it were his/her family. That is why talented laborers tend to quit after some time because they find the corporate culture unacceptable. In most state-owned companies, time-consuming procedures and red tape are widespread while delegation of authorities is limited, and as a result, an order takes a long time to reach its destination and the management receives almost no feedback. Generally, these shortcomings make local companies fail to identify problems or opportunities and make decisions on time to deal with changes in the market. And no skilled and competent laborers want to work in such an environment.

2. Suggestions

The development of human resource depends on the corporate organization which in its turn originates from the corporate business strategy. Choice of the business strategy is based on current situation in the market and capabilities of the company.

Figure 1: Factors affecting development of human resource



The Figure 1 shows that the company must consider tasks of developing and training its human resource as strategic goals, and human resource as essential to success and performance of the company. To achieve this aim, the company must deal with the following problems:

- Identifying the size of labor force: The size of the labor force must be based on the machinery needed for achieving strategic goals. This task means that the number of laborers in each department or division, and their qualifications, must be identified. After that, differences between the present and future machinery could be found and plans to bridge the gap could be worked out.

- Training and developing the labor force: The company should analyze the need for training programs based on analyses of differences between current and expected (or future) standards for the labor force. In other words, training programs should aim at preparing the current labor force for future tasks, by providing them with new knowledge and skills.

The company should analyze the need to develop the human resource based on the plan to develop its structure in future. After identifying employees who can assume new and higher positions in future the training programs could be tailored to their needs for new skills.

The company can provide them with on-the-job training courses or send them to make

studies in appropriate institutions (local or foreign universities if necessary). The supply of training programs must be linked with contract to work after graduation, especially in sending employees to make studies abroad. The training program should include both theoretical and practical contents with a view to ensuring high performance of employees in future.

The company should also evaluate the quality of training programs and records of learners on a regular basis in order to ensure the best results for its efforts.

- Recruitment: The recruitment of new employees can only be carried out after answering the question of if anybody among existing employees can undertake the vacant positions. If the answer is yes, she/he will be moved to the position after some training if need be. If the recruitment is necessary, contacts with various employment agencies could be made. The company has to estimate services supplied by these agencies regularly in order to ensure that it secure the right person for the right place. The company can think of recruiting foreign employees if necessary. I think local companies had better take this solution, although costly, into consideration in order to secure the best services from well trained and experienced employees. Moreover, only high-quality employees could bring about added value to companies, thereby improving its competitiveness.

One of the biggest when employing foreign laborers is the