

## Solutions for sustainable development of high quality human resources in FDI enterprises in Viet Nam

### Решения для устойчивого развития высококачественных человеческих ресурсов на предприятиях ПИИ во Вьетнаме

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Прямые иностранные инвестиции (ПИИ) очень важны для экономики Вьетнама в контексте глубокой и широкой интеграции; Вьетнам подписал множество торговых и инвестиционных соглашений нового поколения с партнерами: ЗСТ с Южной Кореей; Соглашение об экономическом партнерстве Вьетнам – Япония; ЗСТ Вьетнам – Чили; Всеобъемлющее инвестиционное соглашение АСЕАН (АСИА); последнее – Всеобъемлющее и прогрессивное соглашение о Транстихоокеанском партнерстве (СРТПП). Тенденция международной и региональной интеграции меняется и становится более актуальной, чем когда-либо прежде, – это 4-я промышленная революция. Чтобы угнаться за технологической тенденцией, страны стремятся к Индустрии 4.0, возможность для региональной и международной интеграции по-прежнему заключается в человеческих ресурсах. Темпы технологических изменений растут, требуя все большего внимания к способности каждого работника постоянно адаптироваться, приобретать новые навыки и получать доступ к новым вещам в различных контекстах. Поэтому как использовать и развивать высококачественные человеческие ресурсы на предприятиях ПИИ во Вьетнаме – это проблема, которая требует решения. На основе анализа высококачественных человеческих ресурсов на предприятиях ПИИ во Вьетнаме в последние годы в статье предлагается ряд решений по эксплуатации и развитию для улучшения качества человеческих ресурсов в новом контексте.

**Ключевые слова:** развитие, эксплуатация, прямые иностранные инвестиции, человеческие ресурсы, устойчивое развитие.

*Foreign direct investment (FDI) is very important for the Vietnamese economy in context of deep and wide integration; many new-generation trade and investment agreements signed by Vietnam with the partners: FTA with South Korea; Vietnam – Japan Economic Partnership Agreement; Vietnam Chile FTA; ASEAN Comprehensive Investment Agreement (ACIA); The latest is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The trend of international and regional integration is changing and becoming more urgent than ever before, is the Industrial Revolution 4th. To catch up with the technology trend, countries are racing towards an Industry 4.0, the opportunity for regional and international integration is still human resources. The pace of technological change is increasing, requiring and more emphasis on the ability of each worker to continually adapt, learn new skills and access new things in different contexts. Therefore, how to exploit and develop high-quality human resources in FDI enterprises in Vietnam is a problem that needs to be solved. Based on the analysis of high quality human resources in FDI enterprises in Vietnam in recent years, the article proposes a number of exploitation and development solutions to improve the quality of human resources in the new context.*

**Keywords:** development, exploitation, foreign direct investment, human resources, sustainable development.

### Introduction

Human resource is always an important factor in all economic activities. The most precious and important resource that determines the development and prosperity of the nations and communities in the world. Researches on human resource development in recent decades have mainly focused on human resources, which is mainly focused on human capital (understood as skilled workforce). In particular, high-quality human resources

are considered the main resource, the decisive factor in the process of socio-economic growth and development and deciding the exploitation, use, protection and regeneration of resources other.

Vietnam is in the process of industrialization and modernization of the country, developing in the direction of opening up and integrating into the world. In order to perform well the above process, the factor that has the most important role is the human factor. Highly qualified and high-quality human resources will make the country's renewal process faster and achieve higher results. The country's industrialization and modernization requires many important factors such as capital, science-technology, and natural resources. But the most important and decisive factor is still human. Compared with other resources, human resource is an endogenous factor, deciding success or failure in the socio-economic development of each country. Therefore, compared to other resources, human resources, especially high-quality human resources, always occupy a central position and play a leading role in the industrialization and modernization of the country. Below we will go together to find out the current state of high-quality human resources of FDI enterprises in Vietnam today and propose the main solutions to exploit and develop such human resources to meet the requirements international economic integration.

### Theoretical framework

An organization's human resources are formed on the basis of individuals with different roles and are linked together according to certain goals. Human resources are different from other corporate resources due to human nature. Human resource management is a system of philosophies, policies and functional activities about attracting, training, developing and retaining an organization's people to achieve optimal results for both the organization and its employees [1]. Human resource management is the overall coordination of activities of planning, recruiting, selecting, maintaining, developing, motivating and creating all favorable conditions for human resources through the organization achieve the organization's strategic goals and perspective orientations [2]. International Human Resource Management (IHRM) embraces attracting, developing and maintaining a team to achieve goals and targets set out in international production and business strategies [3]. International Human Resource Management is a rapidly changing field of research and application. It is also a lively academic subject linked to a wide variety of disciplines related to economics, strategy, and international business. Its origins can be traced back to the growth of international business operations and the growth of multinational companies (MNCs) with their formal and informal approaches to HR [4]. In all international organizations (MNCs) or multinational enterprises (MNEs), human resource management (HRM) is the key to success. Human resource management is very important to business survival, performance and success [5]. For international organizations, multiculturalism should be managed as important contributors to the chances of business success [6]. Multinational companies must make sensitive decisions to the personnel of the local environment [7]. Concerns are multicultural, often causing international business failure. Therefore, understanding cultural differences is essential for HR managers at leading firms [8]. An international business strategy is a program that systematically brings together the activities of an entity including the process of targeting, the measures and means of achieving certain efficiency in the business environment worldwide. An international business strategy means combining the internal effectiveness of MNE (versus its competitors) with the opportunities and challenges in geographically dispersed national cross-border environments [9]. The role of international business strategy is to help companies and corporations see themselves in the present, point out strengths and weaknesses; identify future business goals; planning to achieve short-term and long-term goals; adjust and adapt to the international business environment. Firms in global market have their own business strategies, in line with market development, the nature of their products / services and their own capabilities [10]. Based on two basic criteria of global efficiency and local flexibility, there are four types of international business strategies: multinational strategy, global strategy, inter-national strategy, home copy strategy [11].

Multi-domestic strategy (high local flexibility, low global efficiency) – groups of independent subsidiaries that focus on specific markets. This strategy focuses on localization of products and brands. Global strategy (low local flexibility, high global efficiency) – unified global market, power and responsibility concentrated in one place. This strategy focuses on power and decision-making in a plan, at the parent company's level. The home copy strategy (low local flexibility, low global efficiency) – a country's unique advantage strategy is often highly developed. This strategy aims to internationalize strong national brands with quality, prestige and world-class, internationalize business processes related to functional performance. An inter-country strategy (high local flexibility, high global efficiency) benefits globally (e.g. some activities such as research and development, managed financial management) in parallel domestic activities (the remaining activities are done in a distributed way).

This is a mixed strategy where the corporate businesses are both specialized and decentralized. Transnational business units are independent of each other when they cooperate within certain functions [11]. International HR strategy always closely follows international business strategy [10].

Solutions for developing high-quality human resources in Vietnam can be approached in the following angles: First, human resources must be clearly identified as the most valuable resource of Vietnam in the development of the country. Second, conducting regular surveys and surveys on human resources and quality of human resources in all sectors, levels, localities and the country; ensure the balance of supply – demand of manpower for socioeconomic development nationwide, for each branch and level. Third, improve the efficiency of planning, management and use of high quality human resources. In order to promote the positive and creative labor activities of high-quality human resources, it is necessary to do well the planning, management and use in a scientific, democratic and correct manner. Fourth, fundamentally and comprehensively renovate education and training to improve the quality of human resources, especially high-quality human resources to meet the requirements of science – technology application and model innovation to grow, restructure the economy, step up industrialization and modernization of the country. Fifthly, along with the importance of developing high-quality human resources, there is a need to closely link with the development and application of science and technology. These are the two pillars and at the same time a new driving force for the country's development. Along with education and training, science – technology must also be truly the top national policy and the most important driving force for national development. Sixth, developing high quality human resources must suit specific conditions of ministries, branches and localities; closely associated with the requirements of international cooperation and integration. It is necessary to establish a process of closely detecting, exploring, evaluating and publicly selecting human resources suitable for each place and each specific requirement.

### **Research methodology**

The bibliometric and scientometric analysis is a quantitative study that studies the development of a scientific field to be studied [12]. It is a technique that includes research to measure impact, understand citation processes, and to map structural and dynamic knowledge in a field based on data sets [13]. Through data processing, scientific quantification helps researchers to find systematic discoveries of related knowledge that are often difficult to analyze manually. Scientific quantitative research method using available secondary data set. For this study, we used the Scopus database.

The comparative comparison method to find out the most accurate documents about the research problem as well as reliable sources of information from the Vietnam Chamber of Commerce and Industry for the period 2010–2019.

In addition, the study also conducted interviews with experts working in the field of economics and international integration to collect suggestions and implications for sustainable development of high-quality human resources.

### **Research results**

The results obtained 143 articles in English and 1 speech in Russian language, in which the original scientists (Articles) accounted for about 68%, the remaining percent was allocated to short studies (Letters), post report (Reviews), Conference (Proceeds Papers), etc. Below is a summary of problems drawn from data research.

Each multinational corporation's recruitment method for overseas employees is different. Factors that influence your choice of HR policy include the country's culture of origin, the degree of international business engagement, the firm's business strategy, and the type of business industry. For foreign businesses, their staff requirements are very high, they are not too concerned with qualifications, they are interested in their ability, expertise, attitude and ability to adapt well to vacancies. In addition, foreign companies pay much attention to the candidates with leadership qualities to help the teamwork process, the implementation of projects easily, smoothly and get better results. Foreign companies in Vietnam often recruit nationals to top management positions, overcome the shortage of highly qualified managers in Vietnam, ensure operations doing business in Vietnam in accordance with the image of business activities in the host country. Especially senior managers in Vietnam, they tend to spread corporate culture, corporate identity into Vietnam. This policy is very important for enterprises that consider corporate culture one of the important factors to maintain comparative advantage in competition. Moreover, there has been quite a strong dislocation of high-quality human resources during and

after the covid19 period. This is both a difficulty but also an opportunity to attract quality human resources for FDI enterprises.

To address the shortage of middle and high-end human resources in Vietnam, foreign companies in Vietnam make a significant contribution to solving the problem of shortage of highly qualified human resources, through programs Links with universities, colleges and also internal training programs. Foreign companies develop diversified training programs, not only for new employees but also for the entire staff at all levels during their work at the company. As a result, those training programs have solved the human resource difficulties that foreign businesses face in Vietnam [14, 15].

Effective management of a strong staff with a variety of cultures and working styles can create special advantages for foreign businesses in Vietnam such as creating an effective and attractive working environment and retain talents, create trust for customers and partners to promote the strategic strength of the business, increase operational efficiency and make a difference in the market. Efficiency and differentiation will help businesses compete well in the market.

In addition, human resource management has also built for businesses a closed circle system including: recruitment – evaluation – training. By the nature of their expertise, human resources will filter the individuals and personalities that are suitable for each position in the company and at the same time assessment of the staff's capabilities in the working process to be able to understand strengths and weaknesses additional knowledge for employees to build a training plan to improve the skills and expertise of employees. Human Resource Management is responsible for inspecting and supervising other departments in order to comply with company policies and regulations. Check, measure and analyze the results and work efficiency of departments. High quality human resources should be exploited and brought into full play to avoid waste. Because of:

This is a team of workers that have been trained at home and abroad with skills to meet the job. Appreciating the working ability of the returned workforce, many foreign-invested enterprises in Vietnam are looking for this human resource through many different channels. Thematic job sessions exclusively for workers who have gone abroad to work, organized by Hanoi Job Service Center, always attract about 60-80 enterprises to register for recruitment. The most recent session in March 2021 attracted 72 Korean and Japanese invested enterprises to recruit more than 1,100 employees for the positions of managers, translators – interpreters, technical staff, etc. Unfortunately, very few businesses are recruiting people for the desired position.

It is necessary to thoroughly implement the connection model between enterprises operating in the field of labor export and universities and vocational education institutions. "Through this model, right after graduation, students can go abroad to continue studying and working in a more professional environment to improve their skills. When they return home, they are a high-quality human resource thanks to the convergence of foreign language, skills, professional working style, and management experience".

From the results of the research process, we draw the following conclusions:

- Human resource management and business strategy are two indispensable contents in the development of FDI businesses. Thanks to people and proper HR management, maintaining internal capacity for the business to successfully implement its business strategies. Therefore, the efficient operation of human resources or in other words well-organized HRM team in the organization has become something that any foreign business in Vietnam wants to achieve early in the present period.

- In particular, it is necessary to exploit and utilize human resources in accordance with the business strategy of the business. Employee morale and attitude are positively improved, if human resource management is effective. Staff with high professional qualifications and skills will help businesses develop and make good use of human resources in the marketplace. HR management needs to meet the requirements of the business in terms of recruitment, training and capacity assessment.

- When properly screening and training qualified employees, businesses will avoid many types of waste. Thus, the human resource management department needs to arrange carefully and in detail: selecting, arranging, training, and mobilizing optimal personnel. With the economic crisis and inflation, human resource management needs to adapt to the economic situation. Therefore, in addition to finding and developing quality human resources, human resource management must also use the budget effectively.

## Discussions

In recent years, Vietnam's economy has undergone many ups and downs with the world economy. During the economic crisis in 2008, many businesses to save the situation significantly reduced the number of employees of the FDI Company to cut costs, many good people or senior leaders in the company in turn were dissatisfied

with corporate policy and they are gone. However, it is a period in crisis, and in the post-crisis period (now), how will businesses do to find and retain good employees? To retain good human resources to serve the company requires The FDI Company must have appropriate strategies and policies. A good human resource manager is a person who knows how to properly evaluate the working capacity of each employee, knows how to motivate, encourage, and evoke potentials, and help employees enthusiastically work. But every human being has its own advantages and disadvantages and can make mistakes in the process of working. No matter how dynamic, enthusiastic, and confident the head of an enterprise is, a manager, a leader can still do nothing without the full support of those under his authority and from the everyone who has a business relationship with the business. The company's products, even with the best quality in the world, cannot dominate the market without relying on skillful and enthusiastic sales staff. Therefore, human resource management has a special role, manifested as follows: Human resource management contributes to promoting human working capacity at the most thorough and effective level. Human resource management plays a decisive role in the success or failure of an enterprise. Today, in the knowledge economy, when in the product value more than 80% is the amount of gray matter, the human factor is increasingly placed in an important position. The HR department is a department that plays an optimal role in the work efficiency of human resources, thereby helping to achieve the company's strategic goals. The main task of human resources in the enterprise lies in the coordination of human resources, ensuring consistency with internal policies and systems. At the same time, the industrial revolution 4.0 will make the labor market change in the direction of using more jobs with a higher content of brainpower, and many new types of jobs that were not previously existed new technologies, new products. That shows the role and importance of human resources for domestic and foreign enterprises.

### Conclusions and recommendations

Today, international integration has been a big trend in the modern world, having profound impacts on international relations and the development of each country. And in the process of international integration is happening faster and stronger, under the impact of many factors, including human resources factors. Human resources today are also known as Human Resources Capital. This term is very important in today's context when the business need the best resources. Human capital is a special kind of capital needed such as financial capital, so it is necessary to exploit and use the best, avoid losses, pay fees and must always be invested, increase prices treatment.

Attracting and using talents is always top concern for all businesses and entrepreneurs, because more than ever, the competitive strength of the enterprise is having the best human resources. In the context of an integrated and globally competitive economy, many FDI businesses have revealed many weaknesses and fell into difficult circumstances. Key personnel is still the lack or weakness of planning resources in the business. So starting from the HR strategy, starting with people, internally each FDI enterprise can implement specific solutions and actions such as:

- Well planned and implemented human resource strategy, boldly recruiting many young workers, even without a job to train them.
- Understand and deeply appreciate the role of people (the workforce) in the business; consider it as the key factor that needs most attention and investment;
- Understand and properly evaluate the role of the staff in the organization of personnel of the business (role for the organization, the professional nature ...) so that it can also recruit and use the staff human resources are both professional and qualified, have a heart and love the job.
- Understand and clearly define the advantages and disadvantages that HR officers in your company are facing, grasp their thoughts and aspirations to promptly encourage, encourage and support them.
- Clearly define the intimate and logical link between the strategy of the development of production – business activities with the human resource strategy; between HR strategy and other strategies such as investment, finance...
- Have a good vision, predict changes in the labor market, state policies on the labor field, objective and subjective changes in the industry that enterprises are producing and trading in, the trend of competition to take measures to respond, especially dealing with corporate governance, human resource work;
- Identify and have a plan in human resources activities such as organizational structure, human resource planning, recruitment, use of personnel ...;

- There is a specific and clear plan and budget in the training and development of human resources. It is necessary to have an appropriate investment for this work, especially the preparation of resources and adjacent personnel, especially personnel in charge of management work;

- It is necessary to promulgate and implement the personnel assessment system, the remuneration regime for staff, the attraction and use of talents, and staff placement, especially the spiritual life social community activities of employees;

- To promulgate policies and regulations closely linked to production and business activities, specific characteristics of enterprises, in line with trends and labor markets.

- There should be policies and regulations on decentralization, decentralization, clearly defining the functions, tasks and powers of management levels, departments / units.

- Have a good plan and implement the building of the management system and process in the enterprise; boldly apply and strictly implement advanced management processes such as ISO, 5S.

Especially, building a corporate culture environment, considering it as the identity of the business, is the core to attract talent, creating a strong momentum for the development of the business; corporate culture must be penetrated deeply into all people, leaders and managers must be pioneers, to avoid the existence of "push" in the company combined with "pull" from the labor market outside taking away highly valued staff.

In order to overcome the waste of domestic trained human resources in order to effectively exploit this human resource, as soon as there is a plan to send people to work abroad, functional sectors, enterprises and localities need to coordinate in building a data bank on labor motion. Knowing the number, qualifications, occupations and characteristics of the labor market, we will easily compare information to exploit and promote available human resources.

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