

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions



Thi Huong Phung¹, Van Luan Nguyen²

^{1,2}University of Labour and Social Affairs

ABSTRACT: The article provides an overview of the workforce situation at FDI enterprises in Vietnam. Based on collected and aggregated data on the labor force at FDI enterprises, the research team identified: difficulties in recruitment; the scarcity of high-quality personnel in some industries; lack of professionalism and discipline in labor ... are difficulties in human resource work in FDI enterprises today. Based on the current situation of the labor force and the remaining problems in the recruitment and employment of enterprises, the research team also makes suggestions for training activities at the establishments of higher education such as Focusing on training human resources with professional and technical qualifications and soft skills; Improving the quality of training; Professional training for learners or determining the structure of occupations that the market needs to conduct training.

KEYWORDS: Labor force; FDI enterprises, higher education; Vietnam

1. INTRODUCTION

Vietnam continuously appears on the ranking of attracting foreign investment. In 2022, we attracted nearly 27.72 billion USD of foreign investment capital into the economy, helping boost the production and labor scales in FDI enterprises [6]. Although Industry 4.0 has significantly reduced the number of simple workers in factories and industrial parks, Vietnam is currently a place to invest in production and place large factories, so there is a need for a skilled labor source with professional and technical qualifications, high-quality to conduct expansion of production and business scale. With the research objective of the article is to assess the current situation of human resources in FDI enterprises; enterprises' assessment of the quality of human resources in Vietnam; Weaknesses of human resources under the assessment of FDI enterprises; suggest some measures to train human resources to meet the recruitment requirements of FDI enterprises for higher education institutions. The research team conducted research related to the workforce content in FDI enterprises and solutions through training activities. The results of some studies related to the research problem are presented below.

Anh, T. (2018) [1], The article aims to solve the problem of personnel shortage and create a culture and long-term attachment between employees for FDI enterprises. The article only mentions the development of long-term recruitment and training plans for employees at enterprises. The solution identifies the need to create employee engagement through corporate culture. Use work philosophy to motivate and be consistent with employees. The article aims to analyze measures to train, develop and retain employees in FDI enterprises.

Anh, D.T.N., & Tham, N.T.T. (2020) [2], the authors research developing the quality of human resources of FDI enterprises in Vietnam in the period of industrial revolution 4.0. Research and assess the labor situation of FDI enterprises and identify limitations and causes of limitations in recruiting and employing employees at enterprises. Based on the remaining points, the author proposes solutions to improve the quality of human resources at enterprises. The appropriate and breakthrough measures are that Enterprises need to develop a strategy for human resource development, prioritizing high-quality human resources in recruitment; Promoting the role of the human resource management department at the enterprise to always capture the thoughts and aspirations of employees, encourage and support timely; Increase budget for training and retraining of human resources, linking with establishments and units in vocational training; Implement regulations on evaluating personnel at work, creating a fair treatment regime for employees at the enterprise; Building corporate culture, creating a connection between enterprises and employees. From the research results, we can see that the author focuses on solutions to remove the limitations of labor in FDI enterprises based on FDI enterprises themselves. These solutions have the advantage of helping FDI enterprises temporarily solve existing problems of human resources.

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

Cong, P.T., & Suong, H.T.M. (2020) [3], Research on training high-quality human resources to meet the demand of forming and developing the world processing center in Vietnam. The article identifies the context of the economy, the shift of comparative advantage to high-quality human resources, and the shortage of these human resources in Vietnam. The article also points out that the shortage of high-quality human resources is due to the ineffectiveness of policies related to human resource training, the reform of education and vocational guidance has not been thoroughly implemented, and the market information system has not been fully implemented completely. From these limitations, the author poses the problem of renewing the education and training mechanism to develop high-quality human resources. At the same time, assess the prospect of developing a high-quality labor force in Vietnam, thereby making some policy suggestions to develop a highly qualified and skilled labor force to help Vietnam become one of the most important labor centers in the world processing and manufacturing centers of the world such as: Bridging the gap between education and vocational skills training and higher education; Training with the participation of processing and manufacturing industry enterprises. The content of the article is aimed at solving the problem of the shortage of high-quality human resources in enterprises. The solution is given in the research towards a macro policy for the government and educational institutions in education innovation and skills training for human resources.

Loan, N.T. (2022) [7], Research identifies the massive hiring or firing of personnel; The remuneration regime, salary, and policies to attract high-quality human resources are not good are the shortcomings in human resource work at FDI enterprises. The author also gives recommendations and solutions to reduce limitations in human resource work in FDI enterprises. Using labor productivity as a basis for determining wages for employees; Proposing the State to pay more attention to human resource development to meet the requirements of FDI enterprises; Completing the remuneration regime and policies to retain employees at FDI enterprises; Promoting trade union activities of enterprises, train negotiation skills, handle labor disputes, protect workers' interests; Building a system of labor conciliation and arbitration; Strengthen cooperation between businesses and training institutions in the area to have a high-quality labor force. The research has identified shortcomings in personnel issues at FDI enterprises in terms of remuneration, disputes, and conciliation measures. Measures and recommendations aimed at settling disputes between enterprises and employees in labor compensation, salary, and bonus issues through trade unions and labor arbitration.

Hang, T. (2023) [10], The article is based on an interview with a human resource expert in the FDI enterprise sector on "Preparing skilled human resources to welcome the "wave" of FDI". The article points out that the shortage of skilled workers affects production expansion and business recovery after the Covid-19 pandemic. Difficulties in recruitment are pointed out by the author as not recruiting enough people; the candidate does not meet the requirements for professional skills, foreign language skills, and informatics. The qualifications and skills of workers have not met the recruitment needs of FDI enterprises. The group of solutions identified in the article is to strengthen employee remuneration and welfare regimes. All stakeholders such as businesses, schools, and workers need to improve their professional skills through many forms such as on-the-job training; participation in online and face-to-face professional courses and seminars; work-study training. The content of the article revolves around difficulties in recruitment and solutions aimed at enhancing remuneration, organizing quality improvement, and professional work for employees at enterprises through training facilities.

Huong, P.T., & Zen, N.N. (2023) [11], the author group researched training high-quality human resources at higher education institutions, to meet the demands of the requirements of Vietnam's socio-economic development under industry 4.0. The article identifies difficulties and challenges in training human resources to meet socio-economic development under the impact of Industry 4.0. The research results show the current situation of high-quality human resources in the labor market across the country. The author assesses high-quality labor has not met the requirements of economic development under the impact of Industry 4.0. The untrained labor force also accounts for a high proportion, the unemployment rate of trained workers is large, and there is a lack of linkage between enterprises and training institutions. To overcome difficulties, some solutions mentioned in the article are to increase the awareness of the whole society about the importance of high-quality human resources; Complete the education system towards openness and integration, streamlining and reorganizing the education system; identify the right capabilities and training needs, improve the quality of planning, regularly forecast and provide information on the human resource needs of the society or build and complete an overall development strategy high-quality human resources in the new era to meet the requirements of enterprises and society. The study focuses on the shortage of a high-quality labor force in the country and the influence of Industry 4.0 on the orientation of training and developing high-quality human resources at higher education institutions.

Thus, the above studies focus on assessing the quality of human resources and solutions to develop and improve the quality of human resources. However, these studies focus on solving the difficulties of labor shortage, the level of labor that does

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

not meet the requirements of enterprises, and directing solutions to solve problems in enterprises employing workers. Therefore, the research team has found a research gap and conducted a content study on the actual situation of the workforce in FDI enterprises. Suggestions in training work at higher education institutions.

3. METHODS

The data collection method was applied to find the research gap. The research team analyzed the research direction and results of the research work related to this research content; these documents were searched mainly on the Internet.

To assess the current situation of the labor force in FDI enterprises, the research team has collected actual data from the PCI - 2022 Report, the Data Report on the labor market, and investment attraction activities in Vietnam's FDI.

From the data that have been synthesized by the research team, through the method of analysis and synthesis, the research team has analyzed and identified the difficulties in recruiting and using labor at FDI enterprises and propose some orientations in training activities at higher education institutions.

4. RESULTS

4.1. Actual situation of the labor force in FDI enterprises

Attracting FDI into Vietnam has helped develop the economy along with technology transfer and improved production capacity for domestic enterprises. The boom of FDI enterprises took place in 2014 with the rate of enterprises increasing their investment capital up to 16.15% compared to 5.06% in 2013 [9]. Along with the increase in investment capital are the expansion of production scale, increase in labor size, and the proportion of enterprises increasing the labor size from 30.03% in 2013 to 62.44% in 2014 [9]. After 2014, the rate of enterprises increasing their investment capital was not high but remained at over 10% [9], which did not greatly affect the rate of enterprises increasing the number of employees. However, in the last five years, due to the impact of the covid-19 pandemic, many businesses have encountered difficulties, including FDI enterprises. The rate of enterprises increasing investment capital continuously decreased from 11.81% in 2018 to 6.24% in 2022, nearly 50% [9] of FDI enterprises reported losses during this time, leading to a huge decrease in labor demand much more than in previous years. Although in 2022 the proportion of FDI enterprises reporting profits has increased and the proportion of enterprises increasing their labor size has reached 55.77% [9], these recovery figures mainly come from the improvement of quality management, not because of the re-development of the Vietnamese economy and the world. Facing the complicated situation of politics and the world economy, the difficult situation of controlling public debt in the US has made FDI enterprises hesitant to expand their operation scale. The proportion of enterprises with a labor size of more than 1000 people only accounts for 3.9%, the group of FDI enterprises with a scale of 100 to less than 1000 people accounts for about 12%, and the remaining enterprises are mainly small-sized enterprises with employees from less than ten people to hundreds of people, this number of enterprises is the largest, more than 80%, and are classified into the group of small and medium enterprises [9].

Through analyzing results from collected data related to the use and recruitment of labor at FDI enterprises, the research team identifies the current status of the labor force at FDI enterprises as follows:

Firstly: FDI enterprises are seriously lacking in qualified technical personnel

FDI capital has promoted the restructuring of Vietnam's economy towards industrialization and modernization. The structural shift of the industry is also more and more obvious by 2022, the number of enterprises in the garment industry will decrease to less than 5% [9] and the number of enterprises operating in the computer technology and electronic equipment industries will account for less than 5% increasing proportion. Many businesses with simple labor such as garment enterprises are tending to cut staff. Therefore, the demand for labor for simple occupations is decreasing and the demand for employees with technical expertise is increasingly scarce and the market has high recruitment demand [11].

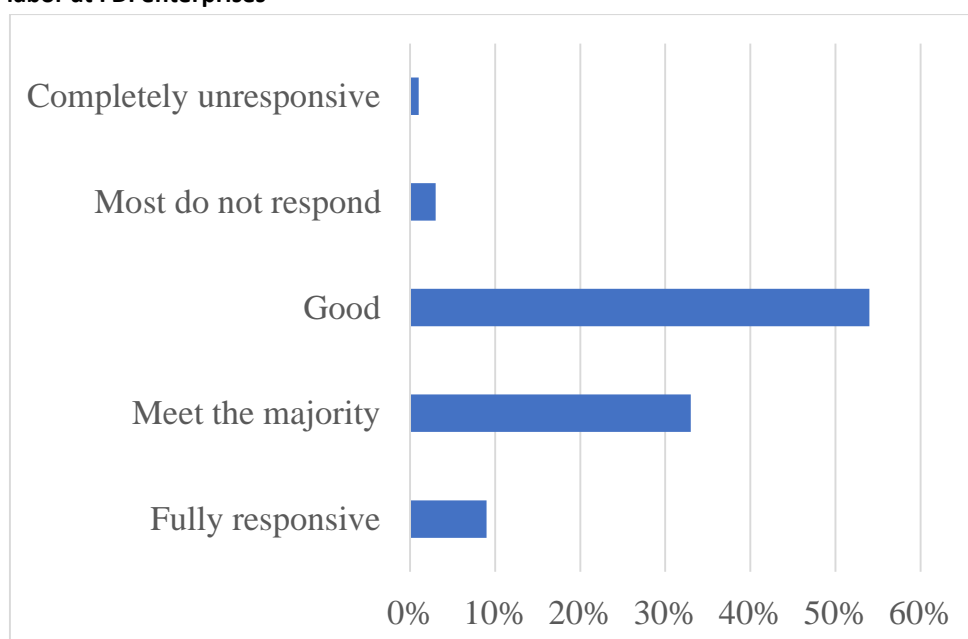
According to the Total Workforce Index 2022 report, some countries in the ASEAN region have a high proportion of human resources with technical expertise such as Malaysia at 28%, the Philippines at 18.5%, and Thailand at about 15%. Vietnam's skilled and technical workforce is currently only about 11.6% [10]. Meanwhile, 54% of FDI enterprises are having difficulty recruiting human resources with high professional and technical qualifications and 22% [9] of enterprises consider this recruitment at a very difficult level. The absence of human resources with high professional and technical qualifications is the factor that makes Vietnam one of the lowest labor productivity countries in the region. This is the weakness of the Vietnamese economy because, in the future, cheap labor will no longer be an advantage to attract foreign investors but a high-quality human factor.

Secondly, FDI enterprises are having to pay a huge part of the costs for training and retraining activities

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

In the PCI 2022 survey results, it was found that 54% of workers were only assessed by FDI enterprises at a temporary level and the level that completely met the quality requirements for human resources was only 9% [9]. This number speaks to a lot of problems in training activities at educational institutions, especially higher education institutions, where society's high-quality human resources are trained today. FDI enterprises have very high requirements for labor quality and are strict in input recruitment. However, due to the shortage of skilled and high-quality labor resources, the recruitment of workers who have not met the requirements still occurs a lot. To maintain operations, FDI enterprises are willing to spend a significant part of the cost on in-company training activities. This training activity, business activities, and production quality increased, ensuring large orders and lasting for many years of FDI enterprises. Currently, the assessment of the labor quality of enterprises is always a matter of social concern because through it we can see the quality of human resource training in Vietnam. According to the PCI 2022 survey data, after more than ten years, they have made a lot of reforms in education and training activities, especially at vocational education and higher education levels, but the cost amount spent to retrain workers in FDI enterprises decreased slightly from 7.71% in 2010 to 5.85% in 2022 [9]. This proves that the quality of training at educational institutions, especially higher education institutions, has not changed drastically in recent years.

Table 1. Quality of labor at FDI enterprises



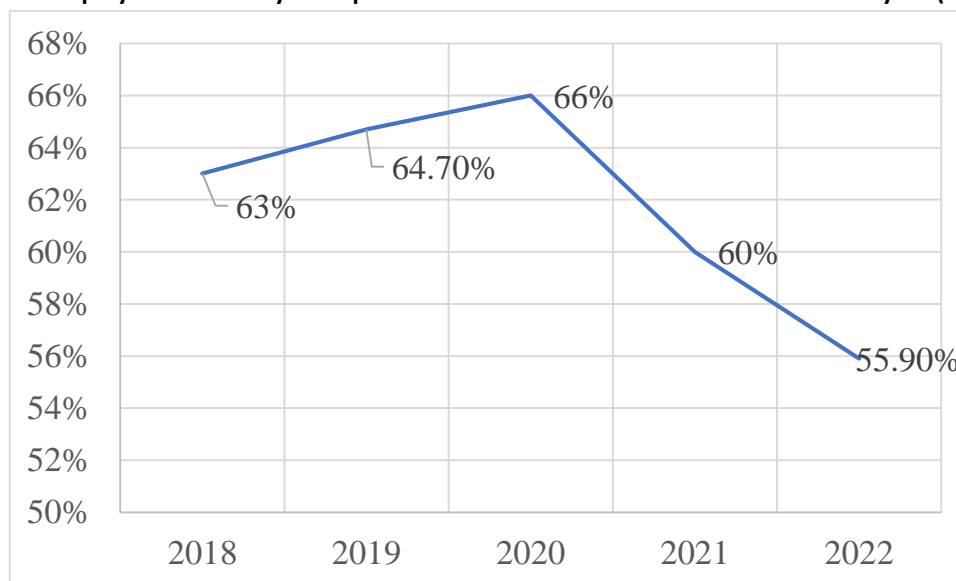
Source: Compiled data from PCI 2022 Provincial Competitiveness Index Report [9]

Third, labor lacks a sense of responsibility and commitment at work.

The cost of training and retraining of FDI enterprises is very large, but the working time of retrained workers at the enterprise is not attached to the enterprise for a long time. According to the survey report of PCI 2022, it shows that mainly employees who only stay with the enterprise for 1 to 3 years account for 45%, from 3 to 5 years account for 29% [9]. Especially after the impact of the covid-19 epidemic, many workers choose to leave the industrial sector to work for temporary jobs, without any strings attached, or to return to their hometowns to live and work jobs at their place of residence. This fact shows the instability of the workforce at enterprises, greatly affecting production and business activities in the short and long term. Vietnamese workers lack professionalism, lack of sense of responsibility for work and business, training costs have been lost and businesses have to continue to spend extra costs for new recruitment and retraining for these new workers.

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

Table 2. Percentage of employees trained by enterprises who continue to work for more than one year (2018 -2022)

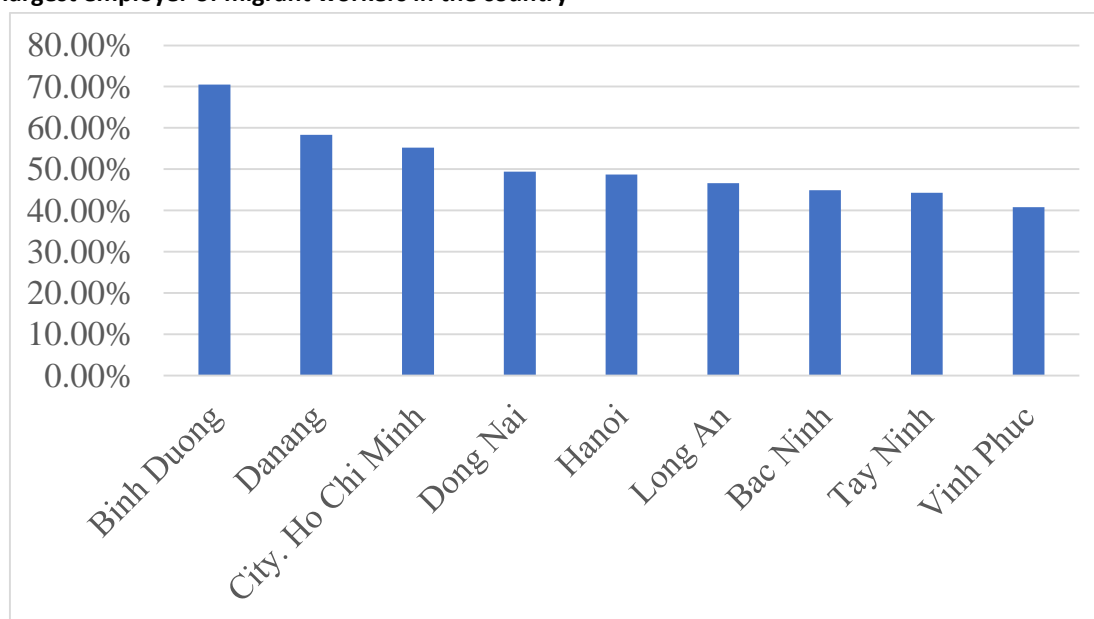


Source: compiled data from PCI 2022 Provincial Competitiveness Index Report [9]

Fourth, FDI enterprises must recruit most of the migrant workers from other provinces.

The preferential regime of the enterprise is high or low, the salary increase process over the years to ensure the wishes of the employees is based on labor productivity. Improve labor productivity to catch up with the rate of increase in quantity as prescribed. However, many FDI enterprises believe that labor costs increase much faster than labor output. The covid-19 pandemic has shown us a wave of migrant workers leaving industrial zones and big cities. The rising cost of living and the fear of the epidemic has made these workers less interested in returning to industrial zones, causing a series of difficulties for the production and business of these enterprises, especially those using many migrant workers such as FDI enterprises in Binh Duong with 70.5%, Ho Chi Minh 55.2%, Dong Nai 49.4% [9]. This fact has suggested that an important issue with high-quality human resource training activities is to strengthen the training and training of local human resources.

Table 3. The largest employer of migrant workers in the country



Source: Compiled data from PCI 2022 Provincial Competitiveness Index Report [9]

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

Fifth, FDI enterprises have difficulty recruiting for some occupations with a small amount of training.

The Covid - 19 pandemic has pushed many industries to higher and faster digital transformation. According to a survey on the current situation and technical and professional needs of workers in the processing and manufacturing industries in FDI enterprises in Vietnam in the period of 2021-2023, most FDI enterprises in the manufacturing sector are currently using advanced technology at a high to very high level accounted for 32%, 63% of companies used technology at a medium level and only 5% [10] currently do not use technology. According to data from the Labor Market Newsletter in the fourth quarter of 2022, workers in many industries are scarce in terms of supply as the demand for labor recruitment in the processing and manufacturing industry increased by 13.53%, information, and communication information increased by 15.34% [8] over the same period last year. But at the same time, some occupational fields are oversupplied, and the number of laborers looking for work increases very high such as Simple Labor, Salesperson, Accountant, and Labor in the garment sector. This causes unemployment and social instability, which is mainly due to the fact that the structure of vocational training at educational institutions is not based on the needs of the market.

4.2. Suggestions for training work at higher education institutions

In Resolution No. 29-NQ/TW, it was stated that "strongly shifting the educational process mainly from equipping knowledge to the comprehensive development of learners' capabilities and qualities, learning coupled with practice, reasoning associated with Practice. Education and training development must be associated with the needs of socio-economic development, national construction, and defense, scientific and technological progress, requirements for human resource development, and the labor market [5]". Faced with the current human resource situation of FDI enterprises, has brought many suggestions for training work at educational institutions:

Firstly, focus on and promote the training of highly skilled and technical human resources.

We have identified that highly qualified and technical human resources are the key to competing for FDI with regional countries such as Thailand and Malaysia. These Southeast Asian countries have a much larger proportion of high-quality workers than Vietnam. To meet the needs of FDI enterprises and society, the government needs to develop and complete a comprehensive strategy for developing high-quality human resources in the new period. Develop an overall strategy to develop high-quality human resources to meet the requirements and recruitment needs of FDI enterprises. The strategy should clearly define the purpose, scope, roadmap, mechanism, and general guidelines. In the strategy, it is necessary to require the Ministry of Education and Training and educational institutions to overcome the contradiction between development in terms of quantity, quality, and structure and appropriate human resource composition.

Second, higher education institutions need to improve the quality of their training, aiming for a composite index of learners University is not only a place to learn specialized knowledge, but also a place to practice and develop necessary skills. Skills such as changing mindsets, learning how to adapt, integrate, resolve conflicts, and make personal plans will help learners increase their advantages when applying for jobs at FDI enterprises after graduation and joining the labor market. In particular, the quality of education should be directed towards the comprehensive development of learners. Higher education needs to focus on helping learners develop their internal resources, train their intellect, comprehensively develop critical thinking, and teach life skills and key metrics such as Emotional Quotient (EQ), Index Intelligence (IQ), and Difficulty Index (AQ). An employee is appreciated by the enterprise through the basic indicators of a person's quality of life. To achieve this goal, higher education institutions need to promote the quality of training at higher education institutions, study for real exams, and comprehensively innovate education; Redesigning training programs in line with international trends and especially meeting the needs of enterprises; Link and cooperate with enterprises in the training process. Higher education institutions need to send students to FDI enterprises to practice modern machinery and equipment, experience actual production facilities, and enterprises to approach the development of the university. new technology. In addition, teaching methods also need to change to match the trend of the times, improving the quality of training. The teacher not only imparts knowledge but also motivates and inspires students so that students can really learn and be passionate about their chosen profession and profession so that they can confidently pursue their dreams.

Third, improve the sense of job responsibility, and train professionalism, behavior, and work discipline for learners

Most workers today are not trained in labor discipline at work. Employees, many of whom come from the local area, still maintain a lack of professionalism, lack teamwork ability, are not able to cooperate and take risks, and are afraid to encourage innovative opinions or share work experiences. Most FDI companies have to spend a considerable amount of time retraining their employees before officially hiring them.

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

Professionalism is a quality of employees, characterized by a specific career style based on a high level of expertise and professionalism, fully meeting the requirements of professional ethics standards in particular and the requirements of social ethical standards in general, ensuring the effective implementation of operational purposes and tasks according to a certain professional field [12].

Professionalism education for learners at higher education institutions aims to help learners develop in practice the consciousness, attitudes, behaviors, and habits related to the professionalism of employees in the field of the professional activity area. Professional education for learners at higher education institutions is carried out through many methods, in which, some educational methods can be mentioned such as: through teaching activities; through practical activities, professional practice at enterprises; through vocational internships at agencies and units employing trained workers at educational institutions. After being recruited, employees who are professionally trained will be responsible for their work and responsible for the production activities of the enterprise. Professionally trained learners always respect their commitment to the organization, minimizing layoffs and job-hopping after a short time of being recruited by the enterprise.

Fourth, Training activities need to focus on training local personnel, on-the-job training

Develop a strategy for human resource development in the locality, creating a basis for well-implementing policies to promote human resource development in a stable and balanced manner in regions to create quality human resources from the labor force of each locality.

For FDI enterprises to recruit high-quality human resources right in their respective areas, educational and training institutions, especially university training, need to make many changes in training activities to meet the recruitment needs of FDI enterprises. The Government must be the largest and most comprehensive investor in the construction of vocational training institutions, improving skills and knowledge for workers. Businesses are responsible for making needs, planning employment, and participating in the training process.

Local educational institutions need to diversify professional training activities and transfer knowledge and working skills to employees according to the development needs of economic sectors. Besides, educational institutions need to have short-term training programs and refresher courses for employees.

Fifth, Training needs to determine the number and structure of occupations according to the requirements of the labor market

Digital transformation is placing new requirements on both the size and quality of the workforce. More than ever, training human resources for digital transformation, and high-quality human resources for the development of high-tech fields in the 4.0 revolution. This human resource needs to have new capabilities, solid background knowledge, especially innovation, and adaptability to new technologies.

To meet the recruitment needs of foreign direct investment companies, higher education institutions need to focus on developing high-quality human resources. Businesses also need to be proactive in developing training programs and curricula. Designing lessons, guiding practice, and assessing learning outcomes for learners at higher education institutions.

5. CONCLUSION

The document of the 13th Party Congress stated "Considering people as the center, the most important subject, resource, and goal of development; Taking cultural values and Vietnamese people as the foundation, an important endogenous strength to ensure sustainable development"[1]. A force with high professional and technical qualifications, spirit, and responsibility at work is an important factor in attracting foreign investment capital and developing Vietnam's economy. Recognizing the difficulties in using and recruiting personnel at FDI enterprises is the basis for taking measures to build a comprehensive education at higher education institutions. Creating links and support between the state, businesses, and educational institutions will help the labor market be sustainable, meet the needs of the market, and restructure industries due to the impact of Industry 4.0.

REFERENCES

- 1) An, T. (2018), How do FDI enterprises solve the human resource problem? baodauthau.vn
- 2) Anh, D.T.N., & Tham, N.T.T. (2020), Research on developing the quality of human resources of FDI enterprises in Vietnam in the period of industrial revolution 4.0, Journal of Industry and Trade - Results of scientific research and technology application, No. 29+ December 30, 2020
- 3) Cong, P.T., & Suong, H.T.M. (2020), Training high-quality human resources to meet the demand for foundation and development of the world processing center in Vietnam, International Economic and Management Review, No. 120, 2020.

The Actual Situation of the Labor Force in Fdi Enterprises, Suggestions in Training Work at Higher Education Institutions

- 4) Communist Party of Vietnam (2021), Documents of the 13th National Congress of Deputies, National Political Publishing House, Hanoi.
- 5) Communist Party of Vietnam (2013), Resolution No. 29-NQ/TW On fundamental and comprehensive renovation of education and training, meeting the requirements of industrialization and modernization in the context of a defined market economy. Socialist Direction and international integration, Hanoi, Vietnam
- 6) Duc, N. (2022), In 2022, nearly 27.72 billion USD of foreign investment capital into Vietnam. Investment Newspaper. December 27, 2022
- 7) Loan, N.T. (2022), Some limitations and solutions to attract labor and create jobs at FDI enterprises in Vietnam today, Industry and Trade Journal
- 8) Ministry of Labour, Invalids and Social Affairs (2022), Vietnam Labor Market Update Bulletin, Ministry of Labour, Invalids and Social Affairs, Hanoi
- 9) VCCI (2022), PCI Provincial Competitiveness Index Report, Hanoi, Vietnam
- 10) Hang, T. (2023), Preparing skilled human resources to welcome the "wave" of FDI, Vietnam Economic Journal special issue Xuan Quy Mao, issued on January 23, 2023
- 11) Huong, P.T., & Zen, N.N. (2023), Training high-quality human resources at higher education institutions, to meet the demands of the requirements of Vietnam's socio-economic development under industry 4.0, Journal of Economics, Finance and Management Studies, Issue 4 April 2023.
- 12) Khanh, M.Q., et al. (2021), Professional education for student's contributions to improve the quality of universal education, Proceedings of the National Conference: Building a substantive, oriented and solution-oriented education, Hanoi Capital University Noi, Hanoi, Vietnam



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.