

The role of human resources for economic growth model innovation in Ho Chi Minh City, Vietnam: Issues and solutions

Dr. Luu Thanh Tam⁽¹⁾ and Dr. Nguyen Minh Tri^(2*)

^{(1),(2)} Ho Chi Minh City University of Technology (HUTECH), Ho Chi Minh City, Vietnam

*Correspondence author: Nguyen Minh Tri, E-mail: nm.tri@hutech.edu.vn

Abstract

Ho Chi Minh City is a special city, a major economic, cultural, educational - training, science - technology center, a hub for international exchange and integration, a leading and capable attracting and spreading to the southern key economic region, which has an important political position of the country. In order to motivate Ho Chi Minh City to develop, in recent years, the city has focused on developing human resources to serve the requirements of renovating the economic growth model towards a modern and sustainable direction. However, the quality of human resources currently has many shortcomings that have not met the requirements of changing the demand for renewing the rapid and sustainable economic growth model of Ho Chi Minh City. In the coming time, in order to overcome the above problems, the city needs to deploy a synchronous system of solutions.

Keywords: human resources, innovation of growth model, Ho Chi Minh City, Vietnam

Introduction

Ho Chi Minh City is Viet Nam's major center of economy, culture, science and technology, with the North bordering Binh Duong province, the Northwest bordering Tay Ninh province, the East and Northeast bordering Dong Nai province and Southeast bordering Ba Ria - Vung Tau province, the West and Southwest bordering Long An and Tien Giang provinces. With this position, Ho Chi Minh City is a locality with links to regions of Vietnam. This is also a land of great potentials and advantages having a direct impact on the economic, social and cultural development. At the present, Ho Chi Minh City, as well as Vietnam, is under strong impact of the globalization process, of the 4th industrial revolution. In this context, the issue of improving the quality of human resources to meet the requirements of renewing the economic growth model has always been thoroughly grasped by the City's real policy in every step, each development policy in order to improve the quality of growth and competitiveness of the city economy, associating economic growth with cultural development, building people, making progress, social justice and environmental protection.

Results

1. Inovating economic growth model and requirements for human resource development

Renovating of economic growth model is defined as changing the way of economic growth towards modernization and progress in accordance with domestic and world conditions in order to achieve the set goals. In Ho Chi Minh City, innovation of economic growth model was specified in the 9th Congress of the City Party Committee (2010 - 2015) and the 10th City Party Committee (2015-2020) as detail: "Developing rapidly, sustainably, reforming the growth model towards the development of the knowledge economy and green growth, improving growth quality and competitiveness; Science - technology, knowledge, high-quality human resources and information being the driving force, creating added value of goods and services. Enhancing the contribution of integrated productivity factors to gross domestic product (GRDP) growth" (Ho Chi Minh City Party Committee, 2015: 122). Implementing the growth model innovation in the above manner sets out the requirements for human resources in Ho Chi Minh City:

Firstly, human resources must be the prerequisite and the breakthrough step to successfully implement the transformation of economic growth model. Innovating in-depth economic growth model, focusing on restructuring the economy towards added value and sustainable development; creating an appropriate business and investment environment; Applied science and technology; rationalize the production and export

of high-tech goods on the basis of exploiting the inherent potentials and strengths to Ho Chi Minh City.

Secondly, the knowledgeable human resources should be equipped with solid professional qualifications, creativity and ability to apply science and technology in production. Ho Chi Minh City is currently transforming the economic growth model towards increasing the sectors using high technology, environmentally friendly technologies, industries with high added value... Structure changes in production lead to changes in the labor structure towards the increase of high-quality labor force, which means it requires human resources to be knowledgeable, professionally and technically, competent, and skilled, healthy... to adapt to changing production requirements.

Thirdly, human resources are capable of participating in international and regional labor markets as well as mastering modern technologies. In the context of the Fourth Industrial Revolution, human resources must be equipped with strong health, ability to use foreign languages, problem-solving skills, logical thinking, teamwork, adaptive to working environment industrially and internationally so that workers can work in a multinational environment and international economic integration.

2. Issues raised human resource for economic growth model innovation in Ho Chi Minh City

Firstly, on health status. Comparing to other localities in the country, the health index of human resources in Ho Chi Minh City has improved. In particular, the average height of young people aged 18 and over is 168.1 cm, 4.1 cm higher than the national average (1.64 m), but in general, the index is still average compared to other countries in the region and the world. Besides, the durability and toughness of workers are also low. According to a survey by Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City in 2017, only 80% of city workers are in normal condition; 17% are in thin condition; and 3% is too thin; Most of the human resources in Ho Chi Minh City do not meet the industrial working intensity as well as

the ability to use modern machinery and equipment according to international standards.

Secondly, on academic and professional levels. With the determination to improve people's literacy and to well train human resources, Ho Chi Minh City has completed lower secondary education universalization (in 2002) and has been recognized as meeting universal high school education standards (in 2008); The literacy rate at the age of 15 - 35 years old reached 99.98%; at the age 36 and over reached 99.69% (Ho Chi Minh City Statistical Office, 2018, p.420); the annual supplemental graduation rate is higher than the national average; The number of students attending and graduating from colleges and universities in the following year is higher than the previous year, contributing to the increasing the percentage of trained workers from 40% (in 2005) to 77.5% (in 2017), of which labors working at primary technical level accounted for 26.69%; laborers working in high-level professional and technical jobs accounted for 18.81%; intermediate technical expertise accounted for 5.81%; college professional for 5.38%; university degree or higher for 20.81%. The city has many programs for training high-quality human resources, such as training 300 doctors, masters in national administration and business administration; training 300 doctors and masters in education and training; biotechnology. These training programs provide Ho Chi Minh City with a competent and qualified staff, meeting the human resource needs in accordance with the economic growth goals in Ho Chi Minh City and Southern key economic region.

However, the human resources have not yet met the goals of rapid and sustainable development of the City. Although the vocationally trained workers in the City reaches 77.5%, the proportion of trained workers accounts for only 34%, much lower than in some other provinces like Hanoi (the proportion of trained workers accounting for 39.9%), Da Nang (41.6%). In fact, the proportion of trained workers (training for 3 months or more and having a certificate of results recognition) is only 22%, the rest are trained as "learning from the precursors", transmitted profession... without enough basic skills to stand on the simple production line.

According to the Center of Predicting human resource demands and labor market information in Ho Chi Minh City, the biggest problem in the current training issue is that there is a gap between training and demands at the university level and in the intermediate structure: university training is more than demands while intermediate training is less than demands. The city's key development sectors, such as mechanics, chemistry, food processing, electronics, etc., only meet about 30% of recruitment needs. In addition, the shift in the model and economic structure leads to changes in the labor supply and demand, while the training sector in the school has not caught up with the trend of enterprises' employment. The labor market information system has not yet objectively and timely reflected the fluctuations of the labor market; the medium- and short-term forecasts on the labor market and the efficiency of employment services have not been done available yet.

Thirdly, on consciousness, behavior, discipline. Basically, Vietnamese people in general and Ho Chi Minh City people in particular are assessed by foreign partners and investors to be able to adapt quickly, to integrate easily, to be skilled in using public modern technology, much more sensitive than other countries in the region, but lacking of teamwork skills, problem solving skills; weak in foreign languages and information technology; no professional and well discipline obeying sense; lacking of cooperative spirit in production, a large part of workers who are weak and lack of vocational culture, manifested in arbitrary, sloppy, disorganized, undisciplined, irresponsible; dishonesty, lack of self-awareness, not being fond of the job; tyrannical, presumptuous, lack of community, humanity... These are the barriers for renovating economic growth model to service production, high technology, labor export as well as participating in global value chains.

Fourthly, on the structure of human resources. Over the past time, the structure of high quality human resources has been making positive changes, gradually meeting the requirements of Ho Chi Minh City's industrialization and modernization process, reflected by the Economic structure and human resource structure. In the 2000-2009 period, the proportion of the labor

force in the service sector increased from 52.1% to 53.7%; industry - construction from 41.5% to 43.5%; agriculture, forestry and fishery decreased from 6.4% to 2.8% (Ho Chi Minh City People's Committee, 2012, p.31) and by 2017 the proportion of service workers accounted for 64.63%; industry - construction accounted for 33.01% and agriculture, forestry and fisheries accounted for 2.36% (Ho Chi Minh City Labor Resource Information and Forecast Center, 2017), contributing to creating productive, efficient jobs and physical resources for reproducible labor force. According to the orientation to 2025, Ho Chi Minh City will continue to implement the economic restructuring program, striving to become the center of industry, services, education and training, science and technology of Southeast Asia. The economic structure will be changed in the direction of decreasing the proportion of agriculture and increasing the proportion of the service sector, and the demand for human resources among regions will also be shifted. By 2018-2020 - 2025, the economic structure of Ho Chi Minh City will respectively be: Services (65.19% - 65.68% - 67.84%) - industry, construction (32.70% - 32.40% - 30.73%) and agriculture (2.11 % - 1.92% - 1.43%).

Fifthly, on the competitiveness. In recent years, although the leaders of Ho Chi Minh City have made great efforts in the direction and administration work to create favorable conditions for enterprises of all economic sectors, but generally assessment of enterprises on the investment and business environment has not been clearly improved. It is shown in low skills, weak working style, not keeping up with development requirements. Quality and low productivity have made labor competitiveness of Ho Chi Minh City in low condition.

3. A number of solutions need to be implemented

In order for human resources to meet the requirements of renovating the economic growth model, in the coming time Ho Chi Minh City should implement synchronously the following solutions:

Firstly, raise the awareness of human resources. Above all, it is necessary to change the perception

of human resources, thereby creating a unity of awareness and action in the City's political system towards the goal of human development, for people in general and human resource development in particular. Associating the human resource development strategy, education - training development strategy with the socio-economic development strategy of Ho Chi Minh City. By this way, the human resource supply can meet the human resource demands of the economy and the labor market both in terms of education, technical and professional qualifications, human resource structure and quality competence.

Ho Chi Minh City needs to efficiency address the formulating plans and plans for education and training development, properly determining human resource development strategies, on the basis of well performing the demand and labor market forecasting , together with excellence in planning the network of universities, colleges and vocational schools, in order to train human resources according to fields and training levels suitable to the needs of the society and effective services for the city's socio-economic development strategies.

The Party, the City government continues to improve the management in the direction of reducing the administrative apparatus, strengthening the assignment and decentralization of management in a clear, reasonable manner, enhancing the autonomy, authority and responsibility of the district to maximize the creativity of organizations in the management, administration and implementation of policies and programs to improve the quality of human resources meeting the requirements of renovating economic growth models.

Secondly, improving the professional qualifications and skills of human resources. This is an important solution to build and develop human resources in general and high quality human resources in particular to meet the requirements of renovating the growth model and international economic integration. Accordingly, it is necessary to focus on renewing the contents, programs and methods of teaching and learning at

all educational levels, grades and methods of evaluating training quality:

For high school education, ensuring that people of school ages can go to school; focusing on developing intellectual, physical, forming qualities, competencies, discovering and fostering aptitudes and career orientation for students in accordance with the specific characteristics of the City; using advanced educational methods, in the direction of combining modernity and tradition with a view to stimulating and promoting the positive, proactive and creative characteristics of learners; well performing vocational guidance, create close cohesion between high schools and universities, colleges, intermediate schools and vocational schools in the City.

For vocational education systems, quickly increasing the scale of vocational college and vocational secondary training for industrial parks and key economic regions; expanding the network of vocational training institutions, developing district vocational training centers; improving the education, skills, discipline, morality of workers based on the actual needs of each different locality in the city, through forms of self-training and joint training results.

Comprehensively renovating the system of vocational training centers in urban and rural districts. The vocational training must come from the demand for labor and the ability to expand the actual profession in the locality, not following a prepared program or imposing in an voluntarist way.

For university education, continue to renovate the contents, programs and methods of education and training towards modern, associating with labor market, with the demand of shifting the production structure. Strongly shifting from mainly competing knowledge education to comprehensively developing ability, characteristics, learning attaching with practice, theory linking with reality. Standardizing informatics and foreign languages in a practical way for learners to be able to use. At the same time, the content and training program should be suitable for the process of economic restructuring, in which focusing on human resources for industries with high technology content, high

added value, ensuring high-quality labor resources for 9 service industries (finance - credit; banking - insurance; trade; transportation, warehousing, port services, maritime logistics and import-export; post and telecommunications and information and communication technology; property and real estate business; consulting services, science and technology; hotel and restaurant tourism; health, education and training) and 4 industries (mechanical engineering, electronics - information technology, pharmaceutical chemistry - rubber, food and foodstuff processing) which are the strong points of the City; step by step actively and effectively participate in the regional and international high-tech labor market, first of all 8 occupations (including dentistry, nursing, engineering, construction, accounting and architecture, surveys and tourism) are freely moved within the ASEAN Economic Community (AEC).

More importantly, universities need to build up and develop training programs with modern content to meet the requirements of the international human resources market, to conduct training quality accreditation by national standards, prepare high quality lecturers (both inherent and visiting, both domestic and foreign), who are able to teach in English, with professional knowledge and knowledgeable about industrial practices and labor market. ...; bear a medium and long-term strategy to invest in renovating the university administration systems towards modernization and professionalism, which must satisfy international quality accreditation standards; At the same time, universities must encourage academic freedom and promote and foster the creative capacity of both lecturers and students.

Building networks, cooperation mechanisms between universities, centers, research institutes with City agencies, business organizations and build websites / information portals for parties to learn about each other's ability quickly and accurately, the need for cooperation of each other. Quickly finalizing the master plan for the development of schools and institutes in Ho Chi Minh City, creating a modern learning city associated with industrial parks and export processing zones, which is known as scientific -

technology - modern business complexes. Focusing on developing excellent universities (Ho Chi Minh National University, International University Ton Duc Thang University, Ho Chi Minh City University of Medicine...). Supporting universities and research institutes to build scientific "parks", technology incubators, etc. This is a convenient place to form, nurture and deploy new scientific - technological ideas and new products with scientific content, thus promoting the innovation of the city's economic growth model towards quality, efficiency and knowledge economy. Combining education - training from schools to businesses and production enterprises right from enrollment and recruitment, in addition to information, job requirements, salary, additional information required, there should be information on internal rules, regulations, forms of reward and punishment when laborers violate disciplines, labor contracts; strengthening the role of trade unions and youth unions through promoting education, propaganda, labor emulation movements and production, especially fostering legal knowledge to help workers improve high awareness, sense of responsibility, style, labor discipline,... gradually meet the requirements and demands of the labor market.

Thirdly, improving the physical strength of human resources. Physical strength is the "shell" for developing mental and mental power. This is a matter of long-term strategic significance. Therefore, first and foremost, it is necessary to strengthen community health care: building a health network to ensure that workers have easy access to health services; Regularly conducting surveys and researches on nutrition status, level of physical activity, lifestyle characteristics, deficiency of vitamins, minerals and health risk factors for each different age group. From there, formulating a nutrition menu, organizing nutrition communication, guiding the implementation of diet and health care for each group of separate employees; building a physical training and sports movement with the motto that the entire people will train their bodies following Uncle Ho's example, launching and implementing the physical and sports movement in agencies, enterprises, mass organizations ...; at the same time, improving the income for the people. When having good income to ensure the living

standards, people will pay attention to the nutritional status as well as health care for themselves and their families.

Fourthly, accelerating the restructuring of human resources towards sustainability. Focusing on promoting investment in industries with high level of knowledge and technology, competitive advantages, high added value and environment friendliness. Promoting the economic restructuring in Export Processing Zones - Industrial Zones: increasing investment attraction, developing modern industry with little labor intensive. Developing strategies and plans for technological innovation to improve products and services with intensive knowledge content to meet integration needs. Concentrating investment capital for developing science and technology, for key industries which is the strength of the City. Promoting the implementation of wage negotiations and agreements to ensure that real wages are paid according to the market mechanism, and at the same time be consistent with the contribution of workers to the growth process. Simultaneously, promoting the process of free employment choices and labor mobility (moving along levels, moving across ownership sectors, regions, nations and international) to meet the needs of economic restructuring towards industrialization and international economic integration. Synchronously building the infrastructure of labor market (vocational guidance, employment services, labor market information and forecasting) and organizing the provision of effective public employment services.

Conclusion

Human resource development is an inevitable trend for Ho Chi Minh City in Vietnam in the process of international integration. That will not only create a premise, material and technical facilities for socio-economic development in general, but also further promote international integration in the context of the 4th scientific and technological revolution strongly affecting nations and peoples. To develop qualified human resources, skills and specialty are the most important requirements because workers are the subject of the production process, which plays a

decisive role in the success or failure of the construction and development in Ho Chi Minh City in the process of international integration. Therefore, it is necessary to have breakthrough solutions, practical and radical to develop human resources.

Acknowledgement

We would like to express the anonymous research participants for their willingness to have taken part in this study. Additionally, our sincere gratitude should go to other relevant parties who have given comments and supported us during our study. Without their unconditional help and support, we would have never been able to finish this study.

Conflict of interest

The authors declare that they have no competing interests.

References

1. Center for Human resources Demand Forecast and Labor Market Information Ho Chi Minh City. (2017). *Ho Chi Minh City Labor Market - Human resources Demand Forecast 2017*. Available at: <http://www.dubaonhanluchcmc.gov.vn/tin-tuc/7071.thi-truong-lao-dong-nam-2017-du-bao-nhu-cau-nhan-luc-nam-2018-ai-thanh-pho-ho-chi-minh.html>
2. Ho Chi Minh City People's Committee. (2012). *Ho Chi Minh City Human Resource Development Plan 2011 – 2020*. Ho Chi Minh City.
3. Ho Chi Minh City Party Committee. (2015). *Document of the 10th National Congress*. Ho Chi Minh City.
4. Ho Chi Minh City Statistical Office. (2018). *Ho Chi Minh City Statistical Yearbook 2017*. Ho Chi Minh city: Youth Publishing House.
5. Tri, N. M. (2019). *Economic growth and social security in Ho Chi Minh City nowadays*. Ho Chi Minh City: The Ho Chi Minh City general publishing house.

6. Tri, N. M. (2019). *Economic growth and social progress in Ho Chi Minh City*. Political theory, Vol.20-Mar, 2019, ISSN: 2525-2593, p.99-104.
7. Tri, N. M. et.al. (2020). *Opportunities and challenges in promoting the role of international integration in the process of socio-economic development in Vietnam*. <https://oapub.org/soc/index.php/EJPSS/issue/view/65>