



Development of Human Resources for Industrial Zones in Vinh Phuc Province: Situations and Solutions

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Abstract

As a province located in the Northern key economic region, adjacent to Hanoi capital, Vinh Phuc converges many favorable conditions to develop concentrated industrial zones (IZ). According to the report of Vinh Phuc's Industrial Zones Authority, up to 2018, the whole province has planned 18 industrial zones with a scale of over 5,200 hectares, of which 11 IZs were established with a total planning area of over 2,300 hectares with the number of investment projects in industrial zones are 276 projects, including 225 FDI projects with a total investment of 3,070.1 million USD and 51 projects with a total investment of 14,106.49 billion VND. Therefore, ensuring sufficient quantity and improving the quality of human resources is a very important job in the industrial zones in Vinh Phuc province in the immediate and long-term period. This article focuses on analyzing the current situation of human resources for industrial zones in the province and points out the advantages and limitations of human resources here, thus proposing solutions for effective development of human resources to meet the increasing demand of industrial enterprises in the context Industrial Revolution 4.0.

Keywords: Human Resources, industrial zones, Vinh Phuc Province, labors.



1. Introduction

Vinh Phuc is a province with a large number of IZs compared to other provinces in the Red River Delta (stands behind only Bac Ninh and Hanoi). In recent years, industrial zones in Vinh Phuc province have become the destination of investors which makes an important contribution to the re-division of social labors in accordance with the trend of international economic integration, promoting economics growths, economic restructuring towards modernization, achieving the province's socio-economic development objectives.

Currently, the labor force directly working in industrial zones has made a great contribution to the development of Vinh Phuc Province. According to province expected plans to 2020, vision to 2030, the province will have more than 20 IZs and hi-tech zones will be in operation, so it will need a large number of qualified workers; while currently, some FDI enterprises in the industrial zone still lack labor. Therefore, in order to maintain the stable development of industrial zones in Vinh Phuc province in the upcoming time, the issue of human resource development, especially human resources for FDI enterprises, plays such a very important and necessary role.

2. Method

The research mainly uses descriptive statistical methods, comparing together with analyzing and assessing based on secondary data sources surveyed and collected from Industrial Zones Authority, General Statistics Department and previous researches.

3. Results

3.1. Current situation of human resources in industrial zones in Vinh Phuc province

3.1.1. Quantity and structure

Over the past years, Vinh Phuc has emerged as a locality with a relatively fast and stable economic growth rate, high provincial competitiveness index (1), attracted many domestic and foreign investment. To develop the economy towards industrialization - modernization, a series of IZs in Vinh Phuc province have been established. According to the master plan of IZs in Vinh Phuc province approved by the Prime Minister by 2020, there are 20 IZs, with a scale of 6,038 ha. Up to now, Vinh Phuc has planned 18 IZs with 5,200 ha, of which 11 IZs were established with a total planning area of over 2,300 ha and attracted 51 projects with a total of 14,106.49 billion VND. According to the Report of Vinh Phuc's Industrial Zones Authority, by the end of 2018, about 197 enterprises are operating in IZs, of which 167 are foreign-invested enterprises, accounting for 84.8%. The increase in the number of IZs and enterprises in IZs has led to the rise in the number of workers working in IZs over the years. In 2018, the projects in the industrial zones have created jobs for nearly 80 thousand workers, of which more than 80% of the workers are Vinh Phuc people.

Table 1. Statistics of number of workers in industrial zones in the period of 2015 - 2018

| Year | Total number of workers (People) | Workers are Vinh Phuc people | | Female workers | |
|------|----------------------------------|------------------------------|------------|----------------|------------|
| | | Quantity | % in total | Quantity | % in total |
| 2015 | 59.818 | 46.174 | 77,2 | 38.400 | 64,2 |
| 2016 | 72.770 | 54.363 | 74,7 | 45.266 | 62,2 |
| 2017 | 89.537 | 64.374 | 71,8 | 61.445 | 68,6 |
| 2018 | 79.987 | 64.156 | 80,2 | 55.942 | 70,0 |

(Source: Vinh Phuc Industrial Zones Authority)

According to data from Table 1, it can be seen an increase in the average rate of workers in IZs, from 2015 to 2018, about 1.2% per year. In particular, the proportion of female workers



accounts for about 60-70% and the percentage of migrant workers ranges from 20-30%. This shows that the labor force in the province has not met the demand for IZs in the province, so in addition to available human resources, attracting external human resources is a very important requirement to meet the requirements of Vinh Phuc province in general and IZs in particular.

The number of concentrated workers was uneven among IZs. Some IZs attracted many labors such as Khai Quang IZ attracted 41,445 employees, Ba Thien IZ and Ba Thien II IZ attracted about 20,000.00 workers, Binh Xuyen IZ attracted about 10,000 employees... Expectedly, by 2020, labor demand in Vinh Phuc will be nearly 61,350 people. In particular, construction industry sector will be about 22,715 people; services about 19,700 people...

Table 2. Number of workers in IZs in the period of 2015 - 2018

| Name of IZs | 2015 | 2016 | 2017 | 2018 |
|---------------|--------|--------|--------|--------|
| Khai Quang | 35.865 | 40.001 | 45.186 | 41.445 |
| Bình Xuyên | 9.391 | 9.020 | 9.695 | 10.298 |
| Bình Xuyên II | 21 | 1.732 | 5.315 | 6.089 |
| Bá Thiện | 4.419 | 8.204 | 10.940 | 10.265 |
| Bá Thiện II | 870 | 3.390 | 9.628 | 11.098 |
| Tam Dương | 632 | 658 | 756 | 756 |
| Kim Hoa | 8.620 | 9.765 | 7.994 | - |
| Thăng Long VP | - | - | - | 36 |

(Source: Vinh Phuc Industrial Zones Authority)

Regarding the labor structure by age, the labor force in the IZs of the province is mainly young workers with an average age of 18 to 25 accounting for over 80%. In terms of labor structure by sex, the labor force in IZs is mainly female (accounting for over 70%).

3.1.2. Education level, expertise and skills of labor resources

With a diversified occupational structure, IZs in Vinh Phuc province are estimated to attract and created jobs for 5,000 to 7,000 laborers each year. However, the quality of this labor source was uneven. According to statistics in 2018, the number of workers with college degree or higher was about 10,527 people; workers with intermediate vocational qualifications were above 7,600; technical workers and unskilled workers accounted for a large number of over 50,000 employees. Thus, the majority of employees in enterprises were unskilled workers (accounting for about 56%) due to labor intensive enterprises, technology is not advanced.

**Table 3. Labor level qualification statistics in industrial zones
Vinh Phuc province in 2015 and 2018**

| Level | 2015 | 2018 |
|-------------------------------------|---------------|---------------|
| University | 4.037 | 6.024 |
| College / vocational college | 4.606 | 4.503 |
| Technical school/ vocational school | 4.959 | 3.037 |
| Vocational Primary centres | 5.363 | 1.629 |
| Regular vocational training | 8.140 | 19.906 |
| Untrained | 32.714 | 44.772 |
| Tổng | 59.818 | 79.987 |

(Source: Vinh Phuc Industrial Zones Authority)

The quality of labor resources which serves IZs in the province is constantly increasing. According to the current survey, the province has 53 vocational training institutions, including 5 vocational colleges, 2 vocational secondary schools, 23 vocational training centers, 19 vocational training centers belonging to organizations, unions and middle schools, private vocational training



center, foreign capital. Thanks to the development of the vocational training network, the quality of labor resources in the province has been constantly improved, improved the competitiveness of labor, promoted the process of changing from low-income workers to skilled laborers and high technical expertise with high income. The number of skilled workers/ workers with university and college degrees generally tends to increase and significantly reduce the rate of simple labors and craftsmen. In addition, workers in Vinh Phuc IZs have access to advanced machinery and equipment, have worked with foreign experts, so they have improved their skills and practiced industrial style along with advanced working methods.

According to the general judgment of enterprises in the IZs, the human resources for production and business of enterprises are forward-looking and eager to learn. Labor in IZs with more than 60% of rural backgrounds with diligence, industriousness and creativity always overcome difficulties to adapt to industrial production environment, thus meet the requirements of investors. Regarding the need to improve qualifications, more than 70% number of labors needs to study in colleges and universities, desires to learn more foreign languages and computers to improve their professional skills and communication skills.

However, the labor force in Vinh Phuc's IZs is mostly young, aged from 18 to 25 years old in comparison with the number of workers with college and university education level and above accounts for less than 10%, the rate of untrained labors accounts for the majority of workers working in this area. On the other hand, the labors in fields of technical such as information technology, design, electronics, chemicals... always lack of skilled workers. Therefore, in order to ensure labor source to protect production quality, most enterprises in the IZs of the province must conduct recruitment of untrained workers and then hold training course for them some days right at the production line, follow the method "on-job traing" and continue to work and learn while studying at the production line. In enterprises, especially foreign-invested enterprises, after recruitment, there is a tendency to re-train by the graduates themselves according to the assessment of the lack of professionalism, internal capacity in handling problems arisen, methods, behaviors, discipline as well as sense of responsibility have not met the requirements of industrial production activities, weak language skills,...

3.2. Solutions to develop human resources for industrial zones in Vinh Phuc province

Starting from the current situation of human resources for IZs in the province, to continue to improve the quality to meet the requirements of enterprises in the IZs in the coming time, Vinh Phuc province needs to focus on resolving issues the following:

Firstly, we focus on adjusting the planning of human resources in Vinh Phuc province by 2020, with priority given to investment in training human resources in the fields of high technology, key technologies and valuable industries, high-tech and advanced industries and technologies, environmentally friendly technologies, clean energy, renewable energy; manufacturing medical equipment, providing health care, education and training, high quality tourism services, financial services, logistics and other modern services with delivery policies and solution groups specific labor development for each sector and field. In addition, the province should also focus on completing vocational training policies for human resources in Vinh Phuc IZs to expand the scale, structure of careers, structure and improve the quality of vocational training policy. Vinh Phuc's creation needs to continue to innovate and improve in the direction of: First, socializing education of public training institutions: Implementing education socialization in order to mobilize all



resources and all economic sectors participate in vocational training activities, thereby improving the quality and effectiveness of training. Second, the renovation of education and training: The education renovation policy of Vinh Phuc province needs to follow the direction: Strongly transfer training and vocational training according to learners' needs to meet the needs of enterprises and investors, labor market in Vinh Phuc province, serving the province's socio-economic development and employment needs of workers. Training programs must stem from the needs of enterprises in IZs and labor market in Vinh Phuc province to organize training and vocational training accordingly. Changing from low-level technical and professional training to high-level, diversifying training professions, training levels, training modes, ensuring job structure and training quality to meet the demand of the business. Focus on training new professions, new skills when applying modern science and technology and high technology into production; when implementing the industrial revolution 4.0.

Secondly, improve the organizational and executive capacity of the Industrial Zones Authority, or The Management Board (TMB). TMB should be a bridge in organizing participatory workshops with the participation of enterprises and training institutions to determine the needs of workers, training professions, knowledge and skills that employers require. At the same time, strengthen the forecast of labor supply and demand that stick to the reality; have mechanisms and policies to promote training links between enterprises and vocational training institutions. Thereby, the training institutions will adjust the content of training programs and occupations to suit the needs of enterprises, thereby improving the quality of labors. TMB needs to build a data center on occupation, and at the same time, act as a place to provide timely information on labor and employment so that workers and employers meet each other quickly. Information on recruitment should be posted on the website of the TMB to facilitate labor not only in Vinh Phuc but also in other localities that can be easily accessed. On the other hand, TMB should regularly organize recruitment festival days to address the problem of labor supply and demand.

Thirdly, strengthen links between businesses in IZs and training institutions. Enterprises need to focus on coordinating with training institutions to provide teachers, support training equipment, ...; ordering for training institutions, directly participating in vocational training activities such as developing occupational skill standards, identifying training categories, developing training programs, etc; providing information on human resource that needs for vocational training institutions; participating in the assessment and evaluation of the training quality of vocational training institutions as well as providing feedback on training quality for training institutions. Businesses can become one of the participants that involve in vocational training as both investors and customers. Besides, training institutions in Vinh Phuc province quickly receive information from enterprises and alter their training programs to meet business needs. Being active and proactive are to seek measures improving the quality of training and association with businesses to organize training or training to meet the needs of enterprises. Special attention should be paid to the quality of training and development of training forms by address, association with enterprises in the local area in human resource training. Training institutions should pay attention to training soft skills and foreign language skills. This is very important when working in large foreign corporations, it also creates opportunities for the human resources of Vietnam in general and in particular in raising qualifications and accession to new technologies through these refresher and experience at the enterprise. To do this, workers themselves need to be aware of their foreign language skills improvement so as not to lose their jobs on their labor market.



Fourthly, enterprises need to have policies to encourage workers to voluntarily participate in training courses, improvement skills such as: reducing tuition fees; learning document support, job fair opportunities after graduation. At the same time, actively contact to training institutions to find outstanding students, sponsor scholarships and receive these students to work at their businesses. Thus, recruitment costs are not too expensive but businesses get high quality labor. Enterprises in IZs should have a breakthrough policy on salaries, high salaries, deserving of professional qualifications of employees, in accordance with labor price. Depending on the conditions of the enterprise, it is possible to grant land, house or support rental costs for high quality labor.

Fifthly, enterprises and TMB of IZs need to develop modern communication tools. Further enhancing direct support from websites, electronic newspapers, local radio and television stations on labor policies, job introduction, and publicity in the working population. Especially for students and trainees at vocational schools and young people in working age.

Sixthly, with the specific characteristics of labor in IZs, the percentage of non-provincial workers accounts for a large proportion (about 30%), local authorities and TMB of industrial parks need to create all conditions to stabilize this number of workers to meet the needs of businesses. In order to stabilize the number of workers in this province, TMB of IZs can combine with enterprises to capture and monitor the labor situation of each migrant worker. If in a certain period of time, migrant workers work stably at an enterprise, without any legal violations, then the province should have preferential policies, enabling them to settle permanently, especially housing support. Besides housing issues, the issue of building kindergartens, schools, supermarkets, banks and cultural houses are also essential issues to help workers feel secure, stable with their accommodation and working. Inside IZs, there must be a balanced and appropriate space. More to the point of building factories, it is necessary to build hospitals, schools, markets, entertainment centers, parks to harmonize the workers living. It is necessary to consider the goal of economic growth and the improvement of the quality of life and spiritual culture for workers which are inseparable synchronous objectives. Therefore, for the old industrial zones, the province needs to review, restructure and supplement the above items. As for new IZs, there must be planning for public service facilities and housing for workers. Thus, the material and spiritual life of the workers is improved, the workers are assured of living and working in that IZs.

4. Conclusion

The construction, development and improvement of the quality of human resources for IZs in Vinh Phuc province is an important "key" to succeed in the development process of industrialization and modernization period. Therefore, in the mission of human resource development for Vinh Phuc province in general and for IZs in particular, there should be a link between economic development strategies and human resource development strategies. Vinh Phuc needs synchronous solutions from education to training, which should focus on implementing breakthrough solutions related to cooperation between institutions and businesses; have a mechanism to promote initiative and coordination from related parties./.



5. References

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