



Current Situation and Solutions for Human Resource Management Aligned With the Digital Economy Approach at Vietnam Joint Stock Commercial Bank for Foreign Trade

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Abstract

In the new context, the banking sector in Vietnam has undergone significant changes in organizational structure, operational methods, risk management, and service delivery to adapt to the digital era. Human resource management is no exception. People have always been the key factor determining the success or failure of a business. How to adapt to the consequences of the trends in the digital economy is a challenge not only for banks but also for training institutions, regulatory agencies, and the workers themselves. This article provides an overview of human resource management at Vietcombank over the past years and proposes several solutions to improve human resource management in line with the digital economy approach of Vietnam Joint Stock Commercial Bank for Foreign Trade.

Keywords: Digital economy; human resource management; digital banking

1. Introduction

Recognizing the importance of human resource management to maintain its position as the number one digital bank in Vietnam and strive to be among the top 100 banks in Asia and the top 300 financial and banking groups globally, Vietcombank has developed a robust modernization strategy with numerous initiatives across various fields. Human resource management is considered a key factor for the bank's success. The approach to human resource management has shifted to align more closely with the context of digital transformation. Many regulations and guidelines impacting human resource management directly or indirectly have been established. The internal documentation system regarding organization and personnel has been newly created, reviewed, and refined across all stages, from recruitment to planning, appointment, rotation, job transitions, rewards, discipline, evaluations, motivation, and training and development. These efforts have positively impacted the attraction, management, and utilization of personnel, optimizing the existing human resources of Vietcombank.

Despite the successes achieved, human resource management at Vietcombank still faces several shortcomings. Notably, the long-term workforce planning has not aligned closely with the bank's development strategy, which hinders effective future growth. Furthermore, there has yet to be a comprehensive policy for the sustainable development of human resources, particularly concerning the leadership team and industry experts, to reach a level comparable to regional and international standards. Additionally, there is a significant shortage of personnel skilled in data analysis and adept at operating digital technologies, alongside professionals who excel in their specific fields. These limitations necessitate the urgent formulation of solutions to enhance human resource management in alignment with the digital economy approach at Vietnam Joint Stock Commercial Bank for Foreign Trade. Such improvements are essential not only for addressing current gaps but also for positioning the bank competitively within the evolving financial landscape.

2. Analysis of the Current State of Human Resource Management Aligned with the Digital Economy Approach at Vietcombank

2.1. Developing a Strategy, Plan, and Policies for Human Resource Management Aligned with the Digital Economy Approach at Vietcombank

Aware of the importance and role of human resources, since September 2017, immediately after approving the development plan for Vietcombank until 2020, the Board of Directors of Vietcombank (BOD) approved the Management and Human Resource Development Plan for Vietcombank until 2020 (the plan).

With the strategic goal of becoming the leading bank in terms of human resource quality.

To achieve this goal, the Plan laid out an action plan and a set of synchronized solutions focusing on restructuring the organizational model, refining policies, innovating and enhancing training efforts, developing technology infrastructure for management, and improving human resource development. To date, Vietcombank's human resource management and development activities have largely followed the Plan and achieved good results.

A significant milestone in the implementation of the Plan was the establishment of the Vietcombank Human Resources Management and Development Division (HR Division) in November 2018, comprising three units: the Organization and Human Resources Department, the Human Resources Policy and Planning Department, and the Training and Human Resources Development School (upgraded from the previous Training Center). The HR operations gradually transitioned to the "Human Resource Business Partner" (HRBP) model.

The organizational structure, functions, and responsibilities of units at the headquarters and branches were reviewed, streamlined, and standardized towards a leaner model, with management and operations organized by functional divisions. This aimed to optimize and enhance the management capacity of headquarters units, ensuring smooth and efficient operations.

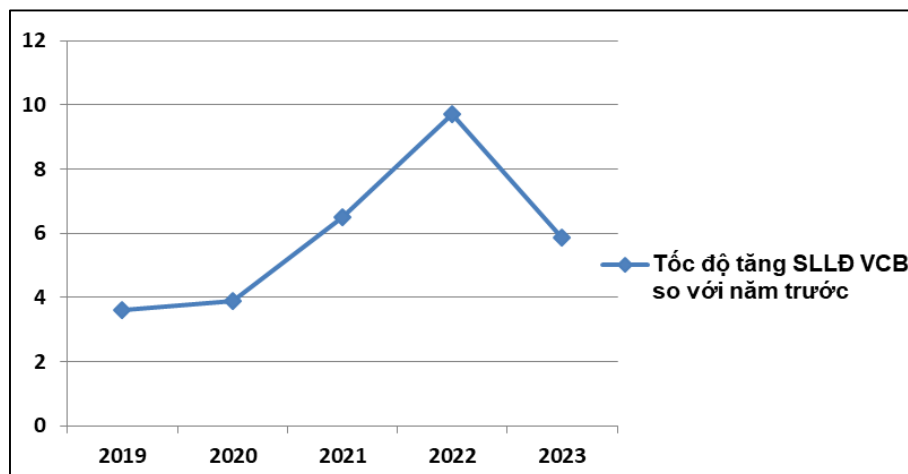
The internal documentation system for organization and human resources was newly developed, reviewed, and improved across all stages, from recruitment to planning, appointment, rotation, position transfer, reward, discipline, evaluation, motivation, training, and staff development. This has yielded positive results in attracting, managing, and

utilizing employees, optimizing Vietcombank's existing human resources.

Vietcombank has actively promoted network development in line with its retail expansion strategy, continuing to broaden its presence in potential areas where Vietcombank had no prior presence and in regions where it operates efficiently.

In preparation for transitioning to a digital banking model as part of the Fourth Industrial Revolution, Vietcombank is currently implementing numerous large-scale programs. Along with organizational restructuring, the bank is finalizing the Project on Organizational Structure Improvement and Human Resource Development Strategy (ORP Project). The number of IT professionals and banking operations staff at Vietcombank significantly increased in 2021, 2022, and 2023 to meet the demands of network expansion and organizational restructuring in preparation for digital transformation.

Vietcombank's workforce has grown substantially in recent years, reaching 20,062 employees by 2023. From 2019 to 2021, the workforce grew by 1,660 people, with a growth rate of 10.7%. Between 2021 and 2023, the number of employees increased by 2,337, reflecting a growth rate of 17.02%, averaging nearly 6% per year. This significant increase in staff supports the bank's network expansion and organizational development. Vietcombank now has a high-quality workforce with its own distinctive corporate culture, marked by dynamism, responsibility, high expertise, and resilience in the competitive market. This workforce forms the foundation for Vietcombank's ongoing research and implementation of new business strategies to adapt to new business conditions and technologies in a more competitive, digital economy.



Source: Vietcombank Organization and Human Resources Department

Chart 1: Growth Rate of the Number of Employees Compared to the Previous Year at VCB

The annual growth rate of Vietcombank's technology-focused workforce saw a significant increase in 2019 and 2020, reaching 34.2% and 34.6% respectively. This growth was to bolster the workforce for the modernization and upgrade of the Core Banking system, laying the groundwork for the bank's digital transformation. In 2020, with the establishment of a digital banking center, the growth rate of IT staff continued to rise, reaching 10.7%. Conversely, the growth rate of support staff has slowed and gradually decreased since 2021, a result of the impact of the Fourth Industrial Revolution (Industry 4.0) on Vietcombank's

human resource management.

Vietcombank has proactively developed a strategy for its growth up to 2030, identifying digital banking transformation as a key task, along with human resource management as a pillar. This is based on the restructuring of its management model to align with new international practices. By early 2020, the bank had already upgraded its entire IT system and Core Banking system across the network, which serves as a crucial technological foundation for digital banking in the coming years. Additionally, Vietcombank selected PwC's advice for its digital banking transformation, marking an

important step towards strategic human resource management in line with the digital economy. However, there is still no clear roadmap for human resource transformation in the digital banking process, nor specific policies prioritizing the recruitment of high-quality talent or a clear direction for digital banking personnel.

2.2. The organization of the management apparatus, the implementation of strategies, plans, development frameworks, and human resource management policies at Vietcombank are oriented towards adopting the digital economy approach.

Organizing the management apparatus is a crucial activity at any level of development for a commercial bank (NHTM) to establish an organizational structure, form a management apparatus within its framework, and implement management measures aimed at allocating and coordinating resources, operating, and coordinating between units and individuals to achieve the strategic development goals set by each commercial bank.

To enhance the organization of the human resources management apparatus, Vietcombank (VCB) has reviewed and assessed the rationality of its organizational model and functional departments that help manage and implement human resource management (HRM) at various levels. The focus has been particularly on a streamlined organizational model operating on a digital technology platform. The HRM apparatus has improved in both expertise and IT proficiency compared to the functional requirements. Based on the results of the review and evaluation, necessary adjustments and additions are required for the HRM apparatus to meet the demands of HRM in the digital age.

In recent years, VCB's recruitment efforts have attracted many quality personnel, fulfilling the bank's job requirements from sources within other commercial banks as well as new hires. The recruitment process has been modernized through the use of a centralized online recruitment software system at the headquarters, allowing for open and transparent hiring processes while minimizing costs.

Regarding the recruitment process: Vietcombank (VCB) has established a labor recruitment regulation within the system, issued along with Decision No. 789/QĐ-VCB-TCNS dated May 19, 2020, by VCB's Board of Directors. This regulation specifies the principles and authorities related to labor recruitment, as well as the standards and conditions for recruiting specific groups of personnel:

Recruitment of inexperienced staff: The recruitment source is from domestic public universities in the economics field and accredited foreign universities. The current recruitment process is proposed by branches and affiliated units based on immediate and upcoming needs. The Human Resources Planning Department compiles these proposals for annual approval by the Board of Directors. Based on the approved recruitment plan, the units announce their hiring needs on Vietcombank's website or in local newspapers. After reviewing the qualified applications, the Human Resources Organization Department compiles a list and notifies the recruiting units to cross-check the list against the actual applications and finalize the candidates for the theoretical exam round. The theoretical exam is conducted centrally in various regions via video conferencing and is supervised by the recruitment council of the Human Resources Center (HSC) and branches. Candidates complete the exam directly on computers, and results are available immediately at the

end of the testing phase, ensuring transparency. Candidates who achieve a total score of over 50% in both professional knowledge and English will proceed to the second round of interviews at the recruiting unit.

Vietcombank ranks fifth in terms of the number of employees but consistently leads in labor productivity. The bank's productivity has continuously increased over the years and remains high compared to other banks. The pre-tax profit per employee (LNTT/person) and the growth rate of profit per employee at Vietcombank for the years 2020, 2021, and the estimated figures for 2022 are as follows: 712 million VND per person, up 28%; 1,093 million VND per person, up 53.5%; and 1,282 million VND per person, up 17%.

In recent years, Vietcombank's workforce has rapidly developed in terms of quantity, effectively meeting the human resource needs for business operations, particularly in providing timely staffing for the establishment of new transaction offices and branches both domestically and internationally. However, in recent years, preparations for the next phase of digital banking transformation have led to stabilization and adjustments in the workforce to align with the requirements of the digital technology era. From 2019 to 2023, the average annual increase in staff was 937 employees. In 2023, the workforce saw a significant increase, with the number of male employees reaching 7,265, an increase of 476 compared to 2022, reflecting a growth rate of 7.01%. The number of female employees was 12,797, an increase of 638, with a growth rate of 5.25%. This increase was due to Vietcombank's policy adjustments, ensuring compliance with regulations, whereby a group of collaborators and contracted workers transitioned to employment contracts as business support staff, significantly boosting the overall workforce at Vietcombank.

The number of IT professionals at Vietcombank has increased significantly over the past five years, with the most substantial growth occurring in 2021 and 2022. This period marked Vietcombank's preparation of resources for the Core Banking transformation aimed at upgrading the core banking system to meet the requirements of digital banking development. The number of IT staff continued to rise in 2023, reaching 2.2 times the figure from 2022, indicating that Vietcombank is preparing its workforce for the development of banking in line with the digital economy approach in the near future. Meanwhile, the number of banking professionals has increased in accordance with the development of the network and the reorganization of staff within the system. Conversely, the number of support staff has shown a declining trend, with a more pronounced reduction in recent years, peaking in 2023, which saw a decrease of 96 employees compared to 2022, reflecting a reduction rate of 2.6% that aligns with the bank's evolving requirements.

The annual increase in the workforce and the recruitment of new employees align with Vietcombank's expansion of its network, with a notable surge in 2022 and 2023, adding over 1,000 employees. Specifically, the number of IT professionals saw significant growth in 2019 and 2020 to prepare resources for Vietcombank's digital transformation strategy. Meanwhile, the annual addition of banking professionals was implemented to support network expansion and the reorganization of the system in accordance with development needs.

To meet development needs, Vietcombank (VCB) has innovated and implemented various solutions to attract human resources, particularly high-quality talent.

Furthermore, to prepare for the digital transformation roadmap during the Fourth Industrial Revolution, VCB has proactively recruited staff with high professional qualifications who can quickly adapt to new technologies. Additionally, the bank utilizes and reallocates its internal personnel to support the restructuring and expansion of its network. The recruitment target includes candidates with a bachelor's degree or higher, preferably with good or excellent academic performance from reputable universities in finance and banking, both domestically and internationally. Additionally, VCB has several policies in place to attract high-quality talent from other commercial banks through competitive recruitment processes.

In line with the innovations of the Fourth Industrial Revolution and the transition to a digital economy, Vietcombank (VCB) is investing in upgrading its information technology infrastructure and modern facilities, improving the working environment, and developing its brand. To date, VCB has implemented numerous technology projects aimed at modernizing and enhancing the quality of its products and services as well as operational efficiency. Currently, VCB is working on a project to transform its Core Banking system to develop superior and distinctive products and services that incorporate high technology, serving as a foundation for the application of advanced technologies brought about by the Fourth Industrial Revolution.

To stay ahead and lead in the application of digital banking in line with modern technological trends, Vietcombank (VCB) has restructured its organizational framework. This involves reorganizing the personnel in various departments into standardized groups throughout the entire system, from the headquarters to branches, following a block model. The current workforce and additional personnel are allocated appropriately to ensure operational requirements are met.

Vietcombank (VCB) has consistently focused on assigning staff according to their strengths and capabilities, ensuring allocation of personnel structures among management levels, from the headquarters to branches and transaction offices. The number of senior and mid-level management personnel at VCB has shown a slowing growth trend from 2019 to 2023. This trend aligns well with the digital economy's requirements, as the adoption of advanced technologies necessitates a reduction in management personnel at various stages. This strategy enables VCB to cut management costs while increasing operational efficiency.

From 2019 to 2023, the number of training courses, the number of staff trained, and the average training rate per staff member all saw significant growth each year. With the establishment of the Vietcombank School of Training and Human Resource Development in March 2019, which was an upgrade and renaming of the previous training center, Vietcombank's leadership hopes that the institution will soon evolve into a premier training facility known for its quality and professionalism, contributing to the successful implementation of Vietcombank's strategy to become a leader in human resource quality. Notably, the number of mid-level management personnel has increased significantly, with the number of department heads and deputy heads at the headquarters and branches rising appropriately. From 2019, the number of mid-level management personnel, including department heads and deputy heads at both headquarters and branches, was 2,292. This increased to 2,507 in 2020 and reached 2,625 in 2023. This growth presents a favorable condition for VCB to prepare a talent pool for upcoming

positions in branch management and the bank's leadership. However, in line with the roadmap for developing digital banking, this workforce may face the risk of oversupply, presenting a challenge that VCB needs to consider as it transitions toward a digital economy.

Recently, 100% of VCB staff have been retrained on the new Core Banking application program and assessed to achieve a proficiency level or higher. As a result, during the software upgrade transition, VCB has successfully maintained its operations and received high praise from customers. This foundation enables VCB to expand its automated banking services, better meeting customer needs in the era of the digital economy.

To enhance the quality of its human resources, VCB has implemented a job management and scoring program to monitor and improve work efficiency, fostering a competitive spirit throughout the organization. As a result, VCB has built a team of staff members with both quantity and quality, possessing professional expertise and skills. Consequently, the quality of human resources at VCB has significantly improved, reflected in several key competencies such as: Management and customer care capabilities, Appraisal and control competencies, Evaluation skills in banking, Research and customer feedback analysis abilities, Risk management skills in banking operations, Proficiency in information technology and foreign languages in banking activities, aligning with the approach to the digital economy.

Employees demonstrate good discipline, effectively adhering to VCB's cultural handbook and strictly following the code of professional ethics, consistently achieving a high and stable rate of over 99% each year. Notably, the proportion of employees who do not comply with VCB's rules and regulations or violate professional ethics is less than 1%, and this trend is gradually declining. Those who fail to comply seriously may face reprimands or even dismissal.

According to the 2023 Employee Engagement Survey (EES) results, the average EES score across the system reached 92.45, indicating a high level of employee engagement with VCB. The employee turnover rate is low, dropping from 3.11% at the end of 2020 to 3.01% by the end of 2023. VCB's labor productivity has consistently increased over the years and remains high compared to other banks. VCB staff possess a high level of education, with over 90% holding bachelor's, master's, or doctoral degrees. Recently, VCB has successfully attracted and retained highly skilled professionals, and the timely encouragement of employees has further boosted the average productivity of VCB staff in recent years.

3. Solutions for Enhancing Human Resource Management towards a Digital Economy at Vietcombank

3.1. Developing a Human Resource Management Strategy towards a Digital Economy at Vietcombank

As one of the four state-owned commercial banks, Vietcombank (VCB) has a significant impact on the national financial and monetary activities. Beyond its business objectives, VCB also plays a leading role in guiding the market and assisting the State Bank of Vietnam (SBV) in effectively managing monetary policy. Therefore, the formulation of policies and the development of business strategies at VCB must closely align with the directions, guidelines, and policies for socio-economic development. Under the direction of the SBV, the Board of Directors, Executive Board, and leadership team at VCB need to further internalize and adhere to the management of monetary policy,

as well as to supervise and monitor activities from the SBV. In addition to managing Vietcombank's operations and maintaining a stable annual growth rate, VCB must continue to affirm its role as a pillar in maintaining the stability of the banking system and leading the market in accordance with the state's management and regulatory goals. Currently, Vietcombank is regarded as one of the key forces actively participating in restructuring, managing, and operating, and providing liquidity support to weaker commercial banks as designated by the SBV.

In the context of economic integration, the information technology system is experiencing strong development and directly impacting commercial banks in Vietnam in general and Vietcombank (VCB) in particular. Accordingly, VCB needs to develop a suitable human resource management strategy to meet both immediate and long-term requirements. The content of this strategy must consider changes that prioritize high-quality human resources. In addition, VCB should focus on enhancing its financial capacity and operational capabilities to keep pace with the development speed of banks in some developed countries in the region and the world. This ensures the development of a strong, competitive, and dynamic banking system, which will enhance VCB's position, role, and influence both regionally and globally. Creating an attractive working environment is central to attracting high-quality human resources.

In constructing plans, schemes, and strategies for human resource management in member units as well as throughout the Vietcombank (VCB) system, it is essential to ensure adequate quantity, high quality, and reasonable structure to meet both immediate and long-term human resource needs, with a long-term vision and appropriate steps based on the development requirements of each stage. The Board of Directors, the Executive Board, and relevant functional departments need to recognize and assess the characteristics of the domestic situation and the impact of the Fourth Industrial Revolution (4.0) on banking operations. They should forecast the inevitable development trends of the industry to establish suitable business strategies aimed at mobilizing and effectively utilizing resources, especially human resources. Key areas that need clarification include the structure of the banking sector in the near future and the challenges the economy has faced, is facing, and will face. Based on this, specific requirements for human resources regarding quantity, quality, and structure should be set out with clear content and criteria. To keep pace with global development trends and avoid falling behind, banks must first have a deep understanding of the development of digital banking. This understanding should guide them in selecting product and service development strategies based on their existing and potential resources (such as capital, management capacity, customer base, and operational scope). Currently, the development path for digital banking presents two basic trends: (1) digitizing banking operations, and (2) designing a digital banking system that is separate and independent from traditional banking operations.

The reality shows that human resource management plays a crucial role in the development of Vietcombank (VCB). To enhance business efficiency, competitive capacity, and sustainable development, it is essential to establish a human resource management strategy and effectively implement and organize it in practice. The strategy should include a scientifically sound process for staff planning that aligns with the practical operations of the bank. The human resources

management department needs to proactively identify individuals with high development potential for training; select leadership and management candidates based on specific criteria and through a screening process. It is important to categorize management staff according to job titles and work experience, standardize management positions at all levels, and implement training programs focused on management skills for each title. Additionally, the evaluation of management staff quality, rotation of personnel between departments, and between the head office and branches should be conducted annually, along with a remuneration mechanism that includes salary structures (fixed and variable), bonuses, and incentives to encourage management personnel.

To successfully implement the human resource management strategy aligned with the digital economy approach, Vietcombank (VCB) must prioritize the planning and development of human resources. This planning must take proactive steps forward. Based on objective and scientific assessments of the bank's current operations and forecasts of future development trends, the human resource development plan should be appropriately scaled in terms of quantity, quality, and structure. This directly contributes to enhancing the bank's operational efficiency. Departments, areas, and member units of VCB need to actively research, review, and fully understand the actual human resource needs, especially for positions that are lacking and difficult to fill. This will help in creating a planning and development strategy that meets VCB's immediate and long-term development needs. Mechanisms and policies play a crucial role, serving as conditions and environments that facilitate the effective exploitation and utilization of resources. For Vietcombank (VCB), these mechanisms and policies have a direct impact on the bank's business operations, stability, efficiency, and sustainable development. Therefore, solutions regarding mechanisms and policies are among the key areas that VCB needs to focus on, continuously researching, supplementing, and improving. In the context of the Fourth Industrial Revolution (4.0), which is increasingly influencing all areas of economic and social activities, VCB needs to proactively develop strategies concerning human resources to optimize their utilization, preventing losses and wastage, while continuously investing to enhance value. The primary goal, requirement, and benefit of an effective human resource strategy is the ability to make proactive and optimal decisions regarding personnel during the execution of business strategies. Strategic human resource planning is regarded as the starting point in professional human resource management, and it is a key to success for all organizations and enterprises.

The medium-term human resource strategy of Vietcombank (VCB) is formed based on an analysis of the resource requirements stemming from the medium-term business strategy, as well as the internal and external factors that influence the supply and demand for personnel at each role and job position within the bank. This medium-term human resource strategy serves as a guiding principle for the Human Resources Division, ensuring that all personnel policies and activities are interconnected, focused, and aligned towards achieving the objectives outlined in the strategy. To successfully implement the contents and objectives of the strategy, the Human Resources Division itself needs to enhance the capabilities of its personnel at the Head Office and various units, focusing resources on long-term policies

and activities. It is also essential to evaluate the effectiveness of human resource policies, programs, and activities. In addition to the efforts of the Human Resources Division, the timely evaluation, recognition, support, and investment of appropriate resources from the leadership and the backing of various units are crucial factors that determine the success of the human resource strategy.

3.2. Improving the Organization of Human Resource Management According to a New Model for Approaching the Digital Economy, Mobilizing and Rotating Personnel in Line with Modern Objectives, and Developing a Plan for Utilizing High-Quality Human Resources to Rationalize the Human Resource Structure

Based on Vietcombank's vision and goals for 2030 and the following years, aiming to become the number one bank in Vietnam, human resource management is one of the two key pillars that need focus, particularly concerning the quality of human resources. Therefore, the human resources department at Vietcombank's headquarters must proactively align with the leadership's direction to establish specific roadmaps and rational structures, starting from recruitment through to training, personnel rotation, and effective utilization of human resources.

Over nearly 60 years of establishment, with its recruitment and training policies, especially the culture developed over many years, Vietcombank has always prioritized the quality of its human resources. Currently, Vietcombank's human resources are regarded as among the best in the domestic banking sector. However, with the goal of becoming the bank with the highest quality workforce, Vietcombank needs to plan to increase the proportion of high-quality personnel while limiting the addition of support and operational staff. Additionally, there should be strategies for training and rotating personnel to enhance their professional knowledge and quickly adapt to advanced technological products and services.

To address the above issues in human resource management with a focus on digital economy approaches, Vietcombank needs to place greater emphasis on selecting high-quality personnel, starting with identifying needs based on business orientation and strategy, especially the roadmap for modernizing and technologizing modern banking products and services. Currently, the trend in the development of modern banking systems is to increase the proportion of income from services, diversify and enhance the utility of banking products, while also boosting retail services. Therefore, with a new technological foundation and management model, human resources must possess high levels of expertise and technology to operate the system effectively. Based on this, Vietcombank should develop plans to attract high-caliber professionals capable of meeting new technological requirements, paying particular attention to the existing workforce. It should only recruit high-quality personnel for areas where there are shortages or gaps.

As technology evolves, the management structure must focus on rejuvenating the leadership team by training a succession of younger management personnel. Beyond management skills, ethics, and professional expertise, it is essential to emphasize the technological sensitivity of this group to ensure they can effectively absorb modern technology. Vietcombank should limit the appointment of mid-level personnel who are older and may lack familiarity with new technologies, particularly cutting-edge advancements.

Additionally, Vietcombank needs to foster a work environment that encourages employees to be creative, apply technology, and enhance work efficiency by minimizing unnecessary steps in processes. This approach will not only improve productivity but also cultivate a culture of innovation within the organization.

Developing safely, efficiently, and sustainably is the goal of every bank, and Vietcombank (VCB) is no exception. Ensuring safety controls in operations is crucial for any bank. If a bank fails to manage risks effectively, the consequences can be severe. Moreover, in the context of the Fourth Industrial Revolution (4.0), enhancing the effectiveness of the control system is an immediate necessity. As technology advances, the risks related to safety and information security become challenges that banks must address. Therefore, VCB needs to implement training policies or attract specialists in this field. This includes proactively reviewing and developing training plans for high-quality human resources, particularly in the information technology sector. VCB should focus on specialized training in areas such as risk prevention related to technology and other risks, or create policies to attract talent from other banks based on the requirements of the new job positions. By prioritizing these efforts, VCB can better safeguard its operations while adapting to the evolving technological landscape.

3.3. Enhancing the processes and methods of recruitment from the Head Office to the branches, and improving mechanisms and policies to attract talented and high-quality human resources

Managing human resources in line with a digital economy approach must closely align with the business plan; the restructuring of personnel must ensure a balance and efficiency between business staff and support staff, strategic personnel, and operational staff. VCB needs to promptly supplement and improve the coordination mechanism between banks and training institutions. Currently, many training institutions still hold the belief that their graduates will automatically find jobs, while banks are waiting for "products" from these institutions. Consequently, the connection between training institutions and banks is inconsistent and not well integrated. This is one of the reasons for the oversupply of human resources in the banking sector. In reality, there is almost no mechanism of responsibility and benefit linking the training institutions and banks, and any existing connections are often sporadic and spontaneous. Due to limited funding (from state budgets, student tuition, and income from training services), the investment in facilities and equipment has not sufficiently met the needs of learners and the overall development of the banking industry.

Every year, VCB must recruit a large number of staff to meet its business operational needs. However, the recruitment mechanism still has many shortcomings and limitations that significantly impact the bank's operational efficiency. Therefore, in the coming time, VCB needs to continue to supplement and refine its recruitment mechanisms and policies, as well as its recruitment software, to ensure a rigorous and serious approach that guarantees sufficient quantity, high quality, and a reasonable structure. It is essential to ensure that the recruited personnel possess the appropriate qualifications, fields of study, and work experience. Thus, the assigned professional positions should closely align with the actual capabilities and strengths of each individual, with particular attention to their understanding of

information technology, which is crucial for positions requiring a high level of technological proficiency to meet the demands of innovation in a digital economy. Additionally, there should be a robust mechanism between the units or departments/branches that require labor and the recruitment departments to ensure a clear understanding of the available recruitment sources.

In the digital economy, the application of information technology is increasingly essential for commercial banks, covering everything from loan operations, credit assessments, and customer management to modern banking services and the management of assets and liabilities. However, most of this is learned from textbooks and lectures. If there are practice rooms, they often consist only of computer labs and do not provide a true banking practice environment. Furthermore, reference materials are very limited, combined with a one-sided teaching approach from instructors that does not encourage students to prioritize self-study and independent research. Additionally, banks often lack proactivity in participating in the training processes of educational institutions, such as providing feedback on the curriculum and actively connecting to create opportunities for students to gain practical experience through real banking models, facilitating presentations for instructors and students, and assisting students in their internships.

Therefore, to develop human resources, VCB needs to enhance and refine the cooperation mechanism between the employing units (the banks) and training institutions through an "ordering" system. This should involve both domestic and foreign training institutions to thoroughly address the current situation. VCB should be ready to support students in studying and researching at practical banking model facilities, practicing credit files on computers, and conducting customer assessments using real customer information or files. Only in this way can VCB build a team of staff and employees with high professional qualifications and good ethical standards, aligned with development needs.

In addition, VCB needs to continue to effectively implement the personnel planning work for the source of staff in 2020 and subsequent years; at the same time, it should recruit and train thoroughly to prepare human resources for its overseas branches. The bank should innovate and enhance the transparency of personnel evaluation using the Balanced Scorecard method (KPI); establish a standardized set of job titles for banking positions (career development pathways) and banking professional standards equivalent to those of advanced countries in the region for training, development, and individual striving. It is essential to ensure the connection between staff training activities and other human resource processes; diversify training methods to ensure flexibility and effectiveness for various units and personnel.

Furthermore, VCB must be stricter in its recruitment processes, as the quality of human resources is not only about banking expertise and digital technology operation skills but also compliance with operational procedures in delivering banking products and services in an IT environment. Paying more attention to issues of professional ethics is a way for the bank to protect itself against risks, especially when a significant portion of its operations relies on information security and safety. This will help develop a versatile workforce equipped with the necessary knowledge to keep pace with modern banking technology trends.

It is essential to pay appropriate attention to building, supplementing, adjusting, and specifically defining the policy

system for developing human resources to attract high-quality personnel. Only then can VCB retain, develop, and attract quality human resources, especially high-quality talent, while addressing the increasingly severe brain drain currently occurring. VCB needs to proactively allocate and focus more resources to respond to the rapid changes brought about by the Fourth Industrial Revolution. In the face of new developments in the finance and banking sector, banks not only compete with each other to attract and retain talent but also face competition from fintech companies. Currently, advancement opportunities are quite limited, as there are not many changes in management positions, and new positions are often newly recruited. Additionally, compared to technology companies, the work environment in banks is still considered more rigid and constrained, failing to provide enough creative space and opportunities for high-quality technology personnel.

In response to the consequences of the technological revolution, VCB needs to make timely changes to develop, attract, and retain talent. For the existing staff, it is essential to provide regular training and updates on both professional skills and technology. Therefore, the most crucial aspect remains the development of soft skills, creative thinking, innovative problem-solving abilities, and the capacity to handle situations beyond existing regulations and precedents. This focus is particularly vital for middle and senior management, as they play a key role in implementing reform plans and adapting to change.

In addition to staff placement and utilization, VCB must effectively implement its policies and regulations. Currently, most banks are adopting various strategies to retain talent and address the issue of brain drain. Therefore, VCB should invest in diverse human resource policies rather than solely focusing on salary, bonuses, and benefits. Employees have many reasons beyond financial incentives for choosing and staying with a company. Salary increases should be flexible, and the bank should leverage opportunities to enhance employees' sense of stability through open communication, information sharing, and long-term support policies. Furthermore, the organization should diversify income sources, including attractive future earnings (such as stock options and talent retention programs), and emphasize development opportunities, particularly for young talent. This approach is a crucial solution and represents a new trend that banks both domestically and internationally are adopting. In the upcoming period, VCB needs to continue effectively implementing the new salary mechanism and upgrading the performance evaluation system (KPIs) to ensure alignment with actual practices and automate the evaluation and monitoring process, ensuring transparent and fair income policies. The bank should also continue researching and applying new welfare policies, particularly in insurance, to enhance and improve the compensation system, motivating employees to work wholeheartedly and contribute to VCB. Furthermore, the work of emulation and personnel management should be renewed in a way that links and standardizes personnel evaluation processes, focusing on timely recognition and rewards at the unit level to strongly evoke the pride of all employees and encourage valuable contributions and initiatives to VCB's business operations.

The working environment at VCB is one where individuals are provided with the best conditions to work and contribute their talents and capabilities in accordance with legal regulations. It is a space where everyone's talents are

unleashed without discrimination, coercion, or any other reasons. In the coming period, to attract and retain high-quality human resources, VCB needs to continue promoting and building a friendly working environment, further enhancing employee income, and implementing timely reward mechanisms for outstanding staff and leaders. This will create opportunities for advancement and align with the trends and overall demands of the banking sector and society. Consequently, the relationships among superiors, subordinates, and colleagues should be characterized by a culture of compassion and mutual support, fostering progress for all.

In addition to building a friendly, civilized, and modern working environment, VCB must also focus on creating a cultural environment rich in identity that harmonizes the interests of VCB with those of its employees. As the leading bank in Vietnam, playing a key role in the economy, VCB consistently strives for strong innovation, successful international integration, and effective social responsibility. Alongside its sustainable development, VCB upholds cultural values and ethical standards. The culture of VCB is a distinct advantage and a competitive strength on its path to sustainable development and international integration.

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