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## Human resource barrier on the path of economic development (orienting to socialism): The case of Hochiminh city, Vietnam

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### Abstract

The paper analyzes and evaluates the human resource barrier of Hochiminh city, Vietnam (HCM VN), Vietnam is on the path of economic development orienting to socialism. Author uses quantitative methods with multivariate regression (MR) to assess the human resource situation of HCM VN. Based on the analysis results, the author will recommend policy implications to overcome this barrier. The highlight findings are total number of female employees, total number of

employees who have been career trained, total number of employees who have been graduated high school and the labor index that all impact on GDP in HCM VN. So, in order to improve the GDP in HCM VN we can improve these four variables by increasing the number of female employees, focusing on training employees, maximizing the number of high school graduation of employees and improve the labor index.

**Keywords:** Barrier, Human Resource, HCM VN, Orienting To Socialism

### 1. Introduction

Vietnam (VN) is on the process of renovating the country on the oriental path to socialism, the economy changes on two fronts which are the model of production including resources, infrastructure, the way of production and business, and economic structure. The economy takes people as the driving force, the goal of development. The current status of Vietnam is that human resources are one of the three economic bottlenecks on the socialist-oriented road. The current human resource of VN is still poor and weak that is unable to meet the current needs in the context of the VN country which is in the process of renovation on the socialist-oriented path. One of the main reasons is the difficulty of qualifications that makes the investment and development of human resources deployed is slower than requirements. Besides, the budget capital allocates to invest in developing human resources has only met a small part of practical needs. It is very important to have a right human resources management system on the way to the success of an organization. There are many factors that can have an impact on the accuracy of decisions in human resources area. Obviously, the decision-making in human resources process depends on human judgments and preferences. However, for more appropriate decision, the changing social and economic conditions must also be taken into account (Ireneusz Czarnowski, Piotr Pszczółkowski, 2020)<sup>[6]</sup>. The performance and sustainable growth among technology-based firms strongly depends on scouting young and talented human resources which has firm-specializing domain knowledge (Jaemin Chung, Namuk Ko, Hyeonsu Kim *et al.*, 2021)<sup>[7]</sup>. The issue of green human resource management has been considered during the past decade. the study of Pascal Paillé, Patrick Valéau, Douglas W. Renwick (2021)<sup>[5]</sup> shown that "Training is the best green human resource management practice in predicting individual environmental performance. Perceived organizational support for the environment only increases the effect of individual environmental performance when employees are highly environmentally satisfied with organizational environmental engagement".

The objective of paper is to analyze the barrier of human resource and have recommendations. The contents of paper including are introduction, literature review, methodology, theoretical basis, data resource, research results, discussion and conclusion.

### 2. Literature review

Currently, there has been a growing attention paid to employees' activities and behaviour at work as a driving force of environmental problems. The determinants and consequences of green behaviour of employees are still calling for further investigation. Green organizational culture was confirmed that has a significant positive relationship with green behaviour of employees and organisational environmental performance (Abdullah KaidAl-Swidi, Hamid Gelaidan, Redhwan Mohammed Saleh, 2021)<sup>[1]</sup>. Human capital development is found to positively impacts on economic growth. It can be said that human capital development assists to mitigate the impacts of resource.

Therefore, it needs the pertinence of priority and boosting investments in human capital development (Syed Rahim, Muntasir Murshed, Sukru Umarbeyli *et al.*, 2021) <sup>[9]</sup>. The effect of socially responsible human resource management on moral reflectiveness, it impact indirectly on organizational citizenship behavior for the environment through moral reflectiveness were stronger with lower rather than higher levels of responsible leadership (Hongdan Zhao, Qiongyao Zhou, 2021) <sup>[2]</sup>. As in study of Nhung T.Hendy (2021) <sup>[3]</sup> that “The gain in Human Resource competency was positively related to both Human Resource Management simulation and Human Resource exam performance. Female students performed significantly lower than did male students on the Human Resource Management simulation suggesting that females might be disadvantaged in the increasing popularity of technology delivered instruction in higher education and industry human resource training and development”. There is the indirect relationship between the corporate social responsibility and green human resource management and environmental outcomes (MercedesÚbeda-García, EnriqueClaver-Cortés, BartoloméMarco-Lajara *et al.*, 2021) <sup>[4]</sup>. The perceptions of employees of human resources practices in their company are seemed to be influenced by career shocks, and that the chance of employees to be returned to their employer in the future and it is affected by the occurrence of positive or negative shocks (Jos Akkermans, David G. Collings, Serge P. da Motta Veiga *et al.*, 2021) <sup>[8]</sup>. The mediate influence between human resources and the absorptive capacity of knowledge that is positively related to the performance of innovation (Angel Martínez-Sánchez, Silvia Vicente-Oliva, Manuela Pérez-Pérez, 2020) <sup>[11]</sup>. Human resource flexibility is to reflect manifold demands, influences and stakeholders that each with individual and different criteria. The rational is not to implement the highest possible human resource flexibility, it is to find a solution how to have the most appropriate flexibility which reflects the requirements exactly and at the other hand to avoids costs for an unnecessary or wrong flexibility (Stefan Gerlach, Moritz Hämmerle, Sven Schuler, 2019) <sup>[12]</sup>. The factors affecting the implementation of human resource management are three categories which are economic, social and environmental dimensions. The environmental factor is supposed as one of the effective factors and be considered the cause. However, social and economic dimensions are considered having impact. Nevertheless, environmental factor is the most important (Hossein Sayyadi Tooranloo, Mohammad Hossein Azadi, Ali Sayyahpoor, 2017) <sup>[13]</sup>. The flexibility of human resources is considered having the role to moderate the effect of authentic leadership on careers creation for sales employees (Tuan Trong Luu, 2020) <sup>[14]</sup>. Effectively management of human resources is an essential part of achieving the goals. To identify and then classify human resources into appropriate roles is challenge (Lila Carden, Jamison V. Kovach, Manuel Flores, 2021) <sup>[15]</sup>. As per Takayuki Kataoka, Katsumi Morikawa, Katsuhiko Takahashi (2019) <sup>[16]</sup> found that “It cannot consider the strategic human resource planning even though the skill levels of various workers exist in the real world”. Regarding to human resources, supplying job and careers have a positive effect on the ability, motivation and opportunity to continue working. Besides, working ability is found that it is the most negatively related to the demand of jobs, while employability is the most positively related with developmental practices (Karen Pak, Dorien T.A.M. Kooij, Annet H.De Lange *et al.*, 2019) <sup>[17]</sup>.

### 3. Theoretical basis

#### Human resources definition

As defined by Will Kenton (2020) “Human resources is the division of a business that is charged with finding, screening, recruiting, and training job applicants, as well as administering employee-benefit programs. Human resources plays a key role in helping companies deal with a fast-changing business environment and a greater demand for quality employees in the 21st century”. According to Tanya Nagpal, Mridula Mishra (2021) <sup>[10]</sup> that “The human resources practices which have been targeted are recruitment, training, performance management and retention”. Wikipedia gives that “Human resources is the set of people who make up the workforce of an organization, business sector, industry, or economy. A narrower concept is human capital, the knowledge and skills which the individuals command. Similar terms include manpower, labor, personnel, associates or simply is people”. The dictionary of Cambridge defines Human resources is “the department of an organization that deals with finding new employees, keeping records about all the organization’s employees, and helping them with any problems” or “the department within a company or organization that is responsible for its relationship with its employees and for following employment laws”.

### 4. Methodology

#### 4.1 Research model

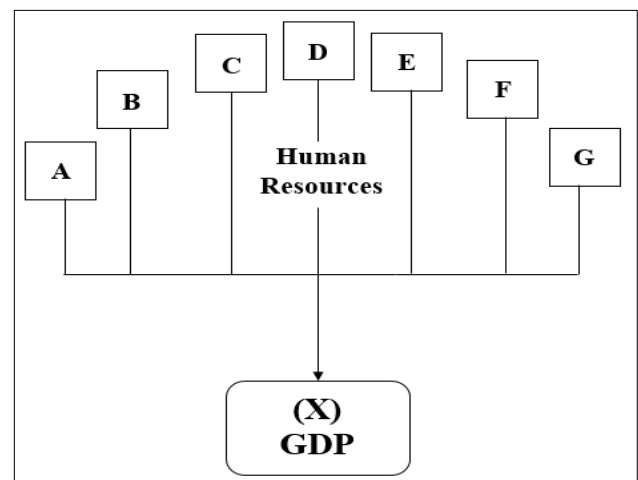


Fig 1

#### 4.2 Variables

**A** is observed quantitative independent variable, representing the total number of male employees in HCM VN, unit is people.

**B** is observed quantitative independent variable, representing the total number of female employees in HCM VN, unit is people.

**C** is observed quantitative independent variable, representing the total number of employees who are living in HCM VN, unit is people.

**D** is observed quantitative independent variable, representing the total number of employees who are living in countryside which means living outside HCM VN, unit is people.

**E** is observed quantitative independent variable, representing the total number of employees who have been career trained, unit is percentage (%).

**F** is observed quantitative independent variable, representing

the total number of employees who have been graduated high school, unit is percentage (%).

G is observed qualitative independent variable, representing the labor index, unit is score.

X is observed quantitative dependent variable, representing the GDP in HCM VN, unit is billion Vietnamese Dong.

**4.3 MR formula and hypothesis**

$$X = w_0 + aA + bB + cC + dD + eE + fF + gG + v$$

v is other factors out of A, B, C, D, E, F, G which this paper does not focus to assess v.

w<sub>0</sub> the the intersection point of the vertical axis and the regression line.

a, b, c, d, e, f, g are the coefficients of A, B, C, D, E, F, G, respectively.

$$w_0 + a + b + c + d + e + f + g = 0 \text{ means the MR}$$

model has no statistical significance.

a, b, c, d, e, f, g = < 0 means X is not impacted by A, B, C, D, E, F, G respectively.

a, b, c, d, e, f, g > 0 means X is impacted by A, B, C, D, E, F, G, respectively.

**Hypothesis**

X is impacted by A, B, C, D, E, F, G

X is not impacted by A, B, C, D, E, F, G

**5. Data resource**

All the data are from HCM VN Statistical Department. Statistical Yearbook and The PCI index which is implemented by the VN Chamber of Commerce and Industry with the support of the United States Agency for International Development in Vietnam. The PCI index is implemented by a group of Vietnamese and foreign experts.

**6. Research results**

**Table 1:** MR results for the relations between X and A, B, C, D, E, F, G

Independent variables	R square (RS)	Adjusted R Square (ARS)	Significance F (SF)	Coefficients	Value of Coefficients (VC)	P-Value (PV)
	0.99242449	0.73106123	0.00184022	w <sub>0</sub>	-7266035.3	0.47481136
A				a	0	#NUM!
B				b	8.2330073	#NUM!
C				c	-3.1536781	0.54712998
D				d	-3.8160685	0.63955124
E				e	525298.686	0.77792331
F				f	716066.401	0.75186324
G				g	10092.4864	0.88343355

Looking at table 1, it gives us information that RS = 0.99242449 (99%) means that the MR model built is suitable with the input data. The ARS = 0.73106123 (73%) is evidence that the MR has solved 73% the meaning of input data. j<sub>0</sub> + a + b + c + d + e + f + g ≠ 0 is to indicates we accept the MR built at the Significance F is 0.00184022.

b = 8.2330073, e = 525298.686, f = 716066.401, g = 10092.4864 which are all > 0, the conclusion is B, E, F, G impact on X.

a = 0, c = -3.1536781, d = -3.8160685 that are all = < 0, it means X is not impacted by A, C, D.

**Table 2:** Data of the variables A, B, C, D, E, F, G, X

Year	X GDP (TPHCM, Bil VND)	A Male (people)	B Female (people)	C Urban (people)	D Countryside (people)	E Carrier trained (%)	F High school graduation (%)	G Labor index (score)
2010	422,270	3,559,780	3,842,001	6,127,347	1,274,434	0.0485873	0.2158413	6.279345
2011	512,721	3,666,977	3,946,449	6,314,601	1,298,825	0.0860892	0.0916597	5.770319
2012	591,863	3,757,503	4,032,366	6,413,840	1,376,029	0.0779092	0.0801651	5.815679
2013	764,561	3,852,012	4,122,005	6,512,447	1,461,570	0.1124122	0.0878269	6.217457
2014	852,523	3,936,025	4,199,887	6,612,879	1,523,033	0.110380106	0.089355975	7.188147068
2015	957,358	4,025,168	4,282,733	6,720,262	1,587,639	0.084964722	0.094860196	6.885778904
2016	1,023,926	4,114,204	4,364,937	6,823,142	1,655,999	0.119961403	0.08670298	7.123164177
2017	1,060,618	4,203,136	4,446,510	6,921,539	1,728,107	0.111070931	0.099810846	7.273200035
2018	1,225,544	4,303,576	4,539,698	7,050,223	1,793,051	0.096797459	0.098391399	6.976907253
2019	1,344,743	4,411,114	4,627,452	7,169,516	1,869,050	0.135762125	0.099987045	7.297029495
2020	1,372,272	4,518,652	4,715,206	7,288,809	1,945,049	0.174726792	0.101582691	7.617151737

**7. Discussion and conclusion**

**7.1 Discussion**

As per the MR result shown at table 1 that ARS = 0.73106123 (73%) is evidence that the MR has solved 73% the meaning of input data. j<sub>0</sub> + a + b + c + d + e + f + g ≠ 0 is to indicates we accept the MR built at the Significance F is 0.00184022. b = 8.2330073, e = 525298.686, f = 716066.401, g = 10092.4864 which are all > 0, it means the (B) total number of female employees, (E) the total number of employees who have been career trained, (F) the total number of employees who have been graduated high school, (G) the labor index

that all impact on (X) GDP in HCM VN.

a = 0, c = -3.1536781, d = -3.8160685 that are all = < 0. On other words, (X) GDP in HCM VN is not impacted by (A) the total number of male employees, (C) the total number of employees who are living in HCM VN and (D) the total number of employees who are living in countryside which means living outside HCM VN.

**7.2 Conclusion**

Based on content in discussion, there are three observed quantitative independent variables and one observed

qualitative independent variable which are total number of female employees, total number of employees who have been career trained, total number of employees who have been graduated high school and the labor index that all impact on GDP in HCM VN. Therefore, in order to improve the GDP in HCM VN we can improve these four variables by increasing the number of female employees, focusing on training employees, maximizing the number of high school graduation of employees and improve the labor index.

### 8. Acknowledgement

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