

The Current Status Of Human Resources Training In Vietnam's Logistics Industry

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Abstract: Currently, the issue of training high-quality human resources for the Logistics industry has been receiving significant attention from universities and businesses, especially in the context of international integration and the extensive impact of the fourth industrial revolution. To meet the Logistics industry's human resources requirements to supply the labor market with sufficient professional knowledge and practical experience, strengthening the connection and cooperation between universities and Logistics service enterprises is an urgent requirement for training institutions. This article analyzes the needs of the Logistics service industry and the current state of the industry's human resources and identifies the shortcomings to serve as a basis for training notes to develop solutions for sustainable development for the Logistics industry in Vietnam.

Keywords: Logistics, human resources, Vietnam.

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I. INTRODUCTION

Along with economic growth, Vietnam's Logistics service industry has made significant progress and has excellent growth potential in recent years. The World Bank announced the Logistics Performance Index (LPI) of Vietnam in 2018 in its July 2018 report; Vietnam was ranked 39 out of 160 countries participating in the survey, increasing 25 places compared to the 2016 ranking (64/160). This is the result of the State's right and timely policies and strategies, along with the continuous efforts of Vietnam's Logistics service enterprises. However, human resources in the Logistics industry - a core factor contributing to the industry's development - face many problems such as a lack of personnel, poor professional quality, and growth opportunities in the sector equitably and sustainably. Therefore, assessing the current situation of Logistics human resources comprehensively and thoroughly accurately reflects the actual status of the labor market, and the formulation of strategies for sustainable development of human resources in the Logistics industry in Vietnam is an urgent requirement in the current period.

II. DEMAND FOR HUMAN RESOURCES IN VIETNAM'S LOGISTICS INDUSTRY

According to a report by the Vietnam E-commerce Association in 2020, 55% of businesses said the number of orders increased over the same period in 2019. When goods traded through e-commerce platforms accelerate sales, the quantity is also the time leading to the urgent development of Logistics services such as e-Logistics.

Besides, according to data from the Vietnam Logistics Market 2018 Report of the Ministry of Industry and Trade, the whole country currently has about 30.971 enterprises operating in the field of Logistics services, of which about 4.000 enterprises are involved in domestic and international freight transport, in which 54% of enterprises are concentrated in Ho Chi Minh City, the demand for Logistics human resources is very great. It is forecasted that by 2030, the professional human resources demand for the whole industry will be 200.000 employees, while the ability to meet human resources needs will only reach about 10% - an extremely modest number. Logistics business activities include many types of services divided into groups such as container handling, warehouse, delivery service, cargo handling, other service groups, analysis, verification, etc.

Table 1. Logistics service enterprises in Vietnam by size

No.	Enterprises size (people)	Number of Enterprises	Rate (%)
1	< 5 people	12.025	38,83
2	5 - 9 people	8.400	27,12
3	10 - 49 people	8.781	28,35
4	50 - 199 people	1.385	4,47
5	200 - 299 people	152	0,49
6	300 - 499 people	114	0,37
7	500 - 999 people	74	0,24

8	1.000 - 4.999 people	32	0,1
9	> 5.000 people	8	0,03

Source: Ministry of Industry and Trade, [5]

Currently, with many Logistics service enterprises in Vietnam (according to the scale), the requirements for Logistics human resources have continuously increased over the years; even if they do not respond promptly, these human resources can be assessed as being severely lacking. As of 2018, the number of Vietnam Logistics service enterprises is 30.971 enterprises; according to Table 1, it can be seen that the average human resources size estimated at Vietnam Logistics service enterprises is about 20 people/enterprise. The average human growth rate at Vietnam's Logistics service enterprises is about 7,5%, and the human resources demand of Logistics businesses in the period 2018 - 2030 (13 years) will be: $30.971 \times 20 \times (1 + 0,075) \times 13 = 1.585.971$ people [5].

In addition, according to the Vietnam Logistics Market 2018 Report, if the demand for Logistics human resources from manufacturing enterprises is included, the need for Logistics human resources may reach 2,2 million people by 2030. Thus, assessing the situation of the recruitment of Logistics staff of enterprises is a very necessary and important job, contributing to improving the capacity of Vietnam's Logistics enterprises. Recruitment issues for Logistics businesses are currently concerned because this personnel plays an essential role in providing Logistics services to the company, contributing to creating core competitive values for your business. Every year, according to surveyed Logistics businesses, the demand for recruiting new Logistics personnel of enterprises with less than 10 people accounts for two-thirds of the total number of respondents, and over 30 people are 20% of the full reply. Specifically, small and medium-sized enterprises will have fewer but more frequent recruitment needs. Logistics service enterprises in Ho Chi Minh City will need to recruit an average of 27.200 new employees per year. In which the position of staff/specialized laborer was recruited the most with the rate of 52% of the total replies, the rest were for the role of leader and head of the office with the corresponding rate of 25% and 23% of the total replies.

III. THE CURRENT STATUS OF HUMAN RESOURCES TRAINING IN VIETNAM'S LOGISTICS INDUSTRY

It is forecasted that by 2030, the number of new workers needed in the Logistics industry in Vietnam will reach 200.000 highly qualified workers, meeting the requirements of skills, professional knowledge, and English proficiency. However, human resources currently do not meet the needs of the Logistics service industry, lacking in quantity and weak in quality. Human resources in the Logistics industry lack comprehensive knowledge, limited ICT qualifications (information and communication technology), and have not kept up with the development progress of the Logistics world. The level of English for Logistics is still weak, only about 4% of the workforce is fluent in professional English, and 30% of businesses have to retrain staff.

3.1. The quantity of human resources training in the Logistics industry

According to the Vietnam Logistics Business Association (VLA), Logistics human resources can only meet about 40% of the industry's needs. With an average growth rate of 30% per year, Logistics personnel is still a headache for businesses in the industry. Businesses need a lot of labor in positions such as document staff - customs procedure, import and export, purchasing, operating – warehouse management, etc. At the same time, we need more skilled technical workers in the positions, such as: driving heavy vehicles, depot, delivery staff. The Logistics industry is a growing trend, continuing to need more workforce in the coming years. The income level of this industry is also higher than the standard level, but the labor supply only meets about 40% of the demand. To meet the human resources for the industry, many schools in Vietnam have built and specialized training in Logistics and Supply Chain Management in recent years. In terms of training forms nationwide, there are currently 3 forms of training in the field of Logistics: undergraduate/graduate institutions, vocational programs at associations, and the business itself.

* Training situation at the undergraduate/graduate institutions:

According to Vietnam Freight Forwarders Association (VIFFAS), Logistics training programs in Vietnam are too sketchy and too general. In the school year 2008, the University of Transport started its first course on Logistics Administration and Multimodal Transport. This is the first and only university in Vietnam having courses of this kind. Now, Vietnam has 21 education institutions in Logistics majors or near Logistics majors at the undergraduate/graduate level and 22 vocational training institutions in Logistics. The universities and colleges of trade, maritime and transport have just had courses on sea transport and foreign trade insurance, which belong to sea transport and foreign trade forwarding. And some other universities which have Logistics and supply chain management in their syllabus, usually belonging to faculties of business administration, economy transport, foreign trade, commerce, and tourism, give fundamental knowledge on trade and transportation. Worse, there are a few course books and documents. And even worse, there are a few experts than required, so it is mainly specialists from other fields that teach.

Table 2. Education institutions in Logistics major in Vietnam

No.	Education institutions	Training	Training year	Quantity (people)
1	Vietnam Maritime University	- Logistics and Supply Chain	2016	263
		- Foreign Economics	2015	201
		- International Business and Logistics	2018	51
		- Transport Economics	2007	5.593
2	Foreign Trade University	Logistics and Supply Chain Management	2018	-
3	Thuong Mai University	Logistics and Supply Chain Management	-	-
4	National Economics University	Logistics and Supply Chain Management	2018	-
5	Hanoi Metropolitan University	Logistics and Supply Chain Management	2018	-
6	Hanoi University of Science and Technology	Logistics and Supply Chain Management	2017	-
7	National Economics University - Vietnam National University, Hanoi	International Business	2007	-
8	Ho Chi Minh City University of Transport	- Logistics and Multimodal Transport Management - Transport Economics - Transport Operation - Nautical Science - Naval Architectural - Civil Engineering	2010	-
9	Ho Chi Minh City University of Economics	Logistics and Supply Chain Management	-	-
10	Ho Chi Minh City University of Technology	- Industrial Systems Engineering (Logistics and Supply Chain Management) - Logistics and Supply Chain Management	-	-
11	University of Transport and Communications	- Logistics - Transport - Transport Economics	2010	-
12	University of Transport Technology	Logistics and Supply Chain Management	2018	-
13	Ho Chi Minh City University of Technology and Education	- Logistics and Supply Chain Management - International Business	-	-
14	RMIT University	Supply Chain Management and Logistics	2016	-
15	Hoa Sen University	- Logistics and Supply Chain Management - International Business	-	-
16	University of Economics and Law	- International Business - International Economics	-	-
17	Van Lang University	- Logistics and Supply Chain Management - International Business	-	-
18	Ton Duc Thang University	International Business	-	-
19	FPT University	International Business	-	-
20	University of Economics – Danang University	- International Business - Supply Chain Management and Logistics	-	-
21	Duy Tan University	External Trade	-	-
22	22 colleges and intermediate level train Logistics major	Mainly packing, driving cranes, forklifts	Train technical staff	2.000 labours/year

Source: Self-synthesized by author

* Training situation at associations, centers:

Table 3. The status of human resources training in Vietnam's Logistics at associations

No.	Association	Training	Quantity
1	Japan - Mekong Regional Logistics Training Center in Vietnam	Training short course on: - Supply Chain Management	Trained 400 students
2	Vinatrain Center	- Warehouse Management	-
3	Training Centers Export Eximtrain	- Purchasing Management	

4	Edins Institute of Logistics and Supply Chain Management	- Customs Declaration - Logistics Marketing	
5	TDGroup Logistics Human resources Training Center		

Source: Mai Khac Thanh, [3]

Besides, there are many associations or groups of businesses hold short-term courses by co-operating with foreign partners or free-lance lecturers. In recent years, the Logistics Institute, belonging to VIFFAS has cooperated with the Education and Training Advisory Council of the International Federation of Freight Forwarders Associations (FIATA) and has a world-recognized FIATA Diploma program on “International Forwarding and Transport Management”. The Institute has also participated directly in the Education and Training Sub-Committee of the ASEAN Association of Logistics (AFFA) to build Logistics training programs for ASEAN members. There have also been co-operations between it and other partners giving courses on forwarding and sea cargo consolidation; or between it and the College of Customs offering courses on Customs Clearance agencies. In the Center of Vietnam, the University of Danang, in cooperation with the University of Liège, has had two courses on “Professional Master in Transport and Logistics”. But the students have not been many, and there are differences between Vietnam and Europe on customs inspection, connecting infrastructure network, and security management levels in ISPS Code. In terms of air freight forwarding, IATA and Vietnam Airlines have held several training courses on air forwarding with world-recognized IATA certificates. Besides, the Project of Developing Human Resources of International Logistics Aviation Services (ILAS), which has first carried out in Vietnam by Logistic Knowledge Company and Work Global, was enrolling students. However, it has not worked so well due to its impractical nature, limited quantity, and localization. The training courses are pretty diverse, but of short duration; the curriculum is practical and up-to-date but lacks systematicity. Moreover, the teaching staff does not have pedagogical capabilities, so they are often more experienced than knowledgeable. There is a lack of systematic and professionally trained professionals in this field.

* Business self-training:

APL Logistics or NYK Logistics is often professionally trained by the company. The professional teaching forces at these companies are staffs who are directly doing business, so they have a lot of practical experience, but there are problems with pedagogy and communication methods. This makes a difference in the professional skills and foreign language skills of employees between companies. The current training is not meeting the high-quality human resources requirement, lacks of comprehensive knowledge, and limited ICT skills. Human resources have not kept up with the development progress of Logistics in the world. Logistics English proficiency is still weak; only about 4% of human resources are proficient in English. In addition, the teaching force is still lacking and thin, mainly from other majors. Practical knowledge is still limited. And the connection between businesses and universities is not much, not meeting the needs of businesses.

3.2. The quality of human resources in Logistics industry

The quality of Logistics human resources will improve the competitiveness of Logistics enterprises. In this fiercely competitive world, the quality of Logistics services can significantly influence the decisions of businesses in choosing a country to invest in production, choosing a supplier to purchase, and selecting consumer markets to enter. High Logistics costs and poor service performance will be a barrier to trade and foreign direct investment (FDI), thus hindering economic growth, more likely to miss the opportunities of globalization. To have a developed Logistics service industry, there is no other way but to train methodically to meet the requirements of society.

When training in this major, some schools have gradually paid more attention to the quality and requirements of the profession by improving its applicability and practicality. However, the results reflected by Logistics enterprises in the VLA survey in August 2018 showed that 60% of enterprises said that Vietnam’s Logistics human resources are not only lacking in quantity but also weak in quality (VLA, 2018). In particular, highly qualified human resources are also in short supply at the managerial level. This is exceptionally unreasonable for the service industry with a scale of more than 40 billion USD/year, equivalent to 17-18% of the country's GDP [9].

First, in terms of professional qualifications and working experience: According to a survey of Ho Chi Minh City Development Research Institute on the quality of Logistics human resources, human resources in this industry are mainly sourced from shipping agents. 53,3% of businesses lack qualified staff and Logistics knowledge, 30% of enterprises have to retrain staff, and only 6,7% of companies are satisfied with their expertise. Up to 80,26% of employees in Logistics businesses are trained through daily work; 23,6% of employees attend domestic training courses; experts train 6,9%; only 3,9% participate in training courses abroad. According to the summary of VLA in 2018 of the survey businesses results, 45% of employees are suitable for this criterion. The cause of this problem is that many cases do not meet the requirements for using modern machinery and equipment skills in Logistics and e-commerce services.

Second, in terms of foreign language, information technology, and communication proficiency: According to information on the Ministry of Industry and Trade website, Logistics human resources lack comprehensive knowledge, lack of applied knowledge, and have not kept up with the development of the world Logistics. English language proficiency of Logistics staff is not high. VLA's survey results in 2018 show that 29% of employees are good in IT and foreign languages proficiency, while 41% are fair (VLA, 2018). However, the survey is limited because it does not separate IT and foreign language proficiency; it also partly provides a picture of the qualifications of employees working in the industry. The reason this situation exists and is very popular in recent years is that the skills that workers are trained in educational institutions do not meet the recruitment needs of enterprises; the training process has not been closely linked with the needs of the labor market; equipment equipped in training institutions has not kept up with the change of current machinery and technology. Especially in the context that the fourth industrial revolution has an increasingly deep influence, the rise of new technologies such as artificial intelligence, big data, the internet of things, etc. requires machinery and technology of enterprises must have continuous improvements to avoid backwardness and obsolescence.

Third, in terms of soft skills in job-solving: Soft skills in the Logistics industry, as well as other industries, include many skills such as negotiation, document drafting, problem-solving, etc. According to VLA 2018, the total rating for good and fair is 38%. This partly explains why businesses always prioritize experienced employees. Many fresh graduates are not ready to change their minds when going to work. Many new graduates are still inactive at work. They do not know how to arrange to report results when having problems to their superiors in the most straightforward, concise way that listeners can quickly grasp the situation. Or, when they encounter a problem or difficulty, instead of thinking of coming up with a solution and asking their superiors about the feasibility of their plan to act, they passively wait to receive the plan from their superiors.

Therefore, the problem of training Logistics human resources with enough qualifications to anticipate and meet the requirements of the rapid development of science and technology becomes even more difficult.

IV. CONCLUSION

To strengthen the connection between students with Logistics enterprises, the author proposes several oriented solutions as follows:

First, the Government needs to have its mechanism and policy on the development of Logistics human resources. In which, it is necessary to have a Logistics human resources development strategy associated with the overall development strategy of the national Logistics industry; develop goals and development orientations so that the human resources training program closely follows the trend of labor and employment in the context of the Industrial Revolution 4.0. The Government and functional agencies should support and sponsor building a particular policy and implement The Commerce Code, Logistics Chapter. Besides, there should be a system at the national level to certify the abilities of members operating in the Logistics sector.

Second, there is deeper cooperation between the ministries, departments, and sectors related to the Logistics service area to clearly define the capabilities and responsibilities of each party in the development of the Logistics service area. Accordingly, the training scale should be reasonably determined, and the teaching staff and industry managers should be invested and developed. There should be developing graduate Logistics courses and promoting graduate programs to develop human resources for the industry rapidly. Forming an applied technical education, there are more Logistics training institutions with the aim of training highly skilled workers for the Logistics industry. In particular, building high-quality human resources in the field of Logistics requires the active participation and commitment of stakeholders, including the Government, local authorities, Logistics companies, and vocational schools. Accordingly, the Government needs to review and continue to implement policies to facilitate Logistics activities, develop sets of professional standards for Logistics, and support schools to invest in facilities and equipment in the area of Logistics, etc.

Third, it is necessary to continue promoting the role of medium and short-term training programs conducted by institutes, centers, associations and training companies; domestic universities can link training with universities or foreign training organizations to open undergraduate and postgraduate courses in Logistics and supply chain management to improve the quality of Logistics human resources. Seeking national and international sponsorships for short-term courses locally and abroad. There should be co-operations with FIATA, IATA, and non-governmental associations for a regular training financial source. The training of human resources for the Logistics industry needs to approach international training standards, eliminating the weakness of Vietnam's Logistics human resources, which is poor discipline and ability to work as a team. In addition to providing knowledge and skills, training institutions need to pay attention to a training discipline and professionalism for employees, diversifying types and forms of training.

Fourth, businesses need to participate more actively in the training program in the direction of the industry's development, increasing the efficiency of cooperation between schools and entrepreneurs. On the contrary, the school side needs to actively design courses according to business needs, connect lecturers from

enterprises to participate in teaching at the school, and adjust the internship time frame to suit the business. Currently, vocational education institutions associated with enterprises are not a new story, but the relationship between the two sides mainly stops sending students to practice at enterprises. To have good human resources, companies should link with several reputable universities to participate in training and retraining, as well as the right to present and recruit at these universities. Therefore, companies need to build training funds at the school and provide professional support for schools if they want to have the best and most well-trained students. These short courses should focus on specialized areas of work or operations specific to a specific task of the job or general or advanced knowledge training for middle and senior managers.

Fifth, workers should have job orientation right from the training process. Students need to be more active in finding and approaching Logistics service companies if they want to work in this service area, then need to actively learn to improve their skills and working skills to be able to keep up with the job right after graduation. The direct labor group needs to be trained not only in working skills but also in the spirit, working attitude, and labor discipline observance attitude.

Sixth, there is a change in training to ensure that human resources can master technology and use technology smoothly in performing jobs. Schools and enterprises need to cooperate in implementing scientific research and technology transfer activities, carry out research and applications to improve and change practical activities, contribute to improving the quality of activities of each party, and coordinate to organize professional seminars in fields of mutual interest. In addition, the Association of Logistics Enterprises and schools should annually organize certification contests for highly qualified logicians to classify workers' capabilities, thereby helping businesses access more accessible human resources. At the same time, the examination and the certificate are also a condition for the workers to determine the strictest target in the profession.

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