MINISTRY OF EDUCATION AND TRAINING MINISTRY OF LABOR - WAR INVALIDS AND SOCIAL AFFAIRS

UNIVERSITY OF LABOR AND SOCIAL AFFAIRS

### NGUYEN THI NGOC ANH

# HUMAN RESOURCE DEVELOPMENT IN FOREIGN DIRECT INVESTMENT ENTERPRISES IN VINH PHUC INDUSTRIAL ZONES

*Field of Study:* Human Resource Management *Code:* 9.34.04.04

SUMMARY OF THE PH.D. DISSERTATION

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### The dissertation was completed at:

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Supervisor 1: Associate Professor Dr. Le Thanh Ha

Supervisor 2: Associate Professor Dr. Hoang Van Hoan

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The dissertation can be accessed at:

- National Library of Vietnam.
- Library of the University of Labor and Social Affairs.

### LIST OF PUBLISHED SCIENTIFIC WORKS RELATED TO THE CONTENT OF THE DISSERTATION BY THE AUTHOR

1. Nguyen Thi Ngoc Anh, Vu Dinh Hoa, (2019). Solutions for human resource development appropriately toward the new generation of FDI into Vietnam, 10<sup>th</sup> International Conference on Socio-economic and environmental issues in development 2019, NEU – KKU, Labour – social publishing house, ISBN 978-604-65-4174-5

2. Nguyen Thi Ngoc Anh, Vu Dinh Hoa, (2019). Development of Human resources for industrial zones in Vinh Phuc province: situtations and solutions, 15<sup>th</sup> International Conference on Humanities and Social Sciences 2019, Khon Kean University, Thailand, ISBN: 978-616-438-425-5.

3. Nguyen Thi Ngoc Anh (2020). Improving the quality of human resources at FDI enterprises in industrial zones of Vinh Phuc province, Journal of Economics and Forecasting, No. 34 (752), pp. 72-75.

4. Nguyen Thi Ngoc Anh (2021), Some solutions to develop human resources at FDI enterprises in industrial zones of Vinh Phuc province, Asia Pacific Economic Review. Last issue of the month – November 2021.

5. Le Thanh Ha, Vu Dinh Hoa, Nguyen Thi Ngoc3,2 Anh, Exploring Factors Affecting Human Resources Development of Foreign Invested Enterprises in Industrial Parks in Developing Countries: Evidence from Vietnam, *Journal of Social Science*, 2021, 69 (1-3), p. 26-34, doi: 10.31901/24566756.2021/69.1-3.2281

#### **INTRODUCTION**

#### 1. Reasons for choosing the topic

After 30 years of attracting foreign direct investment (FDI), Vietnam has become one of the attractive destinations for FDI inflows. The FDI sector has become the most dynamic pillar and is increasingly vital in Vietnam's economic and social development and growth. The enhanced attraction of foreign direct investment has led to a wave of investments by foreign enterprises in our country, intensifying competition in all markets, including the labor market. In this context, human resources are of particular importance to the development of enterprises, as the values related to human resources are sustainable and cannot be replicated.

Vinh Phuc is a province located in the Red River Delta region, part of the key economic area in the Northern region, with a favorable geographical position adjacent to Hanoi - the country's cultural, economic, and political center. Vinh Phuc has developed a synchronized infrastructure abundant skilled workforce, and local authorities have implemented many suitable policies, thereby attracting many large domestic corporations as well as foreign corporations from Japan, South Korea, Taiwan, China, Italy, etc., to invest in production development in industrial parks within the province.

According to general assessments, FDI enterprises in Vinh Phuc province have created stable employment and income for a significant portion of the workforce while making substantial contributions to training high-quality labor. Through direct participation in the activities of FDI enterprises, a team of high-level management officials and skilled technical workers proficient in foreign languages has gradually been formed and exposed to science, technology, and high technology, with a modern industrial mindset and good work discipline. They have been able to replace critical positions in enterprises, step by step, thanks to advanced management methods and experiences. However, alongside the achieved results, there are many emerging issues in developing human resources for FDI enterprises in industrial parks, especially high-quality human resources that can meet the growing demands of FDI enterprises. This reality raises the question of examining and understanding why the human resources for FDI enterprises in Vinh Phuc province are both scarce and weak. How has the development of human resources for FDI enterprises been carried out? Identifying the causes of these issues and finding appropriate solutions for the development of human resources in FDI enterprises within the industrial parks of Vinh Phuc province is an important endeavor.

Based on the current situation and the requirements for developing human resources in FDI enterprises mentioned above, the author has chosen "Developing human resources in FDI enterprises within the industrial parks of Vinh Phuc province" as the research topic for their doctoral dissertation.

### 2. Research Objectives and Questions

### 2.1. General objectives

The research investigates the current situation of human resource development in foreign direct investment (FDI) enterprises in industrial zones in Vinh Phuc province. Based on this, recommendations and solutions are proposed to achieve sustainable human resource development in FDI enterprises in industrial zones in Vinh Phuc province until 2025, with a vision towards 2030.

### 2.2. Specific Objectives

- Systematize and clarify human resource development's theoretical and practical foundations in FDI enterprises within industrial parks.
- Evaluate the current situation of human resource development in FDI enterprises within industrial parks in Vinh Phuc province.
- Propose recommendations and solutions for developing human resources in FDI enterprises within industrial parks in Vinh Phuc province until 2025 and a vision towards 2030.

### 2.3. Research Questions

*Question 1:* What are the differences in developing human resources in FDI enterprises within industrial parks compared to other enterprises?

*Question 2:* Which factors influence the development of human resources in FDI enterprises within industrial parks in Vinh Phuc province, and to what extent do they impact?

*Question 3:* What are the contents of human resource development in FDI enterprises within industrial parks in Vinh Phuc province, and what roles do these contents play in the development of human resources in FDI enterprises in Vinh Phuc province?

*Question 4:* What are the necessary solutions to develop human resources in FDI enterprises in Vinh Phuc province?

### 3. Research object and Scope

### 3.1. Research object

The research focuses on developing human resources in FDI enterprises within industrial parks in Vinh Phuc province.

### 3.2. Research Scope

*In terms of content:* The dissertation concentrates on studying the activities related to the development of human resources from the perspective of enterprises. The factors influencing the growth of human resources in FDI enterprises within industrial parks include internal and external factors. However, the dissertation only examines the influence of micro-level factors (internal factors) on the development of human resources in FDI enterprises within industrial parks in Vinh Phuc province.

*In terms of space:* Out of 18 industrial parks approved by the Government in Vinh Phuc province, the research focuses on developing human resources in FDI enterprises within eight operational industrial parks.

*In terms of time:* Secondary data was collected from 2017 to 2021, primary data was organized in 2021, and the recommendations are proposed for the period until 2025 and a vision towards 2030.

### 4. Research Methodology

The dissertation primarily utilizes qualitative and quantitative research methods. Qualitative research is used to determine the current situation of human resource development in FDI enterprises within industrial parks in Vinh Phuc province and the factors influencing their growth. Quantitative research measures the impact of these factors on the development of human resources in FDI enterprises within industrial parks in Vinh Phuc province. It quantifies the influence of each element (identified in the qualitative research) on the development of human resources. Additionally, the author combines the following methods: point approach method, analysis and synthesis method, comparison method, and reference method.

### **5.** Contributions

**5.1.** Theoretical Contributions (1) The dissertation systematizes general theoretical issues related to the development of human resources in FDI enterprises within industrial parks. (2) The dissertation establishes a theoretical model to assess internal factors that influence the development of human resources in FDI enterprises within industrial parks, closely related to the practical conditions in Vinh Phuc province. Specifically, the model clarifies the impact of factors such as investor policies, labor

relations, job performance evaluation, labor utilization policies, working conditions, and remuneration on human resources development in FDI enterprises within industrial parks in Vinh Phuc province.

5.2. Practical Contributions (1) The research results of the dissertation provide researchers and policymakers with a more comprehensive understanding of approaches to developing human resources in FDI enterprises within industrial parks. It enhances awareness of the current situation of human resource development in FDI enterprises within industrial parks in Vinh Phuc province. (2) The research findings will assist FDI enterprises within industrial parks, the management boards of industrial parks in Vinh Phuc province, and the provincial People's Committee in making scientifically grounded policies for the appropriate development of human resources to meet the requirements of production and business activities as well as management. (3) The research results of the dissertation can serve as reference material for universities and postgraduate training institutions in human resources, FDI enterprise human resources, and FDI enterprises seeking investment opportunities in industrial parks in Vietnam.

### 6. Structure

In addition to the introduction, conclusion, and references, the dissertation is structured into five specific chapters as follows:

Chapter 1: Overview

Chapter 2: Theoretical Foundations of the Research

Chapter 3: Methodology

Chapter 4: Findings

Chapter 5: Orientation and Recommendations.

# **1.1.** Overview of Foreign Research on the Development of Human Resources in Enterprises

The development of human resources in enterprises is consistently identified as a crucial factor in their growth. Therefore, many scholars worldwide have researched the development of human resources in enterprises. Some notable works include those by M Beer et al. (1984), Rosemary Hill and Jim Stewart (2000), Shaghayegh Vahdat (2012), Nadler (1987), David McGuire et al. (2001), Jerry W. Gilley et al. (2002), Anastasia A. Katou (2009), P.V.C. Okoye and Raymond A. Ezejiofor (2013), Salman et al. (2014), Priyanka Rani and M. S. Khan (2014), Mba Okechukwu Agwu and Tonye Ogiriki (2014), Niveen M. Al-Sayyed (2014), Malihe Mohamedi and Masoud Ghorbanhosseini (2015). In general, these studies have addressed the necessary factors for the development of human resources in enterprises and the factors influencing their development, providing proposals for the overall development of human resources in enterprises. However, in-depth research has yet to explicitly focus on human resources development in FDI enterprises within industrial parks.

#### **1.2.** Overview of Domestic Research

In Vietnam, there have been numerous studies on human resource development for enterprises, such as the works by Nguyen Huu Lam (2010), Nguyen Thi Lan Anh (2012), Nguyen Thanh Vu (2015), human resource development for FDI areas by Le Quan (2018), Le Van Hung (2018), Ngo Duy Hieu (2018), and human resource development for industrial parks by Nguyen Huu Dung (2008), Nguyen Trung Hung (2011), Pham Hai Hung (2013), Pham Thanh Hai (2016).

#### **1.3. Research Gap**

Several research gaps need further exploration:

(i) First, in terms of theoretical foundations for human resource development, there have been many studies, but they seem to lack a comprehensive perspective;

(ii) Second, most studies have not developed a research model or quantitatively investigated the factors influencing the development of human resources within industrial parks; (iii) Third, in terms of practical application, there has been no research on the development of human resources in FDI enterprises within industrial parks in Vinh Phuc province, one of the regions with a high concentration of FDI enterprises in industrial parks. When applied to FDI enterprises within industrial parks in Vinh Phuc province, the general theoretical foundations for human resource development may not be comprehensive enough and require adjustments and specific indicators that align with the characteristics of industrial parks and FDI enterprises, suitable for the current situation in Vinh Phuc province.

#### CHAPTER 2. THEORETICAL FOUNDATIONS OF THE RESEARCH

# 2.1. Concept and Characteristics of Industrial Parks

### 2.1.1. Concept

According to Decree No. 82/2018/ND-CP on Industrial Parks, Export Processing Zones, and Economic Zones: "An industrial park is a specialized area for industrial production and the provision of services for industrial production, with defined geographical boundaries, established following the conditions, procedures, and regulations specified in this Decree" Industrial parks encompass various types, including export processing zones, supporting industrial parks, and ecological industrial parks (collectively referred to as industrial parks unless otherwise specified for each type).

### 2.1.2. Characteristics of Industrial Parks

Firstly, industrial parks are typically built in geographically advantageous locations near transportation routes, seaports, and airports, facilitating connectivity with major economic centers.

Secondly, industrial parks have specific financial and technical characteristics due to their concentrated industrial production nature, with mandatory regulations on land use ratios and construction types.

Thirdly, industrial parks are managed by the government (in terms of establishment decisions, overall planning, standard principles, and control). They possess a high level of organizational capacity and employ advanced management methods.

Fourthly, industrial parks exhibit a high level of concentration and international integration.

Fianlly, businesses operating in industrial parks specialize in industrial production and provide services for industrial production (such as logistics, consumer goods manufacturing, construction materials, etc.).

# 2.2. Concept and Characteristics of FDI Enterprises in Industrial Parks 2.2.1. Concept

As understood by the Law on Investment, FDI enterprises refer to enterprises established by foreign investors to conduct investment activities in Vietnam. FDI enterprises encompass various organizational forms and operate in different ways.

### 2.2.2. Characteristics of FDI Enterprises in Industrial Parks

FDI enterprises in industrial parks are business organizations with international elements, primarily established as limited liability companies with foreign ownership (joint venture enterprises) or wholly foreign-owned enterprises (enterprises with 100% foreign investment). The establishment and operation of FDI enterprises involve shared responsibilities among multiple parties representing the interests of different countries and follow the principle of mutual benefit as a fundamental approach to addressing issues during the operation of the enterprise.

# 2.3. Concept and Characteristics of Human Resources in FDI Enterprises

### 2.3.1. Concept of Human Resources

### 2.3.2. Characteristics of Human Resources in FDI Enterprises

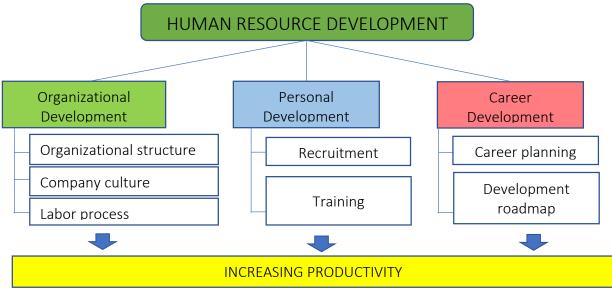
Human resources in FDI enterprises in industrial parks have distinct characteristics compared to general human resources due to the specific nature of industrial parks and the types of FDI enterprises.

# 2.4. Development of Human Resources in FDI Enterprises in IPs 2.4.1. Concept

The development of human resources in FDI enterprises in industrial parks refers to the overall activities aimed at enhancing the capacity of workers within the enterprise through individual development, career development, and organizational development to improve both individual and enterprise performance.

# 2.4.2. Components of Human Resource Development in FDI Enterprises in Industrial Parks

The fundamental components include individual development, career development, and organizational development, all aimed at enhancing the enterprise's operational efficiency.



**Figure 2.1.** Factors Constituting the Development of Human Resources in FDI Enterprises in Industrial Parks

# 2.4.3. Criteria for Evaluating the Development of Human Resources in FDI Enterprises in Industrial Parks

To assess the aspects above, the author proposes the following criteria:

Firstly, a group of criteria for evaluating organizational development: (i) Criteria related to corporate culture; (ii) Criteria for evaluating organizational structure and work processes of FDI enterprises in industrial parks.

Secondly, a group of criteria for evaluating individual development and career development: (i) Criteria for recruitment and training; (ii) Criteria for evaluating changes in labor quantity and structure; (iii) Criteria for evaluating improvements in the quality of life for employees (welfare policies); (iv) Criteria for evaluating job information and career development pathways.

Thirdly, a group of criteria for evaluating the operational efficiency of the enterprise, which is reflected in the results of the enterprise in three areas: (1) financial activities; (2) market activities; and (3) shareholder profitability.

**2.5.** Factors Influencing the Development of Human Resources in FDI Enterprises in Industrial Parks

The factors influencing the development of human resources in FDI enterprises in industrial parks are diverse and have the characteristics of enterprises with foreign investments operating in different national territories. The macro-environmental factors include (i) International environment; (ii) Local economic environment; (iii) State macro policies and guidelines; (iv) Education and training; (v) Level of scientific and technological development; (vi) Cultural and social factors of the country. The micro-environmental factors include (i) Policies of investors; (ii) Labor relations; (iii) Performance evaluation; (iv) Working environment; (v) Labor utilization policies; (vi) Welfare policies.

### **2.6.** Experiences in the Development of Human Resources in FDI Enterprises in Industrial Parks and Lessons for FDI Enterprises in Vinh Phuc Industrial Parks

Drawing from the experiences of human resource development in countries within the region and some localities in Vietnam, lessons can be derived and applied to the development of human resources in FDI enterprises in Vinh Phuc Industrial Parks. These lessons include: establishing corporate culture, developing streamlined management structures, improving production processes to enhance the efficiency and effectiveness of the enterprises; strengthening the labor market information system; providing on-the-job training with practical training courses within the enterprises; collaborating with vocational training institutions to develop career orientation programs and vocational training for secondary school students; establishing a labor training support fund to provide financial resources for new activity and retraining of the workforce for enterprises.

### **CHAPTER 3. METHODOLOGY**

### **3.1. Research Process and Proposed Model for Human Resource Development in FDI Enterprises in Vinh Phuc Industrial Parks** *3.1.1. Research Process*

Based on the identified research issues, the research process of the dissertation is conducted according to the following steps:

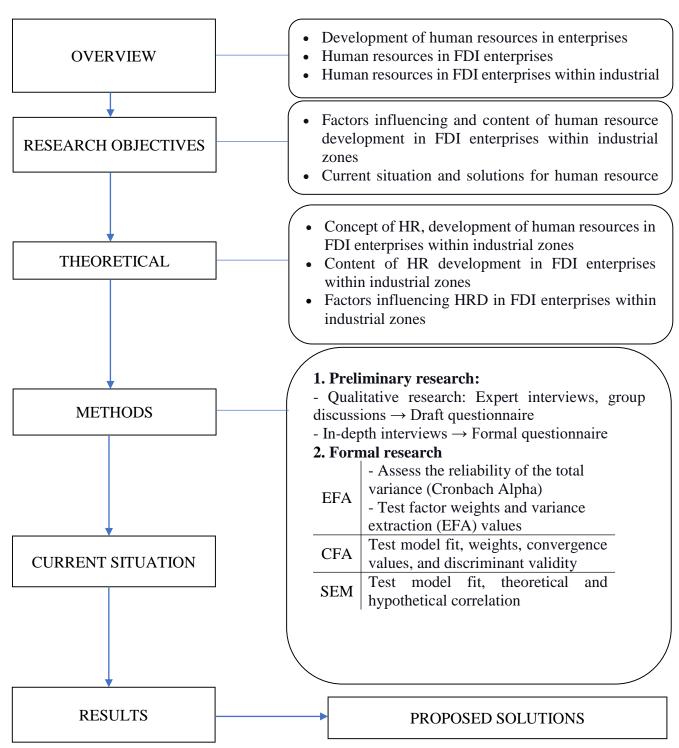


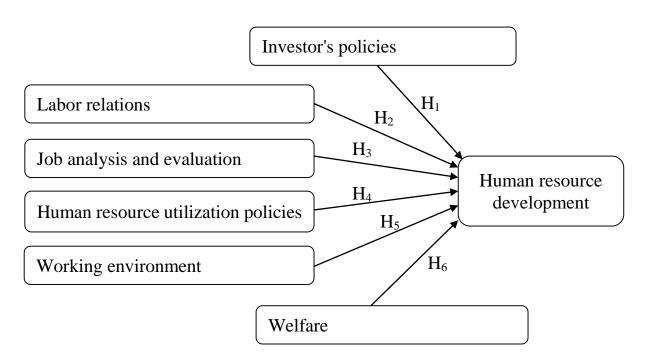
Figure 3.1 Research Process of the Dissertation

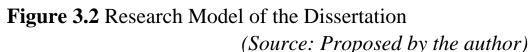
## 3.1.2. Research Model, Research Hypotheses

## 3.1.2.1 Research Model

Based on the relationships identified in the theoretical framework and literature review, the author proposes the following research model for the dissertation:

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### 3.1.2.2 Research Hypotheses

Hypothesis H1: Human resource development in FDI enterprises will be positively influenced by investor policies.

Hypothesis H2: Labor relations positively impact human resource development in FDI enterprises in industrial parks.

Hypothesis H3: Job analysis and evaluation positively impact human resource development in FDI enterprises in industrial parks.

Hypothesis H4: HR utilization policies positively impact human resource development in FDI enterprises in industrial parks.

Hypothesis H5: The work environment positively impacts human resource development in FDI enterprises in industrial parks.

Hypothesis H6: Compensation policies positively influence human resource development in FDI enterprises in industrial parks.

#### **3.2 Research Steps**

**3.2.1** *Qualitative Research:* Qualitative research is used to discover, adjust and supplement observed variables used to measure research concepts. The qualitative research used by the author is a focus group discussion technique and in-depth interviews with experts.

**3.2.2** Quantitative Research: (i) Preliminary assessment of measurement scales using Cronbach's alpha reliability coefficient. (ii) Exploratory Factor

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Analysis (EFA) to identify factors. (iii) Confirmatory Factor Analysis (CFA) to validate the measurement scales. (iv) ANOVA testing.

#### **3.3 Research Sample**

From the statistical data of FDI enterprises in Vinh Phuc Industrial Parks, the author selected 45 enterprises with a total of 450 respondents for the survey.

### **CHAPTER 4. RESULTS**

# **4.1.** The Situation of Industrial Park Development in Vinh Phuc Province

After more than 20 years of development, there have been 20 industrial parks planned with a total area of 5,228 hectares in Vinh Phuc province. Among them, 11 industrial parks have been established with a planned area of 2,323.94 hectares (Vinh Phuc Industrial Parks Management Board).

# **4.2.** The Human Resources Situation in FDI Enterprises in Vinh Phuc Industrial Parks

### 4.2.1. Organizational Structure and Management of Industrial Parks

The Vinh Phuc Industrial Parks Management Board, under the People's Committee of Vinh Phuc province, is responsible for direct state management of industrial parks in the province.

### 4.2.2. Scale of Human Resources in FDI Enterprises in Vinh Phuc Industrial Parks

According to the Management Board of Vinh Phuc Industrial Parks report, as of the end of 2021, there were approximately 292 active FDI enterprises in the industrial parks. The majority of enterprises in Vinh Phuc industrial parks are FDI enterprises, so the labor force in these industrial parks mainly serves FDI enterprises, accounting for about 90-95% of the total labor force in the parks. According to statistics, the number of employees in FDI enterprises in the province's industrial parks has been continuously increasing. The labor force in the parks increased from 59.8 thousand people in 2017 to 84.9 thousand people in 2021.

# **4.2.3.** Structure of FDI Labor Force in Vinh Phuc Industrial Parks 4.2.3.1. Age and Gender Structure

With diverse occupations, Vinh Phuc industrial parks estimate attracting and providing employment for 5,000 to 7,000 people annually, mostly young workers. Therefore, the age distribution of the labor force is uneven, with young workers (aged 15-34) accounting for 90.19% of the

workforce, while the 35-55 age group represents 9.37%, and workers over 55 make up a negligible proportion. Regarding gender structure, female workers constitute a significant proportion of the labor force, accounting for about 60-70%, especially in the 15-34 age group, where female workers make up 70.88%.

### 4.2.3.2. Structure of FDI Labor Force by Production Sector

The business sectors in Vinh Phuc province's industrial parks are highly diversified. The distribution of labor among the sectors of FDI enterprises in the parks varies. The largest sectors include the electronics industry, electronic and electronic industry, support component manufacturing, accounting for the highest proportion with 60.7% of the labor force. The mechanical engineering sector (vehicle and motorcycle manufacturing and assembly) accounts for 11.4%, while the textile and garment sector employs 18.2% of the labor force. Other industries account for 8.4%. Additionally, service and trade sectors have a negligible proportion of employment.

### 4.2.4. Quality of Human Resources in FDI Enterprises in Vinh Phuc Industrial Parks

#### 4.2.4.1. Physical Fitness of Human Resources in FDI Enterprises

Based on the author's survey, the majority of the workforce in FDI enterprises in Vinh Phuc's industrial parks are between the ages of 20 and 44, in good health and physical condition, and meeting job requirements. The average height of male and female workers is higher than that of Vietnamese.

#### 4.2.4.2. Visual Ability of Human Resources in FDI

Enterprises There are 78 training institutions in the province, including 3 universities, 7 colleges, 13 vocational schools, and 55 vocational training centers. Thanks to the development of the training and vocational education network, the quality of the province's labor force has been continuously improved, enhancing the competitiveness of workers and facilitating the transition from low-skilled labor with low incomes to highly skilled and well-compensated work that meets the requirements of FDI enterprises in the industrial parks. Regarding the technical qualifications of the labor force in FDI enterprises in Vinh Phuc province's industrial parks, according to statistics (2021), there are approximately 9,884 individuals (12.7%) with a college degree or higher, over 3,035 (3.9%) with vocational qualifications,

and a large number of 34,399 workers (44.2%) with primary education. Therefore, the majority of labor in these enterprises are unskilled workers.

An in-depth assessment of technical qualifications reveals that FDI enterprises perceive the technical capabilities of their workforce to be very low, needing an industrial work ethic. Specifically, 70.2% of the surveyed enterprises believe that the technical qualifications of their labor force are average or poor.

### 4.2.4.3. Development of Work Motivation in FDI Enterprises

The majority of labor serving FDI enterprises in the industrial parks in the province comes from agricultural or rural backgrounds, with a solid rural work ethic but lacking training and discipline in industrial labor. Therefore, organizational discipline and industrial work ethic are still limited.

# **4.3.** The Situation of Human Resource Development in FDI Enterprises in Vinh Phuc Industrial Parks

### 4.3.1. Organizational Development

Based on the survey results, the researcher found that organizational development in FDI enterprises has received little attention. Only 20% to 38% of the surveyed enterprises realize the role and importance of corporate development for human resource development. Therefore, in the future, FDI enterprises need to actively research and apply organizational development processes to promote organizational culture, improve administrative functions, and enhance labor processes to maintain and develop a workforce that meets the production requirements of the enterprises.

#### 4.3.2. Personal Development

#### 4.3.2.1. Recruitment Practices in FDI Enterprises in Vinh Phuc Industrial Parks

Recruitment practices significantly impact the quality of the labor force. The survey results show that job centers are the main source of labor supply for FDI enterprises in Vinh Phuc industrial parks, with over 60% of the surveyed FDI enterprises recruiting workers through job centers, followed by universities and colleges. Other recruitment channels used by FDI enterprises in Vinh Phuc industrial parks include job fairs, employee referrals, vocational schools, banners, flyers, large job search websites such as 24h.com.vn and vietnamworks.com, and self-posted job advertisements. *4.3.2.2. Training Practices in FDI Enterprises in Vinh Phuc* 

Industrial Parks FDI enterprises know the importance of training, incentives, and human resource development for survival. However, factors such as career advancement opportunities and interesting job positions have

not received much attention in FDI enterprises in Vinh Phuc industrial parks, resulting in limited enthusiasm and creativity among employees. Overall, FDI enterprises have not been able to effectively retain their employees.

### 4.3.3. Career Development

In general, FDI enterprises in industrial parks have occasionally guided employees in career planning and provided information on job opportunities. However, the rate of implementation for career planning, information on career opportunities, and promotions are still meager, ranging from 70% to 80% of respondents. Therefore, enterprises need to pay attention to developing career paths for their employees to foster long-term employee loyalty.

### 4.4. Factors Influencing Human Resources Development in FDI Enterprises in Vinh Phuc Industrial Parks

### 4.4.1. Descriptive Statistics of Variables in the Research Model

The statistical results show that the FDI enterprises rated the variables in the research model (independent and dependent) relatively high. The enterprises ranked HRD2 and HRD4 relatively high for the Human Resource Development variable, with scores of 3.69 and 4.12, respectively. HRD1 was rated at 3.65, and HRD3 had a slightly lower score of 3.63. The independent variables were rated above 3.0 on average. This indicates that FDI enterprises in industrial parks have been gradually improving the conditions to meet the requirements for human resource development and achieve high operational efficiency.

# 4.4.2. Evaluation of Measurement Scales through Exploratory Factor Analysis (EFA)

To assess the structure and distinguishability of the measurement scales, an EFA was conducted using the Principal Axis Factoring extraction method with Promax rotation. The Human Resource Development measurement scale in FDI enterprises in Vinh Phuc Industrial Parks consists of 30 observed variables, with 7 variables grouped together. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.893, indicating a good sample for factor analysis ( $0.5 \le KMO \le 1$ ). Bartlett's test of sphericity was statistically significant (Sig $\le 0.05$ ), demonstrating that the observed variables were correlated in the overall sample. The total variance explained was 56.739%, indicating that the 7 factors accounted for a substantial portion of the observed variables' variability. Therefore, the initial research

model had 31 independent and dependent variables observations. However, after assessing the reliability of the measurement scales using Cronbach's Alpha and conducting EFA, the researcher decided to exclude two statements: JAE5 with a variable-total correlation coefficient of 0.120, which was lower than 0.3, and WE4, as this variable had a factor loading below 0.5, indicating insufficient reliability. The final EFA results confirmed that all 29 observations had high factor loadings and were included in the subsequent analysis.

**4.4.3.** Evaluation of Measurement Scales through Confirmatory Factor Analysis (CFA) The CFA results are presented in Figure 4.1.

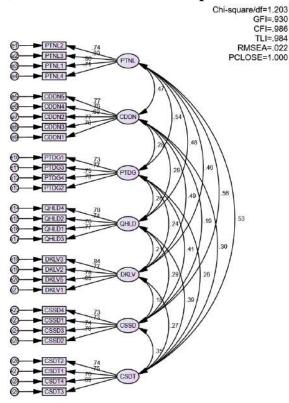
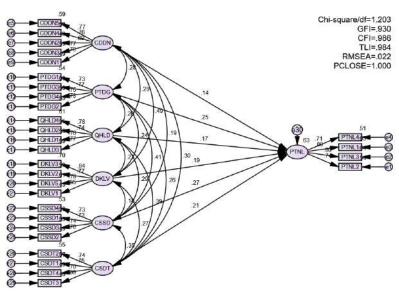


Figure 4.1. Composite Factor Analysis (CFA) model (Source: Processed results by the researcher) 4.4.4. Hypothesis testing using Structural Equation Modeling (SEM)

The research findings are presented in the diagram below:



**Figure 4.2.** Results of Structural Equation Modeling (SEM) analysis (Source: Processed results by the researcher)

Table of standardized regression weights confirming the initial hypotheses accurately.

Tuble 4.1. Standar anzea Regi ession Coefficients.				
			Estimate	
HDR	<	WF	.248	
HDR	<	JAE	.205	
HDR	<	LR	.145	
HDR	<	WE	.188	
HDR	<	HUP	.273	
HDR	<	IP	.172	

Table 4.1. Standardized Regression Coefficients.

(Source: Processed results by the researcher)

### 4.5. Discussion of Research Findings

The qualitative and quantitative results of the study indicate that factors related to Investor Policy, Labor Relations, Work Analysis and Evaluation, Working Environment, Human Resource Utilization Policy, and Compensation and Benefits Policies all have an impact on HRD in FDI enterprises in industrial zones. Among them, Human Resource Utilization Policy and Compensation and Benefits Policies have the most significant influence on HRD in the industrial zones of Vinh Phuc province.

The research findings reveal that the development of HRD in FDI enterprises in industrial zones focuses on organizational development,

individual development, career development, and performance management, thereby enhancing the operational efficiency of the enterprises.

Firstly, regarding organizational development, FDI enterprises in industrial zones have implemented steps in the corporate development process. Most enterprises have paid attention to changes from external factors to the development of the enterprise, gradually adjusting organizational culture, organizational structure, and production processes to align with the characteristics of HRD and the labor market in the local area. However, these enterprises have not fully recognized the role of organizational development in HRD. Changes in corporate culture, production processes, and organizational structure in FDI enterprises in the industrial zones of Vinh Phuc province are often carried out individually; thus, they have not significantly impacted improving the quality of HRD and fostering the loyalty of workers to the enterprise. Therefore, FDI enterprises in the industrial zones of Vinh Phuc province need to enhance their awareness of the role, methods, and processes of organizational development and link organizational development with HRD. Additionally, enterprises must comprehensively analyze labor productivity constraints and other factors affecting output results to improve business efficiency.

Secondly, regarding individual development, FDI enterprises in industrial zones have paid attention to recruitment and career development through vocational training. However, according to the author's survey, these enterprises lack long-term workforce attraction policies, resulting in instability in human resource development. Most enterprises have implemented recruitment and training processes, but they are limited in understanding the needs of each sector, profession, and field before conducting training activities. As a result, the training activities have not been entirely suitable for the individuals and locations, leading to ineffective outcomes. Furthermore, the funding for vocational training and career development of FDI enterprises is minimal (as agreed by 60% of the surveyed labor force), so training activities have not been widely implemented and have mainly focused on management personnel. Therefore, FDI enterprises in the industrial zones of Vinh Phuc province should focus on researching and identifying training needs, enhancing knowledge and skills for the labor force, and allocating appropriate funding for practical training and development of HRD.

Thirdly, regarding career development, FDI enterprises in industrial zones have shown interest in providing job information, career development training programs, workforce planning, and management. However, implementing these activities in most FDI enterprises is limited, with many enterprises lacking career counseling departments and comprehensive support for employees' career planning. Therefore, in the future, enterprises need to provide complete information about career opportunities, counseling, and guidance for career planning to foster commitment and motivation among the workforce.

# **4.6.** General Evaluation of the Current Status of HRD in FDI Enterprises in Vinh Phuc Industrial Zones

### 4.6.1. Achievements

### 4.6.1.1. Accomplishments

Firstly, the FDI enterprises' workforce in Vinh Phuc province industrial zones has experienced rapid growth in scale, structural changes, and improved quality.

Secondly, the steps in the organizational development process have been implemented by FDI enterprises in Vinh Phuc industrial zones.

Thirdly, individual development has been addressed by FDI enterprises in industrial zones through recruitment activities, vocational training, and compensation and benefits policies.

Fourthly, career development paths, job information, and advancement opportunities for employees have been recognized by FDI enterprises.

#### 4.6.2. Limitations and Causes

### 4.6.2.1 Limitations

Firstly, the quantity and quality of labor in FDI enterprises in industrial zones are generally insufficient. Most of the labor force consists of unskilled workers who have not received training, and the proportion of high-quality HRD is very low, almost negligible.

Secondly, enterprises' level of awareness and attention towards organizational development by considering changes in the external environment, corporate culture, production processes, and organizational structure to adapt to the development of human resources has not been given enough emphasis.

Thirdly, recruitment activities face difficulties, especially hiring unskilled labor, as the labor supply does not meet the demand. The funding

for HRD training activities in FDI enterprises is generally limited. The compensation and benefits policies for labor still have shortcomings and have not generated consensus and loyalty among the workforce.

Fourthly, the issue of career development for employees has not received adequate attention.

### 4.6.2.2 Causes of the Limitations

(i) FDI enterprises in industrial zones have a limited focus on human resource planning, including strategic human resource planning and workforce planning, with poor quality planning. This restricts individual development and career advancement activities, thus affecting the performance of the enterprises.

(ii) Inadequate and ineffective utilization and compensation policies limit the development capacity of HRD.

(iii) The arrangement and utilization of personnel in FDI enterprises in industrial zones have several shortcomings, with many enterprises experiencing inappropriate staff placement.

(iv) Living conditions for workers are still challenging.

(v) The technological level of many FDI enterprises in Vinh Phuc province is low, resulting in a reliance on unskilled labor without adequate training.

### CHAPTER 5. DEVELOPMENT ORIENTATION AND RECOMMENDATIONS

# **5.1.** Development Orientation of FDI Enterprises in Vinh Phuc Industrial Zones

The Management Board of the Industrial Zones has identified the direction and tasks for 2023 as follows: "Develop 03-05 new industrial zones; expedite the completion of technical infrastructure in certified investment industrial zones; enhance on-site investment promotion, shift the investment attraction structure, integrate investment attraction with human resource development, increase the occupancy rate of completed infrastructure industrial zones; continue to implement solutions to improve the investment and business environment, support the development of small and medium-sized enterprises, proactively resolve difficulties for projects, enhance the effectiveness of project management after investment, contribute to the achievement of the socio-economic development targets of

the province in 2023, and complete the 5-year economic and social development plan for 2020-2025."

Regarding Human Resource Development (HRD) Specific objective: Ensure an adequate number, structure, and quality of HRD to meet the development requirements of FDI enterprises in Vinh Phuc industrial zones. This includes a focus on rapidly increasing the proportion of the trained workforce to 60% by 2025 and 70-75% by 2030, as well as strengthening discipline, professionalism, and work ethics.

The average labor force growth from 2017 to 2022 was over 6,000 workers per year. The forecast for HRD growth in FDI enterprises in Vinh Phuc industrial zones until 2030 is calculated based on the Development Planning Project for industrial zones towards 2030, the socio-economic development orientation of Vinh Phuc province, and the annual personnel fluctuations in FDI enterprises in industrial zones. The forecasted total FDI labor force in industrial zones by 2030 is 134,550 workers, an increase of 58,621 compared to 2020 (a 77% increase).

Regarding the quality of HRD: The proportion of the trained workforce is expected to increase from 51.8% in 2020 to 80% in 2030, with the following breakdown: untrained workforce 20%, regular vocational training 39.93%, primary vocational level 15.6%, intermediate/advanced vocational level 5.72%, college/technical college level 10.05%, university and above 8.7%.

# **5.2.** Recommendations for HRD Development in FDI Enterprises in Vinh Phuc Industrial Zones

#### 5.2.1. Recommendations for FDI Enterprises in Industrial Zones

(i) Raise awareness of investors and management staff of FDI enterprises in Vinh Phuc industrial zones regarding HRD development.

(ii) Develop an HRD development strategy for enterprises based on the overall development strategy and production objectives.

(iii) Create a favorable working environment that ensures the confidence of workers.

(iv) Improve labor relations.

(v) Enhance human resource utilization policies.

(vi) Enhance compensation and benefits policies.

(vii) Improve job analysis and evaluation activities.

# 5.2.2. Specific Recommendations for HRD Development in FDI Enterprises in Vinh Phuc Industrial Zones

5.2.2.1. Organizational Development: Includes solutions such as (i) Building a work culture within the enterprise; (ii) Improving the management system for HRD in FDI enterprises in industrial zones; (iii) Enhancing organizational structure within the enterprises.

*5.2.2.2. Individual Development:* Includes solutions such as (i) Recruitment of HRD; (ii) Workforce training.

5.2.2.3. *Career Development:* (1) Establishing a framework for career progression, (2) Detailed job descriptions for each position, (3) Developing training programs and providing opportunities for employee development.

### 5.2.3. Recommendations for the State and People's Committees of Vinh Phuc Province

5.2.3.1. Strengthen the dissemination of education, training, and legal regulations related to HRD.

5.2.3.2. Enhance coordination and cooperation with central agencies and neighboring localities in HRD.

5.2.3.3. Improve the policy system, establish an information center on the labor market and employment, and enhance the activities of job placement centers.

5.2.3.4. Expand the network and types of training, promote socialization of labor training, and encourage all social forces to participate in labor training to meet the requirements of FDI enterprises in industrial zones.

5.2.3.5. Enhance the capacity of the Management Board of Vinh Phuc industrial zones.

### **5.3.** Some limitations and directions for further research

Firstly, due to the limitation of research conditions such as time, cost, etc., the study only focuses on implementation within the scope of FDI enterprises in industrial zones of Vinh Phuc province. If the scope of the survey is extended to the whole country, the research results will be more general.

Secondly, many factors affecting human resource development in FDI enterprises in Vinh Phuc industrial zones have not been mentioned by the researcher. Further studies can expand the scope of overall assessment of factors affecting human resource development.

Third, due to time and budget constraints, the author only conducted a survey of 45 enterprises in industrial zones in the area. Further studies may expand the scope of sampling enterprises to obtain a larger sample size and a more reasonable sample structure. Fourth, the proposed recommendations are only representative of all FDI enterprises in the IZ. Subsequent research topics should be associated with a production and business field, in order to help analyze and evaluate the current situation of human resources associated with the reality of the business.

#### 5.4. Chapter 5 summary

Chapter 5, the author has made some recommendations for FDI enterprises and for the Management Board of IZs, which is the direct management agency of FDI enterprises in the IZs.

#### CONCLUSION

Developing industrial zones to create favorable areas for attracting foreign direct investment capital to serve economic growth and development is a significant policy of the Party and the State in the current period. Therefore, localities nationwide have actively established industrial zones to attract foreign direct investment. Vinh Phuc, a province in the Red River Delta, a critical economic region in the North, has many advantages in developing industrial zones to attract FDI enterprises for production and business. Being a province with many FDI enterprises operating in industrial zones (as of the end of 6/2020, the area had 300 named enterprises), the issue of HRD development in these enterprises is essential. However, current research on HRD development mainly focuses on HRD in enterprises, and there has been no study addressing the issue of HRD development in industrial zones, especially in FDI enterprises within industrial zones.

Therefore, based on the latest theoretical frameworks of domestic and international scholars, the author has analyzed and evaluated the factors influencing HRD development in FDI enterprises in Vinh Phuc industrial zones, as well as the current situation of HRD development here, to answer the research questions and identify the internal factors that affect HRD development in FDI enterprises in Vinh Phuc industrial zones and the content of HRD development in these enterprises. The dissertation has identified six internal factors influencing HRD development in FDI enterprises in industrial zones, including (1) Investor policies, (2) Labor relations, (3) Job analysis and evaluation, (4) Human resource utilization policies, (5) Working conditions, and (6) Compensation and benefits. Additionally, the dissertation specifies the content of HRD development in FDI enterprises in industrial zones in terms of individual growth, career development, and organizational development, as well as their relationship with the production and business efficiency of the enterprises. These results are essential for proposing scientific recommendations for enterprises to formulate effective policies.

research Based on the findings, the dissertation provides recommendations for management levels, including the provincial People's Committee, the Management Board of industrial zones, and FDI enterprises in industrial zones, regarding policy mechanisms and the content of HRD development in terms of organizational growth, individual development, and career development. The proposed recommendations are built partly on the practical research on HRD development currently implemented in FDI enterprises in Vinh Phuc industrial zones and some solutions based on quantitative and qualitative research results to help FDI enterprises adjust for higher effectiveness.