

**POSITION PAPER OF HUMAN RESOURCES WORKING GROUP**

*Prepared by  
Human Resources Working group  
Vietnam Business Forum*

**EXECUTIVE SUMMARY**  
**FACING TECHNOLOGICAL CHALLENGE: IMPROVING PRODUCTIVITY AND**  
**OPENING UP TO THE EXCLUDED**

- We sincerely thank the Government's consideration of our recommendations on the labour code, social security reform, minimum wages and the formation of a national Human Resources Association.
- Technology both destroys old jobs and creates new jobs – upskilling to become a more productive workforce is very important
- This is the role of HR departments, who have to upskill themselves first
- Vocational training and sharing best practice should be encouraged
- Continuous professional development requirement for professional accreditations would enforce upskilling in key sectors
- Technology is its own solution for including people with disabilities into high skilled jobs

Firstly, I would as always like to thank the Ministry of Labour, Invalids and Social Affairs for the excellent continued corporation with the HR Working group and the business community. Very positive progress has been made on a number of topics, including updates of the labour code, discussions on social security and the formation of a national Human Resources Association.

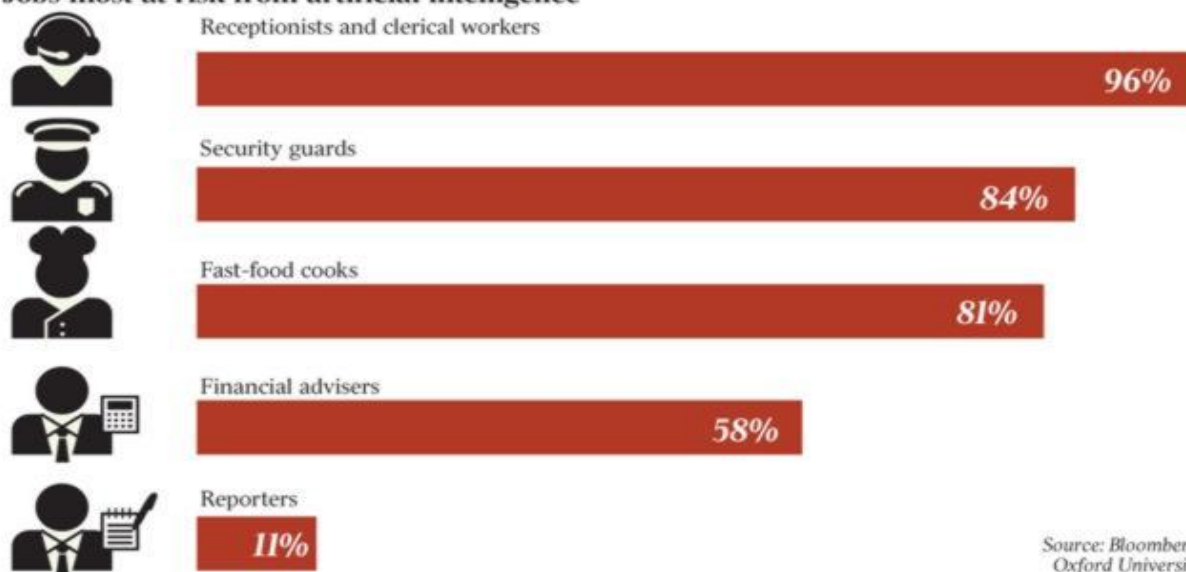
The pace of technology change is now much faster than ever before. Whereas in the past we used to think “this may happen...”, these days it really does, every day. Every day we all hear about surprising unexpected new technologies, usually with new names we have not heard before. Within the following week we hear those new words like “RegTech” or “Haptics” many times as if they were always there.

Of course this has a massive and never ending impact on the workforce. The world is also more competitive, connected and globalised than ever before. Many types of work can easily be done by anyone anywhere – in my software business I often have temporary contractors working for me in Pakistan, Romania or last week even a Ukrainian living in Indonesia. As long as they can write that section of code effectively, quickly and for a good price it makes no difference which country they are in.

This is both an opportunity to win international work, or a threat that someone in another country takes your existing work. It all depends on how cleverly businesses in Vietnam respond to the challenge. The businesses need to display humility in accepting unexpected new technologies and get on with adapting quickly. Whilst the foreign investors are often more familiar with international business practices, it is a large opportunity for domestic SMEs to integrate into international supply chains.

The biggest impact and opportunity is to the workforce. Automation is rapidly eliminating any role that involves repetitive processes, often in office positions. The business process outsourcing industry, although relatively new, is being rapidly automated, causing significant concern in countries such as India and the Philippines. Robots are doing similar things in the manufacturing industry in Vietnam and elsewhere. The trend is global and one often sees predictions such as the one below (noting that the journalists attending are fairly safe in keeping their jobs!);

#### Jobs most at risk from artificial intelligence



Source: Bloomberg,  
Oxford University

But where there is change there is also opportunity. Many would argue that as “boring” jobs are automated, workers have more time to do more valuable creative tasks. As many jobs are lost, more and more productive new jobs using “21<sup>st</sup> century skills” are also created, such as;



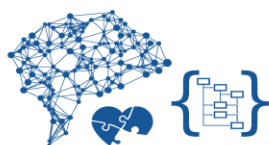
## Top 10 skills

### in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

### in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity



Source: Future of Jobs Report, World Economic Forum

We know that education and training are vital to upskilling to these new higher productivity requirements. But for the larger number of people already in employment that upskilling has to be organised by their company. It is the responsibility of the company’s HR department to make this happen. So specifically, what can HR in Vietnam do about this? How can government policy assist?

Firstly HR departments have to modernise themselves. If the HR department is just an old fashioned administration function keeping a few files and running the payroll, two things will happen;

- They will be themselves replaced by computers
- They cannot help their colleagues upskill to higher productivity either

A modern HR department will be continually monitoring employee skills sets required by their companies and putting in place programs to upskill staff. These can be a mix of full training courses and shorter information sharing, often online. The HR profession is generally improving in Vietnam through sharing of best practice in HR clubs and associations. We appreciate MOLISA’s support in leveraging this further into the domestic SMEs through the creation of a National HR Association. This will have a particularly strong impact on bringing domestic SMEs up to international standards so they can win international customers.

The foreign invested sector are often already performing best practice workforce upskilling, but maybe the local Departments of Planning and Investment can assist by making available guidance and training materials in Vietnamese that local SMEs can use. Vocational training is also essential and the business community applauds MOLISA's recent reforms in this area.

The government can further assist by encouraging a culture and habit of continuous upskilling to increase productivity. One example of this is the Vietnamese chief accountant accreditation. At the moment, once someone has the accreditation they keep it forever, even if their knowledge of new methods or legislation is outdated. In most other countries, to keep such a qualification one has to attend a certain number of hours of appropriate training every year. Therefore a chartered accountant in other countries has to get learning credits every year to keep their status. This is usually called the "Continuing Professional Development" requirement. This could be encouraged across a number of professions to keep Vietnam as internationally competitive and productive as possible.

As technology destroys some jobs and creates others, there will be individual winners and losers. In the internationally competitive environment, there will also be some countries that will do better than others. Vietnamese people are amongst the cleverest in the world if we look at PISA education scores. They have a much better chance of being amongst the winners of this change as the Vietnamese workforce has the potential, given the right guidance and support. This striving for top productivity needs to be a collaborative effort between educators, companies and government.

I am not just talking theory about what could be possible. I have done this myself – I volunteer my time on a social enterprise upskilling disabled Vietnamese into the software sector. I have succeeded in training disabled Vietnamese computer programmers to now be making mobile applications for customers all over the world. The private sector is targeting assistance to those excluded from the workforce to include them at a top productivity standard. Assistive technology now allows those in wheelchairs or unable to speak to be included in a high technology workforce. If more companies followed this example, potentially millions of Vietnamese with disabilities could become productive workers, to their own benefit, to the benefit of their companies and the national economy.

This example of disabled programmers practically shows that technology can increase productivity and create employment for all Vietnamese.