

IMPROVING THE QUALITY OF HUMAN RESOURCES FOR VIETNAM'S BANKING INDUSTRY

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ABSTRACT:

According to many banking experts, Vietnams banking industry has experienced a rapid growth in current years. Banks are competing with each other in terms of the number of banking branches, marketshare and credit growth. The demand for human resources in Vietnamese banking sector has also increased significantly. However, banks face many recruitment challenges in terms of quality. The quality of banking human resources in Vietnam is quite low and it is the top concern of many Vietnamese banks.

Keywords: human resources, bank, training, implementation, policy.

1. Introduction

The quality of human resources remains limited, not satisfying the development requirements of the banking sector as well as the national economy. This issue leads to the unstable development of the national banking and financial industry. The State Bank of Vietnam lacks banking and economic experts who have capacity to conduct researches, make forecasts and policies, develop strategies and orientations for the countrys banking system development and restructure. Meanwhile, credit institutions lack managers with professional qualifications in internal audit, abilities to analyze and evaluate the performance of their staff. In addition, credit institutions human resources management has many shortcomings, negatively affecting their performance. Personnel policies such as preferential, recruitment, training and promoting, using, and benefits policies are not suitable. The quality of human resources training at

education institutions is quite low [1] Therefore, Vietnamese banks not only face challenges in hiring high-quality employees who have worked in the banking industry but also in recruiting good new graduates. Due to the impact of the prolonged economic crisis, the employment reduction of banks has had certain impacts on the career orientation of new students. The number of students enrolling in the banking major at some big universities in Vietnam has fallen by 20%.

2. The current situation of human resources in Vietnams banking industry

2.1. The current situation of employees who have worked in the banking sector

The State Bank of Vietnams statistics show that the number of banking employees had grown rapidly over the past few years. In 2020, the total number of employees working in the banking industry is 77,341 employees, including 6,000 employees working for state-owned banks.

Statistics also show that the percentage of trained employees in the banking industry is higher than in other economic sectors. However, the percentage of specially trained employees in the banking sector is lower than other industries. For example, the number of banking employees have university degrees account for 30.06% of the total number of employees in the banking and financial sector. This figure in other sectors is about 34.9%. The number of banking employees have a banking or finance masters degree accounts only for 1.35% of the total number of employees in the banking and financial sector.

To ensure the safety of national banking system and support the banking sector develop sustainable, the Government of Vietnam and the State Bank of Vietnam have drastically implemented the banking system restructure plan. This restructure process has directly affected the banking employment. In 2019, Vietnam Bank for Agriculture and Rural Development reduced 1,243 employees; Eximbank reduced its 8% total employees or 440 employees and BIDV reduced its 2% total employees or 315 employees [2].

Although banks reduce their staff, they still lack high-quality human resources. The fact shows that the recruitment demand for high-quality banking employees is very strong. In fields of strategy development, risk management, international payment, international investment, etc., banks are difficult to find suitable candidates and some banks have to hire foreign experts in these fields. At a seminar organized by the Institute of Human Resources for Banking and Finance, Mr. Tran Huu Thang, Deputy Director of the State Bank of Vietnam's Personnel and Organization Department, said that the current banking human resources in Vietnam is quite low in terms of both quality and quantity. Many banks lack executives and leaders with professional qualifications, analytical ability, and legal understanding. The professional qualifications, project-making ability, and strategic vision of many Vietnamese banks management teams have not met the requirements of competition and integration.

2.2. The current situation of human resource training and development for the banking industry

Currently, Vietnam has 40 financial banking training institutions including 24 universities.

According to the survey data of the Institute of Banking and Finance, the number of students studying finance and banking graduating from universities in the academic year 2019/2020 was about 15,000-22,000 students and it will be 29,000 students in the academic year 2020/2021.

The reality shows that banking employees who have undergone basic training meet the requirements of the banking industry, but objectively speaking, the quality of trained human resources is still low, many students after graduation still have "gaps" in both specialized skills and soft skills. Therefore, it takes time for banks to re-train new employees to meet their job requirements. In some specialized fields, the recruitment demand is very large, and now many commercial banks have to spend a lot of money to hire foreign experts to fill up positions of executive management, network development strategy and risk management Tran Thi Thu Anh (2019), Economic factors affecting financial human resources, Economic Forecast Journal, No. 6, p.14[3].

3. Reasons for shortcomings in banking human resource development policies

- The banking sector's human resource training strategy has not yet been developed. In addition, the development strategy of the bank is not consistent with the human resource development strategy of the banks themselves.

- Trained employees still lack soft skills such as communication, presentation, teamwork, and listening skills. Banking employees, especially fresh graduate, have many weaknesses.

- There are still certain gaps in training, especially gaps in specialized knowledge including administration, management, and investment. Besides, the complementary knowledge such as foreign languages, information technology, communication is still weak. Many training programs are highly academic but its applicable is low. So when students graduate, they still need to be re-trained to meet the actual work needs.

- Although the government has had many preferential policies for the education sector over the past time, those policies have not been effective, especially policies for lecturers and preferential policies for grassroots investment. technology for education.

- The quality of international training links still has shortcomings, not meeting the requirements of international integration: it is an industry with high international connectivity and linkages, requiring trained people to have in-depth knowledge, informatics, foreign languages;

- There is no set of standard rules on job titles and professional standards for bank employees.

- There are not many close cooperation among schools and banks. After all, the high-quality human resources will be provided to banks, enterprises and society, thus, the trained human resources should satisfy the development requirements. However, over the past time, there has not been extensive participation of banks and enterprises involved in the human resource training process for the banking industry.

- The recruitment, especially at some state-owned commercial banks, is not objective and fair; the emulation and reward mechanism is still subjective, equally, which will not motivate employees to enthusiastically emulate and complete tasks.

- The standard forecast of human resources in general and high-quality human resources has not yet been developed.

4. Solutions to improve the quality of banking human resources

Firstly, making a human resources development strategy. To do this, it is necessary to study and develop a strategy for training high-quality human resources. It is necessary to forecast human resources in each development stage of the banking industry in order to have an appropriate training plan; develop a framework training program based on international standards; develop a set of standard textbooks based on the standards of developed countries with appropriate modifications in the specific conditions in Vietnam; and standardize the training teaching of lecturers. Education and training institutions need to set their enrollment quotas in line with the employment demand of the banking industry.

Secondly, innovating and improving teaching and learning methods, creating a healthy learning and research environment for students. To have a good quality human resources, training institutions need to continue to innovate their training methods, place learners at the center of teaching, improve

self-study habits, creative thinking ability, independent research ability of students and strengthen ideological, moral, lifestyle and physical education for students.

Thirdly, based on the development strategy of the whole banking industry, the recruitment needs of each bank, make a scientific recruitment policy to attract quality human resources. When banks recruit, it is necessary to consider the personnel capacity for each vacancy, determine the strengths of individuals to arrange in the appropriate position, from which the recruited person can promote their full capacity. Recruitment work needs to be done openly, transparently, democratically, objectively, and fairly, so that we can recruit quality human resources to work in the banking system.

Fourthly, training and retraining employees. Banks need to regularly train and re-train their employees, in addition to basic knowledge and guiding documents of the banking industry, also need to train more legal knowledge, management knowledge, foreign language skills, sales skills and communication skills for their employees.

Finally, establishing a specialized agency to forecast human resources development in the banking industry in order to avoid excessively or shortage of human resources in general, and ensure the high-quality human resources development. The Government can assign the State Bank of Vietnam to establish an agency specializing in researching human resource needs of the banking industry. This agency can make recommendations to training institutions and people about the human resource needs in the banking industry in a certain period. Hence, training institutions can have appropriate training plans.

In conclusion, to achieve a strong, sustainable development in order to gradually keep pace with the development of banking industries in developed economies, it is urgent for Vietnam's banking industry to develop high-quality human resources. In this paper, the authors present the current situation of human resources in the banking industry over the past few years, find out the causes of shortcomings, thereby proposing some solutions to improve the quality of banking human resources. This paper is expected to contribute to the development of Vietnam's banking industry in the coming time ■

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TÓM TẮT:

Theo nhiều chuyên gia ngân hàng, lĩnh vực ngân hàng tại Việt Nam đang tăng trưởng mạnh trong những năm gần đây. Các ngân hàng chạy đua mở rộng hệ thống chi nhánh, tăng thị phần, cũng như tăng trưởng tín dụng. Điều này kéo theo sự gia tăng về nhu cầu nhân lực trong ngành Ngân hàng nước ta. Tuy nhiên, các ngân hàng hiện phải đối mặt với nhiều khó khăn trong khâu tuyển dụng, nhất là tuyển dụng nguồn nhân lực chất lượng cao. Chất lượng nguồn nhân lực trong ngành Ngân hàng Việt Nam hiện còn thấp và đây là vấn đề cấp bách của nhiều ngân hàng.

Từ khóa: nguồn nhân lực, ngân hàng, đào tạo, thực hiện, chính sách.