

VIET NAM IN TRANSITION: TRAINING NEEDS OF THE TRANSPORT SECTOR

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abstract: The retraining/training needs of Vietnamese transport sector in transition period to a market oriented economy must be carefully investigated. It shows a large training need magnitude of five main groups, which has its own particular mix of retraining/training needs. The need to improve the performance of senior officials and other staff in their present duties is more important than the need of training new entrants. Viet Nam can meet only some of these needs with its existing training capacity. So, external assistance is required and *training of trainers* is the most substantial task in the training strategy.

1. INTRODUCTION

Viet Nam has changed its national economic development strategy and economic management strategy system from a command economy to one based on the workings of market forces. This has presented a lot of short run and longer term challenges to policy level officials, managers and trainers in the transport sector. Unlike many low income countries, Viet Nam is not seriously short of trained administrators, managers and trainers in its transport agencies, enterprises and training institutions. The problem is that for many of these people they gained their training and experience with outmoded transport technology in a policy, planning and operating environment that has been abandoned. Now they are obliged to deal not only with the issues on the transition of the economy but also to work with a new and expanding group of officials from international agencies, regional organizations, bilateral donors, equipment suppliers, contractors and potential investors. Lacking good knowledge and experience of the principles and practices of market economic systems as well as of international rules, standards, agreements and contract procurement procedures influence to timelines and effectiveness of many of their decisions. It is aware that many of staff and technical experts in the transport sector, although well qualified academically, have many shortcomings with regard to modern approaches to the development of a transport system appropriate for a market based economy.

Viet Nam has fully recognized that one important factor in achieving its objective in the development of the transport sector is to have a strong contingent of knowledgeable and capable professional managers and staff. At the same time, these people will need to be expert in the use and application of existing, emerging and new technologies and planning and management systems and approaches.

2. POLICY ISSUES RELATING TO TRAINING

The Vietnamese Government recognizes that the retraining of state servants and officials is one of the three main elements of the master plan to reform public administration and that human resources is a most crucial factor which cannot be borrowed but must be trained efficiently. The government has decided to address a major part of its training needs for the enhancement and skill and knowledge upgrading through the development and improvement of institutions for retraining. It also recognizes the need for changes to its basic academic training institutions that supply the new entrants to the transport sector. However, it has acknowledged the fact that this will be a longer term need and quite separate from the training needed to enhance the skills and knowledge and improve the performance of those senior and mid-level cadres who are already involved in the sector.

3. TRAINING NEEDS

3.1 Existing Human Resource of the Transport Sector

The State managed component of the Viet Nam transport sector employs just 247,489 people (Fig. 1):

- Of this total, about 154,024 come within the jurisdiction of the Ministry of Transport (MOT) and its 9 administrative units; 5 modal administrations; 2 scientific and research institutes; 22 training institutions and 256 operating enterprises which report directly or indirectly to it.
- The rest, 93,465 people are engaged in transport activities falling under the control of the country's 61 Provincial and Municipal Peoples' Committees. The MOT has a direct interest in staff quality and performance capacity in the Provincial Transport Bureau because of the professional rules, guidelines and standards which it sets to them for executing central government financed transport activities.

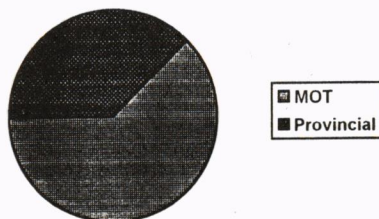


Figure 1: Component of transport sector

3.2 Training Needs

A study done by MOT shows that the most senior or top level (Leading Cadres) management group in the transport sector totals just over 600 people with an average age of 46. From them, 56.3 % have an university degree or above and only about 10 % can

understand English in various levels. For a country of 70 million people this is not large and, in part, reflects the country's limited transport system.

Below this top level group, however, are some 4,700 deputy managers, experienced professionals, senior academics, enterprise managers and the next-in-line candidates for these positions. While this group is only about 2 percent of the total labor force in the sector it represents a large retraining/training population.

An assessment of the training needs and demands done by MOT shows that there are approximately 16,200 total number of officials at management and professional levels in various agencies and institutions. However, of these a significant proportion are already in the 50 to 60 age bracket. In order to estimate the number of people that would need to be included in a training and retraining strategy, those people who will be retiring or who would not be adaptable to new and different technical and professional approaches would not be counted. For example, the present retirement ages are 60 years for men and 55 years for women. Accordingly, most present staff and officials who are within 5 to 10 years of retirements would be excluded from long-term training but they would benefit by some exposure to special short term programs.

Based on estimates from the personnel statistics of the transport sector, the pool of existing staff and officials who might benefit from focused and targeted training programs is about 10,000 people. This number do not include the new people who will need to be recruited to replace future retirees. These will normally be new graduates or trainees from the universities or colleges who will enter the transport sector with the qualifications, knowledge, skills and capabilities imparted by their education programs.

To try to overcome this backlog over 5 years would imply an annual training output of 1900 - 2,000 people. This is beyond the present capacity of the country's training institutions. For this reason, and even with substantial external technical assistance, the government will need to explore alternative ways of satisfying the potential demand.

3.3 Five Groups with Retraining/Training Needs

The MOT identifies five (5) main groups, each of which has its own particular mix of retraining/training needs:

- Top level policy and investment strategy decision makers;
- Senior operating level policy analysts, planners and professionals;
- Upper level managers in transport enterprises and MOT departments;
- University undergraduates;
- Post-graduate students and researchers.

The retraining mix of needs for these different groups are evident, moving from the more general sensitizing overseas tour exposure experiences at the policy level to specific management courses for enterprise managers covering such topics as corporate planning, investment analysis, financial management, international procurement, personnel management, and for professional specialists a wide range of technical and operational issues.

3.4 Two Principal Directions of Retraining/Training Needs

The needs for staff retraining/training in the transport sector of Viet Nam have two principal directions, each with its own issues of priority.

First, and most importantly, is the need to improve the performance of senior officials and other staff in their present duties. Linked closely with this is the need to retrain these people for the new directions and technologies emerging in Viet Nam as the country moves towards a market economy. Numerous technical, financial and business changes that will arise in the transport sector require that personal employed at many levels of administrative and enterprise management and professional activity should be helped to improve performance in their present work. Along with this is a need for major changes in their business outlook and management approaches. They need new skill and knowledge not only for immediate survival in a customer service oriented organization or enterprise but also to start them on a path that leads to sustainable improvement in both their personal and organizational longer run performance.

The second principal direction for training is that associated with the longer term aspects of academic education and training needs for future new entrants to the transport sector as they emerge from the undergraduate and post graduate skill formation stages.

4. THE TRAINING INSTITUTION SCENE

In recent years, the state investment in transport sector has been strongly increased (Fig.2). The Government is keenly aware of the wide-ranging training needs problem: MOT's annual training budget is said to be USD 1.0 million - but this is clearly insufficient.

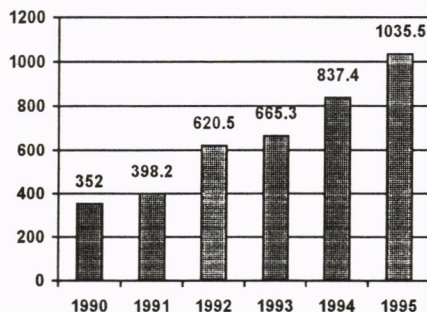


Figure 2: State investment in transport sector (Bill. VND, 1USD \approx 11.600 VND)

Much of the management and professional level human resources problem in the sector is rooted in the past role and present weaknesses of the transport training institutions. At the same time, these are where the solutions must be mainly found.

MOT directly manages a network with 23 training institutions with about 1,600 teachers:

- 1 University (the Maritime University in HaiPhong and its branch in HoChiMinh City),

- 1 Institute for Transport Administration and Management Cadres (ITAMC),
- 3 professional technical schools in 3 parts of the country,
- 16 regular vocational schools,
- 2 training centers that belongs to an entity of MOT

Yearly number of trainees are (approximately):

- 300 engineers,
- 900 technicians,
- 6,000 skilled workers
- 50 masters,
- 10 doctor,
- 500 managerial personnel.

The ministerial management of the training work belongs to the Personnel & Labor Department of MOT, and directly belongs to Training Expert's Section of this department. The problem is that the present system can not deliver what is needed in terms of quantity and quality. Physical facilities are run-down. Training equipment is generally old and in short supply. Training materials are often outmoded. Most of the trainers have no experience of market economies. Teaching methods tend to follow the old tradition. Foreign language skills of many staff are falling as older staff trained in Russian and other East European languages retire. Participation in overseas workshops and study tours is limited. Many teachers have not rotated into transport operations in their recent career development. As a result, they are not up-to-date in such matters as the technological, environmental, and legal/legislative aspects of the changing transport scene. Retraining and upgrading the skills and knowledge of hundreds of transport sector trainers in universities, institutes and professional schools will be a long and major task, even with significant external assistance and some restructuring of the sector's training system.

Viet Nam's overall economic resources are limited. Demands of sectors other than transport are heavy and deserving. Funds for improving transport conditions will continue to be constrained. In the last year the government has invested a lot of money to upgrade and modernize these institutions but not yet enough. Thus, the government considered it vital to evaluate the existing training and professional development arrangements in the sector as a first step in a longer capacity building process.

Viet Nam can meet only some of its needs by sending people abroad (about 20 delegations of trainees per year) or - at likely less total external cost - bringing foreigners to train and teach in the country. Substantial external assistance is critical, however, for the first and emergency retraining phases. This assistance is necessary to give the needed take-off power boost. But the government recognizes that in the final analysis sustainable transport performance and technology improvement capabilities must be rooted in strong Vietnamese staffed training institutions. A lot of critical questions such as which trainers to train; from which institutions; where should they be trained; when in their career; what type of retraining/training is needed; and what might be the role of twinning or similar partnership arrangements in the design of training courses; training techniques; and the management of transport training institutions must be carefully determined.

5. RECOMMENDED TRAINING PROGRAMS AND APPROACHES

Based on the identified priority groups and retraining/training thrusts suited to their needs senior MOT managers recommends a menu of courses. The options of short or long courses in Viet Nam or overseas are discussed, particularly with priority being given to "Performance Improvement" in existing operations and activities. The importance of tapping into the abundant and often low cost supply of reports, manuals, guidelines and training materials produced by international, regional and other organizations (including the private sector) is stressed. And, underpinning all the training effort is the need to strengthen the whole transport data and information base at the collection, analysis and use stages.

A common theme that stressed by the highest levels of MOT - was the need for a major effort to upgrade the English language working ability of large numbers of people at all managerial and professional levels so that Viet Nam's transport specialists can overcome their isolation from the large body of sectoral knowledge and experiences available in that language.

The Government has decreed that all officials at state and provincial levels, whether in enterprises or state agencies, must increase and improve their skills consistent with the new needs of their jobs in the proposed market driven economy. Also, based on its assessment that English will play a more and more important role in business, commerce, science and economy, the Vietnamese Prime Minister has issued a decree that all state officials must learn English as a prerequisite to further career promotion and development.

6. OPPORTUNITIES FOR EXTERNAL ASSISTANCE

The areas where Viet Nam would require external assistance relate to those in which it lacks resources or comparative advantage. These include, obviously, shortages of foreign currency to bring in the training capacities from abroad as well as acquire new knowledge, different skills, up-to-date information etc. From experience in Viet Nam and elsewhere the main items in the portfolio of instruments available for external assistance includes:

- Project related training ;
- Training linked to the leasing and procurement of transport equipment;
- Training as an integral part of joint ventures;
- Direct technical assistance to agencies, institutions, and enterprises;
- Twinning or other partnership arrangements;
- Scholarships, secondments, internships and overseas study tours
- Bilateral cultural centers that provide, among other benefits, strong foreign language development capacity;
- Bilateral focus on the transport aspects of donor preferred agendas, e.g. rural development, technical apprenticeships, environmental aspects, etc.

There was neither the time nor the information to identify a preference survey for these different headings. It was clear, however, that all measures should be used, as appropriate to particular circumstances. This, however, must be done on the basis of a clear strategy and on the Viet Nam government's determination to insist on transport orientated training as

a priority element in the above activities. The incremental amounts of funding needed are not generally large and offer high benefit-cost advantages. Donors interested in opportunities under the various headings are invited to ask for and assist in the preparation of packages which they can support.

7. TRANSPORT TRAINING STRATEGY

Training and retraining large numbers of officials from MOT and its agencies will require many qualified and credible trainers. These trainers may be from overseas or persons from within Viet Nam. An important potential source of overseas trainers are Vietnamese who have gone abroad and have been successful in transport or business management. More Vietnamese trainers could also be sent to suitable places overseas. Each option has advantages and disadvantages.

If Vietnamese officials are sent overseas for training Viet Nam must get the best out of its scarce training dollar. It makes sense, therefore, for them to attend reputable institutions with programs compatible with modern transport systems and management techniques and excellent trainers. Such a strategy, however, could mean that large numbers of trainees would travel overseas where accommodation and subsistence costs are higher than in Viet Nam and all costs are in foreign currency. Experience worldwide shows that too often overseas courses are standard courses designed to meet the needs of students in the host country and presented in the language of the country. This adds to Viet Nam's already heavily burdened language training demands or requires yet further foreign assistance. Parts of such courses are useful, but it is a risky business in many cases. It is most unusual for them to be always directly relevant and applicable to the needs of the Vietnamese situation.

The alternative of bringing trainers to Viet Nam has cost and benefit advantages. Since only the trainers would travel and stay in Viet Nam the total costs are likely to be lower than those of sending many trainees overseas. Visiting trainers bring some foreign exchange into the country. They are also likely to be under greater pressure to ensure courses and training materials address the specific needs and conditions of Viet Nam. Their training materials could be translated into Vietnamese with the courses being presented in Vietnamese through interpreters or, in some cases, to groups who have upgraded English language skills. Finally, the trainees would not be separated from their families. This is not an unimportant issue since many potential trainees have secondary sources of income and may be reluctant to forego by participating in overseas training unless there are very clear advantages in doing so.

Overseas study and using trainers from overseas are important options. However, in view of the large numbers of people that require training and retraining, it is evident that only a relatively small proportion can be trained overseas or by the use of visiting overseas trainers. The burden of Viet Nam's transport sector training needs must eventually be carried in Viet Nam by local training institutions using Vietnamese trainers. So, the *Training of Trainers* is the most substantial task of the whole strategy. These trainers play a critical role in the success of the various transport training programs proposed and, by extension, in the successful transformation of transport sector agencies and departments into effective and efficient institutions. Accordingly, the retraining of trainers must be a clearly earmarked and financed priority.

It can immediately raises, however, the issue of the quantity, quality and abilities of the trainers now available in Viet Nam and of the strengths and qualities of their training institutions. These matters have been discussed earlier in the MOT and the conclusion reached that the only sustainable solution to meeting the sector's needs is to have a "big push" effort to upgrade the quality and abilities of trainers in Viet Nam.

Retraining people engaged in the planning, development and presentation of training programs and courses is a specialized task. These trainers and lectures are not directly involved in the management and operation of transport related functions and operations. Yet they will play a critical role in the success of the various transport training programs proposed and, by extension, in the successful transformation of transport sector agencies into effective and efficient institutions. Accordingly, the training of trainers must be a clearly earmarked and financed priority thrust of this program.

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