

# INTERNATIONALIZING THE WORKFORCE OF LOGISTICS COMPANIES IN HO CHI MINH CITY BY 2030

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**Abstract:** *The internationalization of the logistics workforce in Ho Chi Minh City by 2030 can be understood as increasing the international, cultural, and skill diversity of the logistics workforce, while enhancing the ability to work in an international environment. This includes attracting and retaining talent from many countries, training current employees in the skills needed for the global market, and applying international standards in management and operations. Human resources will be the deciding factor in helping Ho Chi Minh City's logistics businesses quickly catch up with other countries, enhancing competitiveness and expanding the market both domestically and internationally. Based on the issues in the workforce of Logistics companies, the paper proposes policy implications for internationalizing the workforce of logistics companies in Ho Chi Minh City by 2030.*

• Keywords: *logistics companies, workforce, Ho Chi Minh City.*

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## 1. Introduction

In the context of the global economy, Viet Nam's logistics industry is facing great opportunities to develop and become one of the key economic sectors, making an important contribution to the development of the national economy. However, to achieve this, improving the quality of human resources in the industry is an urgent and inevitable requirement (Ho Lan Ngoc, 2024). Currently, the Vietnamese economy in general and Ho Chi Minh City in particular are facing a shortage of high-quality human resources in the logistics industry. This problem is becoming more serious as Vietnam is aiming to become a regional and international logistics center. First and foremost is the need to strengthen collaboration between training institutions and logistics service companies to foster the development of the logistics industry.

Ho Chi Minh City issued Decision No. 4432/QĐ-UBND on December 2, 2020, approving the strategy for logistics industry development in Ho Chi Minh City until 2025, with orientation towards 2030. This strategy focuses on improving logistics infrastructure, enhancing service quality, increasing operational efficiency, and promoting sustainable development in the logistics sector. Additionally, the strategy proposes measures to support and encourage enterprises to invest in the logistics sector, thereby enhancing the industry's international competitiveness. Through this strategy, Ho Chi Minh City aims to elevate the position and competitive capability of the logistics sector on the global market while contributing to the sustainable development of the local economy.

However, logistics human resources in Ho Chi Minh City are facing a shortage in both quantity and quality, especially high-quality human resources. Therefore, investing in a workforce equipped with logistics knowledge and skills is a key factor in helping businesses improve service quality, increase efficiency, and enhance market competitiveness. Ho Chi Minh City fully acknowledges the requirements and characteristics of the logistics workforce within the broader economic sectors. To ensure that the workforce meets the demands of logistics companies and activities, training institutions in Ho Chi Minh City must clearly understand the specific requirements of logistics human resources to design appropriate training programs. Avoiding the common issue of training programs at some universities being designed based on their existing academic strengths, resulting in graduates struggling to find suitable jobs because their education did not fully equip them with the necessary logistics knowledge and skills, is critical.

## 2. The real status of the workforce of logistics companies in Ho Chi Minh City

Ho Chi Minh City currently has about 9,600 businesses registered to operate in the logistics sector, accounting for 36.7% of the total number of logistics businesses nationwide. Of these, about 2,700 businesses provide professional logistics services, accounting for 54% of the country's market share (Anh Le, 2024).

According to the Department of Industry and Trade, Ho Chi Minh City alone needs about 63,000 logistics workers per year in the 2021-2025 period, of which more than 8,400 are professional logistics workers (Dan Tri Newspaper, 2022). However, according to a survey by the Ho Chi Minh City Institute for Development

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Studies, 53.3% of businesses lack employees with logistics expertise; 30% of companies have to retrain their staff, and only 6.7% are satisfied with the expertise of their employees (Viet Nam Economic Journal, Issue 34-2023, August 21, 2023). This poses significant difficulties in their operations and growth. The shortage of qualified human resources in logistics not only impacts operational efficiency but also hinders business competitiveness and development in the market.

The internationalization of the workforce not only helps logistics companies in Ho Chi Minh City improve their competitiveness but also contributes to making Ho Chi Minh City an international logistics center. Ho Chi Minh City aims to have the logistics service industry contribute over 8.5% to GRDP by 2030, and the growth rate of logistics service revenue of enterprises reaches 15-20% per year.

Currently, the mechanisms and policies for developing the logistics workforce are a significant gap at the national, sectoral, local, and enterprise levels. It can be said that they do not yet correspond to the role and mission of logistics in a market economy. The policies of the sector and localities mainly focus on measures for specialized logistics development, but lack integration and interconnection. They still carry administrative characteristics and lack specific financial and non-financial policies for training and developing the logistics workforce. The management of logistics workforce development still has many inadequacies compared to the development requirements, especially for logistics in e-commerce.

The knowledge and skills of the logistics workforce in Ho Chi Minh City are noticeably lagging behind the needs of logistics companies and manufacturing enterprises. According to the Logistics Industry Reference Council's (LIRC) 2024–2028 skills forecast, Vietnam's logistics workforce lacks skills in information technology, foreign languages, the use of logistics software, and knowledge and skills in procurement management, transportation management, and warehouse management. In addition, logistics workers in the country also need to be trained and upgraded in creativity, adaptability, problem-solving, planning, and positive thinking in the workplace.

### **3. The internationalization of the workforce in logistics companies in Ho Chi Minh City**

#### ***3.1. Developing training programs and curricula internationally aligned and suited to Viet Nam's logistics realities***

Currently, comprehensive and modern programs that align with both international standards and the practical logistics needs of Vietnam are limited. While referencing foreign textbooks and materials is essential, language barriers pose challenges for learners in absorbing knowledge. In recent years, modern teaching methods

have become increasingly common in universities worldwide. These methods often involve the use of information technology and access to online resources to enhance learning. Universities are also focusing on developing soft skills such as communication, teamwork, and time management for students.

In terms of university management in logistics, countries with over 200 years of market economy development have invested heavily in logistics and supply chain management. They typically implement modern management techniques like Six Sigma, Lean Management, and Total Quality Management to optimize processes and improve efficiency. They also regularly organize training courses and workshops to enhance the expertise of logistics professionals.

#### ***3.2. Enhancing collaboration between domestic training institutions and international logistics training organizations***

One solution for improving training quality is to establish partnerships with foreign training institutions. International training partnerships are an advanced form of education being adopted by many universities, not only for undergraduate programs but also for postgraduate education. Additionally, efforts should be made to increase exchanges and learning opportunities for faculty members, especially with countries that have developed logistics systems, in order to update knowledge and cultivate a top-tier team of logistics educators and scientists in Vietnam.

Strengthening training partnerships will not only improve training quality but also help Vietnamese institutions access internationally recognized logistics programs such as Certified Supply Chain Professional (CSCP), Certified Logistics Professional (CLP), Certified in Production and Inventory Management (CPIM), Certified International Supply Chain Professional (CISCP), and Global Logistics Associate (GLA). This would allow local institutions to learn, adapt, and improve their current training programs, which still have many gaps.

#### ***3.3. Developing a system of in-depth logistics knowledge and skills***

In reality, the scope and content of work in the logistics industry are highly diverse and closely related to other economic sectors since logistics encompasses a whole chain of supply services. In logistics, there are several technical and human resource quality requirements to execute specialized tasks, all interconnected within a service chain. Some of the important technical and quality personnel requirements in the logistics sector include:

- *Technical requirements:* Knowledge of supply chain and logistics management; understanding of transportation, storage, and inventory management methods; proficiency in logistics management software; and the ability to analyze data and make informed decisions.

- *Personnel quality*: Strong communication and teamwork skills; attention to detail; the ability to work under pressure and meet deadlines; effective time and resource management skills.

These technical and human resource quality requirements are essential for ensuring the smooth and efficient operation of the supply chain and logistics. They must also be interconnected to create a seamless logistics system that meets the needs of customers and businesses. As such, a full understanding of the requirements and characteristics of the logistics workforce within economic sectors is needed. To ensure a workforce that meets the demands of logistics businesses and activities, training institutions must thoroughly grasp the logistics workforce's characteristics and requirements to design suitable training frameworks.

### **3.4. Strengthening partnerships and collaboration between logistics companies and training institutions**

Currently, most logistics companies in Ho Chi Minh City are small to medium-sized enterprises with limited collaboration in business operations and training partnerships. Therefore, strengthening collaboration between logistics companies is crucial, especially in training and developing logistics human resources.

Additionally, training institutions should collaborate with logistics companies, experimental centers, and simulation facilities, inviting experienced professionals from businesses to teach specialized courses in training programs, guide technical and professional skills, and collaborate on research topics related to logistics. These partnerships would also provide opportunities for students to visit and learn from real working environments.

### **3.5. Applying new achievements in information technology in training and developing logistics human resources**

The Fourth Industrial Revolution, with breakthroughs in artificial intelligence (AI), integrating AI with the Internet of Things (IoT), and modernization tools, is beginning to transform the entire logistics and supply chain system globally, imposing new demands on logistics human resource training that educational institutions need to address. At the same time, combining AI with IoT and modernization tools will help optimize logistics processes, reduce costs, and enhance flexibility in supply chain management. Training human resources should focus on developing creative thinking, problem-solving, and independent work skills to meet the demands of the increasingly complex industrial environment.

With the technological transformation and digitization in the logistics industry, training human resources with new knowledge and skills will be crucial for enhancing competitiveness and sustainable development for logistics enterprises in the future. In the coming years, the rapid and deep participation of technology in the logistics sector's operations has

reduced the labor force scale in enterprises. Thus, in the context of the increasing presence of smart factories, capacity (rather than capital) will become the core factor of social production. This means that the demand for high-quality digital human resources will continue to rise, requiring higher standards for logistics human resource training.

### **4. The training strategy of the logistics human resources in Ho Chi Minh City**

The logistics human resource training strategy of Ho Chi Minh City needs to be more specific to enhance competitiveness in the global service chain. To improve the competitiveness of logistics human resources in Ho Chi Minh City in the global service chain, the training strategy should focus on the following specific aspects:

*Firstly*, promoting joint research, strengthening cooperation between member training institutions in improving facilities, enhancing faculty capabilities, and transferring technology related to digital transformation, logistics, and green supply chain management. The teaching staff is a crucial factor in the success of the digital transformation process in the logistics industry. Digital transformation in the logistics industry is a complex process that requires close coordination of many factors, in which the capacity of the teaching staff and the ability to transfer technology play important roles. Below are some specific points about the role of the teaching staff and technology transfer in this process:

- *Capacity of teaching staff*: Training and enhancing knowledge; practical skills; encouraging creative thinking.

- *Technology transfer*: Integrating new technology; Collaboration between businesses and education; Evaluating technology effectiveness:

*Secondly*, cooperating in research, propose the development of training program standards and professional standards for job positions in the industry. The logistics industry is an increasingly developing field with an important role in the global economy. To meet the demand for high-quality human resources, it is necessary to develop standardized training programs and professional standards. Below are some basic contents related to training program standards and professional standards in the logistics industry:

- *Training Program Standards*: Training programs in the logistics industry typically cover key areas such as: Supply Chain Management, Warehouse Management, Transportation Management, Information Technology in Logistics, and Legal and Policy in Logistics.

- *Professional Standards*: Professional standards for positions in the logistics industry are often determined based on the necessary skills and knowledge, including: Analytical and problem-solving skills, Communication and teamwork skills, Knowledge of information technology, Planning and organizational skills, and Market knowledge and trend forecasting.

- *Job Positions in the Logistics Industry:* Common positions may include: Supply Chain Management Specialist, Transportation Management Specialist, Warehouse Management Specialist, Logistics Planning Specialist, Logistics Consultant, Material and Inventory Management Specialist

- *Training institutions and certifications:* Universities and Colleges (Provide formal training programs in logistics and supply chain management); Professional Certifications: Certifications such as APICS (Association for Supply Chain Management), CLTD (Certified in Logistics, Transportation and Distribution), or CSCMP (Council of Supply Chain Management Professionals) can enhance skills and career opportunities for workers in the industry.

**Thirdly**, enhancing coordination and resource sharing in terms of facilities, teaching materials, and experts. Currently, the training units providing logistics human resources at both university and vocational training levels face limitations in practical facilities and a shortage of highly qualified lecturers directly teaching. This is a real challenge in the field of logistics workforce training. To address this issue, logistics training institutions should promote the development of faculty resources by investing in specialized training, creating opportunities for them to access and apply the latest knowledge from practical experiences, and increasing collaboration with businesses so that lecturers can engage with and apply knowledge in real-world environments.

To strengthen coordination and resource sharing in the logistics sector, several measures can be implemented:

- Creating networks between universities, training centers, businesses, and research organizations in the logistics field. This helps share experience, knowledge, and resources among stakeholders.

- Organizations can coordinate the use of facilities such as warehouses, classrooms, laboratories, and equipment. This not only saves costs but also facilitates more effective research and training activities.

- Schools and training centers should build a common library of textbooks, reference books, and electronic lectures that stakeholders can access and use. This helps synchronize teaching quality and keep information up to date.

- Creating opportunities for logistics experts to come together to discuss, share knowledge, and experience. These events could be seminars, forums, webinars, or specialized conferences.

- Encouraging organizations and businesses to collaborate on research projects, thereby creating innovative solutions for the sector. Research topics could involve optimizing logistics processes, applying new technologies, or promoting sustainability in the sector.

- Logistics experts can participate in training, teaching, or consulting for other organizations, thereby enhancing workforce quality and motivating the sector's growth.

- Creating internship programs for students and new employees in the logistics industry at companies to help them access practical experiences and apply learned knowledge in real-world scenarios.

**Fourthly**, strengthening cooperation and coordination with businesses and associations in the logistics sector is an important step to improve training quality and research efficiency. To strengthen cooperation and coordination with businesses and associations in logistics, the following measures can be implemented:

- Creating strong links with logistics businesses, industry associations, and educational institutions to jointly develop training programs that meet real-world demands.

- Organizing practical courses and internships at logistics businesses to give students the opportunity to apply theoretical knowledge to practical situations. This also helps businesses find potential talent.

- Collaborating to organize workshops and forums to share experience and update new information in logistics, creating a learning and exchange environment for both students and businesses.

- Encouraging research activities between universities and businesses to develop new technologies, improve logistics processes, and focus on new trends and challenges in logistics to enhance operational efficiency.

- Adjusting training programs based on the real needs of the labor market and development trends in the logistics industry, ensuring students are equipped with the necessary knowledge and skills.

- Through cooperation programs, creating job opportunities for students immediately after graduation, and providing high-quality human resources for the logistics industry.

- Promoting entrepreneurship activities in logistics, encouraging students and businesses to collaborate to develop new and innovative solutions, and supporting startup ideas in logistics through incubation and technical assistance programs.

- Collaborating with associations to develop specialized certification programs that meet the requirements of the logistics industry.

- Establishing an online platform that allows businesses and training institutions to share information, resources, and collaboration opportunities.

- Establishing mechanisms to periodically evaluate the results of the cooperation, thereby adjusting the activity plans accordingly.

**Fifthly**, strengthening international connections to exchange and learn from training experiences, access funding for facility development, scholarships, technology transfer, and scientific research collaboration... To strengthen international connections in the logistics sector, the following steps can be taken:

- Registering to participate in international organizations and associations such as the International Logistics and Transport Association (ILTA) or the International Federation of Freight Forwarders Associations (FIATA) to stay updated on the latest information and trends and expand networking.

- Organizing or participating in international logistics conferences and seminars. This is a good opportunity to exchange knowledge with top experts and introduce achievements and needs.

- Developing exchange programs for students and faculty with prestigious universities and training centers abroad, providing opportunities to learn and share experiences.

- Establishing relationships with international organizations and funding sources to seek financial support for facility development and research in logistics.

- Encouraging joint research with international universities and reputable research institutes to develop innovations and apply technology in logistics.

- Exploring and developing technology transfer programs from countries with developed logistics sectors to improve the capabilities and quality of training in this field.

- Creating pilot logistics projects with international partners to test new models and attract attention from stakeholders.

### 5. Policy implications

In order to realize these target of the growth rate of logistics service revenue of enterprises reaching 15-20% per year, the paper proposes policy implications for internationalizing the workforce of logistics companies in Ho Chi Minh City by 2030 as follows:

#### *Firstly, improving policies and working environments*

To attract talent, companies need to improve policies and the working environment. This includes providing career development opportunities for employees, performance-based bonuses, and creating a positive and creative working environment. Specific policies that should be implemented include:

- Logistics companies need to establish competitive salaries and reasonable bonus policies to attract and retain talented employees.

- Logistics companies need to invest in employee training and career development, helping them to advance and grow in their careers.

- Creating a comfortable and open working environment that encourages employees to work efficiently and fosters creativity.

- Providing attractive benefits such as insurance, travel, and entertainment options, helping employees to balance their work and life.

- Building career development programs and creating promotion opportunities for employees with potential and aspirations for growth.

- Ensuring that employees are respected and evaluated fairly in all company decisions and actions.

- Supporting employees in training and skill development to improve their work performance and career growth.

- Building a positive corporate culture, allowing employees to feel satisfied and proud to work for the company.

#### *Secondly, training and workforce development*

- Strengthening collaboration with universities and research institutes to develop international logistics training programs, including subjects related to global logistics, supply chain management and international trade.

- Organizing English courses and other relevant languages for international trade and logistics to improve the international communication abilities of employees.

- Providing training courses or internships at international logistics companies to allow employees to learn and exchange experiences.

Logistics companies in Ho Chi Minh City need to invest in employee training and development to improve their skills and knowledge, as well as improve work performance and enhance the quality of the company's services. This not only helps create a high-quality workforce but also makes employees feel valued and motivated in their work. To train employees in the logistics sector, several important steps should be taken: Classify employees by role and level; Develop training programs; Utilize modern training methods, Ensure continuous learning task; Evaluate and ensure training quality; Encourage learning and development.

#### *Thirdly, talent attraction policies*

- Building programs to recruit talent from abroad, offering attractive remuneration packages to attract experienced professionals in the logistics field.

- Developing international recruitment programs involves creating attractive compensation packages and effective recruitment methods to attract experienced professionals in the logistics field.

#### *Fourthly, applying information technology*

- Investing in modern information technology and logistics management systems to improve workflows, making it easier for employees to access new technologies and global trends.

- Investing in information technology and modern logistics management systems is a key step in improving workflows within businesses.

- Establishing information-sharing systems between companies in the logistics industry to improve efficiency. The following steps can be taken: Identifying Objectives and Needs, Choosing Information Sharing Technology, Ensuring Data Security and Privacy, Training and User Support, Monitoring and Evaluating Effectiveness, Creating a Collaboration Network.

***Fifthly, promoting a global corporate culture***

- Encouraging employees to work in a multicultural environment, fostering creativity and innovation in the workplace.

- Encouraging logistics employees to work in a multicultural environment while fostering creativity and innovation in the workplace, consider implementing the following measures:

- Promoting the acceptance and respect of different cultures within the workforce; Organizing cultural exchange activities where employees can share their cultural backgrounds, customs, and cuisine.

- Offering training courses on cross-cultural communication and diversity management for employees. This helps them better understand how to communicate and work effectively in a diverse environment.

- Providing opportunities for all employees to contribute ideas and propose solutions for improving work processes. You can organize group meetings or online forums to share and discuss creative ideas.

- Providing the necessary tools and resources for employees to experiment with and implement new ideas. This can include creating a budget for creative projects or allowing employees to dedicate part of their work time to developing creative ideas.

- Recognizing and rewarding employees with creative ideas and positive contributions to the company's development. This recognition not only encourages employees but also motivates them to implement creative ideas in the future.

- Creating a flexible work environment where employees can freely express themselves, leading to the development of new and creative ideas.

- Organizing multicultural team projects where employees can work together, learn from each other, and exchange ideas. The combination of different cultures often leads to creative and innovative solutions.

***Sixthly, establishing flexible work policies***

- Implementing remote work and flexible work policies can be an effective strategy to attract and retain talent in the logistics industry, especially in the context of globalization and rapid technological development. Below are some points to consider: Remote Work Policies, Flexible Work Schedules, Create a Positive Work Environment, Optimize Recruitment Processes, and Monitoring and Evaluation.

***Seventhly, promoting corporate social responsibility***

To promote Corporate Social Responsibility (CSR) in the logistics sector in Ho Chi Minh City, several measures can be taken:

- Logistics companies should provide training courses on CSR for employees, emphasizing the importance of adhering to labor standards, protecting the environment, and contributing positively to the community.

- Encouraging the use of methods and technologies that minimize negative environmental impacts, such as fuel-efficient trucks, optimizing transportation routes, or applying automation technologies to reduce waste.

- Companies can engage in charitable or social activities, such as supporting schools, participating in social welfare programs, or protecting the environment.

- Logistics companies should create and implement sustainable standards in their operations. For example, setting up carbon-neutral transportation policies or using recycled materials in packaging management.

- Partner with community and non-governmental organizations to implement CSR projects, creating a positive ripple effect and enhancing the company's reputation.

- Companies should actively communicate their CSR activities to raise awareness and encourage other businesses to participate. Sharing successes and positive stories will motivate the community.

- Establishing metrics to evaluate the effectiveness of CSR programs and publishing regular reports to inform the public and stakeholders about the company's contributions.

***Eighthly, encouraging research and technological innovation***

- Collaborating with businesses or research institutes to develop new work methods and improve logistics processes.

- Introducing new technologies in logistics education and practice. In the logistics sector, IoT applications can improve the efficiency of goods transportation and management processes.

**6. Conclusion:** In summary, increasing international connections in logistics brings many benefits to organizations, businesses, and government agencies, helping promote sustainable development and improve efficiency in business operations. Internationalizing the workforce in the logistics sector not only helps Ho Chi Minh City enhance its global market competitiveness but also contributes positively to local economic development. These policies and initiatives need to be implemented synchronously, with close coordination between the City government, businesses, and educational institutions. The above solutions will help improve logistics workforce training quality, meeting the global labor market's requirements and demands, contributing to the sustainable development of the logistics sector in the era of globalization.

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