

EVALUATING THE COMPETENCY OF FREIGHT FORWARDING LABOUR FORCE IN HAI PHONG FROM THE PERSPECTIVE OF EMPLOYERS

ĐÁNH GIÁ NĂNG LỰC CỦA NHÂN LỰC TRONG CÁC CÔNG TY GIAO NHẬN TẠI HẢI PHÒNG TỪ GÓC NHÌN CỦA NGƯỜI THUÊ LAO ĐỘNG

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Abstract

The increase of logistics industry in Hai Phong over recent years has raised the demand for the labour force in this sector. However, there exists a gap between the training and education and practice requirement in logistics workforce. Many logistics companies are lacking qualified staffs and stay disconnected with universities. Our research aims to evaluate the employee competency of freight forwarding companies in Hai Phong recently. Based on a literature review, we make a list of key competences of logistics employees. We then carry out a survey to gather the evaluation of forwarding employers in Hai Phong. A descriptive statistic is then performed to visualize the result, followed by discussions and recommendations to improve the competency of logistics employees in Hai Phong.

Keywords: *Logistics, forwarding, labour force, evaluate, competency, Hai Phong.*

Tóm tắt

Sự phát triển của ngành logistics tại Hải Phòng trong những năm qua đã nâng cao yêu cầu về lao động trong lĩnh vực này. Tuy nhiên, vẫn tồn tại khoảng cách giữa việc đào tạo huấn luyện và yêu cầu thực tế của nhân lực ngành logistics. Rất nhiều công ty logistics đang thiếu nhân viên đủ năng lực và không kết nối với các cơ sở giáo dục. Nghiên cứu này nhằm tới việc đánh giá năng lực của nhân viên hiện tại trong các công ty giao nhận tại Hải Phòng. Dựa vào nghiên cứu cơ sở lý luận, chúng tôi đưa ra danh sách các tiêu chí năng lực chính của lao động logistics. Sau đó chúng tôi tiến hành khảo sát và phỏng vấn để thu thập ý kiến đánh giá của những người thuê lao động trong ngành giao nhận tại Hải Phòng. Phân tích mô tả được tiến hành sau đó để đưa ra kết quả cụ thể, sau đó là thảo luận và lời khuyên để nâng cao năng lực lao động logistics của Hải Phòng.

Từ khóa: *Logistics, giao nhận, nhân lực, đánh giá, năng lực, Hải Phòng.*

1. Introduction

In the revolutionary era of industrial revolution 4.0, technologies have dramatically increased labor productivity. However, modern machinery and technology cannot replace every perspective of operation. The human factor is irreplaceable and the success of the organization depends on the high human productivity. This is an imperative issue for many industries in general and freight forwarding industry in particular after Vietnam joined the WTO. Therefore, it is necessary and meaningful to improve the professional level of human resources in logistics sector in Vietnam.

According to Vietnam Logistics Association [1], the employee sizes of Vietnamese logistics companies are diverse from small and medium enterprises to large ones. Up to 29.1 percent of enterprises have the number of employees from 11 to 50. Follow up is the group of enterprises with the size of labor from 201 to 500 people, accounting for 19.6 percent, while the group of enterprises with the scale of 51-100 and 101-200 accounts for a relatively equal proportion, respectively 14.2 percent and 16.2 percent. The group of enterprises with low proportion includes large-scale enterprises of over 500 people, accounting for 12.2 percent and small and private enterprises with staff sizes of less than 10, accounting for 8.8 percent. In general, there is a significant shortage in the logistics employees' competence. Many graduate students from universities still fail to meet the expectation of the job requirement in such logistics companies. They lack experience, necessary skills and understandings of international practices. In fact, about 53.3 percent of logistics enterprises are lacking qualified staffs, 30 percent of enterprises have to retrain their employees and only 6.7 percent of logistics businesses are satisfied with the expertise level of their employees [1].

Our research aims to evaluate the current competency of forwarding employees in Hai Phong

city. The city has the second largest international gateway seaport of Vietnam, where a lot of logistics activities are carried out for imported and exported cargo. The quality of human resource in logistics sector of Hai Phong therefore has a strong influence on the logistics performance of the whole Northern Vietnam. Assessing the competency of the current employees in the sector will help point out the strength and weakness of logistics labour force. This will support relevant stakeholders, i.e. logistics companies, universities, city government to understand the situation and take appropriate actions to improve such workforce.

Based on a literature review, we make a list of key competences of logistics employees. Then we carry out a survey to gather the evaluation of logistics employers, i.e. administrators and managers in Hai Phong. A descriptive statistic is then performed to visualize the result, followed by discussions and recommendations to improve the competency of logistics employees in Hai Phong. The paper is structured as follows: after the introduction, we present our methodological approach, followed by the data analysis and discussion. Then the conclusion and recommendations for improving the logistics employee competency in Hai Phong are given accordingly.

2. Methodologies

From the literature of human resource competency, competent employees play the vital role in supporting the organization's vision, strategy and capabilities [2]. In other words, aligning employee competency with the company's goals is the key to achieve the wide range of business objectives [3]. The competency of each employee does not only influence on their performance, but also interact with others to have impact to the final outcome of the organizations. As synthesized by Teresa & Marzena [4], competency includes "those characteristics - knowledge, skills, mindsets, thought patterns, and the like - that when used whether singularly or in various combinations, result in successful performance." Gaye & Murat [3] suggest that competencies should be designed in a hierarchy structure as shown in Figure 1.

Based on the literature review of employee competency in [1, 5-8] and interviews with managers of forwarding companies in Hai Phong, we define seven main components of employees' competency in forwarding companies including (1) *administration*, (2) *communication*, (3) *teamwork*, (4) *decision*

making, (5) *managing change and improvement*, (6) *responsiveness* and (7) *attitude* (Figure 2). *Administration* means the work effectiveness in planning, organizing and supervising activities of companies. *Communication* measures effectiveness in listening to others, expressing ideas, both orally and in writing and providing relevant and timely information to managers, co-workers, subordinates and customers. *Teamwork* measures how well this individual gets along with fellow employees, respects the rights of other employees and shows a cooperative spirit. *Decision making/problem solving* implies the ability in understanding problems and making timely, practical decisions. *Managing change and improvement* are the competency in initiating changes, adapting to necessary changes from old methods when they are no longer practical, identifying new methods and generating improvement in facility's performance. The criterion of *responsiveness* measures how employees complete the job tasks in a timely manner. Finally, *attitude* is how well employees comply with instructions and performs under unusual circumstances; consider record of attendance and punctuality.

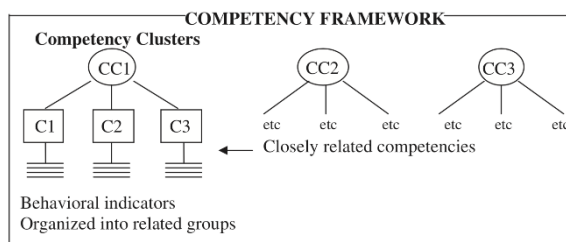


Figure 1. Competency framework as suggested by [3]

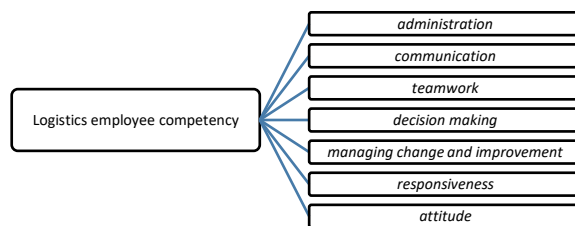


Figure 2. Logistics employee competency framework

We then create a questionnaire to evaluate the employee competency of forwarding companies in Hai Phong. As a result, we got 63 valid respondents from 7 companies providing freight forwarding services in Hai Phong. All of them are engaged in international and local logistics activities. The majority of those surveyed were from 26 to 35 years old (40) and from 36 to 45 years old (26). Of that, 60.3

percent are men, and 39.7 percent are women. All respondents are managers at operational level of a division or above. They are asked to give their opinions about their staffs in terms of seven criteria mentioned above, using 5-point rating scale as explained in Table 1. Interviews with managers of these companies were followed up to give insights of their evaluation.

Table 1. Five-point rating used for the survey

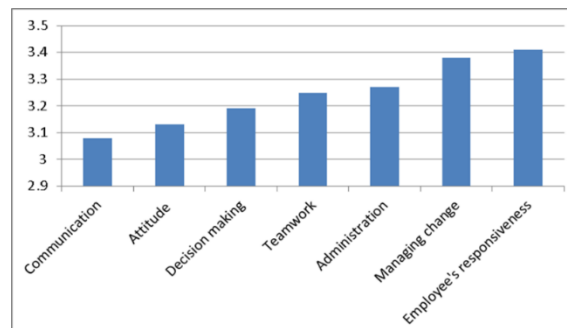
Level	Point
Outstanding Performance	5
Exceeds Expectations Performance	4
Meets Expectations Performance	3
Below Expectations Performance	2
Unsatisfactory Performance	1

3. Data analysis and discussion

We summarize the survey result in Figure 3 below. All criteria of forwarding employees rated by their employees are at average level. From a positive perspective, all competences are rated at 3 or above score, which means that the employees competency meets the expectation from the employers. However, none of them have the average score more than 3.5, which is lower than the level of *exceeds expectations*. The best criterion of forwarding employees is *responsiveness*, followed by *managing change*, *administration*, *teamwork*, *decision making*, *attitude*, respectively. The worst criterion is the *communication* competence. This means logistics companies in Hai Phong could improve their performance by enhancing the competency of their

staffs. Specific frequency distribution of the responses is shown in Table 2, pointing out a wide range of variability at each criterion.

Figure 3. Average point of each employee assessment criteria



Regarding to *administration* criteria, unsatisfactory employees on administration accounts for about 9 percent of the total sample. A number of 18 percent respondents believe that their staffs are performing below their expectation. Next, 22 percent of the survey meet the expectation of the company. The percentage of respondents who rate their employees as skilled workers in administration is high, of which 32 percent of employees exceed the expectation and 18 percent are outstanding. Highly regarded people often have good ability to concentrate, have a lot of experience in the freight forwarding industry. As other skills, this ability is rated just above the average level, pointing out a room for human resource development. Effective administration does not only require employees to have necessary professional skills, but also ability to coordinate, analyze, and system specific content. Every day, each logistics staff has to deal with a lot of jobs related to managing records, documents, papers and dealing

Table 2. Frequency distribution of each criterion

Rating	Administration	Communication	Teamwork	Decision Making/ Problem Solving	Managing Change & Improve	Responsive	Attitude
1	3.65%	9.24%	11.86%	15.34%	10.00%	10.05%	12.43%
2	11.46%	21.20%	14.95%	18.52%	19.00%	19.60%	17.84%
3	18.75%	23.37%	18.56%	17.46%	22.00%	23.62%	17.30%
4	37.50%	28.80%	29.38%	28.57%	34.00%	27.14%	30.81%
5	28.65%	17.39%	25.26%	20.11%	15.00%	19.60%	21.62%

with people. Improving this competence will help them avoid overload and reduce stress at works. It is recommended that the direct manager should spend some time with their staffs to analyze their daily task arrangement and find the best solution for improvement. Reminder applications should be applied to help the staffs balance and avoid missing works. Regularly evaluating finished jobs through visualized tools, such as charts and graphs, is another scientific way to improve administration ability of employees.

Communication skills are a set of rules, art, behavior, response that are drawn through daily practical experience to help people communicate more effectively. Although *communication* skill is highly required in the logistics sector, there are still many employees rated below expectations. According to the interviews, most of the employees who are poorly evaluated for their ability of communication often lack experience. They have problems particularly in discussing with the customers in a face-to-face or on-phone basis. As logistics sector involves many international business activities, English is highly required with the staffs, especially with those in the departments of sale & marketing, customer service, documentation and operation. However, we found that the English level of logistics staffs is not appreciated by the employers, which explains why this skill is the lowest rating. Other problems with the logistics employees are the capability of negotiation, making presentation and expressing their opinion with bosses and colleagues.

For *teamwork* criteria, employers believe that only 23 percent of their employees are at good level and 25 percent of employees have exceeded expectations. However, still about 18 percent of employees are assessed below expectations and 11 percent of employees only reach the unsatisfactory level. Normally, all departments at a logistics company have jobs that are closely related to each other. Therefore, to ensure the work can be handled quickly and effectively, logistics staffs must learn how to work with their colleagues properly. In cases of low rating, many staffs lack teamwork skill trained from universities. Some of them are not interested in collaborating with colleagues because they just want to work temporarily in the company.

Regarding *problem solving* criterion, it seems that

employers rate their employees at the average level. According to the statistics and data processing proposed in the article, employers rated 20 percent of employees achieving excellent performance in problem solving, which is a relatively high figure for skilled logistics personnel. In addition, exceed expectations staffs in terms of problems solving account for about 22 percent of total data. Most of the employees who are highly appreciated for this ability are quite skillful and experienced in handling difficult problems. In contrast to the highly rated staffs of problem solving, 12 percent of employees only reached the unsatisfactory level. Employees at this level have low ability to understand the nature and significance of facing problems. They do not have much experience and knowledge to handle unexpected problems.

In terms of *managing change and improvement* criterion, employers rated at outstanding level accounted for 31 percent of the total. Leaders rated their employees based on their responsiveness in acquiring new technologies or working methods. Moreover, employees rated beyond expectations were also at a relatively high percentage of 20 percent. Although logistics staff is generally considered to be well and quickly adapted and self-improved, there are still many employees rated below expectations with 17 percent and 6 percent of employees rated unsatisfactory by employers. It can be seen that young people are more likely to get used to new technologies and methods at works than old ones.

Regarding to employee's responsiveness criteria in logistics companies, the respondents rated their employees at highest level compared to other competences. Particularly, 23 percent of staffs are rated as outstanding and 31 percent are exceeding the expectation. There are only 3 percent of employees rated unsatisfactory by employers with poor responsiveness ability. This ability is assessed by how quickly such staffs react to the customers' or colleagues' requirements.

Lastly, the attitude of employees is highly appreciated by employers. The respondents believe that their employees have a very good working attitude. More than half of the survey got 4 or 5 scores of this criterion. However, there are still employees who are rated unsatisfactory by employers with poor working attitude. In such case,

the managers complain about the employees' dishonesty and try to excuse from their mistakes. They lack responsibility and the habit of learning from their own mistakes.

4. Conclusion and Recommendation

This research aims to evaluate the employee's competency of freight forwarding companies in Hai Phong recently. Based on a literature review, we make a list of key competences of logistics employees for assessment. We then carry out a survey to gather the evaluation of forwarding employers in Hai Phong, followed by interviews with such managers to gain insights of the problem. A descriptive statistic is then performed to visualize the result, followed by discussion and recommendations for improving the competency of logistics employees in Hai Phong.

The main contributions of this paper are two-fold. First, we recommend a hierarchical framework for employee competency with customization for logistics sector. Such framework could be used by different stakeholders for their own purposes. The logistics employers could use the recommended criteria to evaluate the strength and weakness of their staffs, thereby forming solutions to improve their human resource competency. The employee could also form a plan to improve their working capabilities based on given criteria. From the macro level, the evaluation of the human resource competence in the logistics sector of an area could be assessed, as proved in our empirical research.

Second, our empirical research has concluded the assessment of the employee competency in Hai Phong logistics companies. We found that all competences are at average level and none of them achieve good expectation. A wide range of variety in terms of each criteria points out that many companies are lacking qualified employees. This means logistics companies in Hai Phong could improve their performance by enhancing the competency of their staffs. They could cooperate with training centers to have short courses for improving the competence of their employees. For example, they could open soft skill courses such as communication and attitudes. Team building activities are good ways to enhance teamwork ability of the staffs. Another approach of the companies to improve the employee competence is collaborating with universities to recruit qualified students. The discovery of talents could be made through the

sponsorship of the school activities, offering scholarships to students and participating in the workplace trade fair, trading. The universities should also work closer to the companies to fill the gap between class theories and practical requirement.

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