



Research Paper

Human Resource Management at PHUC THO Power Company

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Abstract

Human resource management plays a particularly important role in businesses. The objective of this research is to analyze the current state of human resource management at Phuc Tho power company during the period from 2021 to 2023. The study presents the characteristics of the human resource structure and the current state of human resource management at Phuc Tho power company. Based on the analysis of the existing issues and limitations, the research proposes solutions to improve human resource management at Phuc Tho power company by 2030.

Keywords: Human resource management, Phuc Tho company, power company

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I. Introduction

The history of societal formation and development has demonstrated that, at every stage, humans play a decisive role in the development of productive forces. Especially when production is based on advanced technology, the role of human factors becomes increasingly important, as only high-quality human resources can assimilate and apply new scientific and technological advancements, and efficiently utilize all other resources of the organization or enterprise. To attract and recruit high-quality human resources, and to ensure their commitment and full contribution of their efforts and intellect, enterprises must strive to improve their management practices, particularly in human resource management. It can be said that human resource management plays a crucial role; it is a strategic factor that creates competitive advantages for enterprises, being an underlying activity that significantly determines the business results, development, and success of the enterprise.

Phuc Tho Power Company is a member unit of the Hanoi Power Corporation, under the Vietnam Electricity Group. Its primary function is to manage the business of electricity, operate, and organize the development of the power grid system throughout the district, ensuring safe, stable, efficient, and timely electricity supply for the needs of Party and State agencies, socio-economic organizations, and all the people in Phuc Tho. The production and business activities of the Company have a decisive impact on the socio-economic development pace of the entire district. As a specialized technical industry requiring extensive knowledge and constant engagement with modern technology, human resource management plays a particularly important role in determining the development of the electricity sector.

With the robust development of science and technology and the demands of economic integration in the new context of the district, the increasing number of customers and the growing demand for electricity require the Company to build a workforce that is large in both quantity and quality to effectively fulfill its leading role in ensuring electricity supply throughout Phuc Tho. The practical management of human resources at the Company reveals several existing limitations, such as: planning and forecasting human resource needs still being formalistic, some job positions lacking specific job descriptions; recruitment processes are clear and specific but still formalistic, relying on personal connections, favoring industry insiders; training is not yet aligned with employee needs, not closely following the Company's development strategy, primarily domestic with no employees sent abroad for training; personnel placement and arrangement still have many employees planned but not appointed, leading to their demotivation in their work.

II. Current status of human resource management at Phuc Tho power company, Hanoi city

2.1. Overview of the company's production and business results

During the period from 2021 to 2023, Phuc Tho Power Company performed its production and business tasks and invested in developing the power grid under the condition of Phuc Tho's economy continuing stable growth, with an ever-improving investment environment, making it an attractive destination for both domestic and foreign investors. These results are illustrated in Table 1.

Table 1. Production and Business Results of the Company

Indicators	Units	2021	2022	2023	2022/2021 (%)	2023/2022 (%)
Commercial electricity	million kWh	4422.16	4711.13	5564.31	6.53	18.11
Net revenue	billion VND	6761.34	7427.90	8234.51	9.85	10.86
Electricity payments	billion VND	6744.24	7413.96	8218.95	9.93	10.86
Other income	billion VND	12.75	13.94	15.56	9.33	11.62
Costs	billion VND	6559.85	7196.15	8003.89	9.7	11.22
Profit after tax	billion VND	201.49	231.75	257.46	15.02	11.09
Average income per capita	billion VND	22.64	24.236	25.186	1.07	1.039

2.2. Analysis results of the current human resource management situation at Phuc Tho power company, Hanoi

2.2.1. Characteristics of the human resource structure

Table 2 presents the human resource structure of Phuc Tho power company, Hanoi, for the period 2021-2023.

Table 2. Number and structure of employees classified by position, age, and gender

Indicators	2021		2022		2023	
	Quantity (People)	Percentage (%)	Quantity (People)	Percentage (%)	Quantity (People)	Percentage (%)
Sum	110	100	112	100	115	100
Type of Labor						
Permanent employees	65	59.09	68	60.71	72	62.6
Contract employees	34	30.91	35	31.25	35	30.43
Seasonal contract employees	11	10	9	8.03	8	6.95
Gender						
Male	82	74.54	82	73.21	85	73.91
Female	28	25.46	30	26.78	30	26.09
Age						
< 30 years old	25	22.73	28	25	35	30.43
30 - 50 years old	75	68.18	72	64.28	70	60.87
> 50 years old	10	9.09	12	10.72	10	8.7

2.2.2. Current state of human resource management at Phuc Tho power company

a. Job analysis

At Phuc Tho Power Company, job analysis involves establishing a system of job positions and defining the functions and duties for each specific role within the company. This includes positions such as Director, department heads, and employees. The full title of each position reflects the specific responsibilities, level of authority assigned, and the main content and nature of the job. Establishing job titles and professional standards is a critical component in enhancing the effectiveness of human resource management.

b. Human resource planning

In practice, forecasting human resource needs at the Company relies on annual business performance evaluations and the extent to which set targets are met. Departments within the Company prepare their business plans and manpower requirements, which are submitted to the Administrative Organization Department. This department then bases its manpower planning on the Company's development goals and strategies, supply and demand forecasts, and the balance of manpower across departments. They recommend specific manpower plans regarding the number of employees, recruitment positions, and training activities.

c. Recruitment

Recruitment is a crucial function of human resource management, involving the selection of candidates who meet the required criteria and placing them in the right positions at the right time. At Phuc Tho Power Company, under the authorization of the Hanoi Power Corporation, the recruitment process includes: announcing the application period, gathering applicants, organizing recruitment exams, conducting theoretical

tests, direct interviews, selection, health checks, safety training, probation, issuing recruitment decisions, finalizing recruitment results, and signing labor contracts. In 2023, the Company recruited 13 employees in various roles including Electrical Engineers, Finance and Accounting, Information Technology, Electricians, and Drivers.

d. Allocation and utilization of human resources

Surveys and studies show that the allocation of human resources at Phuc Tho Power Company is generally appropriate, with the right people in the right jobs. New employees are assigned tasks that match their capabilities, while current employees may have their roles adjusted or rotated within departments as needed. However, the management system is cumbersome, and addressing surplus or misaligned staff poses significant challenges, affecting productivity and the morale and ambition of other committed employees. Employee transfers between departments or units are sometimes necessary, decided by the Company Director, to accommodate employees who have undergone further education or training, preparing them for new roles. Transfers also help in promoting planned personnel through various positions before formal appointments, and in some cases, fulfill personal requests for proximity to home or childcare needs.

e. Training, development, and human resource enhancement

In 2023, Phuc Tho's socio-economic conditions continued to develop stably, especially in the construction industry. In line with EVN and Hanoi Power Corporation's theme of "Enhancing Human Resource Quality," Phuc Tho Power Company has focused on improving the quality of organizational and human capital, aiming to increase labor productivity, innovate business practices, and elevate brand development. Following the strategic plan for training and human resource development from 2020-2025 and towards 2030, the Company organizes annual training sessions to enhance employee skills and elevate professional expertise. Training also includes foreign languages, particularly English, and legal knowledge for certain employees. The number of training sessions and participants has steadily increased each year, with 80 participants in 8 classes in 2021, 83 participants in 9 classes in 2022, and 94 participants in 10 classes in 2023. Additionally, some employees are sent for postgraduate and political theory studies, reflecting the Company's strong emphasis on human resource training and development.

The Company uses various training methods, such as on-the-job training, sending employees to formal training institutions, and conducting in-house training sessions. Most indirect labor training involves external courses, while direct labor training, particularly for general labor, utilizes on-the-job and in-house training methods.

f. Human resource evaluation

Evaluating human resources is crucial for successful human resource management. Phuc Tho Power Company has established a salary distribution and performance evaluation system, regularly assessing employees to inform compensation and other human resource management activities.

g. Compensation and benefits

The compensation system at Phuc Tho power company consists of three parts:

- Basic salary and allowances, accounting for about 30% of the total salary fund, paid according to state and industry regulations, based on the common minimum wage and salary scales.
- Business performance salary, constituting about 60% of the total salary fund, based on labor productivity and job performance, including overtime pay, additional salary, and safety bonuses.
- Overtime salary covers duties during holidays, storm prevention, and urgent tasks, paid from the Company's business performance salary fund according to state and industry regulations. Additional salary includes payments for discrepancies in annual salary settlements and retirement allowances, while the safety bonus fund is distributed according to specific regulations.

Social welfare policies support employees facing difficulties, accidents, serious illnesses, and long-term treatments, as well as health insurance for medical care. Employees also benefit from study tours, vacations, cultural and sports activities, and other engagement programs.

3.3. Evaluation of Human Resources and Human Resource Management at Phuc Tho Power Company

3.3.1. Achievements

- **Human Resource Planning:** The company has carried out human resource planning in a comprehensive and regular manner over the years, in accordance with company regulations. This has involved conducting surveys to forecast human resource needs and using the results as a basis for planning recruitment, allocation, and utilization of human resources.
- **Job Analysis:** Job analysis has been conducted thoroughly and has helped employees clearly understand the nature of their work. This has led to the establishment of a system of job titles for positions within the company. Job analysis has also helped to forecast the quantity and quality of labor required for recruitment.
- **Recruitment:** The company has developed clear and detailed recruitment regulations and organizes recruitment

activities in a relatively strict manner.

- For the type of object to be recruited and trained before working in the company, the company strictly enforces the public examination and selection regime. The selection results are accurate and meet the job requirements.

- Priority selection criteria are in line with state policies and satisfy the company's employees (priority for demobilized soldiers, children of martyrs, children of the company's employees, etc.).

- **Human Resource Allocation:** The allocation of human resources in departments and workshops is relatively reasonable and in line with the industry structure. In 2023, to meet the internal production and business needs, the company has newly appointed 6 comrades, dismissed 2 comrades, and transferred and rotated 9 comrades (Phuc Tho Power Company, 2023).

- **Training, Development, and Human Resource Development:** Training and development of human resources have been given regular attention in recent years. The company has implemented thematic vocational training and development programs annually, as well as a project to reform the training and development of human resources of the Hanoi City Electricity Corporation. The number of employees trained and retrained to improve their professional skills has increased over the years. In addition, the evaluation of training outcomes is carried out regularly and consistently after each course and is constructed clearly and transparently with evaluation content such as excellent, average, and poor. This allows employees to self-evaluate and draw out what they have learned from the company's training courses.

- **Human Resource Evaluation:** Criteria for evaluating the performance of units and individuals have been basically developed.

- **Remuneration and Welfare:** The labor remuneration policy has reflected the goal of being linked to the value of work and work performance, and has been gradually improved towards a trend of reducing the average. The average monthly income per employee is VND 22.64 million. Compared to the basic salary prescribed by the State, the salary at Phuc Tho Power Company basically ensures the living standards of employees both materially and spiritually. The company implements social insurance regimes, working hours and rest, and allowances to ensure the rights and interests of employees. In addition, the company also implements other good social welfare regimes for employees such as: organizing medical examinations for employees, providing protective clothing, organizing cultural and sports exchange programs to create a cheerful and joyful atmosphere for employees after days of hard work.

Not only that, the company also cares about the children of employees by organizing gifts for the children on the occasion of the Mid-Autumn Festival and International Children's Day every June 1st. These achievements are the result of the hard work, intelligence and effort of the entire workforce of the unit. In this, the leadership ability, direction, and vision of the Board of Directors of Phuc Tho Power Company play a very important role.

3.3.2. Some Limitations and Their Causes

Although the company has achieved certain successes, there are still some limitations in human resource management that need to be addressed:

The current human resource management system at Phuc Tho Power Company needs to undergo a review and implement fundamental reform strategies to maintain stable business operations. It is also essential to identify mid-term future visions, especially as Industry 4.0 rapidly infiltrates the 2025-2030 period, necessitating significant changes in both personnel and systems. This is particularly important given the fast-aging workforce, so the company also needs to plan recruitment needs accordingly.

Incomplete Human Resource Policies: Due to insufficient regulations or a lack of comprehensive content ensuring the unified linkage of policies, the implementation of modern management models remains ineffective. Specifically:

- The job title system is incomplete, lacking competency standards, personal development pathways, and corresponding training routes.

- The staff rotation planning system is only implemented for management levels, not for specialists and experts.

- The training and development system lacks a mechanism for internal experts/core experts to conduct internal training.

First, human resource planning:

In practice, investigations show that human resource planning results have not been very effective. Long-term and mid-term human resource planning has not received adequate attention from the company's Board of Directors, as reflected in staff and employee assessments. Forecasting human resource needs is still rudimentary and not given enough focus.

Human resource planning remains formalistic, not based on actual needs, and not aligned with the company's strategic business goals. Forecasting human resource needs to serve the company's future business development strategy is the basis for recruitment, appointment, and training of personnel. Staff planning is still formal, confined within individual units; it is not linked with the evaluation results of employees, nor with training, fostering, rotation, and employment plans. The role of Party committees and company leadership in staff planning is not fully utilized, leading to unrealistic, purposeless, and low-quality planning. This discourages the

staff included in the planning from striving.

The investigation shows that human resource planning results have not been very effective. Long-term and mid-term human resource forecasting has not received adequate attention from the company's Board of Directors, as reflected in staff and employee assessments. The cause may be that human resource planning and forecasting at the company are currently conducted only in a formal manner, failing to meet long-term planning needs and ensuring the quality of staff for departments. Comprehensive surveys and investigations of the human resource situation within the company's system have not been fully carried out.

Second, job analysis:

The company has not created job descriptions for each specific position. Employees work under the directives of their superiors, who assign tasks to each staff member. As a result, employees work very passively, mainly following the instructions of their superiors. The evaluation of employees does not accurately reflect their qualities and capabilities. The assessment and classification of employees remain formalistic, not encouraging employees to fully utilize their potential in task execution. The competence of employees does not meet the increasing task requirements of the industry, especially the application of science and technology in work. The main reason for this situation is that the recruitment policy of the Hanoi Power Corporation is not clearly defined and does not closely align with the human resource plan submitted by Phuc Tho Power Company. Hopefully, in the future, the leadership of the Hanoi Power Corporation will change the recruitment policy, establish clear strategies, and base recruitment plans on the human resource needs of the power companies to recruit the right people for the right positions, thereby improving the input quality and moving towards perfecting human resource management at the company.

Third, human resource recruitment:

Generally, the company has not paid attention to creating job descriptions for specific positions. This task is only conducted through verbal exchanges between the department head and the newly recruited individual. The company often reacts passively and fails to develop specific plans for recruitment needs because the subordinate units of the company do not emphasize human resource planning for their units to register with the company. The staff responsible for personnel organization have not shown their advisory role to the unit director regarding personnel organization and training. Most units can only forecast short-term needs, with many units, although having a surplus of personnel according to the quota, still request additional recruitment without proposing retraining and repositioning by the company.

Beyond the inherent reputation and strengths of the company and the electricity sector, the company has not established regimes to attract talent in terms of income, status, benefits, and particularly the formation of a distinctive company culture. Phuc Tho Power Company lacks policies to attract and recruit talented individuals, leading to hiring employees with generally low skill levels, resulting in a shortage of high-quality labor. Phuc Tho Power Company has only set professional competency requirements when recruiting without specific attractive policies. For example, what benefits and incentives will successful candidates receive, and whether these are better or just the same as those for regular workers.

The recruited personnel generally match the labor usage needs but are of low quality due to several reasons: recruitment based on relationships (diplomatic ties, industry insiders) accounts for 50%, and recruitment based on exams accounts for 50%.

Fourth, human resource allocation and utilization

The human resource allocation at Phuc Tho Power Company lacks coordination between departments, leading to insufficient information sharing in achieving the company's business goals. The allocation process remains formalistic, lacking reasonable evaluation and effective personnel placement.

Fifth, training, education, and human resource development

The training programs are not adequately focused or targeted, resulting in ineffective training that does not align with practical needs or suit the trainees. Additionally, there are instances of condescending attitudes among some staff members when training new employees.

Sixth, human resource evaluation

The evaluation of human resources remains heavily administrative, lacking specific scoring standards for evaluation criteria. Training effectiveness is low due to outdated methods that fail to keep pace with advancements in science and technology. Training is mainly emphasized domestically, with insufficient attention to overseas training to match global and regional industry developments.

Work quality assessments are poor, and evaluations are not truly objective, failing to promote a sense of voluntary work and responsibility among employees. This is due to the absence of a standard benchmark for accurate evaluation, relying heavily on subjective assessments by leadership and the employees themselves.

Seventh, compensation and remuneration

The compensation and remuneration at Phuc Tho Power Company have not effectively motivated employees. Career advancement opportunities are primarily favorable in the business department but limited in other departments, hindering the motivation and effort of staff members. The reward and discipline system remains formalistic, lacking feedback from the employees' perspective.

IV. Conclusion

Among the resources of a business, human resources have the unique characteristic of being present in all stages of the company's operations and determining the effectiveness of other resources. Throughout its formation and development, Phuc Tho Power Company has achieved significant accomplishments in business operations, welfare activities, and community initiatives, contributing to state budget revenues and economic development in the district.

To effectively manage the production and business apparatus, enterprises, including Phuc Tho Power Company, must build a high-quality, professional workforce. The research objective on the current state of human resource management at Phuc Tho Power Company aims to identify factors affecting human resource management from both theoretical and practical perspectives, find the causes and limitations in human resource management, and propose solutions for improvement.

As an enterprise producing and distributing electric power, Phuc Tho Power Company has successfully implemented several aspects of human resource management in recent years, such as:

- **Human Resource Planning:** The company annually develops business plans and forecasts human resource needs as a basis for recruitment, training, and personnel arrangement. Most job positions within the company have job descriptions.
- **Human Resource Recruitment:** The company, authorized by Hanoi Power Corporation, annually reviews and forecasts consolidated human resource needs to report to the parent company. Every year, the company organizes various training and professional development courses for employees and encourages and facilitates employees who wish to pursue further education at colleges, universities, or graduate schools. Labor allocation within the company's departments is relatively reasonable, and the basic remuneration policies meet current needs and living standards.

Despite these achievements, human resource management at the company still has some limitations:

- **Human Resource Planning and Forecasting:** These activities have not received sufficient attention from the company's Board of Directors. Job analysis is still rudimentary, with some positions lacking specific job descriptions, and other tasks are performed based on superiors' directives.
- **Recruitment Efforts:** Recruitment efforts have not been broadened to attract external candidates, primarily focusing on internal recruitment or prioritizing relatives and acquaintances of existing staff.
- **Training and Development:** The content and methods of employee training and development do not meet current requirements.
- **Performance Evaluations:** Employee performance evaluations are still superficial and formalistic, and the responsibility and service attitude of some employees do not meet job requirements. Their behavior is not professional, friendly, or enthusiastic towards customers.

These limitations arise from various causes, with the most significant factor being rigid laws and regulations impacting human resource management. To address these shortcomings, Phuc Tho Power Company should implement solutions: improving human resource planning and forecasting, enhancing recruitment quality, improving training and development for employees, and strengthening employee evaluations.

To enhance human resource management activities at the company in the future, the following solutions need to be implemented: perfecting job planning and analysis, improving recruitment quality, enhancing employee training and development, and strengthening employee evaluations.

Refencese

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