



## Talent attraction strategy of Samsung Vietnam

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### Abstract

At Samsung, people are always considered the most important factor. Therefore, Samsung always pays special attention to training programs, developing human resources with the goal that each Samsung employee is not only good at expertise, but also has a broad cultural and social knowledge. To do that, Samsung has focused on building a variety of training programs, not just for new employees, but for all employees at all levels throughout the company. The training content also aims to provide knowledge and skills suitable to the company's production and business activities, and to keep pace with the development trend of the society. As a result, those training programs have solved the human resource difficulties Samsung has encountered. Evidence is that Vietnam has become Samsung's largest manufacturing base globally, with more than 33% of Samsung phones being manufactured here. This can also be considered a major contribution of a foreign corporation in the process of training human resources in Vietnam, when the domestic education system has not met the demand. In addition to contributing to job creation, investment attraction, and economic restructuring in Vietnam, Samsung also contributes to the development of high-quality human resources in Vietnam. Besides attracting talent is a matter of concern for many businesses. At Samsung Vietnam, attracting talents is also one of the important issues in human resource management. However, attracting talents is not merely building policies to attract employees. It is also the deployment of activities to promote those values to outside workers to know better, to be aware of the company's policies and regimes.

**Keywords:** human resource management, talent attraction, Samsung, Vietnam

### 1. Introduction

Gone are the days of the "Sage giving to the nation". Now, if leaders do not know how to attract, employ and retain talented employees, they will probably "fly" to other potential companies, the problem is only sooner or later. Talent is the national spirit. The stronger the air is, the stronger and bigger the water is; the weaker the air, the lower the water. Today, in the era of knowledge economy and globalization, the attraction and employment of talented people in state management in general, and the operation of state administrative agencies in particular. Over the past time, our Party and State have always affirmed the importance and issued a number of policies to attract and respect talented people, initially achieving some remarkable results. However, in reality these policies have not been effective as expected, have not detected properly and attracted many capable and qualified people to work in the civil service. At the same time, a part of cadres and civil servants with high qualifications and capacity in state agencies resigned to move to the private sector. That situation is due to many objective and subjective reasons, such as: working environment and mechanisms and policies, inadequate remuneration; shortcomings in the recruitment, appointment and employment of cadres and civil servants, etc. At present, the competitive advantages of the companies

are having good, thoughtful, dynamic and bright human resources. As the leader of an organization, you have probably asked yourself many times: How to recruit a good employee? In fact, it is difficult to recruit good employees, it is even more difficult to retain them. Whether they leave after training or have solid experience is what makes most business leaders headache. Many people believe that the only strategy of retaining employees is to clearly express their rights and responsibilities in labor contracts. But that is not the only way. Performance, motivation for commitment and determination to perform well the work of employees depends on the working conditions they enjoy. Attracting people is the top goal of businesses, where human resource management is always focused. In fact, it is not like that, after recruiting talents and enterprises that do not have methods to keep them, they have no meaning (Cuong, 2010; Dung, 2005; Hang, 2015; Hanh, 2015) <sup>[2, 3, 4]</sup>. In order to contribute to solving the above problems and meeting the requirements, it is necessary to have a systematic study of theory and practice, on which basis, propose suitable practical solutions to Vietnam's specific conditions and circumstances in attracting and appreciating talented people in state administrative agencies (Loc, 2012; Thinh, 2005) <sup>[8, 11]</sup>. Therefore, we chose studying the topic "Strategy of attracting talents of Samsung Vietnam".

## 2. Theoretical framework

### 2.1 Fundamental concepts

#### *Human resources*

Human resources is one of the important factors determining the success and development of each organization and every country. Therefore, all organizations and countries in the world are very interested, focusing on human resources. Human resources are not merely the workforce that has been and will be, but also the strength of the physical, mental and spiritual strength of individuals in a community or a given country that have the ability to put into use in the process of social development. Thus, this study will focus on considering human resources from the perspective of the overall labor potential of officials and employees in the organization. These labor potentials are factors that need to be discovered and promoted to bring about certain successes for the organization (Tien, 2017; Tien *et al.*, 2019a; Tien & Anh, 2017).

#### *Talent*

Talents are people who are intellectually, physically and more productive than others and make significant contributions to the field in which they are involved. In a broad sense, talented people can also understand that they are passionate, have the will to contribute and contribute to society with all their talents, they have or will surpass other people intellectually, physically and in terms of working efficiency. In fact, each enterprise with different specific types has different views, perspectives on talent. Talents will be studied from the perspective that people are not only competent, able to work but also suitable to the culture, specific characteristics of the business, work ethic and dedication to the business (Tien, 2013; Tien, 2019; Tien, 2019a).

#### *Attracting talents policies*

In human resource management, attraction is to provide employees with a quality working environment, opportunities and competitive benefits. And according to Jane Kennelly, attracting talent today is not just recruiting ads, but building employer brands to appeal to talented people. As such, attracting talents is an activity in managing talents, which uses appropriate measures to attract people with excellent experience and skills to work in a suitable position in business. Karma. More specifically, the policy to attract talents is referred to as the development of mechanisms and policies on salaries, development training, building an attractive working environment and corporate culture to meet the expectations of the workers. At the same time, building communication policies to promote these attractive elements, recruitment policies to easily recruit suitable and talented employees who are devoted to organization and its business (Tien, 2015; Tien & Anh, 2019).

### 2.2. The role of attracting talents

#### *Reduce the cost of recruiting*

Attracting talent means promoting business image, implementing policies, remuneration, building culture, working environment, creating businesses to become an ideal workplace, as Workplaces deserve the dream of workers. Once a good mechanism has been developed to meet the needs of workers, it will inevitably benefit the organization. Firstly, it will bring a position for businesses in the battle of talent competition. Besides, talented people are also the factor that attracts talented people. Talents in the

organization will have attractive values.

#### *Minimize training costs*

As mentioned above, talented people are people with values, qualities and competencies suitable for the business. Therefore, when businesses attract talents, the enterprise has recruited people who meet the requirements of the business. Besides, the talents themselves contain the available values, the competencies suitable for the job. So businesses do not need to spend a lot of training costs on talented people.

#### *Low personnel volatility*

When attracting talents, businesses will have to build good policies, regimes on compensation, development training, etc., which are conditions that meet the wishes of workers and are always created for people. Labor challenges, opportunities to develop yourself. Therefore, the process of building attractive factors to attract financial talents is to bring the employees' commitment and commitment to the enterprise. When the cohesion of employees to the business increases, it means that the rate of employees leaving the company will decrease. Thus, the fluctuations in human resources will be significantly reduced.

#### *Increase the productivity of workers*

In many respects, attracting talent obviously contributes to increasing productivity of workers. Firstly, workers with the right skills, experience and knowledge will quickly catch up with the job. They not only have professional knowledge, but also a good sense and attitude. They always know how to set goals for themselves at work, this is an important factor contributing to increased efficiency. In addition, competent and professional people also contribute to work improvement initiatives that increase job productivity. The working environment where employees are concerned, encouraged and they are highly appreciated for their contributions. Therefore, it increases the enthusiasm and dedication of employees to the work, contributing to improving work performance.

#### *Increase operational efficiency of the business*

Thanks to the policies and activities of attracting talents, businesses will easily recruit quality human resources and recruit large numbers. This is essential to meet the manpower for the project. For each project, human resource is an important factor, so businesses will not waste business opportunities due to lack of human resources. In addition, recruiting and retaining competent people suitable for the business is an essential element for the development and maintenance of competitiveness of the business. With a team of good, professional employees, the business will increase customer satisfaction on the quality of products and associated services. Therefore, not only increase sales of businesses but also increase competition in the market (Tien, 2012; Tien, 2012a; That, 2008; Cuong, Huyen, & Mai, 2004; Thuy, 2010)<sup>[1]</sup>.

### 2.3. Factors affecting the attraction of talents in the business

#### *Internal factors*

Attracting talent in the business is influenced by many different factors, both within the enterprise itself and the impact of external factors. Therefore, in order to attract talents, businesses need to carefully study such factors as (Tram, 2012; Hoa, 2011; Nham, 2015; Hieu, 2016):

- Prestige and position of the business.
- Viewpoints of the employer.
- Financial capacity.

*External factors*

- Legal policy
- Social and economic conditions
- Professional position
- The development of education and training system
- Competitors

**3. Research results***Current situation of talent attraction policy*

Attracting talents is the concern of many businesses. At Samsung Vietnam, attracting talents is also one of the important issues in human resource management. However, attracting talented people is not merely developing policies to attract employees, it is also the implementation of activities to promote those values to the outside and inside of businesses to be known better, aware of the company's policies and regimes. These activities have also been partly mentioned in Samsung's talent attraction strategy, but there have been no specific investments and plans.

*Actual recruitment policy status*

Samsung does not have a well-established recruitment policy. Therefore, there is no plan to recruit by year, mainly irregular recruiting at the proposal of the departments. The recruitment process of Samsung Vietnam consists of a profile step, and two rounds of interviews, first round with HR department, second round with direct management and company leaders. The company has also had candidates' evaluation forms with all criteria on appearance, skills, knowledge, expertise, experience. However, there are no specific provisions on welcoming candidates as invitation letters to interview, answer results. Especially in Samsung's recruitment policy, there are no clear regulations on determining recruitment sources and recruitment costs.

*Actual situation of salary, bonus and welfare policy*

- **Salary:** Samsung always has a clear salary and bonus. The salary of the employee will be calculated based on the time he / she works in the employee's company. The long-term association with the company, the higher the fixed salary of the employee, the basic salary will increase according to working year to a certain extent. (Particularly for Samsung branch in Vietnam, the average salary for a direct production employee is about 300 USD / month). In addition to the basic salary, the employee also has an overtime wage. When working, employees working overtime in the day will be increased 150% of the hourly wage. If overtime on Saturday, Sunday increase will be 200%.
- **Bonus:** Samsung workers are always encouraged to come up with useful ideas for the company. If the idea is adopted and applied, the worker will receive a bonus. Samsung always has a pretty generous bonus regime. When the department achieves a high result, everyone will get a corresponding bonus. Lunar New Year bonuses 100% salary; Tet holidays have gifts to motivate employees; reward seniority, reward employees for achieving excellent results in the quarters and in the year.
- **Allowances and subsidies:** Samsung always provides allowances for employees. In Korea, to create accommodation for employees, Samsung built a dormitory with full amenities: dining room, gym, library, and bar. Coffee is very popular in Korea, the cafe here even has its own roasting box, and employees who do not live in the dormitory will have a separate

housing allowance. In Vietnam, the company also supports 20 USD of living allowance to support employees to rent houses, petrol and cars. For employees who have to find accommodation to stay in, the Company has a department in charge of surveying lodging rooms and will take employees to the rooming area to rent. Currently, Samsung has completed the construction of 09 dormitories (each building has 5 floors), with a capacity of 7,800 employees has been arranged in all rooms and is continuing to build more new buildings for households.

- **Insurance:** Samsung has also implemented well the insurance policies for employees (Social Insurance, Health Insurance and Unemployment Insurance) in accordance with the Labor Law and the State Social Insurance Law right from the start of the first month of employment at the company.
- **Other welfare regimes:** Welfare benefits for employees are also very interested by Samsung leaders, with many initiatives in improving the quality of bus services for factory employees; improve the management of the cafeteria with a comfortable, friendly atmosphere, delicious meals and safety in the factory, ensuring the health of workers. In addition, Samsung employees are also provided free mid-day meals, employees at dormitories or boarding houses if staying in the company, they will receive 50% of the meals.

**Advantages**

It can be seen that in the process of formation and development of Samsung Vietnam, in addition to constantly striving to promote business activities, has also focused on promoting to consolidate human resources. From understanding the most basic needs and desires of employees, Samsung Vietnam has built for the enterprise the most basic foundation in human resource management, initially focusing on development policies to attract talents, specifically:

- + Develop policies to attract talented people the salary, monthly income to meet the majority of workers
- + Implement activities to attract talents

**Disadvantages**

Besides the achieved results, Samsung Vietnam still has certain limitations in attracting talents. The company has not really invested in building policies and regimes to retain and attract talents. Especially not focused on promoting the business image to potential candidates, talented business people are looking for. The new policies on salaries, bonuses and training partly meet some basic human needs that are not really competitive, and do not touch the psychology of excellent talents - labor, management positions because with talent, their needs will be higher than their basic basic needs. In particular, offline communication channels have not yet been exploited such as participating in events, recruitment days and job fairs. With the forms of attracting talents with scholarships, the company has never exploited it. Therefore, businesses have not attracted many talents interested in joining their businesses.

**4. Discussion**

To attract talented people, there are many components from salary, bonus, welfare to training and development opportunities as well as the working environment, but not

all companies do well in all aspects, with Samsung Vietnam, too. It is difficult to compete in all aspects, so the company needs to identify for yourself what the strength is, or in other words, need to position your employer brand in the market and must understand clear positioning value. The difference of the company with competitors. Why do candidates join Samsung Vietnam but not the rival company? Since then more focused on that aspect. Therefore, in order to build an accurate way to attract talented people, Samsung Vietnam needs:

- Solving the problem of human resources shortage
- Develop specific, detailed and reasonable training mechanism, from there in stages, as well as annually based on the business development orientation of training planning.
- Before making policies, it is necessary to review the legal framework to ensure that the policies are formulated in accordance with the law.
- To ensure that the principles of the talent attraction policy are followed, there is a need to distinguish responsibilities among different departments, must be clearly defined and guaranteed to serve the company's interests.
- Vocational training through association and direct work at the enterprise, training of high-quality human resources along with good remuneration.

## 5. Conclusion and Recommendation

Vietnamese employees make the success of Samsung Vietnam. So having a good staff greatly affects the success of Samsung. However, with the social environment moving to the knowledge economy, the human knowledge element is becoming more and more important than technology, capital and raw materials. Thus, to win the business market, Samsung needs to invest in the development of its human resources. Especially attracting many talented people to the army. Based on the specific analysis and assessment of the situation and the theoretical system, we have proposed some suitable solutions for Samsung to improve the attraction of talent at the company. From clearly identifying the object called the talent of Samsung Vietnam, there are young people with development potential, who have experienced holding positions of experts and advisers of Samsung. To determine the strong points in talent attraction factor at Samsung is the welfare policy. Since then, it has pushed for attractive measures, namely offering solutions on communication of Samsung human resource management policies and solutions for recruiting more effective human resources.

Samsung should form a system of basic elements that serve as the basis for identifying talent. The formation of basic factors for talent recognition is also meaningful to policy formulation, implementation of specific measures to attract and respect talents. Thereby creating a fair, objective and competitive working environment based on real talent. Besides, Samsung should attach importance to training and fostering to create talented human resources for public affairs and high-quality human resources for society. Training programs should be developed to suit each talented group. In addition, it should create more conditions for salary, bonus and benefits to attract talents.

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