



Application of Information Technology in Human Resource Management Activities in Small and Medium Enterprises in Ho Chi Minh City

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Abstract: Human resource management is an area where changes in technology have a strong impact. Technology has changed the role of human resource management to a greater extent. More and more functions in the human resources department are being performed by computerization to improve administrative efficiency. Website-based technology is also being widely used for most common operations in human resource management such as timekeeping, salary calculation, and employee information management. It is not an exception to that general trend for small and medium enterprises in Vietnam's Ho Chi Minh City. This study focuses on analyzing the current situation of information technology application in human resource management, the difficulties, and proposes solutions.

Keywords: Information technology, human resource management, small and medium enterprises, Ho Chi Minh City.

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INTRODUCTION

Small and medium enterprises (SMEs) play an important role in the national economy, creating the majority of jobs and contributing to social stability. Recognizing this role of SMEs, the Government of Vietnam has many policies to encourage SMEs development in general and human resource development for SMEs in particular. In recent years, Vietnam has joined many regional and international economic and trade associations and especially the World Trade Organization (WTO) in 2006, which has created many opportunities for Vietnamese businesses to expand the market and learns from international business experience. In the process of economic integration, Vietnamese enterprises in general and especially Vietnamese small and medium enterprises are facing a huge challenge as to what to do to maintain, develop and manage human resources ability to survive and thrive in an increasingly competitive environment [1].

However, the issue of human resource management in SMEs has its own characteristics,

what are the difficulties and how to manage human resources in SMEs in the process of economic integration is still an unanswered question has a satisfactory explanation in the context of growing science and technology and information technology is increasingly widely applied in all fields. Therefore, it is necessary to study this issue objectively.

Ho Chi Minh City is the economic center of the country, with a large population, the largest economic scale, and is also home to many SMEs of different economic sectors. In recent years, in Ho Chi Minh City, hundreds of thousands of enterprises have been newly registered and put into operation stably. According to statistics of the Department of Planning and Investment of Ho Chi Minh City, as of June 2019, there were a total of 460,000 registered SMEs in the city, accounting for a total of 93% of the total number of enterprises in the Ho Chi Minh City. SMEs contributed a total of 78% of the city's GDP in 2018, employing 1.8 million skilled workers and having the highest growth rate among the city's businesses [2]. The SMEs of Ho Chi Minh City operates in all fields, but most notably in the service,

production, and trade sectors, with the nature of a dynamic and flexible business structure, making many positive contributions. for the socio-economic of Ho Chi Minh City [3].

In-depth research on the application of information technology in human resource management in SMEs will help domestic researchers and experts better understand the difficulties of SMEs in human resource development and advise the government to come up with solutions. appropriate policies to support human resources development for SMEs. The results of this study will help entrepreneurs and business owners draw appropriate lessons to manage human resources for their businesses in particular and thereby contribute to the development of small and medium enterprises in general.

RESEARCH RESULTS AND DISCUSSIONS

The importance of technology in human resource management

Businesses across the globe have seen tremendous change over the past 30 years. Technology has changed the business world many times over. Many businesses cannot even function without the support of technology. This impact is seen in nearly all business sectors, including in human resource management, where technology continues to have a significant impact on HR practices [4].

Resource management is an area where changes in technology have a strong impact [5]. Technology has changed the role of human resource management to a greater extent. More and more functions in the human resources department are being performed by computerization to improve administrative efficiency. Website-based technology is also being widely used for most common operations in human resource management such as timekeeping, payroll, employee information management, etc.

The year 2021 is entering the second month with many challenges due to the unpredictable development of the disease. Human resources is an industry with many fluctuations, especially the surplus of labor demand is too large, in addition, the working process, management method and governance model have also changed quite clearly.

Due to the impact of the Covid-19 epidemic, the surplus labor source in the market is quite large, but the source of high-quality human resources has not changed much compared to previous years. The scarcity of qualified candidates is a major challenge for employers who can attract candidates. Meanwhile, robots, artificial intelligence (AI), the

Internet of things (IoT), big data (Big Data), etc. are increasingly developing. Therefore, the recruitment model of enterprises (DN) also needs to change to match actual fluctuations. These trends in human resource management require businesses to have strategies to deal with changes after the Covid-19 crisis. Vietnamese enterprises need to take advantage of online communication tools to search for candidates, recruit, train personnel, manage records and data, etc.

To do this, the key issue is that businesses need to make the most of the features of technology and software applications and connect them with the staff in the organization effectively. Recruitment is always the most important step in the HR industry. But the most important thing that businesses need to do is develop an effective strategy to attract and retain talent. This is done through recruitment strategies, cohesive internal communication, and enhanced solidarity within the company.

Based on the above-mentioned ideas about the technology for resource management activities, HR professionals will have more time for other issues in their work. Technology will help business organizations improve their HR department's time management methods and subsequently improve work efficiency.

Overview of small and medium enterprises in Ho Chi Minh City

In Ho Chi Minh City today, enterprises and large-scale enterprises account for only 1.37%, the rest are SMEs. Moreover, after nearly 17 years of development (since 2000), the majority of enterprises in the city belong to the SMEs group, accounting for 93.61%. The business performance of SMEs is still low, 37.8% of enterprises have profits, enterprises with losses accounted for 56.49%; the rest are breakeven businesses [7].

According to the economic survey results in 2018, the whole city has 633,637 economic, administrative, non-business units and religious and belief establishments (excluding 13,076 establishments, branches, and offices affiliated to enterprises); the total number of employees in the unit is 4,072,470 people. In particular, in recent years, non-state enterprises have always had a remarkable development compared to other types of enterprises.

Specifically, according to the results from the 2018 Economic Census, the number of non-state enterprises as of December 31, 2016, in the city was 167,129, an increase of 64.75% with 2,114,804 employees, increased 24.96% compared to 2011;

total capital of non-state enterprises increased by 2.11 times, equivalent to VND 3,262,149 billion compared to 2011. It is noteworthy that the results of the City Economic Census show that, despite the number of enterprises develop rapidly but the size of enterprises is mainly SMEs, accounting for 97.8%; The efficiency through the profit target is still quite limited. Specifically, out of a total of 171,655 enterprises (as of December 31, 2016), only 64,607 enterprises made profits, accounting for 37.81% and 96,963 enterprises suffered losses, accounting for 56.49%; the rest are breakeven businesses [7].

Analysis of the current situation of the scale of production and business capital of SMEs in Ho Chi Minh City in recent years shows that these enterprises have attracted an increasing amount of capital, contributing to exploiting leisure capital sources. scattered leisure from all classes of the population to promote economic development, improve income and living standards for the population. However, the number of SMEs with a capital size of 1 billion or more is very small, accounting for only about 6% of the total number of enterprises. The small scale of capital is a major obstacle to the investment, production, and business activities of small and medium enterprises in Ho Chi Minh City.

Current status of information technology application in human resource management in small and medium enterprises in Ho Chi Minh City

As analyzed above, Vietnam's SMEs in general and Ho Chi Minh City, in particular, are the majority of businesses and play an important role in creating jobs as well as increasing incomes for workers. Owners of small and medium-sized businesses are often engineers or technicians who set up and operate their own businesses, they are both managers and directly involved in the production, so the level of expertise in a business management career is not high. In addition, most of the owners of small and medium-sized enterprises do not participate in formal management training courses, do not have enough knowledge on corporate governance; management is only based on experience and subjective opinions, the application of information technology is still limited. Currently, about 30% of enterprises in the city have used digital technology to manage human resources; digital transformation is not difficult, but for successful digital transformation and bringing many benefits, each unit needs to find a suitable solution. For digital transformation in human resource management, if enterprises use appropriate software, it will contribute to an increase in labor productivity from 15% to 21%. This is reflected in the following specific issues:

Regarding human resource planning:

At present, there are very few small and medium enterprises that make long-term human resource planning. According to statistics, up to 85% of the total enterprises make demand forecasting based on the number of workers to be replaced, only about 15% are based on changes in science, technology, demand. demand for products and services, size of capital, etc. In addition, the determination of excess or shortage of labor is also determined by each department based on the current workload, without the participation of the human resources department. NS. The Human Resources Department only has the function of receiving labor quotas and conducting recruitment. Human resource data is mainly managed by revenue management, in the form of documents, and is less digitized.

Many SMEs owners in Ho Chi Minh City also identify short-term human resource needs or even just based on the present time to make decisions. Only businesses with a size of 50-300 employees are still interested and set out human resource strategies, but these strategies are still very sketchy. As for the assessment of the implementation of the human resource plan and making the forecast for the next year's plan, currently, Vietnamese managers in general and SMEs, in particular, have not paid much attention to this process, so this work in enterprises is still very simple.

Regarding job analysis:

Most Vietnamese SMEs carry out the construction of job analysis, especially those with a size of 50 employees or more. Each business has its own template for drafting job descriptions, including the following main contents: Job title; Name of the department in charge of the job; Supervisor's name; Brief description of the job; Standards for getting the job done.

However, job analysis is only conducted when there is a vacancy in the enterprise. Vietnamese SMEs also do not provide a process or an assessment of this work, but mainly by an individual, then signed by the head of that department and sent to the human resources department.

About recruitment:

For internal recruitment sources: when the recruitment is carried out, the organization and administration department will notify the units in the system and other professional departments, each department will consider the individual. Those who are able to take on the job should notify the organizing department. However, because human

resources in SMEs are often small, the advantage for internal recruitment is not much.

For recruitment from outside: recruitment through job placement organizations is still very modest. Sources from training institutions and the mass media are part of ensuring that businesses hire the right people for the right jobs. This form is mainly applied in enterprises with 50 employees or more, in which recruitment announcements are made via the Internet and newspapers. According to statistics, 25% of enterprises recruit through these mass media, this figure is very low compared to developed countries as well as some countries in the region.

Each enterprise chooses its own recruitment method, but most SMEs follow the steps of the selection process as follows: receiving applications and researching; Select qualified candidates for interview.

When conducting the interview, enterprises set up an interview committee consisting of the director, the head of the human resources department, and the HR staff participating in the interview. Candidates who pass the interview round will be accepted into the job within 3-6 months, after which the enterprise will sign an official contract.

In fact, many SMEs, due to the low level of awareness and management, after conducting the recruitment process, often end the recruitment process without knowing the effectiveness of the recruitment process. What is this, is the goal of the recruitment process achieved, etc. Therefore, the job of evaluating the effectiveness of the selection work is only conducted by about 35% of SMEs.

Regarding performance evaluation:

Most SMEs use the scoring method, however, the evaluation criteria are often subjective and not based on job descriptions. Currently, the assessment of superiors by employees is something very few businesses apply. This will reduce the objectivity in the evaluation work, and make many managers refuse to learn and innovate themselves.

Regarding training and improving skills and skills for employees:

Most small and medium enterprises do not have a training and development strategy associated with the specific vision and goals of the business. The training of information technology still has many shortcomings Another fact is that many Vietnamese enterprises are only interested in training for senior managers and experts. As for the training of technicians and workers, the main form

of training is self-training or workers have to improve their skills by themselves.

In addition to the above disadvantages in corporate governance, many SMEs have not yet built a complete salary payment regime for employees.

From the above situation, it can be seen that the efficiency of the use and management of human resources in Vietnamese SMEs is still quite low, unable to meet the rapid development of the economy as well as the economy. requirements on the current use of human resources. Human resource management in these enterprises is not interested in development, so they cannot make effective use of labor resources in the enterprise.

Solutions for applying information technology in human resource management in small and medium enterprises in Ho Chi Minh City

Smart applications help Human Resource Management to assert a strategic role in the business - describe some tools to help HR professionals increase productivity, managers of human resource management and management. Enterprise leaders grasp timely information, have enough resources to make decisions for strategic directions.

Conditions for successful technology application:

Initially, the Human Resource Management industry considered HR software as the most advanced technology application. However, with the reality of operating human resource management activities that are heavily administrative, the software developed before the 2000s could only meet the needs of business operations and could not provide management reporting needed for strategic decisions. Analysis of training needs, the efficiency of recruitment and training, quality of human resources has never been reflected in the features of the software of that time.

After 2000, businesses tend to reflect their operations on a temporary unified system called ERP, that is, human resource management was created as a component of business management software. However, there are three main reasons why ERP software rarely has human resource management (HRM) component that meets management needs, including:

Enterprises themselves have not yet achieved a high level of development in human resource management. The concept of HR analytics, trend research, and policy decision-making as a strategic function of HRM has not yet existed in the perception of senior executives. They have not set out this article for the HR department. Human

resource administrators themselves, because they do not have access to methodical operations, have a good background in corporate governance and human resource management, cannot actively give valuable reports. management to change the perception of senior leaders.

The majority of enterprises have not applied modern human resource management methods, partly due to the lack of people to implement, partly because of prioritizing investment in the production and business system, which has consumed a lot of time and efforts of enterprises, another part because the quality of method implementation is dependent on the level of managers - who are good professionals, technically proficient rather than people management.

Software developers still lack a lot of practical knowledge about operating the HR function. They have not been able to advise businesses to perfect the human resource management workflows in the process of performing the business analysis (BA), partly because they themselves have not been exposed to the management system. modern treatment.

Later, when diverse applications based on open technology, the internet of things, and high integration capabilities were incorporated into human resource management, many businesses took the opportunity to rapidly digitize their management activities. its human resources. However, in order to effectively digitize those activities, businesses still face many other barriers. Some basic conditions for SMEs to successfully digitalize human resource management can be mentioned as follows:

There is leadership for the direction of application of management information systems in small and medium enterprises of the City. Any change requires a change management effort, but sometimes we don't quite find the right person to fulfill the above role. The investment cost for the system is commensurate with the value brought to middle and senior managers. In order to assess the degree of adequacy, it is necessary to have an initial quantitative analysis related to investment goals and estimate the value brought.

Choose the right time to invest so that information technology can bring into play. When the management system has not been standardized, the operations are not logical and in accordance with professional standards, the workflow has not created a reasonable flow, the application of the software is not feasible. Some businesses hoping that software will help self-standardize workflows

have tried to invest but often fail to build a forced process that doesn't fit their governance model and culture my decision. Therefore, it is necessary to ensure the standardization of the system before making a software investment.

To implement a digital transformation, businesses need to have individuals to lead, coordinate the implementation and participate in the implementation. Enterprises sometimes do not have enough staff or personnel who do not have the skills to perform this role. Information processing skills of managers and human resource administrators need to be enhanced to keep up with system features. They need to be trained to use and proficiently use statistical models and data analysis, human resource performance indicators, so when provided with data and information, they will know how to use them. How to use it and for what. So when the software is built, it will come into play.

Find the right software. The currently offered software on the market has not completely met the expectations of managers in terms of business processing efficiency, increasing the instantaneousness and accuracy of the information for decision-making. Therefore, businesses need to consider the ability to customize the supplier's software to match their business operating model.

CONCLUSION

If before, when there was no outstanding development of digital technology, businesses still had to struggle to manage human resources according to traditional methods. Now, with the continuous development efforts of software application researchers, it is really good to bring a technology solution to comprehensively support business operations. Today, with the rapid development of society, the flow of digital technology as well as new business models being shaped, the old management method is no longer suitable due to too many limitations.

Typical of which is the cumbersome lack of flexibility in the process leading to time loss and cost. Also from those activities that take up a lot of downtimes, it has a significant impact on productivity and work efficiency. Instead of personnel focusing on professional work, it takes up to 40% of a day to deal with unnecessary administrative tasks [8]. Not only that, but the expensive office administrative costs also lie in the fact that the business process has too many papers, records, applications, equipment for printing, and information storage.

Human resource management is the field that is most strongly impacted when all changes in

technology take place. Technology has changed the role of the HR manager to a fairly significant extent. More and more functions in an enterprise's human resources department are being gradually replaced by process automation. For the purpose of improving operational efficiency and human resource management. Today's technology is built on different platforms that are also widely used across almost every area of the business.

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